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.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Locally Led Development and Humanitarian Response Act”.

SEC. 2. PURPOSE.

The purpose of this Act is to encourage the United States Agency for International Development to pursue a model of locally led development and humanitarian response and expand engagement and partnership with local entities.

SEC. 3. SENSE OF CONGRESS.

It is the sense of Congress that—

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

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

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

(4) USAID should ensure its programming enables local communities to exercise leadership over priorities, project design,
implementation, and measuring and evaluating results of such programs;

(5) working with local partners often requires more time and resources than traditional partners, including extended availability of funds and additional staff resources; and

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

SEC. 4. WORKING WITH LOCAL PARTNERS.

(a) IN GENERAL.—To the extent feasible and appropriate, the Administrator of USAID should localize USAID’s partner base by considering—

(1) simplifying and increasing access to USAID resources for local partners in humanitarian and development sectors, including local partners who have relations, agency, or power structures in place that produced, or can produce, strong trust, accountability, and legitimacy in the communities or networks such partners work in;

(2) diversifying award types to streamline performance requirements and working with the Office of Management and Budget to address threshold constraints such, as fixed amount subaward thresholds, category management award targets, and other thresholds, policies, and contracting incentives that pose a barrier to effectively supporting local partners;

(3) streamlining monitoring and evaluation, periodic reporting, and other USAID reporting requirements;

(4) ensuring USAID staff is able and encouraged to conduct regular consultation with local partners in local languages of the host countries, making available solicitations for acquisitions and assistance and accepting submissions in local languages, video format, or verbal presentations, including by—

(A) investing in translation services;
(B) hosting workshop-based engagements; and

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

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

(6) strengthening USAID staff and local partners’ capacity to undertake risk management and mitigation;

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

(8) assessing current definitions of “local partner”, “local ownership”, and “localization” used by USAID for programming and reporting metrics, and updating the definition, as necessary;

(9) undertaking outreach campaigns and engaging with local partners, formally and informally, to raise awareness about opportunities, as well as how to apply for and manage awards in compliance with applicable Federal regulations and USAID policies, and ensuring such engagement is accessible to all entities, including unregistered and informal organizations;

(10) strengthening oversight of capacity strengthening components of awards to ensure United States and international awardees are making good-faith efforts to strengthen local organizations’ capacities, including independent and external evaluations to evaluate the mentorship process and regular feedback loops;

(11) expeditiously solving the shortage of contracting officers within USAID, including granting warrants to qualified staff and providing appropriate training;

(12) addressing performance evaluation criteria to create greater workforce incentives for USAID personnel to champion locally-led development;
(13) addressing internal delays and recipient organization issues that result in the required extension of provisional Negotiated Indirect Cost Rates (NICRAs) as outlined in section 200.414(g) of title 2, Code of Federal Regulations;

(14) conducting NICRA seminars in local languages and providing NICRA documentation in local languages; and

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

SEC. 5. INSTITUTIONALIZATION OF ACTIONS DESCRIBED IN SECTION 4.

Not later than 180 days after the date of the enactment of this Act, the Administrator of USAID shall initiate policy actions, including rulemaking if necessary, to institutionalize the actions described in section 4 to the extent appropriate and feasible within all relevant USAID internal rules and regulations, including the Automated Directive System (ADS), the Acquisition and Assistance Strategy, the Local Capacity Strengthening Policy, the Localization of Humanitarian Assistance Strategy, the USAID Acquisition Regulation (AIDAR), the Local Systems Framework, and the Private Sector Engagement Policy.

SEC. 6. AUTHORITY TO ACCEPT APPLICATIONS, PROPOSALS, AND CONTRACTING AGREEMENTS IN LOCAL LANGUAGES AND LOCAL LANGUAGE SUPPORT.

(a) IN GENERAL.—Notwithstanding any other provision of law, USAID is authorized to accept applications or proposals in languages other than English if such acceptance eases the burden of a local entity working with USAID and USAID is able to effectively evaluate such applications or proposals.

(b) LOCAL LANGUAGE SUPPORT.—

(1) IN GENERAL.—The Administrator of USAID shall conduct an assessment of options to enable USAID to utilize local languages to support local partners with award solicitations, proposals and applications, evaluations, management, and close out, including advising local partners on applicable United States regulations and USAID policies and local country rules and regulations common in such activities.
(2) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Administrator of USAID shall submit to Congress a report on the assessment described in this subsection.

SEC. 7. MODIFICATIONS RELATING TO THE CODE OF FEDERAL REGULATIONS AND OTHER REQUIREMENTS.

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

(b) EXEMPTION FOR LOCAL ENTITIES.—The Administrator of USAID is authorized to exempt local entities, as needed, from the reporting requirements of the Federal Funding Accountability and Transparency Act of 2006 (31 U.S.C. 6106 note; Public Law 109–282) to allow for a 180-day delay in obtaining a unique entity identifier and registration in the System for Award Management. This delay shall be no later than 30 days prior to the end of the award’s period of performance.

(c) LOCAL COMPETITION AUTHORITY.—Notwithstanding any other provision of law, the Administrator of USAID (or the Administrator’s designees) may award contracts and other acquisition instruments in which competition is limited to local entities if doing so would result in cost savings, strengthen local capacity, or enable USAID to deliver a program or activity more sustainably or quickly than if competition were not so limited. Such authority may not be used to make acquisition awards in excess of $25,000,000 and shall not exceed more than 10 percent of the amounts appropriated to USAID each fiscal year.

(d) USE OF NATIONAL OR INTERNATIONAL GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.—The Administrator of USAID, in consultation with the Administrator of the General Services Administration, the Secretary of Defense, and the Administrator of the National Aeronautics and Space Administration, is authorized to allow foreign entities to use national or international generally accepted accounting principles instead of United States Generally Accepted Accounting Principles (GAAP) for contracts or grants awarded under the chapter 7 of title 48, Code of Federal Regulations or chapter 7 of title 2, Code of Federal Regulations.
SEC. 8. ANNUAL REPORT.

Not later than 180 days after the end of each fiscal year following the date of the enactment of this Act, and annually thereafter, the Administrator of USAID shall submit to the appropriate congressional committees and publish on USAID’s website a report on USAID’s progress to advance locally-led development and humanitarian response, to include the following elements:

(1) The amount of funding implemented directly and indirectly by local entities in the previous fiscal year, including all development and humanitarian assistance programs.

(2) An assessment of how USAID is enabling more local leadership of USAID-funded programs, including recipients of direct funding, subrecipients and subcontractors to an international implementing partner, participants in a USAID program, or members of a community affected by USAID programming.

(3) An assessment of progress implementing the Acquisitions and Assistance Strategy, the Local Capacity Strengthening Policy, the Policy on Locally Led Humanitarian Assistance, and any other relevant strategies and policies.

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

(5) An assessment of how many organizations with a Negotiated Indirect Cost Rate (NICRA) cognizant to USAID are utilizing provisional NICRAs for over 48 months without a final NICRA and steps that USAID can take to reduce the extension of provisional NICRAs beyond 12 months.

SEC. 9. DEFINITIONS.

In this Act:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term “appropriate congressional committees” means—
(A) the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives; and

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

(2) USAID.—The term “USAID” means the United States Agency for International Development.