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Technical Brief

ADVANCING LOCALIZATION THROUGH THE PERFORM SYSTEM

A New Model for Locally Led Organizational Performance Improvement

Heeding 75 years of experience showing that effectiveness is rooted in the priorities and leadership of local partners (Ingram, 2022) and responding to demands for change from the Global South, the international development community is adopting more inclusive and locally led program models.

Locally led development recognizes that the people most affected by challenges and most knowledgeable about context must drive the design, implementation, and measurement of change efforts. This approach leverages local knowledge, technical training, and social infrastructure to nurture a strong cadre of qualified and experienced personnel and organizations (Fine, 2022).

Within this emphasis on local leadership, local actors and partners such as local non-governmental organizations (LNGOs) should have the decision-making autonomy to set priorities, design and implement activities, and monitor the results of their efforts. While efforts to improve organizational capacity of local partners remain an important element of development in a context of localization, such efforts are evolving to support partners in selecting organizational capacity development priorities and implementing improvement practices for themselves (Chanase & Lum, 2022). It is time to update accepted organizational assessment tools and processes to align with this new vision.

> *"Localization is fundamentally about putting local contexts, aspirations, dynamics, organizations, and change agents at the center of our programming."*
>
> *– U.S. Agency for International Development, 2022a*

Box 1: PERFORM's Key Features

- Based on local priorities and leadership.
- Promotes continuous performance improvement planning and monitoring.
- Is systems-oriented.
- Relies on contextualized, externally-validated evidence of performance.
- Strengthens internal abilities for analysis and self-learning.
- Facilitates deeper understanding of the why and how of performance improvement.
- Includes an extensive menu of change tactics.

The Performance Mapping and Improvement System (PERFORM) is a new suite of performance enhancement tools and processes aligned with this new vision (Levinger & Kinghorn, 2024). More than an assessment method, PERFORM offers a comprehensive suite of performance enhancement tools and processes that instills a deeper understanding of performance improvement and a discipline of reflection and learning within an organization. With a focus on monitoring change with a view towards course correction rather than a snapshot view, it can be used on its own or to build on findings from other organizational capacity tools.

This brief describes the links between PERFORM and localization and outlines how PERFORM can benefit USAID, other donors, local actors, and capacity strengthening implementers.

AN UPDATED APPROACH TO ORGANIZATIONAL ASSESSMENT

The traditional organizational development model reflected in popular frameworks was designed for Western business during a time when political, environmental, and economic contexts were more stable and less subject to rapid shifts, conditions which few LNGOs enjoy today (Kinghorn & Levinger, 2021). Today, operating within social and political change and often erratic funding streams, LNGOs must develop strong resilience to anticipate, adapt to, respond to, and recover from disruptions while continuing to serve constituents and preserve their values (Chanase & Lum, 2022).

In addition, voices from the Global South are calling for new approaches to organizational support—and organizational

Figure 1: Performance Domains

Source: Kinghorn, M., & Levinger, L. (2021). Organizational capacity: An enhanced framework. MOMENTUM Knowledge Accelerator. https://usaidmomentum.org/resource/organizational-capacity-an-enhanced-framework/

assessments in particular—that would transform them from a donor-imposed requirement to an opportunity for internal self-reflection and improvement. This transformation would require tools focused on local priorities and contexts; a mindset change in ownership from external funders to the organizations; the co-design of tools that are more informal, simple, and adaptable; and tools that use only a few straightforward questions (Chanase & Lum, 2022). PERFORM was developed within this context following the components of an enhanced capacity and performance framework (Kinghorn & Levinger, 2021).

HOW PERFORM SUPPORTS LOCALIZATION

If the essence of localization is to improve local partners' ability to enter more equitable and sustainable financial partnerships and pursue their own capacity strengthening and development goals (The BroadReach Group, 2023), PERFORM can play a vital role in an overall support initiative. The system provides an alternative for operationalizing the new approaches described in USAID policies and programs—namely, to shift power and prepare to channel more funding directly to local partners (U.S. Agency for International Development, 2022b). Further, PERFORM can yield measurable results for reporting on USAID's CBLD-9 local capacity indicator and can contribute to the 14 best practices in USAID's locally led programs indicator (U.S. Agency for International Development, 2023).

> The key to USAID's localization plans is truly to improve local partners' ability to enter into more equitable and sustainable financial partnerships to pursue their own capacity strengthening and development goals. (The BroadReach Group, 2023)

PERFORM offers several specific ways to foster locally led development, apply a systems approach, and support local capacity strengthening. These three areas are explored individually below.

Fostering Locally-Led Development

Practitioners have learned that shifting power to and protecting space for local actors to lead is best achieved through a continuous process of self learning, adaptation, and growth rather than a one-time or annual event. Organizations embracing this approach have achieved the most sustained organizational strengthening outcomes (Granius & Sataporvanit, 2022).

The premise that local ownership drives organizational strengthening is at the heart of this partner-driven performance improvement system. PERFORM includes cycles of assessment, planning, and monitoring that emphasize local ownership and leadership at every stage. The process is designed to be agile and focused, facilitating deep discussion and analysis of an organization's performance—rather than its internal systems—by organizational actors. The real changes take place during the iterative monitoring and planning cycles, which simultaneously strengthen the organization's ability to identify root causes of performance challenges and gather evidence to support improvement.

Box 2: The PERFORM Process

- **Preparation**: Articulating an organizational vision and prioritizing practice statements.
- **Mapping**: Scoring practices to identify which need priority attention, then determining the adequacy of drivers of performance to choose the best improvement approach.
- **Performance Improvement**: Monitoring changes in drivers, validating evidence for performance claims, and developing a 100-day performance improvement plan.
- **Evaluation**: Drawing conclusions on progress and causes.

The PERFORM system adapts to an organization's unique priorities, context, and timing. The process begins with organizational participants articulating their vision of what they would like to be and achieve, as

opposed to an external vision of excellence. (This internal vision may be narrowed to focus on a specific goal or project outcome, if appropriate.) LNGO participants then modify PERFORM's performance framework, adapting the practice statements in the accompanying tool to reflect the organization's vision and context. Finally, participants decide on the frequency and timing of the monitoring cycle, ideally integrating it into other organizational review schedules.

The mapping and performance improvement stages not only explore current performance *vis a vis* the LNGO's internal goals but also consider four factors that are performance drivers: knowledge/skills, resources, leadership, and culture. Analysis of these drivers enables the team to more accurately design interventions that address the root causes of performance gaps while leveraging their assets. The team then monitors their progress through short, 100-day planning cycles during which they test change strategies and adapt their plans based on the results.

Applying a Local Systems Approach

Gone are the days of focusing on individual actors to achieve development outcomes. A local systems approach recognizes the relationships, contributions, and incentives that exist among multiple interconnected actors (U.S. Agency for International Development, n.d.). Systems practice has expanded organizational strengthening efforts beyond internal systems, structures, and financial compliance (also known as Capacity 1.0) to address LNGO agency, constituent engagement, accountability, and social networks.

PERFORM is systems oriented and encourages systems thinking as applied to how organizations function both *as a system* and *within a system.* PERFORM's unique framework considers organizational effectiveness, sustainability, and resilience altogether rather than as isolated building blocks; participants explore how they can use strengths in one area to leverage greater performance in another. For example, an organization might examine how their learning and adaptation practices affect their ability to produce sustainable results, or how their self-determination practices impact their ability to attract and sustain external support.

Box 3: USAID's Local Capacity Strengthening Principles

1. Start with the local system.
2. Strengthen diverse capacities through diverse approaches.
3. Plan for and measure performance improvement in collaboration with local partners.
4. Align capacity strengthening with local priorities.
5. Appreciate and build on existing capacities.
6. Be mindful of and mitigate the unintended consequences of local capacity strengthening support.
7. Practice mutuality with local partners.

– U.S. Agency for International Development, 2022c

PHOTO: CALVIN ODHIAMBO

Supporting Local Capacity Strengthening

USAID's local capacity strengthening principles paint a new vision based on local ownership, holistic development, mutuality, and collaborative performance improvement measurement (USAID, 2022c). PERFORM's connection to several of these principles has been addressed elsewhere in this brief, specifically the principles on focusing on the local system (1), strengthening diverse capacities through diverse means (2), aligning with local priorities (4), and building upon existing capacities (5). Two additional linkages are explored here.

PRINCIPLE 3: PLAN FOR AND MEASURE PERFORMANCE IMPROVEMENT IN COLLABORATION WITH LOCAL PARTNERS

Capacity assessments often use evidence such as manuals or plans to validate participants' self-assessment scores. The obstacle is that such evidence often reflects an external vision of excellence (for example, the donor's) instead of the local context. This tendency also drives capacity strengthening efforts toward producing more manuals and plans, which does not in itself enhance performance. PERFORM relies on the organization to make a case for its performance and gather evidence—in whatever form—to support it. Such evidence may include documents, pictures, media clips, and audio files of constituent voices. This evidence is then externally validated by a panel. This process not only allows the organization to present its own evidence, but, more importantly, strengthens its ability to identify signs of good performance within its own context.

PRINCIPLE 7: PRACTICE MUTUALITY WITH PARTNERS

The ability to customize PERFORM's framework, evidence, and monitoring frequency creates a co-design process led by the local organization. When assisted by an international donor or supporter, the process also serves as a powerful opportunity to build trust and strengthen relationships, crucial components of organizational success (Granius & Sataporvanit, 2022). The customization process can facilitate new roles for partners and new patterns of engagement, further promoting localization.

Box 4: Experience from Timor, Indonesia

Catholic Relief Services facilitated PERFORM with their partner CIS Timor in Indonesia in July 2024. CIS Timor found that PERFORM engaged them in questions they have never been asked before, which pushed the organization to think in new ways. For example, it asked *What is influencing or driving that performance level?,* beyond focusing on the structures and strategies traditionally considered indicators of organizational capacity. CIS Timor found that this new structured way of thinking contributed greatly to the formulation of their strategic plan. Going forward, CIS is committed to monitoring their progress on their own using PERFORM.

HOW TO USE PERFORM

This brief outlines how PERFORM can advance localization through flexible, locally driven processes that yield validated measurement results and strengthen skills for internal analysis and self-learning. PERFORM can be used by LNGOs pursuing their own continuous improvement and to support their organizational development objectives within a donor-supported project. The system's framework and monitoring approach, through short-term cycles, can be applied on its own or in combination with components of other assessment tools and monitoring processes. The PERFORM system and suggestions for use and customization are fully explained in the PERFORM supporting materials.

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