

118TH CONGRESS
2D SESSION

H. R. 7710

To authorize and encourage the United States Agency for International Development to pursue a model of locally led development and humanitarian response and expand engagement with local partners and increase its local partner base.

IN THE HOUSE OF REPRESENTATIVES

MARCH 19, 2024

Ms. JACOBS (for herself and Mr. MILLS) introduced the following bill; which was referred to the Committee on Foreign Affairs

A BILL

To authorize and encourage the United States Agency for International Development to pursue a model of locally led development and humanitarian response and expand engagement with local partners and increase its local partner base.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Locally Led Develop-
5 ment and Humanitarian Response Act”.

1 **SEC. 2. PURPOSE.**

2 The purpose of this Act is to encourage the United
3 States Agency for International Development to pursue a
4 model of locally led development and humanitarian re-
5 sponse and expand engagement and partnership with local
6 entities.

7 **SEC. 3. SENSE OF CONGRESS.**

8 It is the sense of Congress that—

9 (1) locally led development and humanitarian
10 response is linked to more efficient and sustainable
11 development and humanitarian outcomes, and is
12 vital to building long-term self-reliance;

13 (2) over multiple Administrations, USAID has
14 sought to achieve greater development outcomes
15 through stronger local partnerships, including
16 through “Country Ownership”, “The Journey to
17 Self-Reliance”, and “Locally Led Development”;

18 (3) USAID should increase direct funding to
19 local entities, including by increasing the amount of
20 development and humanitarian assistance to such
21 entities;

22 (4) USAID should ensure its programming en-
23 ables local communities to exercise leadership over
24 priorities, project design, implementation, and meas-
25 uring and evaluating results of such programs;

1 (5) working with local partners often requires
2 more time and resources than traditional partners,
3 including extended availability of funds and addi-
4 tional staff resources; and

5 (6) increased flexibility is critical to enable
6 USAID to respond to local priorities and leverage
7 local capacities, including with respect to staffing,
8 availability of funds, program design, and acquisi-
9 tion and assistance processes, among other areas.

10 **SEC. 4. WORKING WITH LOCAL PARTNERS.**

11 (a) IN GENERAL.—To the extent feasible and appro-
12 priate, the Administrator of USAID should localize
13 USAID’s partner base by considering—

14 (1) simplifying and increasing access to USAID
15 resources for local partners in humanitarian and de-
16 velopment sectors, including local partners who have
17 relations, agency, or power structures in place that
18 have produced, or can produce, strong trust, ac-
19 countability, and legitimacy in the communities or
20 networks such partners work in;

21 (2) diversifying award types to streamline per-
22 formance requirements and working with the Office
23 of Management and Budget to address threshold
24 constraints such as fixed amount subaward thresh-
25 olds, category management award targets, and other

1 thresholds, policies, and contracting incentives that
2 pose a barrier to effectively supporting local part-
3 ners;

4 (3) streamlining monitoring and evaluation,
5 periodic reporting, and other USAID reporting re-
6 quirements;

7 (4) ensuring USAID staff is able and encour-
8 aged to conduct regular consultation with local part-
9 ners in local languages of the host countries, making
10 available solicitations for acquisitions and assistance
11 and accepting submissions in local languages, video
12 format, or verbal presentations, including by—

13 (A) investing in translation services;

14 (B) hosting workshop-based engagements;

15 and

16 (C) advertising solicitations in local trade
17 publications, local media including newspapers
18 and radio, local community centers, and local
19 online forums;

20 (5) allowing and promoting multi-year, flexible,
21 tiered and milestone-based funding for new pro-
22 grams and to bring successful programs to scale;

23 (6) strengthening USAID staff and local part-
24 ners' capacity to undertake risk management and
25 mitigation;

1 (7) supporting consistent and unimpeded access
2 to full cost recovery for local partners implementing
3 USAID-funded activities;

4 (8) assessing current definitions of “local part-
5 ner”, “local ownership”, and “localization” used by
6 USAID for programming and reporting metrics, and
7 updating the definitions, as necessary;

8 (9) undertaking outreach campaigns and engag-
9 ing with local partners, formally and informally, to
10 raise awareness about opportunities, as well as how
11 to apply for and manage awards in compliance with
12 applicable Federal regulations and USAID policies,
13 and ensuring such engagement is accessible to all
14 entities, including unregistered and informal organi-
15 zations;

16 (10) strengthening oversight of capacity
17 strengthening components of awards to ensure
18 United States and international awardees are mak-
19 ing good-faith efforts to strengthen local organiza-
20 tions’ capacities, including independent and external
21 evaluations to evaluate the mentorship process and
22 regular feedback loops;

23 (11) expeditiously solving the shortage of con-
24 tracting officers within USAID, including granting

1 warrants to qualified staff and providing appropriate
2 training;

3 (12) addressing performance evaluation criteria
4 to create greater workforce incentives for USAID
5 personnel to champion locally led development;

6 (13) addressing internal delays and recipient
7 organization issues that result in the required exten-
8 sion of provisional Negotiated Indirect Cost Rates
9 (NICRAs);

10 (14) conducting NICRA seminars in local lan-
11 guages and providing NICRA documentation in local
12 languages; and

13 (15) ensuring that contracting officers and
14 agreement officers communicate to awardees who do
15 not submit for a NICRA that they are eligible for
16 the de minimis indirect cost rate.

17 **SEC. 5. INSTITUTIONALIZATION OF ACTIONS DESCRIBED IN**
18 **SECTION 4.**

19 Not later than 180 days after the date of the enact-
20 ment of this Act, the Administrator of USAID shall ini-
21 tiate policy actions, including rulemaking if necessary, to
22 institutionalize the actions described in section 4 to the
23 extent appropriate and feasible within all relevant USAID
24 internal rules and regulations, including the Automated
25 Directive System (ADS), the Acquisition and Assistance

1 Strategy, the Local Capacity Strengthening Policy, the
2 Localization of Humanitarian Assistance Strategy, the
3 USAID Acquisition Regulation (AIDAR), the Local Sys-
4 tems Framework, and the Private Sector Engagement
5 Policy.

6 **SEC. 6. AUTHORITY TO ACCEPT APPLICATIONS, PRO-**
7 **POSALS, AND CONTRACTING AGREEMENTS IN**
8 **LOCAL LANGUAGES AND LOCAL LANGUAGE**
9 **SUPPORT.**

10 (a) **IN GENERAL.**—Notwithstanding any other provi-
11 sion of law, USAID is authorized to accept applications
12 or proposals in languages other than English if such ac-
13 ceptance eases the burden of a local entity working with
14 USAID and USAID is able to effectively evaluate such
15 applications or proposals.

16 (b) **LOCAL LANGUAGE SUPPORT.**—

17 (1) **IN GENERAL.**—The Administrator of
18 USAID shall conduct an assessment of options to
19 enable USAID to utilize local languages to support
20 local partners with award solicitations, proposals and
21 applications, evaluations, management, and close
22 out, including advising local partners on applicable
23 United States regulations and USAID policies and
24 local country rules and regulations common in such
25 activities.

1 (2) REPORT.—Not later than 1 year after the
2 date of the enactment of this Act, the Administrator
3 of USAID shall submit to Congress a report on the
4 assessment described in this subsection.

5 **SEC. 7. MODIFICATIONS RELATING TO THE CODE OF FED-**
6 **ERAL REGULATIONS AND OTHER REQUIRE-**
7 **MENTS.**

8 (a) INCREASE IN THE DE MINIMIS INDIRECT
9 COST.—The Administrator of USAID is authorized to in-
10 crease the de minimis indirect cost rate provided for in
11 section 200.414 of title 2, Code of Federal Regulations,
12 or any successor regulations, to 15 percent for local enti-
13 ties receiving USAID assistance awards and to establish
14 a similar de minimis indirect cost rate of 15 percent for
15 acquisitions awarded under title 48 of the Code of Federal
16 Regulations to local entities, and to increase this threshold
17 further should subsequent Office of Management and
18 Budget regulations recommend doing so.

19 (b) EXEMPTION FOR LOCAL ENTITIES.—The Admin-
20 istrator of USAID is authorized to exempt local entities,
21 as needed, from the reporting requirements of the Federal
22 Funding Accountability and Transparency Act of 2006
23 (31 U.S.C. 6106 note; Public Law 109–282) to allow for
24 a 180-day delay in obtaining a unique entity identifier and
25 registration in the System for Award Management. This

1 delay shall be no later than 30 days prior to the end of
2 the award's period of performance.

3 (c) LOCAL COMPETITION AUTHORITY.—Notwith-
4 standing any other provision of law, the Administrator of
5 USAID (or the Administrator's designees) may award
6 contracts and other acquisition instruments in which com-
7 petition is limited to local entities if doing so would result
8 in cost savings, strengthen local capacity, or enable
9 USAID to deliver a programs or activities more
10 sustainably or quickly than if competition were not so lim-
11 ited. Such authority may not be used to make acquisition
12 awards in excess of \$25,000,000 and shall not exceed
13 more than 10 percent of the amounts appropriated to
14 USAID each fiscal year.

15 (d) USE OF NATIONAL OR INTERNATIONAL GEN-
16 ERALLY ACCEPTED ACCOUNTING PRINCIPLES.—The Ad-
17 ministrator of USAID, in consultation with the Adminis-
18 trator of the General Services Administration, the Sec-
19 retary of Defense, and the Administrator of the National
20 Aeronautics and Space Administration, is authorized to
21 allow foreign entities to use national or international gen-
22 erally accepted accounting principles instead of United
23 States Generally Accepted Accounting Principles (GAAP)
24 for contracts or grants awarded under the chapter 7 of

1 title 48, Code of Federal Regulations or chapter 7 of title
2 2, Code of Federal Regulations.

3 **SEC. 8. ANNUAL REPORT.**

4 Not later than 180 days after the end of each fiscal
5 year following the date of the enactment of this Act, and
6 annually thereafter, the Administrator of USAID shall
7 submit to the appropriate congressional committees and
8 publish on USAID's website a report on USAID's
9 progress to advance locally led development and humani-
10 tarian response, to include the following elements:

11 (1) The amount of funding implemented di-
12 rectly and indirectly by local entities in the previous
13 fiscal year, including all development and humani-
14 tarian assistance programs.

15 (2) An assessment of how USAID is enabling
16 more local leadership of USAID-funded programs,
17 including recipients of direct funding, subrecipients
18 and subcontractors to an international implementing
19 partner, participants in a USAID program, or mem-
20 bers of a community affected by USAID program-
21 ming.

22 (3) An assessment of progress implementing
23 the Acquisitions and Assistance Strategy, including
24 updated information on the ratio of the USAID Ac-
25 quisitions and Assistance workforce to award dollars

1 managed with comparison to other relevant agencies;
2 the Local Capacity Strengthening Policy; the Policy
3 on Locally Led Humanitarian Assistance; and any
4 other relevant strategies and policies.

5 (4) An assessment of how USAID is using new
6 authorities granted in sections 6 and 7 and an as-
7 sessment of the impact of these authorities on
8 USAID's ability to work with local partners.

9 (5) An assessment of how many organizations
10 with a Negotiated Indirect Cost Rate (NICRA) cog-
11 nizant to USAID are utilizing provisional NICRAs
12 for over 48 months without a final NICRA and steps
13 that USAID can take to reduce the extension of pro-
14 visional NICRAs beyond 12 months.

15 **SEC. 9. REPORT ON CONTRACTING OFFICERS.**

16 Not later than 180 days after the enactment of this
17 Act, the Administrator of USAID shall provide a report
18 to the appropriate congressional committees on the re-
19 cruitment and retention of contracting officers and agree-
20 ment officers at USAID and recommendations to improve
21 contracting/agreement officer recruitment and retention.

22 **SEC. 10. DEFINITIONS.**

23 In this Act:

1 (1) APPROPRIATE CONGRESSIONAL COMMIT-
2 TEES.—The term “appropriate congressional com-
3 mittees” means—

4 (A) the Committee on Foreign Affairs and
5 the Committee on Appropriations of the House
6 of Representatives; and

7 (B) the Committee on Foreign Relations
8 and the Committee on Appropriations of the
9 Senate.

10 (2) USAID.—The term “USAID” means the
11 United States Agency for International Develop-
12 ment.

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