



## Fiscal Year 2023 New Partnerships Initiative (NPI) Report to Congress

### Introduction: NPI in Fiscal Year 2023

The U.S. Agency for International Development (USAID) submits this report pursuant to Section 7019(e) of the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2024 (Div. F, P.L. 118-47) and Senate Report 118-71, which states:

*“New Partnerships Initiative.—The Committee recognizes the importance and success of the New Partnerships Initiative in simplifying access to USAID resources to make it easier for new, underutilized, and local partners to implement their ideas and innovations, including by diversifying solicitation and award approaches.*

*The Committee recommends funds above the prior fiscal year level for such purpose, and directs the USAID Administrator to report to the Committees on Appropriations not later than 90 days after the date of enactment of the act on funding provided to new, underutilized, and local partners in the prior fiscal year.”*

The focus of this report is the New Partnerships Initiative (NPI), which serves USAID by: diversifying and enhancing the quality of Agency partnerships; supporting Agency efforts to partner more equitably; assisting Missions and Operating Units across the globe and in Washington to increase partnerships with new, underutilized, and local partners; improving external engagement with partners; and promoting innovative practices in pursuit of sustainable, locally led development.

NPI is within the Local, Faith, and Transformative Partnerships (LFT) Hub of the Bureau for Inclusive Growth, Partnerships, and Innovation (IPI). NPI seeks to lower the barriers faced by nontraditional partners—including local actors, U.S. small businesses, faith-based organizations, cooperatives, diaspora groups, and civil society organizations—so that the Agency can embrace the diverse potential of the partnering community in pursuit of our shared development and humanitarian goals.

In fiscal year (FY) 2023, USAID obligated approximately \$1 million of program funds to NPI, the same as FY 2022 in nominal terms.

### NPI Awards

In its present form, NPI does not directly contribute funding to any awards. Therefore, it did not provide any funding directly to partners in FY 2023. However, NPI collaborates with USAID Missions, Bureaus, and Operating Units to design and develop targeted funding mechanisms for new, underutilized, and local partners. Obligations via NPI awards can be grouped into five major Annual Program Statements (APSs), managed by operating units with specific sectoral focus areas. As shown in Table 1, the largest mechanism in FY 2023 was the Global Health APS,



managed by the Bureau for Global Health. Following the Global Health APS, YouthPower 2 and Higher Education for Leadership, Innovation, and Exchange are large mechanisms, both managed by the IPI Bureau. The Bureau for Conflict Prevention and Stabilization manages the Conflict Prevention and Recovery Program APS. Lastly, the Bureau for Resilience, Environment, and Food Security (REFS) manages the Diversifying Partnerships in Water, Sanitation, and Hygiene APS.

<b>NPI Central Award Mechanisms</b>	<b>Amount obligated</b>	<b>Number of</b>
Global Health (GH APS)	\$111,670,118	17
YouthPower 2 APS	\$24,590,430	5
Higher Education for Leadership, Innovation, and Exchange (HELIX APS)	\$20,945,087	9
Conflict Prevention and Recovery Program (CPR Program APS)	\$17,818,140	15
Diversifying Partnerships in WASH (DiP-WASH APS)	\$5,386,377	1
Other non-APS awards (Lebanon IDEAS BAA)	\$3,442,000	1
<b>Total</b>	<b>\$183,852,153</b>	<b>48</b>

Table 1.

In FY 2023, aggregate NPI funding mechanisms obligated over \$183 million across 48 awards. This represents an increase of nearly \$43 million compared to FY 2022 obligations to NPI awardees. Table 2 below shows the distribution of FY 2023 obligations via direct, or “prime,” awards to various categories of recipients, or partner types. The majority of NPI award obligations were made directly to ‘traditional’ USAID partners, representing 29 awards and over \$148 million.

Traditional or established USAID partners do not fit NPI’s [definitions](#) of new or underutilized partners. Specifically, at the time of award, they have directly or indirectly received \$25 million or more from USAID over the past five years. NPI was created to address the majority of USAID funding being awarded to this set of partners. Though established partners remain the largest recipients by dollar amount of NPI awards, closer inspection of the data reveals that a majority of these traditional partners are either local partners or are U.S.-based partners that agree to subaward more than 50 percent of their award value to local entities or locally established partners.<sup>1</sup>

<sup>1</sup> The “local entity” and “locally established partner (LEP)” definitions are found in [ADS 303](#).



FY 2023 Award Obligations Partner Type		
Partner Type	Amount obligated in FY 2023	Number of Awards FY 2023
Total New & Underutilized Partners (NUP)	\$35,181,701	19 awards
Non-local NUPs	\$2,993,000	3 awards
Local NUPs	\$32,188,701	16 awards
“Traditional or Established” Partners	\$148,670,453	29 awards
Non-local traditional partners	\$55,309,056	8 awards
Local traditional partners	\$93,361,397	21 awards

Table 2.

A new category of local partner data reported for this fiscal year offers a notable insight from FY 2023 obligations. Historically, traditional USAID partners have been overwhelmingly US-based organizations. However, in FY 2023, an analysis of NPI’s traditional awardees reveals a shift towards awards made to local or locally established entities that—due to receiving more than \$25 million directly or indirectly from USAID over the past five years—disqualifies them as a new or underutilized partner. It is difficult to provide definitive conclusions at this stage since the majority of these awardees and associated obligations come from the [Accelerating Control of the HIV Epidemic \(ACE\) awards](#), a suite of six Global Health awards in Nigeria with a total estimated ceiling of funding of over \$300 million. Nevertheless, with the Agency’s ongoing push towards expanding work with local partners, there will likely be a growing set of local partners whose scale of partnership qualifies them as a ‘traditional’ USAID partner.

Although a majority of NPI award obligations went to traditional partners in FY 2023, subaward data disaggregated in Table 3 demonstrates NPI awards active in FY 2023 have sub-awarded approximately \$42.6 million, of which the vast majority of funds went to new, underutilized, and local partners. In FY 2023, NPI prime awardees issued 90 subawards, with 80 granted to local entities, which received 81.7 percent of all subaward obligations by the end of the fiscal year under active FY 2023 NPI awards.<sup>2</sup>

<sup>2</sup> A note on subaward data: In order to comply with requirements under the Federal Funding Accountability and Transparency Act, USAID prime awardees are required to report first-tier subcontract and subaward data where the sub obligation is equal to or greater than \$30,000 by the end of the month following the month in which the subcontract or subgrant is made. Further information can be found here: <https://www.frs.gov>. Given that USAID subaward obligation data relies on prime awardees to supply accurate information to a system managed by the General Services Administration, a separate U.S. government entity from USAID, USAID [recognizes](#) the importance of continuous data improvement in collaboration with our partners. NPI presents its data here with these qualifications, while also noting that—in order to provide the most accurate data—subaward obligations are being

Table 3.

FY 2023 Subaward Obligations		
Partner Type	Subaward obligations under active FY 2023 prime awards (as of fiscal year-end 2023)	Number of Subawards FY 2023
Total New & Underutilized Partners (NUPs)	\$34,763,822	84
Non-local NUPs	\$922,624	4
Local NUPs	\$33,841,197	80
Traditional & Existing Partners	\$7,783,120	6
<b>Total</b>	<b>\$42,546,942</b>	<b>90</b>

### NPI Technical Expertise and Support

As a team focused on supporting innovative partnerships that advance locally led development, NPI has been well-positioned to contribute to Agency-wide localization goals at both the policy level and through USAID’s Washington-based operations and Missions around the world. USAID’s overarching localization goals, which include that USAID provides at least a quarter of its program funds directly to local partners by the end of FY 2025, and by 2030, fifty percent of all programming places local communities in the lead, have been underpinned by a variety of internal reform efforts, progress on which is detailed further in the [FY 2023 Localization Progress Report](#).

### Policy

The FY 2023 period was significant for NPI with the October 2022 rollout of the [Local Capacity Strengthening \(LCS\) Policy](#), USAID’s policy focused on how the Agency invests in the capacities of local actors, networks, and systems to achieve more enduring development and humanitarian impact. NPI has been involved with the LCS Policy from its inception, and significant staff expertise has been dedicated to its drafting and implementation. The policy’s publication was met with widespread praise from the development community, both for the principles it espoused and for USAID’s extensive and inclusive [consultation process](#) that helped draft and revise the policy.

The LCS Policy is committed to transparency and accountability around policy implementation, as evidenced by [annual implementation updates](#) made public for the first time in August 2023.

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presented in this report as total subaward obligations to date as of the end of fiscal year 2023, since USAID reporting systems are not designed to capture and calculate subaward data based on a specific fiscal year.



The policy implementation updates also announced an [Annual Learning and Feedback Forum](#), which was held virtually in October 2023 to coincide with the one-year anniversary of the policy launch. The event drew 1,770 global stakeholders from 108 countries and 60 USAID Missions to share insights and offer feedback on USAID’s capacity strengthening approaches. NPI is already planning the 2024 Local Capacity Strengthening Learning and Feedback Forum and welcomes Congressional participation in this virtual global event.

### Mission and Operating Unit Support

The NPI team directly supports Missions globally across all USAID development sectors. This flexibility allows NPI support to be demand-driven and responsive to local and regional priorities as they arise. In FY 2023, NPI provided technical assistance to 44 different Missions and Operating Units; the following table focuses on the most substantial instances of NPI technical assistance from that fiscal year:

Mission / Operating Unit	Key Results
USAID’s Center (now Bureau) for Democracy, Human Rights, and Governance	<ul style="list-style-type: none"> <li>Facilitated the co-creation of the <a href="#">Powered by the People</a> activity with approximately 50 international and local stakeholders to foster a global consortium capable of regranting to meet the needs of human rights defenders and social movements worldwide.</li> </ul>
USAID/Ukraine	<ul style="list-style-type: none"> <li>Backfilled the Mission’s Development Outreach &amp; Communications team by providing editorial support to <a href="#">stories</a> and social media amplifying the resilience of USAID’s local Ukrainian partners in the face of Russian invasion.</li> </ul>
USAID/Democratic Republic of the Congo	<ul style="list-style-type: none"> <li>Co-developed the Mission’s localization strategy and action plan that has helped the Mission realize a trajectory towards doubling direct local partner funding levels.</li> </ul>
USAID/Cambodia	<ul style="list-style-type: none"> <li>Helped develop the Mission’s localization strategy with specific action items, including an analysis of the local landscape for health and education partners.</li> </ul>
USAID/Nigeria	<ul style="list-style-type: none"> <li>Produced an analysis of the local partner landscape for the Mission’s Health, Population, and Nutrition Office, along with additional localization strategizing.</li> </ul>



Mission / Operating Unit	Key Results
USAID/Guatemala	<ul style="list-style-type: none"> <li>Supported a series of localization workshops with Mission staff, developed a local partner landscape analysis, and drafted a local partner-focused umbrella funding mechanism (<a href="#">Guatemala Locally Led Development APS</a>).</li> </ul>
USAID/Burundi	<ul style="list-style-type: none"> <li>Co-created a Mission localization strategy and action plan, along with a Monitoring, Evaluation, and Learning framework. Supported hiring of local staff members dedicated to localizing programming and processes.</li> </ul>
USAID/Regional Development Mission for Asia (Thailand)	<ul style="list-style-type: none"> <li>Facilitated sessions on localization and the Local Capacity Strengthening Policy at the Regional Education Workshop as well as a localization session at U.S. Small Business international conference.</li> </ul>

### NPI Going Forward

In FY 2023, NPI recognized the need to meet growing demand among USAID Missions and Operating Units for localization and partner diversification support. The Partnerships Incubator contract was granted an extension through the end of FY 2024. To prevent programming gaps, the NPI team began designing and procuring two new mechanisms to build upon and widen the partnership-related services provided by the Incubator. The first of these NPI mechanisms (Compliance and Capacity Strengthening for Diverse Partnerships) is an indefinite quantity (IDIQ) contract with a maximum ceiling value of \$250 million. The IDIQ was awarded to nine U.S. small businesses in FY 2024. It will deliver compliance support and capacity strengthening services that USAID staff have regularly cited as key enablers for the expansion of awards to nontraditional and local partners.

NPI also worked on a second U.S. small business set-aside contract in FY 2023 that was awarded in FY 2024. This Linguistic Services Blanket Purchase Agreement (BPA) addresses another major hurdle for expanding the Agency’s collaboration with nontraditional and local partners, which is our collective ability to meet, exchange information, submit applications, etc., in global languages other than English. NPI was already advancing new ground in language accessibility through ensuring that LCS Policy-related events and materials were translated into major USAID languages like Spanish, French, Arabic, and Kiswahili. The Linguistic Services BPA will offer USAID Missions and Operating Units even greater access to a host of linguistic services, including translation, interpretation, transcription, and verification in over 120 global languages.



## Annex 1

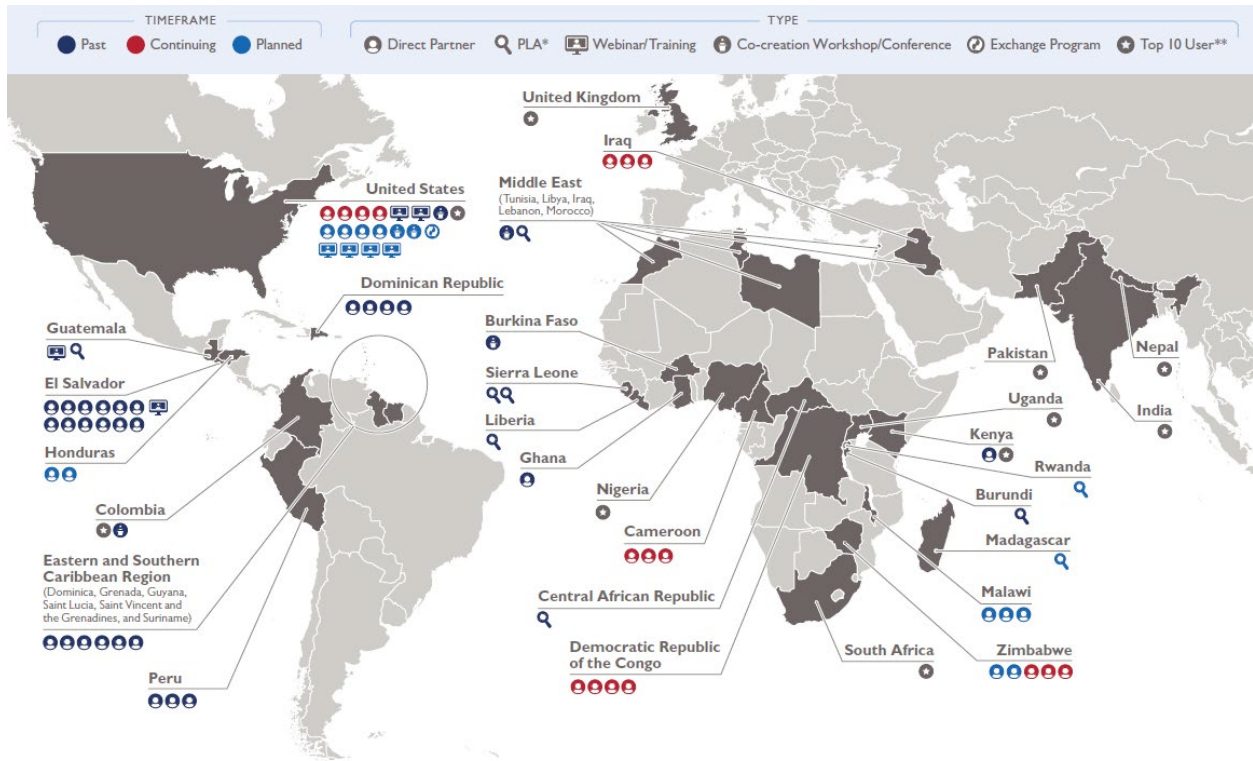
### NPI Partnerships Incubator

The NPI Partnerships Incubator is a support contract managed by the NPI team with buy-ins from USAID Missions, Bureaus, and Operating Units to provide services designed to expand new and nontraditional partnerships across the Agency. The contract was set to end in FY 2023 but was awarded a one-year extension to build upon its impact and learnings from four years of implementation and ensure a smooth transition to closeout.

The Incubator has been essential in NPI's work to diversify and strengthen the Agency's partnerships with new, underutilized, and local partners. In FY 2023, the Incubator provided direct capacity strengthening support to 44 partners to improve their organizational capacity, in line with the Local Capacity Strengthening Policy, and strengthened their ability to apply, receive, and better manage direct awards from USAID and other donors. One pioneering Incubator project in El Salvador, "[CAPTALO!](#)," paved new ground as an innovative capacity strengthening and training program. This free, online, Spanish-language e-learning course comprised nine carefully crafted online modules delivered entirely in Spanish covering crucial topics such as introduction to international cooperation, theories of change, logical framework, MEL, financial management, partnerships and agreements, and proposal development. Ninety individuals representing nearly three dozen local organizations participated in the pilot run of the course.

In addition to working directly with partners to provide technical support, the Incubator continued to develop the Work with USAID [platform](#). This website, launched in FY 2022, is one of NPI's critical contributions to the Agency's efforts to reduce information asymmetry and improve access to resources on how to work with USAID for new, underutilized, and local partners. The Work with USAID platform is managed in collaboration with the Office of Acquisition and Assistance's Communications team and the USAID Industry Liaison.

This year, the Incubator focused its efforts on expanding and translating the website to improve accessibility and increase utility and value for its users. In its second year of operation, the WorkwithUSAID website registered more than 5,000 current, new, and potential partner organizations as part of its partner directory. More than 3,000 (about 68%) of directory entries come from local organizations, and more than 480 are U.S. small businesses. FY 2023 also marked a turning point for the sustainability of the website as it transitioned into a website owned and operated by USAID under a ".gov" domain. This signifies the Agency's commitment and recognition of the website as an enduring resource for the partner community.



\*Partner Landscape Assessment  
 \*\*Top 10 locations of users accessing WorkwithUSAID.org

*This map displays FY 2023 technical assistance provided to USAID Missions by the Partnerships Incubator, a contract managed by the New Partnerships Initiative with the Kaizen Company, a Tetra Tech Company.*