

AMENDMENT TO H.R. 5300

OFFERED BY MS. JACOBS OF CALIFORNIA

At the end of title VI, add the following:

SEC. 625. LOCALLY LED DEVELOPMENT AND HUMANITARIAN RESPONSE.

(a) **PURPOSE.**—The purpose of this section is to encourage the United States to pursue a model of locally led development and humanitarian response and expand engagement and partnership with local actors.

(b) **SENSE OF CONGRESS.**—It is the sense of Congress that—

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

(2) over multiple administrations, the United States Government 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) the relevant foreign assistance agency should increase the proportion of direct funding to local entities, including by increasing the amount of development and humanitarian assistance to such entities;

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

(5) the relevant foreign assistance agency should ensure most awards, requests for proposals, and requests for applications outline expectations for implementers to elevate

local leadership and hold implementers to account for elevating local leadership;

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

(7) increased flexibility is critical 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.

(c) WORKING WITH LOCAL PARTNERS.—To the extent feasible and appropriate, the head of the relevant foreign assistance agency should localize the development and humanitarian assistance partner base by considering—

(1) supporting and funding existing effective local projects and initiatives;

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

(3) setting realistic goals and timelines for sunseting assistance and adhering to existing agreement totals and timelines to incentivize self-reliance and encourage exit plans with appropriate notice;

(4) exploring offering matching grants and in-kind contributions to ensure that United States Government investments in local partners are helping generate new resources of their own from other donors;

(5) exploring government-to-government partnerships with adequate guardrails and oversight, in consultation with local civil society, with select countries where feasible and practical

to enhance foreign governments' ability to deliver good governance, service delivery, and public goods that benefit local communities;

(6) exploring other types of funding modalities and types of partnerships with local and national actors, including support for pooled funding mechanisms and unsolicited projects;

(7) diversifying award types to streamline performance requirements and working with the Office of Management and Budget to address threshold constraints that pose a barrier to effectively supporting local partners;

(8) ensuring staff of the relevant foreign assistance agency is able and encouraged to conduct regular consultation with local partners in local languages of the host countries relating to policies and programs, including 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;

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

(10) utilizing “other transaction authority” through innovation incentive awards for local and national actors;

(11) supporting consistent and unimpeded access to full cost recovery for local partners implementing United States foreign assistance activities;

(12) undertaking outreach campaigns and engaging with local actors, 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 the relevant foreign assistance agency policies, and ensuring such engagement is accessible to all entities, including unregistered and informal organizations;

(13) 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;

(14) ensuring there are sufficient acquisition and assistance personnel;

(15) soliciting feedback on and updating, as necessary, performance evaluation criteria to create greater workforce incentives for the relevant foreign assistance agency personnel to champion locally led development;

(16) addressing internal delays and recipient organization issues that result in the required extension of provisional Negotiated Indirect Cost Rates (hereafter in this section referred to as "NICRAs");

(17) conducting seminars and providing documentation in local languages on NICRAs, the de minimis indirect cost rate, and other options for indirect cost recovery relevant to the award type; and

(18) ensuring that acquisition and assistance personnel communicate to awardees who do not submit for a NICRA that they are eligible for the de minimis indirect cost rate.

(d) INSTITUTIONALIZATION OF ACTIONS DESCRIBED IN SECTION 804.—Not later than 180 days after the date of the enactment of this Act, the head of the relevant foreign assistance agency shall initiate policy actions, including rulemaking if necessary, to institutionalize

the actions described in subsection (c) to the extent appropriate and feasible within all relevant foreign assistance agency internal rules and regulations, including the Foreign Affairs Manual, the Foreign Affairs Handbook, and the Department of State Acquisition Regulation, as well as other relevant strategies and policies.

(e) AUTHORITY TO ACCEPT APPLICATIONS, PROPOSALS, AND CONTRACTING AGREEMENTS IN LOCAL LANGUAGES AND LOCAL LANGUAGE SUPPORT.—

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

(2) LOCAL LANGUAGE SUPPORT.—

(A) IN GENERAL.—The head of the relevant foreign assistance agency shall conduct an assessment of options to enable such agency to utilize local languages to support local partners with award solicitations, proposals and applications, evaluations, management, close out, and other types of partnerships, including advising local partners on applicable United States regulations and the relevant foreign assistance agency policies and local country rules and regulations common in such activities.

(B) REPORT.—Not later than 1 year after the date of the enactment of this Act, the head of the relevant foreign assistance agency shall submit to Congress a report on the assessment described in this subsection.

(f) MODIFICATIONS RELATING TO THE CODE OF FEDERAL REGULATIONS AND OTHER REQUIREMENTS.—

(1) INCREASE IN THE DE MINIMIS INDIRECT COST.—The head of the relevant foreign assistance agency is authorized to—

(A) increase the de minimis indirect cost rate provided for in section 200.414 of title 2, Code of Federal Regulations, or any successor regulations, by 5 percentage points for local partners receiving assistance awards from the agency; and

(B) establish a de minimis indirect cost rate at the same rate provided for in subparagraph (A) for acquisitions awarded under title 48 of the Code of Federal Regulations to local partners, and to increase this threshold further should subsequent Office of Management and Budget regulations recommend doing so.

(2) EXEMPTION FOR LOCAL PARTNERS.—

(A) IN GENERAL.—The head of the relevant foreign assistance agency is authorized to exempt local partners, as needed, from the reporting requirements of the Federal Funding Accountability and Transparency Act of 2006 (31 U.S.C. 6106 note) to allow for a 180-day delay in obtaining a unique entity identifier and registration in the System for Award Management.

(B) DELAY LIMIT.—Such delay shall be no later than 30 days prior to the end of the award's period of performance.

(3) LOCAL COMPETITION AUTHORITY.—

Notwithstanding any other provision of law, the head of the relevant foreign assistance agency may award contracts and other acquisition instruments in which competition is limited to local partners if doing so would result in cost savings, strengthen local capacity, or enable the agency to deliver programs or activities 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 the relevant foreign assistance agency each fiscal year.

(4) USE OF NATIONAL OR INTERNATIONAL
GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.—

The head of the relevant foreign assistance agency, 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 for contracts or grants awarded under chapter 7 of title 48, Code of Federal Regulations or chapter 7 of title 2, Code of Federal Regulations.

(g) REVIEW OF LOCALLY-LED DEVELOPMENT IN PUBLIC INTERNATIONAL ORGANIZATIONS.—Not later than 1 year after the date of the enactment of this Act, the head of the relevant foreign assistance agency shall submit to the appropriate congressional committees a review of public international organizations' support for locally-led development, to include the following elements:

(1) An assessment of how such organizations' approaches and financing structures support locally-led development and humanitarian response.

(2) An action plan for how the United States will use its position in such organizations to encourage greater focus on locally-led approaches.

(h) ANNUAL REPORT.—Not later than 1 year after the end of the first fiscal year following the date of the enactment of this Act, and annually thereafter, the head of the relevant foreign assistance agency shall submit to the appropriate congressional committees and publish on the agency's website a report on the agency'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 partners, including to local and national nonprofit organizations, local and national governments, and local and national private sector entities, in the previous fiscal

year, including all development and humanitarian assistance programs.

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

(3) An assessment of how the relevant foreign assistance agency is using new authorities granted in subsections (e) and (f) and an assessment of the impact of these authorities on such agency's ability to work with local partners and communities.

(4) An assessment of how many organizations with a NICRA cognizant to the relevant foreign assistance agency are utilizing provisional NICRAs for over 48 months without a final NICRA and steps that such agency can take to reduce the extension of provisional NICRAs beyond 12 months.

(i) REPORT ON CONTRACTING OFFICERS.—Not later than 180 days after the date of the enactment of this Act, the head of the relevant foreign assistance agency shall submit to the appropriate congressional committees a report on the recruitment and retention of contracting officers and grant officers at such agency and recommendations to improve contracting or agreement officer recruitment and retention.

(j) DEFINITIONS.—In this section:

(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) LOCAL PARTNER.—The term “local partner” means—

(A) an individual who is a citizen or lawfully admitted permanent resident of and whose principal place of business is in the country or region receiving United States foreign assistance with which the individual is involved;

(B) a sole proprietorship that is owned by an individual described in subparagraph (A); or

(C) an entity that—

(i) is incorporated or legally organized under the laws of, and has its principal place of business in, the country served by the program with which the entity is involved or in a country within the same region as the program with which the entity is involved;

(ii) determines its own autonomous leadership and governance structures, sets its own strategic direction, priorities, and programmatic focus, and makes independent financial decisions separately from an international organization;

(iii) in the case that such entity has a Board of Directors, has 51 percent or more board directors who are citizens or lawfully permanent residents of such country or a country within the same region; and

(iv) in the case that such entity is a corporation, is 75 percent beneficially owned at the time of application by individuals who are citizens or lawfully admitted permanent residents of that same country.

(3) RELEVANT FOREIGN ASSISTANCE AGENCY.—The term “relevant foreign assistance agency” means the department or agency designated as primarily responsible for implementing the United States foreign assistance under part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.).