

117TH CONGRESS
2D SESSION

H. R. 9500

To support prioritization and expanded use of innovation at the United States Agency for International Development, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 13, 2022

Mr. CASTRO of Texas (for himself and Mrs. KIM of California) introduced the following bill; which was referred to the Committee on Foreign Affairs

A BILL

To support prioritization and expanded use of innovation at the United States Agency for International Development, and for other purposes.

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 AND TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Fostering Innovation in Global Development Assistance
6 Act” or the “FIGDA Act”.

7 (b) TABLE OF CONTENTS.—The table of contents for
8 this Act is as follows:

- Sec. 1. Short title and table of contents.
- Sec. 2. Findings.
- Sec. 3. Sense of Congress.

- Sec. 4. Chief Innovation Officer.
- Sec. 5. Authorities to support expanded use of innovation.
- Sec. 6. Proven Solutions program.
- Sec. 7. Increase in fixed amount subawards.
- Sec. 8. Authorization for United States participation in the Global Innovation Fund.
- Sec. 9. Collaboration with United States International Development Finance Corporation.
- Sec. 10. Global innovation strategy.
- Sec. 11. Limitations.
- Sec. 12. Definitions.

1 **SEC. 2. FINDINGS.**

2 Congress finds the following:

3 (1) The effectiveness of United States foreign
4 assistance can be greatly enhanced by fostering in-
5 novation, applying research and technology, and
6 leveraging the expertise and resources of the private
7 sector to find cost-effective solutions to today's most
8 pressing development challenges.

9 (2) Partnerships with entrepreneurs, experts,
10 nongovernmental organizations, universities, and
11 science and research institutions allow the United
12 States to find solutions to specific development chal-
13 lenges in a faster, more cost-efficient, and more fi-
14 nancially sustainable way.

15 (3) Enhancing the authorities that support re-
16 sults-based and pay-for-success innovation models
17 will better enable USAID to diversify and expand
18 both the number and sources of ideas that may be
19 developed, tested, and brought to scale, thereby in-
20 creasing the USAID's opportunity to apply high

1 value, cost-effective solutions to global development
2 challenges.

3 (4) As demonstrated by USAID’s Development
4 Innovation Ventures program, innovation within
5 United States foreign assistance can generate high
6 social returns when it is centered on the creation of
7 and reliance on rigorous evidence of impact on glob-
8 al development outcomes, a focus on cost-effective-
9 ness, and attention to financially sustainable scaling
10 pathways.

11 (5) Enabling uptake of evidence-based innova-
12 tion across USAID’s operating units will enable
13 USAID to scale breakthrough solutions that accel-
14 erate economic growth and produce better develop-
15 ment outcomes, which can help support the growth
16 of healthier, more stable societies and foster trade
17 relationships that translate into jobs and economic
18 growth in the United States.

19 **SEC. 3. SENSE OF CONGRESS.**

20 It is the sense of Congress that innovation is central
21 to identifying solutions to global development challenges.

22 **SEC. 4. CHIEF INNOVATION OFFICER.**

23 (a) IN GENERAL.—There shall be established within
24 USAID a Chief Innovation Officer who shall—

1 (1) serve as the principal advisor on issues re-
2 lated to the prioritization and expanded use of inno-
3 vation to improve the effectiveness and outcomes of
4 the development and humanitarian goals of the
5 United States, including related to policy, manage-
6 ment, and procurement;

7 (2)(A) carry out—

8 (i) the duties described in subsection (b);

9 and

10 (ii) the authorities described in section 5;

11 and

12 (B) develop the strategy required by section
13 7(a); and

14 (3) report directly to—

15 (A) the Deputy Administrator for Policy
16 and Programming of USAID; or

17 (B) such other senior official of USAID, as
18 determined by the Administrator.

19 (b) DUTIES.—The duties of the Chief Innovation Of-
20 ficer shall include—

21 (1) increasing the application of innovation to
22 develop, test, and scale new solutions to improve ef-
23 fectiveness and outcomes of development and hu-
24 manitarian goals of the United States;

1 (2) leveraging the innovations, expertise, re-
2 sources, and investments of businesses, nongovern-
3 mental organizations, science and research organiza-
4 tions, United States Government organizations that
5 pursue science, technology, and research, and uni-
6 versities for the purposes of improving effectiveness
7 and outcomes of development and humanitarian as-
8 sistance efforts of the United States, and serving as
9 a liaison between USAID and such partners to en-
10 sure USAID is meaningfully engaging with such
11 partners;

12 (3) utilizing innovation-driven competitions, ad-
13 vanced market commitments, and co-creation ar-
14 rangements to expand the number and diversity of
15 solutions to development and humanitarian chal-
16 lenges and the partners with whom USAID works
17 and funds;

18 (4) maintaining a collection of innovative solu-
19 tions and best practices to be shared across USAID
20 and fostering a culture of innovation across USAID;

21 (5) supporting USAID operating units in apply-
22 ing findings from development economics and re-
23 search, technology, innovation, co-creation, and part-
24 nership approaches to decision making, procurement,
25 and program design;

1 (6) examining and providing input into current
2 internal USAID policy related to management and
3 procurement to ensure innovation is integrated in
4 policy guidance and procurement mechanisms; and

5 (7) ensuring acquisition and assistance mecha-
6 nisms utilize the authorities relating to competitive
7 grants, contracts, challenges, and prize awards, in-
8 cluding Innovation Incentive Awards under section
9 5(a) and Innovation Fellows under section 5(b).

10 (c) BUREAU SENIOR ADVISORS.—

11 (1) IN GENERAL.—The Administrator shall ap-
12 point in each bureau of USAID, from among officers
13 and employees of such bureau, a senior advisor with
14 respect to matters relating to innovation, to—

15 (A) serve as the principal advisor for such
16 bureau on such matters; and

17 (B) coordinate with the Chief Innovation
18 Officer the activities of such bureau on such
19 matters.

20 (2) CONTINUATION OF SERVICE.—An individual
21 appointed to serve as a senior advisor pursuant to
22 paragraph (1) may continue to serve concurrently in
23 the individual's original position in such bureau.

1 **SEC. 5. AUTHORITIES TO SUPPORT EXPANDED USE OF IN-**
2 **NOVATION.**

3 (a) INNOVATION AUTHORITIES.—

4 (1) IN GENERAL.—The Administrator, acting
5 through the Chief Innovation Officer, is authorized
6 to provide flexible, results- and milestones-based
7 funding to support expanded use of innovation, en-
8 courage improved development and humanitarian
9 outcomes, expand USAID partner bases, and sup-
10 port cost-effective and sustainable-led development
11 solutions in partnership with local and nontradi-
12 tional development partners, including the private
13 sector.

14 (2) TYPES OF FUNDING.—The Administrator
15 may provide funding authorized under paragraph (1)
16 in the form of competitive grants (including fixed
17 amount awards), contracts (including firm-fixed
18 price contracts), advanced market commitments, and
19 prize awards, including—

20 (A) Innovation Incentive Awards; and

21 (B) evidence-driven, tiered awards under
22 the Development Innovation Ventures program
23 established under subsection (c).

24 (3) RECOVERY OF FUNDS.—

25 (A) AUTHORITY.—

1 (i) IN GENERAL.—The Administrator,
2 subject to the limitation described in clause
3 (ii), is authorized to provide funds under a
4 competitive grant, contract, advanced mar-
5 ket commitment, or prize award under this
6 subsection to a recipient under terms re-
7 quiring a proportion of such funds be re-
8 turned to USAID at a future date in ac-
9 cordance with such requirements as may
10 be established by the Administrator.

11 (ii) LIMITATION.—The amount of
12 funds that a recipient is required to return
13 to USAID under clause (i) may not exceed
14 the total amount of funds that the recipi-
15 ent receives under the competitive grant,
16 contract, or prize award.

17 (B) TREATMENT OF PAYMENTS.—

18 (i) IN GENERAL.—The amount of
19 funds returned to USAID under subpara-
20 graph (A) may be credited to the account
21 from which the obligation and expenditure
22 of funds under the competitive grant, con-
23 tract, or prize award under this subsection
24 were made.

1 (ii) AVAILABILITY.—Amounts re-
2 turned and credited to an account under
3 clause (i)—

4 (I) shall be merged with other
5 funds in the account; and

6 (II) shall be available, subject to
7 appropriation, for the same purposes
8 and period of time for which other
9 funds in the account are available for
10 programs and activities of the Chief
11 Innovation Officer under section 4(b).

12 (b) INNOVATION FELLOWS.—

13 (1) IN GENERAL.—The Administrator, acting
14 through the Chief Innovation Officer, is authorized
15 to employ not more than 30 individuals to be known
16 as “Innovation Fellows” at any given time who
17 shall, following an initial period of service with the
18 Chief Innovation Officer, be assigned on a detail
19 basis to USAID operating units for purposes of ex-
20 panding the use of innovation, technology, and re-
21 search with respect to the development assistance
22 authorities of USAID.

23 (2) ADMINISTRATIVE PROVISIONS.—The au-
24 thority to employ individuals under paragraph (1) is
25 in addition to the authority to employ individuals

1 under such other authorities as may be available to
2 the Administrator, including authorities under parts
3 I and II of the Foreign Assistance Act of 1961 (22
4 U.S.C. 2151 et seq.)

5 (3) LIMITATION.—The employment of individ-
6 uals under paragraph (1) shall be a limited-term
7 basis pursuant to schedule A of subpart C of part
8 213 of title 5, Code of Federal Regulations, or simi-
9 lar laws or regulations.

10 (c) DEVELOPMENT INNOVATION VENTURES PRO-
11 GRAM.—

12 (1) IN GENERAL.—There is established in
13 USAID the Development Innovation Ventures pro-
14 gram (in this subsection referred to as the “pro-
15 gram”). The Administrator, acting through the
16 Chief Innovation Officer, is authorized to carry out
17 the program.

18 (2) DUTIES.—The program shall provide flexi-
19 ble funding to global innovators to test new ideas,
20 build evidence of what works to improve development
21 outcomes, and transition to scale those innovations
22 with rigorously demonstrated potential to cost-effec-
23 tively improve millions of lives.

1 (3) APPLICATIONS.—The program shall assess
2 applications for funding under this subsection ac-
3 cording to the following three core principles:

4 (A) Rigorous evidence of impact.

5 (B) Cost-effectiveness.

6 (C) Potential for scale.

7 (4) ADMINISTRATIVE PROVISIONS.—The pro-
8 gram shall—

9 (A) provide funding under this subsection
10 using tiered, evidence-driven funding to allow
11 for risk-taking at early stages while mitigating
12 risk at later stages, thereby maximizing impact
13 per tax dollar spent; and

14 (B) work across all countries and sectors
15 supported by USAID, with the goal of finding,
16 testing, and bringing to scale those innovations
17 that can become proven solutions to develop-
18 ment problems.

19 (d) AUTHORIZATION OF APPROPRIATIONS.—

20 (1) IN GENERAL.—There is authorized to be
21 appropriated to carry out this section not less than
22 \$45,000,000 for each of the fiscal years 2024
23 through 2028.

1 (2) AVAILABILITY.—Amounts authorized to be
2 appropriated to carry out this section are authorized
3 to remain available until expended.

4 **SEC. 6. PROVEN SOLUTIONS PROGRAM.**

5 (a) IN GENERAL.—There is established in USAID
6 the Proven Solutions program (in this subsection referred
7 to as the “program”). The Administrator, acting through
8 the Chief Innovation Officer and in consultation with the
9 Chief Economist of the United States Agency for Inter-
10 national Development, shall carry out the program.

11 (b) DUTIES.—

12 (1) IN GENERAL.—In carrying out the program,
13 the Administrator shall scale up proven solutions by
14 directing USAID operating units to integrate proven
15 solutions into USAID programming and operating
16 budgets and utilizing other authorities described in
17 this Act.

18 (2) PUBLIC REPORT.—Not later than 60 days
19 after the end of each of the fiscal years 2024
20 through 2028, the Administrator shall develop and
21 make available to the public a report that describes
22 which USAID operating units funded which proven
23 solutions.

24 (c) DEFINITION.—In this subsection, the term “prov-
25 en solutions”—

1 (1) means innovations that are rigorously dem-
2 onstrated, such as through randomized controlled
3 trials, commercial viability, or other appropriate
4 methods, to have the potential to substantially im-
5 prove development outcomes; and

6 (2) includes—

7 (A) innovations developed by USAID, in-
8 cluding the Development Innovation Ventures
9 program established under subsection (c), and
10 innovations developed by other government enti-
11 ties, including the United States International
12 Development Finance Corporation; and

13 (B) innovations developed by USAID part-
14 ners, including nongovernmental organizations,
15 foreign governments, and multilateral institu-
16 tions.

17 (d) AUTHORIZATION OF APPROPRIATIONS.—

18 (1) IN GENERAL.—Amounts authorized to be
19 appropriated under chapters 1 and 10 of part I of
20 the Foreign Assistance Act of 1961 (22 U.S.C. 2151
21 et seq. and 2293 et seq.), chapter 4 of part II of
22 such Act (22 U.S.C. 2346 et seq.), and title II of
23 the BUILD Act of 2018 (22 U.S.C. 9601 et seq.)
24 are authorized to be made available to carry out this
25 section.

1 (2) AVAILABILITY.—Amounts authorized to be
2 appropriated to carry out this section are authorized
3 to remain available until expended.

4 **SEC. 7. INCREASE IN FIXED AMOUNT SUBAWARDS.**

5 (a) IN GENERAL.—The Administrator is authorized
6 to permit contractors to issue fixed amount subawards in
7 excess of the monetary cap provided for in section 200.333
8 of title 2, Code of Federal Regulations (or any successor
9 regulations), but not to exceed \$1,000,000, in a manner
10 consistent with appropriate safeguards.

11 (b) NOTIFICATION.—The Administrator shall notify
12 the appropriate congressional committees prior to any ex-
13 ercise of the authority of this section.

14 **SEC. 8. AUTHORIZATION FOR UNITED STATES PARTICIPA-**
15 **TION IN THE GLOBAL INNOVATION FUND.**

16 (a) IN GENERAL.—The United States is hereby au-
17 thorized to participate in the Global Innovation Fund.

18 (b) BOARD OF DIRECTORS.—The Administrator is
19 authorized to designate an employee of USAID to serve
20 on the Board of the Global Innovation Fund as a rep-
21 resentative of the United States.

22 (c) UNITED STATES CONTRIBUTIONS.—Amounts au-
23 thorized to be appropriated under chapters 1 and 10 of
24 part I of the Foreign Assistance Act of 1961 (22 U.S.C.
25 2151 et seq. and 2293 et seq.), chapter 4 of part II of

1 such Act (22 U.S.C. 2346 et seq.), and title II of the
2 BUILD Act of 2018 (22 U.S.C. 9601 et seq.) are author-
3 ized to be made available for United States contributions
4 to the Global Innovation Fund.

5 **SEC. 9. COLLABORATION WITH UNITED STATES INTER-**
6 **NATIONAL DEVELOPMENT FINANCE COR-**
7 **PORATION.**

8 The Administrator is authorized to enter into agree-
9 ments with the Chief Executive Officer of the United
10 States International Development Finance Corporation to
11 carry out joint innovation projects, including through com-
12 petitive grants, contracts, and prize awards, including In-
13 novation Incentive Awards authorized under section 5(a),
14 and private sector-led development, through the use of
15 blended finance and other mechanisms, as authorized by
16 law.

17 **SEC. 10. GLOBAL INNOVATION STRATEGY.**

18 (a) IN GENERAL.—Not later than 1 year after the
19 date of the enactment of this Act, the Administrator, act-
20 ing through the Chief Innovation Officer, shall submit to
21 the appropriate congressional committees and make avail-
22 able to the public a 5-year strategy for the purposes of
23 prioritizing and expanding the use of innovation in inter-
24 national development and humanitarian programs that—

1 (1) establishes an innovation coordination plan
2 across USAID operating units that includes the re-
3 sources, training, and staffing needs to exercise of
4 authorities described in sections 5 and 6;

5 (2) discusses ongoing and planned reforms to
6 formal and informal incentives of USAID operating
7 units and staff to mainstream and document their
8 use of evidence and cost-effectiveness in strategic
9 and programming decisions, and how these reforms
10 will encourage the adoption and scaling of proven in-
11 novations across USAID;

12 (3) outlines efforts to integrate innovation ob-
13 jectives, including by using resources of USAID op-
14 erating units to scale up proven solutions, the use of
15 competitive grants, contracts, advanced market com-
16 mitments, and prize awards described in section 5
17 into USAID acquisition and assistance mechanisms
18 and into country and regional strategies;

19 (4) outlines external efforts to improve partner-
20 ship and collaboration with relevant businesses, non-
21 governmental organizations, science and research or-
22 ganizations, United States Government organiza-
23 tions that pursue science, technology, and research,
24 universities engaged with innovation applicable to

1 the core work and mandate of USAID, partner gov-
2 ernments, and multilateral institutions;

3 (5) identifies USAID’s approach to managing
4 the goals of expanded innovation with ensuring rig-
5 orous oversight of Federal funds and plans to con-
6 duct monitoring and evaluation of all activities con-
7 ducted pursuant to this Act;

8 (6) outlines, in coordination with the Chief Ex-
9 ecutive Officer of the United States International
10 Development Finance Corporation, a joint invest-
11 ment plan between USAID and the United States
12 International Development Finance Corporation to
13 exercise the authorities described in sections 5 and
14 6; and

15 (7) includes any other matters determined by
16 the Administrator to be appropriate.

17 (b) COUNTRY AND REGIONAL STRATEGIES.—The
18 Administrator shall require—

19 (1) each newly issued USAID Country Develop-
20 ment Cooperation Strategy, USAID Regional Devel-
21 opment Cooperation Strategy, or other USAID plan-
22 ning document, as determined by the Administrator,
23 to include a plan of action to promote innovative de-
24 velopment practices, as described in the strategy re-
25 quired by subsection (a); and

1 (2) each USAID Country Development Co-
2 operation Strategy, USAID Regional Development
3 Cooperation Strategy, or other USAID planning
4 document, in effect as of the date of the enactment
5 of this Act, to be updated in order to meet the re-
6 quirements of the strategy required by subsection
7 (a).

8 **SEC. 11. LIMITATIONS.**

9 Concurrent with the submission of the Congressional
10 Budget Justification for Foreign Operations for each fis-
11 cal year, the Administrator shall submit to the appropriate
12 congressional committees a detailed accounting of
13 USAID’s use of the authorities under this Act, including
14 the sources, amounts, and uses of funding for each such
15 authority.

16 **SEC. 12. DEFINITIONS.**

17 In this Act:

18 (1) ADMINISTRATOR.—The term “Adminis-
19 trator” means the Administrator of USAID.

20 (2) APPROPRIATE CONGRESSIONAL COMMIT-
21 TEES.—The term “appropriate congressional com-
22 mittees” means—

23 (A) the Committee on Foreign Affairs and
24 the Committee on Appropriations of the House
25 of Representatives; and

1 (B) the Committee on Foreign Relations
2 and the Committee on Appropriations of the
3 Senate.

4 (3) CHIEF INNOVATION OFFICER.—The term
5 “Chief Innovation Officer” means the Chief Innova-
6 tion Officer established by section 4(a).

7 (4) INNOVATION.—The term “innovation”
8 means the development and implementation of new
9 processes, technologies, policies, or services that pro-
10 vide a greater impact or are more cost effective than
11 current practice.

12 (5) INNOVATION INCENTIVE AWARD.—The term
13 “Innovation Incentive Award” means an award pro-
14 vided under section 5(a) under which funding is pro-
15 vided on a competitive basis that—

16 (A) encourages and rewards the develop-
17 ment of solutions for a particular, well-defined
18 problem relating to the alleviation of poverty or
19 other development priority; or

20 (B) helps identify and promote a broad
21 range of ideas and practices, facilitating further
22 development of an idea or practice by third par-
23 ties, relating to the alleviation of poverty or
24 other development priority.

1 (6) USAID.—The term “USAID” means the
2 United States Agency for International Develop-
3 ment.

4 (7) USAID OPERATING UNIT.—The term
5 “USAID operating unit” means a bureau, inde-
6 pendent office, mission, or representative office of
7 USAID.

○