

AMENDMENT TO RULES COMM. PRINT 119–33

OFFERED BY MS. JACOBS OF CALIFORNIA

At the end of title XVII of division A, add the following:

1 **Subtitle C—Locally Led Develop-**
2 **ment and Humanitarian Re-**
3 **sponse Act**

4 **SEC. 17_. SHORT TITLE.**

5 This subtitle may be cited as the “Locally Led Develop-

6 opment and Humanitarian Response Act”.

7 **SEC. 17_. PURPOSE.**

8 The purpose of this subtitle is to encourage the

9 United States to pursue a model of locally led development

10 and humanitarian response and expand engagement and

11 partnership with local actors.

12 **SEC. 17_. SENSE OF CONGRESS.**

13 It is the sense of Congress that—

14 (1) locally led development and humanitarian

15 response is linked to more efficient and sustainable

16 development and humanitarian outcomes, and is

17 vital to building long-term self-reliance;

18 (2) over multiple Administrations, the United

19 States Government has sought to achieve greater de-

1 velopment outcomes through stronger local partner-
2 ships, including through “Country Ownership”,
3 “The Journey to Self-Reliance”, and “Locally Led
4 Development”;

5 (3) the relevant foreign assistance agency
6 should increase the proportion of direct funding to
7 local entities, including by increasing the amount of
8 development and humanitarian assistance to such
9 entities;

10 (4) the relevant foreign assistance agency
11 should ensure its programming enables local commu-
12 nities to exercise leadership over priorities, project
13 design, implementation, and measuring and evalu-
14 ating results of such programs;

15 (5) the relevant foreign assistance agency
16 should ensure most awards, requests for proposals,
17 and requests for applications outline expectations for
18 implementers to elevate local leadership and hold im-
19 plementers to account for elevating local leadership;

20 (6) working with local partners requires more
21 time, staffing, and flexibility of resources than tradi-
22 tional partners, including extended availability of
23 funds and additional staff resources; and

24 (7) increased flexibility is critical to respond to
25 local priorities and leverage local capacities, includ-

1 ing with respect to staffing, availability of funds,
2 program design, and acquisition and assistance proc-
3 esses, among other areas.

4 **SEC. 17__ . WORKING WITH LOCAL PARTNERS.**

5 (a) IN GENERAL.—To the extent feasible and appro-
6 priate, the head of the relevant foreign assistance agency
7 should localize the development and humanitarian assist-
8 ance partner base by considering—

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

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

19 (3) setting realistic goals and timelines for
20 sunsetting assistance and adhering to existing agree-
21 ment totals and timelines to incentivize self-reliance
22 and encourage exit plans with appropriate notice;

23 (4) exploring offering matching grants and in-
24 kind contributions to ensure that United States Gov-
25 ernment investments in local partners are helping

1 generate new resources of their own from other do-
2 nors;

3 (5) exploring government-to-government part-
4 nerships with adequate guardrails and oversight, in
5 consultation with local civil society, with select coun-
6 tries where feasible and practical to enhance foreign
7 governments' ability to deliver good governance,
8 service delivery, and public goods that benefit local
9 communities;

10 (6) exploring other types of funding modalities
11 and types of partnerships with local and national ac-
12 tors, including support for pooled funding mecha-
13 nisms and unsolicited projects;

14 (7) diversifying award types to streamline per-
15 formance requirements and working with the Office
16 of Management and Budget to address threshold
17 constraints that pose a barrier to effectively sup-
18 porting local partners;

19 (8) ensuring staff of the relevant foreign assist-
20 ance agency is able and encouraged to conduct reg-
21 ular consultation with local partners in local lan-
22 guages of the host countries relating to policies and
23 programs, including making available solicitations
24 for acquisitions and assistance and accepting sub-

1 missions in local languages, video format, or verbal
2 presentations, including by—

3 (A) investing in translation services;

4 (B) hosting workshop-based engagements;

5 and

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

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

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

16 (11) supporting consistent and unimpeded ac-
17 cess to full cost recovery for local partners imple-
18 menting United States foreign assistance activities;

19 (12) undertaking outreach campaigns and en-
20 gaging with local actors, formally and informally, to
21 raise awareness about opportunities, as well as how
22 to apply for and manage awards in compliance with
23 applicable Federal regulations and the relevant for-
24 eign assistance agency policies, and ensuring such

1 engagement is accessible to all entities, including un-
2 registered and informal organizations;

3 (13) strengthening oversight of capacity
4 strengthening components of awards to ensure
5 United States and international awardees are mak-
6 ing good-faith efforts to strengthen local organiza-
7 tions' capacities, including independent and external
8 evaluations to evaluate the mentorship process and
9 regular feedback loops;

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

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

17 (16) addressing internal delays and recipient
18 organization issues that result in the required exten-
19 sion of provisional Negotiated Indirect Cost Rates
20 (NICRAs);

21 (17) conducting seminars and providing docu-
22 mentation in local languages on NICRA, the de
23 minimis indirect cost rate, and other options for in-
24 direct cost recovery relevant to the award type; and

1 (18) ensuring that acquisition and assistance
2 personnel communicate to awardees who do not sub-
3 mit for a NICRA that they are eligible for the de-
4 minimis indirect cost rate.

5 **SEC. 17__ . INSTITUTIONALIZATION OF ACTIONS DESCRIBED**
6 **IN SECTION 17__ .**

7 Not later than 180 days after the date of the enact-
8 ment of this Act, the head of the relevant foreign assist-
9 ance agency shall initiate policy actions, including rule-
10 making if necessary, to institutionalize the actions de-
11 scribed in section 17__ to the extent appropriate and fea-
12 sible within all relevant foreign assistance agency internal
13 rules and regulations, including the Foreign Affairs Man-
14 ual, the Foreign Affairs Handbook, and the Department
15 of State Acquisition Regulation, as well as other relevant
16 strategies and policies.

17 **SEC. 17__ . AUTHORITY TO ACCEPT APPLICATIONS, PRO-**
18 **POSALS, AND CONTRACTING AGREEMENTS IN**
19 **LOCAL LANGUAGES AND LOCAL LANGUAGE**
20 **SUPPORT.**

21 (a) IN GENERAL.—Notwithstanding any other provi-
22 sion of law, the relevant foreign assistance agency is au-
23 thorized to accept applications or proposals in languages
24 other than English if such acceptance eases the burden
25 of a local actor working with such agency and such agency

1 is able to effectively evaluate such applications or pro-
2 posals.

3 (b) LOCAL LANGUAGE SUPPORT.—

4 (1) IN GENERAL.—The head of the relevant for-
5 eign assistance agency shall conduct an assessment
6 of options to enable such agency to utilize local lan-
7 guages to support local partners with award solicita-
8 tions, proposals and applications, evaluations, man-
9 agement, close out, and other types of partnerships,
10 including advising local partners on applicable
11 United States regulations and the relevant foreign
12 assistance agency policies and local country rules
13 and regulations common in such activities.

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

19 **SEC. 17_. MODIFICATIONS RELATING TO THE CODE OF**
20 **FEDERAL REGULATIONS AND OTHER RE-**
21 **QUIREMENTS.**

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

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

6 (2) establish a de minimis indirect cost rate at
7 the same rate provided for in paragraph (1) for ac-
8 quisitions awarded under title 48 of the Code of
9 Federal Regulations to local partners, and to in-
10 crease this threshold further should subsequent Of-
11 fice of Management and Budget regulations rec-
12 ommend doing so.

13 (b) EXEMPTION FOR LOCAL ENTITIES.—The head of
14 the relevant foreign assistance agency is authorized to ex-
15 empt local partners, as needed, from the reporting require-
16 ments of the Federal Funding Accountability and Trans-
17 parency Act of 2006 (31 U.S.C. 6106 note; Public Law
18 109–282) to allow for a 180-day delay in obtaining a
19 unique entity identifier and registration in the System for
20 Award Management. This delay shall be no later than 30
21 days prior to the end of the award’s period of perform-
22 ance.

23 (c) LOCAL COMPETITION AUTHORITY.—Notwith-
24 standing any other provision of law, the head of the rel-
25 evant foreign assistance agency (or their designees) may

1 award contracts and other acquisition instruments in
2 which competition is limited to local entities if doing so
3 would result in cost savings, strengthen local capacity, or
4 enable the agency to deliver programs or activities more
5 sustainably or quickly than if competition were not so lim-
6 ited. Such authority may not be used to make acquisition
7 awards in excess of \$25,000,000 and shall not exceed
8 more than 10 percent of the amounts appropriated to the
9 relevant foreign assistance agency each fiscal year.

10 (d) **USE OF NATIONAL OR INTERNATIONAL GEN-**
11 **ERALLY ACCEPTED ACCOUNTING PRINCIPLES.**—The head
12 of the relevant foreign assistance agency, in consultation
13 with the Administrator of the General Services Adminis-
14 tration, the Secretary of Defense, and the Administrator
15 of the National Aeronautics and Space Administration, is
16 authorized to allow foreign entities to use national or
17 international generally accepted accounting principles in-
18 stead of United States Generally Accepted Accounting
19 Principles (GAAP) for contracts or grants awarded under
20 the chapter 7 of title 48, Code of Federal Regulations or
21 chapter 7 of title 2, Code of Federal Regulations.

22 **SEC. 17__.** **REVIEW OF LOCALLY-LED DEVELOPMENT IN**
23 **PUBLIC INTERNATIONAL ORGANIZATIONS.**

24 Not later than 1 year after the date of the enactment
25 of this Act, the head of the relevant foreign assistance

1 agency shall submit to the appropriate congressional com-
2 mittees a review of public international organizations' sup-
3 port for locally-led development, to include the following
4 elements:

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

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

11 **SEC. 17__ . ANNUAL REPORT.**

12 Not later than 1 year after the end of the first fiscal
13 year following the date of the enactment of this Act, and
14 annually thereafter, the head of the relevant foreign assist-
15 ance agency shall submit to the appropriate congressional
16 committees and publish on the agency's website a report
17 on the agency's progress to advance locally led develop-
18 ment and humanitarian response, to include the following
19 elements:

20 (1) The amount of funding implemented di-
21 rectly and indirectly by local partners, including to
22 local and national nonprofit organizations, local and
23 national governments, and local and national private
24 sector entities, in the previous fiscal year, including

1 all development and humanitarian assistance pro-
2 grams.

3 (2) An assessment of how the agency is ena-
4 bling more local leadership of foreign assistance pro-
5 grams, including recipients of direct funding, sub-
6 recipients and subcontractors to an international im-
7 plementing partner, participants in an agency pro-
8 gram, or members of a community affected by such
9 programming.

10 (3) An assessment of how the relevant foreign
11 assistance agency is using new authorities granted in
12 sections 17__ and 17__ and an assessment of the
13 impact of these authorities on such agency's ability
14 to work with local partners and communities.

15 (4) An assessment of how many organizations
16 with a Negotiated Indirect Cost Rate (NICRA) cog-
17 nizant to the relevant foreign assistance agency are
18 utilizing provisional NICRAs for over 48 months
19 without a final NICRA and steps that such agency
20 can take to reduce the extension of provisional
21 NICRAs beyond 12 months.

22 **SEC. 17__. REPORT ON CONTRACTING OFFICERS.**

23 Not later than 180 days after the enactment of this
24 Act, the head of the relevant foreign assistance agency
25 shall provide a report to the appropriate congressional

1 committees on the recruitment and retention of con-
2 tracting officers and grant officers at such agency and rec-
3 ommendations to improve contracting/agreement officer
4 recruitment and retention.

5 **SEC. 17_. DEFINITIONS.**

6 In this subtitle:

7 (1) APPROPRIATE CONGRESSIONAL COMMIT-
8 TEES.—The term “appropriate congressional com-
9 mittees” means—

10 (A) the Committee on Foreign Affairs and
11 the Committee on Appropriations of the House
12 of Representatives; and

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

16 (2) LOCAL PARTNER.—The term “local part-
17 ner” means—

18 (A) an individual who is a citizen or law-
19 fully admitted permanent resident of and have
20 his or her principal place of business in the
21 country or region receiving United States for-
22 eign assistance with which the individual is or
23 may become involved;

1 (B) a sole proprietorship that is owned by
2 such an individual that meets the requirements
3 of subparagraph (A); or

4 (C) an entity that—

5 (i) is incorporated or legally organized
6 under the laws of, and have its principal
7 place of business in, the country served by
8 the program with which the entity is in-
9 volved or in a country within the same re-
10 gion as the program with which the entity
11 is involved;

12 (ii) determines its own autonomous
13 leadership and governance structures, sets
14 its own strategic direction, priorities, and
15 programmatic focus, and makes inde-
16 pendent financial decisions separately from
17 an international organization;

18 (iii) if it has a Board of Directors, has
19 51 percent or more board directors who
20 are citizens or lawfully permanent resi-
21 dents of such country or a country within
22 the same region; and

23 (iv) if it is a corporation, is 75 per-
24 cent beneficially owned at the time of ap-
25 plication by individuals who are citizens or

1 lawfully admitted permanent residents of
2 that same country.

3 (3) RELEVANT FOREIGN ASSISTANCE AGEN-
4 CY.—The term “relevant foreign assistance agency”
5 means the department or agency designated as pri-
6 marily responsible for implementing the United
7 States foreign assistance under part I of the Foreign
8 Assistance Act of 1961.

