

**AMENDMENT IN THE NATURE OF A SUBSTITUTE  
TO H.R. 3924  
OFFERED BY MR. CASTRO OF TEXAS**

Strike all after the enacting clause and insert the following:

**1 SECTION 1. SHORT TITLE.**

2       This Act may be cited as the “Global Development  
3 Lab Act of 2016”.

**4 SEC. 2. FINDINGS.**

5       Congress finds the following:

6           (1) The effectiveness of United States foreign  
7 assistance can be greatly enhanced by fostering in-  
8 novation, applying science and technology, and  
9 leveraging the expertise and resources of the private  
10 sector to find low-cost, common sense solutions to  
11 today’s most pressing development challenges.

12           (2) Breakthroughs that accelerate economic  
13 growth and produce better health outcomes in devel-  
14 oping countries can help support the growth of  
15 healthier, more stable societies and foster trade rela-  
16 tionships that translate into jobs and economic  
17 growth in the United States.

1           (3) In 2014, the Office of Science and Tech-  
2           nology and the Office of Innovation and Develop-  
3           ment Alliances at the United States Agency for  
4           International Development (USAID) were stream-  
5           lined and merged into the United States Global De-  
6           velopment Lab.

7           (4) The Lab partners with entrepreneurs, ex-  
8           perts, nongovernmental organizations, universities,  
9           and science and research institutions to find solu-  
10          tions to specific development challenges in a faster,  
11          more cost-efficient, and more sustainable way.

12          (5) The Lab utilizes competitive innovation in-  
13          centive awards, a “pay-for-success” model, whereby  
14          a development challenge is identified, competitions  
15          are launched, ideas with the greatest potential for  
16          success are selected and tested, and awards are pro-  
17          vided only after the objectives of a competition have  
18          been substantially achieved.

19          (6) Enhancing the authorities that support this  
20          pay-for-success model will better enable the Lab to  
21          diversify and expand both the number and sources  
22          of ideas that may be developed, tested, and brought  
23          to scale, thereby increasing USAID’s opportunity to  
24          apply high value, low-cost solutions to specific devel-  
25          opment challenges.

1 **SEC. 3. UNITED STATES GLOBAL DEVELOPMENT LAB.**

2 (a) ESTABLISHMENT.—There is established in  
3 USAID an entity to be known as the United States Global  
4 Development Lab.

5 (b) DUTIES.—The duties of the Lab shall include—

6 (1) increasing the application of science, tech-  
7 nology, innovation and partnerships to develop and  
8 scale new solutions to end extreme poverty;

9 (2) discovering, testing, and scaling develop-  
10 ment innovations to increase cost effectiveness and  
11 support United States foreign policy and develop-  
12 ment goals;

13 (3) leveraging the expertise, resources, and in-  
14 vestment of businesses, nongovernmental organiza-  
15 tions, science and research organizations, and uni-  
16 versities to increase program impact and sustain-  
17 ability;

18 (4) utilizing innovation-driven competitions to  
19 expand the number and diversity of solutions to de-  
20 velopment challenges; and

21 (5) supporting USAID missions and bureaus in  
22 applying science, technology, innovation, and part-  
23 nership approaches to decisionmaking, procurement,  
24 and program design.

25 (c) AUTHORITIES.—

1           (1) IN GENERAL.—In carrying out the duties of  
2           the Lab under subsection (b), the Administrator, in  
3           addition to such other authorities as may be avail-  
4           able to the Administrator, including authorities  
5           under part I of the Foreign Assistance Act of 1961  
6           (22 U.S.C. 2151 et seq.), and subject to the limita-  
7           tions described in paragraph (3), is authorized to—

8                   (A) use not more than \$15,000,000 of  
9                   funds made available to carry out the provisions  
10                  of sections 103, 105, 106, 214, and sections  
11                  251 through 255, and chapter 10 of part I of  
12                  the Foreign Assistance Act of 1961 for each of  
13                  the fiscal years 2017 through 2021 to provide  
14                  funding to improve health outcomes;

15                  (B) provide innovation incentive awards  
16                  (as defined in section 4(5) of this Act); and

17                  (C) use funds made available to carry out  
18                  the provisions of part I of the Foreign Assist-  
19                  ance Act of 1961 for each of the fiscal years  
20                  2017 through 2021 for the employment of not  
21                  more than 30 individuals on a limited term  
22                  basis pursuant to schedule A of subpart C of  
23                  part 213 of title 5, Code of Federal Regula-  
24                  tions, or similar provisions of law or regula-  
25                  tions.

1 (2) RECOVERY OF FUNDS.—

2 (A) AUTHORITY.—

3 (i) IN GENERAL.—In carrying out the  
4 duties of the Lab under subsection (b), the  
5 Administrator, subject to the limitation de-  
6 scribed in clause (ii), is authorized to re-  
7 quire a person or entity that receives fund-  
8 ing under a grant, contract, or cooperative  
9 agreement made by the Lab to return to  
10 the Lab any program income that is attrib-  
11 utable to funding under such grant, con-  
12 tract, or cooperative agreement.

13 (ii) LIMITATION.—The amount of pro-  
14 gram income that a person or entity is re-  
15 quired to return to the Lab under clause  
16 (i) shall not exceed the amount of funding  
17 that the person or entity received under  
18 the grant, contract, or cooperative agree-  
19 ment.

20 (B) TREATMENT OF PAYMENTS.—

21 (i) IN GENERAL.—The amount of any  
22 program income returned to the Lab pur-  
23 suant to subparagraph (A) may be credited  
24 to the account from which the obligation  
25 and expenditure of funds under the grant,

1 contract, or cooperative agreement de-  
2 scribed in subparagraph (A) was made.

3 (ii) AVAILABILITY.—

4 (I) IN GENERAL.—Except as pro-  
5 vided in subclause (II), amounts re-  
6 turned and credited to an account  
7 under clause (i)—

8 (aa) shall be merged with  
9 other funds in the account; and

10 (bb) shall be available for  
11 the same purposes and period of  
12 time for which other funds in the  
13 account are available for pro-  
14 grams and activities of the Lab.

15 (II) EXCEPTION.—Amounts re-  
16 turned and credited to an account  
17 under clause (i) may not be used to  
18 pay for the employment of individuals  
19 described in paragraph (1)(C).

20 (3) LIMITATIONS.—

21 (A) IN GENERAL.—Concurrent with the  
22 submission of the Congressional Budget Jus-  
23 tification for Foreign Operations for each fiscal  
24 year, the Administrator shall submit to the ap-  
25 propriate congressional committees a detailed

1 accounting of USAID's use of authorities under  
2 this section, including the sources, amounts,  
3 and uses of funding under each of paragraphs  
4 (1) and (2).

5 (B) INNOVATION INCENTIVE AWARDS.—In  
6 providing innovation incentive awards under  
7 paragraph (1)(B), the Administrator shall—

8 (i) limit the amount of individual  
9 awards for fiscal year 2017 to not more  
10 than \$100,000;

11 (ii) limit the total number of awards  
12 for fiscal year 2017 to not more than 10  
13 awards; and

14 (iii) notify the appropriate congres-  
15 sional committees not later than 15 days  
16 after providing each such award.

17 (C) STAFF.—In exercising the authority  
18 under paragraph (1)(C), the Administrator  
19 should seek to ensure that increases in the  
20 number of staff assigned to the Lab are offset  
21 by an equivalent reduction in the total number  
22 of staff serving elsewhere in USAID.

23 **SEC. 4. DEFINITIONS.**

24 In this Act:

1           (1) ADMINISTRATOR.—The term “Adminis-  
2           trator” means the Administrator of the United  
3           States Agency for International Development.

4           (2) APPROPRIATE CONGRESSIONAL COMMIT-  
5           TEES.—The term “appropriate congressional com-  
6           mittees” means—

7                   (A) the Committee on Foreign Affairs and  
8                   the Committee on Appropriations of the House  
9                   of Representatives; and

10                   (B) the Committees on Foreign Relations  
11                   and the Committee on Appropriations of the  
12                   Senate.

13           (3) LAB.—The term “Lab” means the United  
14           States Global Development Lab established under  
15           section 3.

16           (4) USAID.—The term “USAID” means the  
17           United States Agency for International Develop-  
18           ment.

19           (5) INNOVATION INCENTIVE AWARD.—The term  
20           “innovation incentive award” means the provision of  
21           funding on a competitive basis that—

22                   (A) encourages and rewards the develop-  
23                   ment of solutions for a particular, well-defined  
24                   problem relating to the alleviation of poverty; or



1                   (B) helps identify and promote a broad  
2                   range of ideas and practices, facilitating further  
3                   development of an idea or practice by third par-  
4                   ties.

