

January 12, 2024

Dr. Samantha Power
USAID Administrator
1300 Pennsylvania Ave, NW
Washington DC 20004

Submitted online

Dear Administrator Power:

On behalf of the Local Public Sector Alliance, I would like to thank USAID for publicly sharing its draft *Democracy, Human Rights, and Governance Policy* for review and scrutiny, before the policy is finalized and used to guide the allocation of hundreds of millions of dollars in U.S. foreign assistance.

The Local Public Sector Alliance is a not-for-profit global professional network that champions inclusive, equitable societies and sustainable global development by advocating for more inclusive and efficient decentralization and localization.

The United States has a long tradition of inclusive governance, not only at the federal level, but especially at the state and local government levels. In an evolving global development landscape, the United States is extremely well-positioned to serve as a strong and credible voice on the importance of inclusive subnational governance and local democracy.

As noted recently by Secretary Blinken, “[c]ities, when you come down to it, are where democracy is closest to its people. And when cities are responsive to the needs of residents, they demonstrate democracy’s greatest strength: its ability to improve on itself, to empower citizens to hold their leaders accountable, to try out different solutions, and to allow the best ideas to rise to the top.” The rich array of state and local governance institutions and processes in the U.S. reflect the wide variety of successful approaches to engaging citizens in their own governance and delivering public services. While there is no globally superior—or ‘one-size-fits-all’—approach to subnational governance, the lessons inherent in the American experience with multilevel governance illustrate the importance of states, counties, cities, towns and counties in delivering democracy’s promise.

Unfortunately, the current draft of the DRG Policy does not adequately emphasize the critical role that subnational governments and subnational governance institutions play in invigorating democracy and bolstering inclusive, sustainable development. The almost complete omission of subnational democratic actors in the draft DRG Policy is notable and unfortunate, and stands in sharp contrast to America’s own experience with subnational democracy.

For instance, when identifying “frontline democratic actors”, the draft DRG policy (p. 18-19) lists “civil society [organizations], activists, and journalists, but also government reformers, such as judges, prosecutors, anti-corruption champions, parliamentarians, supreme audit institutions, human rights commissions, and change-makers from across development sectors.” Glaringly excluded from this list of frontline democratic actors are the actors that *actually* serve on the frontline of democracy, including elected representatives at the regional and local level (e.g., city councilors, district councilors, provincial assemblies, and so on), mayors and governors, as well as the state and local government institutions themselves. USAID’s efforts to promote democracy and inclusive governance will fall short if these subnational officials and subnational government institutions—along with their associations, intergovernmental commissions, and similar organizations— are not recognized as critical frontline democratic actors.

Indeed, subnational governments and other subnational stakeholders are critical to ‘invigorating democracy and bolstering governance that advances the public interest and delivers inclusive, sustainable development’ around the world. In the absence of inclusive and responsive regional and local governance institutions, it is almost impossible for a centralized public sector to systematically engage citizens in public participation, let alone in ‘ensuring that people have greater agency to influence the decisions that affect their daily lives’. A review of major public sector reforms around the world over the past 50 years and USAID’s own experiences—in countries ranging from the Ukraine and Indonesia to Kenya and South Africa, and Brazil or Peru—suggests that decentralization, effective multilevel governance, and strengthened subnational democracy play a key role in advancing DRG’s aspirations.

As part of its ‘pivots’, DRG would be well-advised to consider multilevel governance and cities as a fifth major opportunity to promote democratic empowerment, inclusive governance, and sustainable development around the world. Cities continue to be the engines of economic growth as well as centers for innovation and social transformation around the world. Citizens know this – and they continue to move to cities. As a result, however, cities in many USAID partner countries, especially in Africa and Asia, are major sources of carbon emissions, placing them at the center of climate adaptation and mitigation efforts. Given the complex economic, political, and social dynamics of urban areas, and the often-constrained intergovernmental context within which cities function, an essential target of USAID democracy support thus ought to address the ability of multilevel governance systems to empower cities and to ensure inclusive, resilient, and sustainable urban growth.

With these concerns in mind, we would like to suggest a number of general and specific changes to be incorporated in the final draft of USAID's DRG Policy. These suggested changes are made with the aim to balance the importance accorded in the DRG Policy to national as well as subnational actors, and the associated actions at the national and subnational level in partner countries needed to achieve USAID's policy's objectives. To ensure that sufficient attention is paid to subnational democracy and subnational governance in programming, and to ensure coordination within DRG and across Bureaus, USAID may further wish to consider establishing a division within the DRG Bureau dedicated to inclusive and effective multilevel governance and cities.

We thank USAID for taking into consideration these comments as the Agency finalizes the draft DRG Policy.

Sincerely,



Jamie Boex
Executive Director

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SPECIFIC PROPOSED CHANGES FOR THE DRAFT USAID DRG POLICY (12-28-2023)

Section / Page / Paragraph	Concern	Comments and/or proposed changes [Bold represents proposed additions]
<p>Section II. Background, Opportunities.</p> <p>Page 5</p> <p>Paragraph: “Though democracy is down, it is not out.”</p>	<p>The background section of the policy does not clearly articulate the importance of subnational governance institutions in the pursuit of democracy and inclusive governance.</p> <p>Nor does the section clearly articulate the already-important role of subnational governments in pursuit of sustainable development.</p>	<p>The DRG Policy could be strengthened by more clearly articulating the important role that subnational governance institutions play in a country’s democratic fabric, inclusive governance, and in localizing sustainable development. For instance, USAID might replace “Subnational governments continue to be sources of innovation...” until end of paragraph with:</p> <p>“As the government levels closest to the people, regional and local governments form a critical interface between the public sector, civil society actors, and citizens. In many countries, subnational governments are responsible for meeting citizens’ daily needs by delivering a wide range of public services and by pursuing inclusive and sustainable development interventions. Democratic subnational governance opens up space for inclusive and contestable public decision-making, creates vertical checks-and-balances, and can give voice and agency to otherwise marginalized groups. As cities grow and the demand for urban services increases, the impact of local democracy will increasingly be felt not just at the local government level, but nationally and globally, as subnational choices will increasingly influence national and international policies on key issues such as climate change.”</p>
<p>Pivot 1: Harness all of USAID’s programs and influence to pursue democratic progress</p> <p>Page 7-8</p>	<p>The statement that “[d]emocratic political systems, however imperfect, are the best way to achieve peace, prosperity, and sustainable development” is true not only at the national level, but also—in the long run—at the subnational level. This point is not acknowledged in the current draft.</p> <p>Pivot 1 seeks to harness all of USAID’s programs and influence to</p>	<p>The DRG Policy could be strengthened by more clearly articulating that, although different countries may choose to different subnational political arrangements, decentralization and localization are quintessential to resilient, inclusive, sustainable and efficient governance and development.</p> <p>The DRG Policy could be strengthened by more clearly articulating that the DRG Bureau should support other USAID bureaus better deal with multilevel governance opportunities and obstacles to development.</p> <p>USAID might replace the final paragraph on page 8 with: “In support of this pivot, USAID will take bold steps to promote democratic development throughout all of our programming. Development assistance,</p>

	<p>pursue democratic progress, but in so doing, downplays the links between governance (with the realm of DRG) and sectoral outcomes (within the realm of other USAID Bureaus).</p> <p>The draft downplays the important interplay between (multilevel) governance and service delivery outcomes: many service delivery failures (e.g., teacher or health-worker absenteeism) are not the result of inadequate funding or weak technical skills, but rather, due to excessive centralization, ineffective vertical accountability within the sector, weak incentives for local accountability, and/or weak empowerment of local governments. It is not unusual for sector programs to all but ignore the legal mandate of elected subnational governments.</p>	<p>ranging from health to climate change to economic growth, should take into consideration how programs can facilitate democratic progress in a country. To the extent that countries have (in the constitution or by law) devolved powers, functions, and public service delivery responsibilities to elected regional or local governments, USAID will facilitate democratic progress by supporting devolved multilevel governance and service delivery arrangements.”</p> <p>Furthermore, USAID might replace the first paragraph on page 9 with: “Finally, as described in the Requirement section below, USAID will develop and pilot a “democracy review” process, examining both national as well as subnational governance institutions, to make recommendations for our programming and presence that can enhance the impact of our development resources and contribute to democratic progress, especially in autocratic, kleptocratic, and backsliding countries.”</p>
<p>Pivot 2: Intensify the focus on norms and values that build social cohesion and cultivate democratic political culture and processes.</p> <p>Page 10</p> <p>Paragraph “USAID will...”</p>	<p>Elected local and regional governments often form the entry point for citizens to become actively involved in democratic processes, and forms an important stepping-stone for political engagement at higher levels.</p> <p>The draft DRG Policy, however, does not articulate the important role that subnational governance institutions can play in promoting</p>	<p>The DRG Policy would be strengthened by more clearly articulating the important role that subnational governance institutions can play in promoting democratic norms and values, building social cohesion. and cultivate democratic political culture and processes.</p> <p>For instance, at the end of the paragraph starting with “USAID will...”, USAID might replace the last two sentences with: “Where possible, USAID will promote more effective and responsive regional and local governance, which brings democracy within the people’s reach, and can play an important role in building social cohesion and cultivating a democratic political culture. Similarly, where USAID works with national and subnational institutions, our programs will push for ethical and transparent</p>

	democratic norms and values, building social cohesion. and cultivate democratic political culture and processes.	governance that is accountable to citizens and reins in corruption. Our work with national and subnational government bodies will move beyond a focus on technical capacity to emphasize the processes and social norms that strengthen the social contract between government and citizens.”
Pivot 3: Advance digital democracy Page 11-13	The DRG Policy does not clearly articulate the important role that improved access to subnationally disaggregated data can play in improving subnational public decision-making and enhancing transparency, democratic participation and accountability.	The DRG Policy would be strengthened by more clearly articulating the important role that subnational governance institutions and subnationally disaggregated data can play in improving subnational public decision-making as well as in enhancing transparency, democratic participation, and accountability. At the top of page 12, USAID might replace the opening sentences with: “In support of this pivot, USAID will work with a diverse set of local and global stakeholders from civil society, the private sector, national and subnational government, and academia to improve democratic participation, promote transparency and accountability, and push back against repression in all digital contexts. Opportunities to improve public sector transparency, democratic participation and accountability are especially relevant at the subnational level, where subnationally disaggregated information about public spending and service delivery results can allow higher-level government officials as well as citizens to hold subnational officials accountable for their performance. In other instances, we will help our partners... ”
Pivot 4: Elevate anti-corruption as critical to democracy and development, with a focus on transnational corruption, grand corruption, and kleptocracy Page 14 Paragraph: “Given the scope and scale of the challenge..”	Whereas centralized corruption is often invisible to the public and hard to root out, the efficiency and accountability of the public sector can often be enhanced by bringing public sector activities closer to the people, where an ‘accountability sandwich’ can be formed to hold subnational officials accountable.	The DRG Policy would be strengthened by adding the notion that subnational governments can play an important role in reducing corruption. For instance, after “For example, our election integrity work will more deliberately address the threat that corruption poses to the conduct and outcomes of elections.” USAID might insert the sentence: “ Our work in strengthening regional and local governance will consistently focus on ensuring that subnational institutions are more transparent and that inclusive mechanisms are put in place for citizens to hold their regional and local leaders accountable. ”

<p>Principle 1. Advance social inclusion and gender equality by seeking transformational change in systems and structures</p> <p>Page 15</p>	<p>Central governments (and global development actors) often overlook the role that local governments and other local stakeholders play in the advancement of social inclusion, gender equality, and transformational social change.</p>	<p>The DRG Policy would be strengthened by emphasizing the role that subnational governments and other local stakeholders play in the advancement of social inclusion, gender equality, and transformational social change.</p> <p>For instance, USAID might modify the following paragraph on page 15: “The disempowerment of marginalized populations, including women and girls, in politics and public life is both rooted in entrenched societal norms and codified in political, legal, and economic institutions, resulting in systemic inequality. Genuine democracy gains its power by drawing on the contributions, creativity, and participation of all members of society and in turn must extend its benefits to all, not the few. Inclusion in national and subnational institutions, processes, and norms that together form the fabric of a political system is both a measure of democratic integrity and a prerequisite of sustainable democracy and societal development. In addition to interventions at the national level to make sure that the voices of marginalized populations are heard, political decentralization often offers an opportunity for women, youth, and marginalized groups to gain voice and agency at the subnational level by providing avenues for meaningful participation in public decision-making and responsive service provision.”</p>
<p>Principle 2. Advance locally led development and adaptive approaches.</p> <p>Page 16-17</p>	<p>The draft DRG Policy omits any reference to subnational governments (i.e., regional and/or local governments) as key stakeholders and actors in the localization of development interventions.</p> <p>The draft DRG Policy further omits any reference to the concept underlying inclusion and localization, that development challenges should be addressed as close to the people as possible (i.e., at the lowest level of the public sector that is able to address the challenge efficiently).</p>	<p>The DRG Policy would be strengthened by specifically acknowledging that subnational (regional and/or local) governments are key stakeholders and actors in the localization of development interventions.</p> <p>For instance, USAID might modify the last paragraph on page 16: “Locally led development is vital to resilient, democratic societies. More so than donors, local actors carry out real change - from national governments shifting policies or passing new laws, to political parties improving candidate selection processes, to subnational governments safeguarding against pollution and enforcing environmental regulations, to traditional leaders supporting gender-responsive governance structures, to labor unions negotiating better conditions for workers.”</p> <p>On page 17, First full paragraph: “USAID will advance locally driven programming that responds to local knowledge and priorities while working in partnership with local actors at all levels to collect and use evidence and feedback to tailor and adapt programs to changing local contexts.”</p>

<p>Principle 3. Respond with agility and ingenuity to crises undermining democracy and opportunities to advance democracy.</p> <p>Page 17</p>	<p>Given that regional and local governments are closer to the people, people often have a greater degree of trust in local elected representatives and officials and mayors than in national politicians. This is especially true in fragile or (post-)conflict contexts.</p> <p>Elected subnational governments can be a critical partner to responding to crises and form an important counterweight to counteracting undemocratic tendencies of national regimes.</p>	<p>The DRG Policy would be strengthened by acknowledging the role that subnational governance institutions can play in responding to crises or counteracting undemocratic tendencies of national regimes.</p> <p>For instance, USAID might modify the paragraph at the bottom of page 17 (last sentence): “In anticipation of openings and reversals, USAID will build strong connections and networks with and among diverse democratic stakeholders at the national and subnational level and will conduct continuous political analysis so that we are more prepared to identify and respond to unanticipated needs.”</p>
<p>Principle 4. Mainstream prevention and protection for frontline democratic actors into programming.</p> <p>Page 18-19</p> <p>Paragraph: “USAID will cultivate networks locally...”</p>	<p>Glaringly excluded from this list of frontline democratic actors are the actors that actually serve on the frontline of democracy at the regional and local government levels.</p>	<p>Following “parliamentarians”, insert “elected local government officials; mayors; governors; local government associations; intergovernmental commissions,”</p> <p>Add to the end of the paragraph: “USAID will further cultivate networks and partnership with cities, subnational government officials, their associations, and other intergovernmental actors to strengthening subnational governance and democracy, and bolster the ability of subnational governments to advance inclusive and sustainable development.”</p>
<p>VII. REQUIREMENTS</p> <p>Page 20</p>	<p>To fulfill Pivot 1, this policy introduces a requirement to establish a process for a <i>democracy review</i>. The goal of the democracy review is to examine how USAID can adapt or change its programming ... to better promote accountable states, active citizens, and rights-respecting governments and societies; prevent unintended harm to DRG objectives; and</p>	<p>The DRG Policy would be strengthened by ensuring that “democracy reviews” cover both national as well as subnational governance institutions. For instance, USAID might revise the third sentence of this section to read:</p> <p>“The DRG Bureau, in collaboration with other bureaus or independent offices (B/IOs) and operating units (OUs), will develop the methodology for conducting a democracy review covering both national as well as subnational governance institutions, along with guidance for operationalizing it.”</p> <p>Furthermore, it would be appropriate for DRG to develop and conduct a Subnational Democracy Review (or Subnational Governance Review) for all</p>

	<p>improve outcomes in all development sectors.</p>	<p>USAID partner countries to examine the state of subnational democracy and governance, to ensure that USAID programming better promotes accountable public sector institutions, active citizens, and rights-respecting governments and societies; prevent unintended harm to DRG objectives; and improve outcomes in all development sectors.</p>
<p>Pivot 5: Unlocking the democratic power of cities and subnational governments</p>	<p>As noted by Secretary Blinken, when cities and other subnational governments are responsive to the needs of residents, they demonstrate democracy’s greatest strength: its ability to improve on itself, to empower citizens to hold their leaders accountable, to try out different solutions, and to allow the best ideas to rise to the top.</p> <p>It is difficult for USAID/DRG to help to unlock the democratic power of cities and subnational governments when the topic is subsumed within teams and working groups where national-level governance priorities are pitted against subnational governance issues.</p>	<p>Given the critical importance of subnational governments, the DRG Policy will be strengthened by adding “Pivot 5: Unlocking the democratic power of cities and subnational governments” as a key pivot. This pivot could be accompanied by the establishment of a ‘Multilevel Governance and Cities Division (and corresponding working groups) within USAID’s DRG Center.</p> <p>A ‘Multilevel Governance and Cities’ Division within USAID/DRG—as separate from the Governance Division—could pursue the programming in the following areas:</p> <ul style="list-style-type: none"> - Develop metrics to better understand the state of multilevel governance and subnational democracy in countries around the world - Promote city, state and local government partnerships, exchanges, and learning, both directly, and through empowered local government associations - Work with USAID sector bureaus to ensure that sectoral interventions fit within each country’s specific multilevel governance structure - Promote subnational climate action across national and subnational actors