U.S. Agency for International Development (USAID)
Report on Award Performance and Accountability

Overview

This report is submitted pursuant Section 7019(e) of the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2024 (P.L. 118-47) and House Report 118-146, which states:

> "Not later than 180 days after the date of enactment of this Act, the Administrator of USAID shall submit a report to the appropriate congressional committees on award performance and accountability in support of more effective, transformative, and efficient foreign assistance implementation. The report shall include: (1) the feasibility of building on innovation incentive awards and pay-for-performance awards in an effort to better achieve well-defined results through competitive means; (2) an assessment of how proven technologies and other innovations can be brought to greater scale; (3) an analysis of the pervasiveness of sub-grantees or sub-contractors being highlighted within grant or contract proposals but not included or minimized during the period of the award."

USAID submits this report on the requirements outlined above.

Requirement #1: *(1) the feasibility of building on innovation incentive awards and pay-for-performance awards in an effort to better achieve well-defined results through competitive means;*

Pay-for-Performance: Pay-for-performance (also referred to as pay-for-results, pay-for-outcomes, pay-for-success, or results-based financing) is an umbrella term for initiatives that provide financial compensation upon accomplishment of specific results, rather than paying for inputs to accomplish those results. USAID sets financial or non-financial incentives for an entity or individual to deliver a predefined outcome, and then rewards achievement of that outcome by paying out the incentive upon verification that the desired outcome was achieved.[1] Prize awards issued under the Innovation Incentive Award Authority (IIAA), described below, constitute one approach to paying for results at USAID and will be the focus of this section of the report.

Innovation Incentive Award Authority: Innovation Incentive Awards are authorized under section 7034(d)(5) of the fiscal year (FY) 2024 State, Foreign Operations and Related Programs Appropriations Act (SFOAA), and outlined in the FY 2016 SFOAA, which states:

> "The Administrator of the United States Agency for International Development [may] use funds appropriated by this Act under title III to make Innovation Incentive Awards: Provided, That each individual award may not exceed $100,000: Provided further, That no more than 10 such awards may be made during fiscal year 2016: Provided further,

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[1] Definition adapted from *Pay for Results in Development: A Primer for Practitioners*: https://pages.usaid.gov/sites/default/files/pay_for_performance_letter_v5_final_dec_5_2017.pdf

That for purposes of this paragraph the term "Innovation Incentive Award" means the provision of funding on a competitive basis that—(A) encourages and rewards the development of solutions for a particular, well-defined problem related to the alleviation of poverty; or (B) helps identify and promote a broad range of ideas and practices facilitating further development of an idea or practice by third parties."

Congress first granted this Authority in the FY 2016 SFOAA and has since included it in each subsequent Department of State, Foreign Operations, and Related Programs Appropriations Act. In FY 2020, Congress increased the number of Innovation Incentive Awards (IIAs) authorized to a maximum of 15 per fiscal year, which continued through the FY 2022 SFOAA. In the FY 2023 SFOAA, Congress removed the cap on the number of awards. In the FY 2024 SFOAA, Congress increased the cap on the size of each individual award to no more than $500,000 each.

The [Exploratory Programs and Innovation Competitions](#)[2] (EPIC) team within USAID's Inclusive Growth, Partnerships, and Innovation (IPI) Bureau serves as the custodian of the IIAA on behalf of USAID, leading outreach, capacity building, and reporting efforts on the Authority across the Agency.

Outcomes & Utilization of Innovation Incentive Awards
Utilization of Innovation Incentive Awards (IIAs) is growing across the Agency. Since the IIAA was first granted in 2016, USAID has delivered 87 IIAs. Forty-eight of these awards have been made since the cap of 15 IIAs per fiscal year was lifted in FY 2023. As of this report, USAID has at least an additional 42 IIAs in its pipeline across four planned prize competitions and demand is increasing. Feedback to EPIC from USAID Missions, Bureaus, and Operating Units indicates that IIAs are faster to deliver, more inclusive than traditional USAID assistance awards, and reduce barriers to making and receiving awards for USAID staff and prize winners alike, making IIAs a powerful tool to address USAID's strategic objectives with regards to localization and burden reduction. Approximately 81 percent of awards have been made to local solvers, defined as individuals or organizations primarily operating in countries receiving USAID assistance. .

Recent prize winners have reported that participating in a USAID prize competition has yielded substantial benefits. USAID outreach to innovators who have received an IIA within approximately the past year yielded responses from 13 winners (whose prize awards were valued at a cumulative $290,000) representing five USAID prize competitions and 12 countries. In the months since receiving their awards, these innovators collectively reported nearly $650,000 in follow-on funding secured, 197 new jobs created, and more than 5,000 new customers. Recent winners also reported that their prize awards made it possible for them to strengthen the scientific evidence base for the effectiveness of their innovation, secure or be more competitive for additional funding, build strategic partnerships to strengthen community engagement and participation, scale to a regional level and expand production, and remain in business after catastrophic flooding destroyed key equipment, respectively.

In 2022, USAID contracted an external evaluator to conduct a Prize Competition Meta-Evaluation to strengthen the evidence base on IIAs and better understand the long-term outcomes of nine USAID prize competitions implemented between 2014 and 2022, seven of which used the IIAA. While complete results and recommendations from this evaluation are expected in early 2025, early analysis of 217 survey responses from participants in these nine prize competitions yields some initial findings. Among prize competition entrants, finalists, and winners alike, more than 80 percent of respondents reported

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[2] https://www.usaid.gov/innovation-technology-research/innovation/epic

that their innovations are still active and have been substantially modified or improved since the prize call. For example, mDoc, a winner of the Inclusive Health Access Prize, has since added an AI chat bot to complement the health advice provided by their coaches to patients. Few respondents indicated that their innovations have become obsolete or no longer exist. Winners self-reported notably higher average per capita funding (inclusive of follow-on awards and investment) after the prize competition as compared to before, suggesting that winning a prize may enable solvers to attract additional follow-on funding. Entrants and finalists also saw smaller increases in funding on average following the competition as compared to the prize winners. Winners were also much likelier than entrants and finalists to report a substantial increase in customers following the prize competition. These early findings suggest that USAID prize competitions have invested in dedicated innovators who have gone on to expand their reach and potential for scale. For example, Plantix, a plant diagnostic app developed by PEAT, a Data-Driven Farming Prize winner, has expanded to serve over 10 million users in 18 different languages after they were awarded.

Perceptions of USAID prizes appear to be largely positive among survey respondents. Seventy-five percent of entrants, 66 percent of finalists, and 90 percent of winners indicated they would recommend participating in a prize competition to other solvers. The largest share of participants stated that their primary motivation for participating in the prize competition was to raise their profile or reputation, with accessing capital, gaining knowledge of competitors' products and services, and receiving technical assistance also being significant motivators.

Promoting Uptake of Innovation Incentive Awards
Given the limited resources and staffing allocated to support the use of the IIAA, USAID has primarily encouraged uptake of the Authority via thought leadership, marketing, and influence. In addition to strengthening the evidence base for prizes through the Meta-Evaluation described above, USAID has recently promoted the Authority to 1,660 participants in the Pay-for-Results, Private Sector Engagement, and Open Innovation Communities of Practice, delivered five trainings in 2024 to enhance Agency awareness and strengthen capacity to use the Authority, and developed a virtual, self-guided training covering prizes which will be available to all USAID staff as well as to external partners. Additionally, USAID launched a public-facing [blog post](https://www.workwithusaid.gov/en/blog/unlocking-creative-approaches-through-usaids-innovation-incentive-awards)[3] on the benefits of IIAs and is drafting an Automated Directives System chapter to strengthen formal guidance on how USAID staff should use the Authority. Through these outreach channels, USAID has seen sustained interest in the IIAA and continues to field follow-up inquiries from Agency staff, including prospective engagements with the Bureau for Humanitarian Assistance, the Bureau for Democracy, Human Rights, and Governance, USAID/Uganda, and USAID/Senegal.

In March 2024, USAID launched the third annual round of its Prize Incentive Fund, with the purpose of building demand for Prizes across the Agency and seeding promising prize competitions to demonstrate their potential. In past years, USAID has supported six prize competitions and 53 winners through the Prize Incentive Fund. Three hundred thousand dollars in matching funds for prize awards were available to incentivize eligible Missions, Bureaus, and Operating Units to submit appropriate, high-impact activity designs.

In early September 2024, and through substantial internal advocacy, USAID successfully advocated for an update to the Locally-Led Programs indicator to be inclusive of Innovation Incentive Awardees. Previously, Innovation Incentive Awards did not count toward the two ways USAID measures localization.

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[3] https://www.workwithusaid.gov/en/blog/unlocking-creative-approaches-through-usaids-innovation-incentive-awards

This update will remove one of the major barriers to agency uptake of Innovation Incentive Awards. Due to the timing of the update, which occurred too close to this report's deadline, additional use of the Authority could not be included and will be provided as it becomes available.

Barriers to Further Uptake
While uptake of the IIAA has expanded following removal of the annual cap on the number of awards and increase of the maximum award size to $500,000, USAID still encounters significant barriers to broader use. For example, USAID has a large demand for trainings, technical assistance, and support to expand the use of the IIAA, conduct right-fit assessments and performance evaluations of innovations funded through the IIAA, and address institutional barriers to uptake. In 2023, the Innovation Division in the Innovation, Technology, and Research (ITR) Hub launched an agency-wide Open Innovation Working Group to help overcome barriers, broaden awareness, increase the number of Innovation advocates across the Agency, and increase the use of IIAs.

The cap of $500,000 per award also limits uptake of the Authority. In FY 2024, USAID fielded more than 35 inquiries on the IIAA from across the Agency. However, of these, only three are moving forward. USAID has heard from several MBIOs that the award cap poses a significant barrier. For example, USAID/Nigeria expressed interest in the IIAA but nonetheless declined to use it because a $500,000 award was too low to motivate the solvers in their target sector to enter weaker markets. The Mission stated that it would need to be able to make awards of $2 million or more for using the IIAA to be worthwhile. A higher award limit would also allow USAID to more effectively leverage IIAs to address complex problems at the national and global scale and better support the scale-up of mature, proven innovations.

Feasibility of Building On Pay-for-Performance and Innovation Incentive Awards
As outlined above, follow-up studies suggest that prizes issued under the IIAA are an effective tool through which USAID can pay for results and incentivize solvers to achieve specific, well-defined results through competitive means. While demand for IIAs is increasing at USAID, additional dedicated funding would allow the Agency to capitalize upon and expand enhanced interest in the IIAA through evidence generation, trainings, and development of toolkits; allow the Agency to respond to and sustain increased uptake of the Authority through increased staffing; and make using the IIAA less risky and more user-friendly for USAID staff by offering incentive funds, removing institutional barriers, and strengthening formal guidance to mainstream the use of the Authority. Additional flexibilities also allow for the time needed for IIAA competitors to generate results and enable us to support demand from any sector, including emanating from our Global Health and Humanitarian Affairs colleagues that we are presently ill-equipped to meet.

Requirement #2: *(2) an assessment of how proven technologies and other innovations can be brought to greater scale;*

Background
USAID works to fund and scale high-performing development solutions with the potential to impact millions of lives. It does this through several innovation-focused units across USAID, including Development Innovation Ventures (DIV), the Agency's evidence-driven open innovation fund; open innovation competitions (such as prizes and challenges) supported by the USAID team; and the work of sectorally focused units such as the Center for Innovation and Impact within the Global Health Bureau,

the Bureau for Resilience, Environment, and Food Security's Center for Agriculture-Led Growth, the Bureau for Humanitarian Assistance's Innovation team, and the Experimentation, Innovation, and Learning team within the Democracy, Human Rights, and Governance Bureau's Anti-Corruption Center. USAID tests new ideas, builds evidence of what works, and positions proven technologies and other innovations to scale via a public, commercial, or hybrid pathway. USAID's innovation funds and programs focus on catalyzing internal uptake and scale through broader Agency programming, focusing on high potential solutions that can maximize the impact of foreign assistance. For more information on how effective interventions are brought to scale through USAID, see Section 1 within the [Report on the Plan to Assess Effective Innovations Brought to Scale through USAID](#)[4], submitted to Congress on August 6, 2024.

How to Scale Proven Technologies & Other Innovations
In FY 2023, 23 MBIOs reported the public and/or private uptake of 295 innovations through the Performance Plan and Report (PPR) data call, demonstrating an appetite for the innovations supported by MBIOs around the world. There is an opportunity for the Agency to play a role in scaling these innovations. USAID deploys strategic financing and technical assistance to scale proven technologies and other innovations; the following details how USAID supports scaling and provides past examples to demonstrate each approach:

1. Evidence Generation: Through USAID (DIV, EPIC, and other Agency) financing, technical assistance, and open innovation programming, USAID supports the generation of right-fit evidence to iterate, improve, and identify what development innovations work. This evidence is critical for developing a feasible pathway to scale and demonstrating development and commercial potential to future donors, funders, and/or clients. As an example, through the Equitable AI Challenge, USAID provided funding to five organizations to test the limitations of their AI models, identify and address biases and inequity in their AI systems, and conduct user testing to improve outcomes and access to quality services (i.e. financial products, health services, and schooling). One such grant funded a randomized control trial conducted by the University of California, Berkeley to assess how artificial intelligence-enabled algorithms can provide gender equitable alternative credit scoring. Additionally, the USAID-supported Global LEAP Awards Off-Grid Refrigerator Competition (OGRe) required competitors to demonstrate that their products exceeded prevailing market standards in energy efficiency, value, and user appeal (based on laboratory testing and field trial data and evidence). In both cases (Equitable AI & OGRe), prize competitions drove innovators to engage in evidence generation and data collection to participate in the prize competition, which in turn also helped innovators access and secure other procurement incentives, business and partnership opportunities, and certifications.

DIV is one of the largest funders of randomized controlled trials in the Agency. In 2019, DIV [funded a randomized controlled trial](#)[5] to evaluate the impact of transitioning one of the world's largest social benefit programs from physical rice distribution to an electronic debit card for purchasing rice. The traditional food subsidy program, Rastra, supports Indonesia's 15 million poorest households, costs roughly $1.5 billion per year, and researchers estimated that only one-third of the rice actually reached targeted households. The [evaluation found](#)[6] that going digital led to millions of Indonesians in the program receiving the total amount of food intended for them 81 percent of the time—up from only 24

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[4] https://www.usaid.gov/reports/innovation-contract-performance-transparency/fy-2024

[5] https://divportal.usaid.gov/s/project/a0gt00000015gSjAAI/raskin-welfare-reform-transition-to-electronic-distribution

[6] https://www.aeaweb.org/articles?id=10.1257/aer.20210461

percent of the time under the old system; the new system has led to a 20 percent decrease in poverty among the poorest households—all at the same cost as the traditional program.

2. Incentivizing and co-funding Agency adoption of proven solutions funded by DIV: The DIV Stage 4 Initiative is an internal opportunity for USAID MBIOs to receive funding and technical assistance from DIV to replicate and scale selected solutions from DIV's portfolio into their programming. This initiative is made possible through a [$45 million gift from Open Philanthropy](#)[7] to support the scale-up and integration of evidence-based, proven development innovations into broader USAID programming. DIV has selected innovations from its portfolio that are eligible for the Stage 4 Initiative based on evidence demonstrating that they are proven to be among the most cost-effective approaches to improving development outcomes and their relevance to USAID priorities.

3. Catalytic Capital & Investment Facilitation: USAID is uniquely positioned in many innovation ecosystems as a trustworthy facilitator for those in need of capital (innovators) and those looking for deal flow (investors and funders). As an example of a prize facilitating solution scale-up, USAID awarded three prizes with a combined value of $120,000 to solvers funded by USAID's All Children Reading Grand Challenge for Development for scaling digital accessible sign-language storybooks to more children, caregivers, and teachers in appropriate contexts. To date, the three awardees have reached over four million children.

DIV awards also serve as a bridge from early-stage or seed funding to the next phase of growth. DIV awards to commercial entities have helped incredibly high-impact innovations stay afloat at critical junctures. As an example, DIV has provided three awards to Burn Manufacturing, which has since become the largest clean cookstove company in the world. DIV supported Burn to conduct [early research and development](#)[8] and has since funded expansion to new markets across [East](#)[9] and [West Africa](#)[10], filling a gap in what is typically a risky first move for traditional investors and allowing the company to achieve profitability. A randomized controlled trial showed that customers save nearly 40 percent on charcoal costs. Since its founding, Burn has manufactured and sold over 4.5 million high efficiency stoves, reducing carbon emissions by a staggering 25 million tons, and saving households almost $1 billion in fuel costs. Burn has raised millions in investment capital since DIV's seed funding and was recently named one of [TIME's 100 most influential companies of 2024](#)[11].

Additionally, the Water and Energy for Food (WE4F) Grand Challenge for Development is an $88 million program funded by USAID and other donors that aims to scale innovations and strategies which focus on the nexus of water, energy, and food to impact food security, gender inequity, and poverty reduction. WE4F supported innovators with investor mapping, pitch deck and term sheet development, partnerships with local finance institutions and the creation of innovative financial productions. A recent final program evaluation determined that WE4F investment facilitation helped two thirds of the program's innovators raise over $50 million in external funding, 96 percent of which came from private investors.

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[7] https://www.regrantingchallenge.org/awardees/development-innovation-ventures

[8] https://divportal.usaid.gov/s/project/a0gt0000000rW7EAAU/improved-design-cookstove-payasyougo-model

[9] https://divportal.usaid.gov/s/project/a0gt0000000rW6AAAU/commercial-cookstove-business-for-scale-throughout-subsaharan-africa

[10] https://divportal.usaid.gov/s/project/a0gt0000001pbLoAAI/scaling-clean-cooking-burn-manufacturing-west-africa-expansion

[11] https://time.com/6979952/burn-manufacturing/

4. Technical Assistance for Business Development, Incubation & Acceleration: New innovators, start-ups, researchers, and emerging teams in established businesses or non-government organizations can benefit from technical assistance, coaching, and mentoring from experts and business leaders to more efficiently develop their pathways to scale. As an example, the Mombasa Plastics Prize, funded by USAID and Global Affairs Canada, aimed to encourage innovation and awareness of the plastic waste problem among youth innovators in Mombasa County by inspiring the development of solutions that tackle the issue of marine plastic waste mismanagement, especially within informal settlements. Over eight months, an incubator offered nine innovator teams customized coaching, mentoring, and training in order to evolve their prototypes into viable solutions and formalize their enterprises. By the end of the incubator, all nine teams had formalized and registered as businesses, half had started generating income, a third had secured investors, and 545 jobs were created.

WE4F also supported innovators and helped them scale by facilitating regional partnerships, supporting licensing requirements, navigating regulatory landscapes, and forming Memoranda of Understanding which resulted in new end-user micro financing mechanisms. Innovators reported a high level of satisfaction with technical assistance provided, 75 percent of innovators achieved scaling with profit within a year of receiving WE4F technical assistance, as well as improving innovators' capacity to target under-represented groups in the nexus such as women and Base of the Pyramid (BoP). Additionally, recognizing that not all pathways to scale are market-based, the Countering Transnational Corruption Grand Challenge's learning agenda seeks to build the sector's knowledge base on how technical assistance can most effectively accelerate anti-corruption innovations, especially through public-sector or civil society pathways, and what factors contribute to their success.

5. Fostering Enabling Environments & Understanding Local Market Dynamics for Innovation Adoption: As a global agency, USAID has local staff, subject matter experts, and implementation partners in more than 80 countries around the world. This unique position allows the Agency to deploy local understanding of political, regulatory and business contexts and better facilitate broader adoption of proven technologies and other innovations. As an example, the AgResults Tanzania Dairy Productivity Challenge Project was a four-year, US$4.9 million Pay-for-Results prize competition that increased dairy productivity by encouraging private sector input suppliers to deliver inputs and extension services to smallholder farmers. With a good understanding of local market dynamics and awarding a prize for each bundle of high-quality inputs delivered, the competition increased animal productivity, boosted smallholder farmers' incomes, and strengthened value chain relationships between dairy producers and the formal dairy sector.

Led by the Global Health Bureau's Center for Innovation and Impact and the Emerging Threats Division within the Office of Infectious Diseases, the Antimicrobial Resistance Access and Stewardship Initiative (AMRASI) is a public-private partnership aiming to design and implement a "proof of concept" pilot that employs an innovative finance approach to improve access to and appropriate use of antibiotics in low- and middle-income countries. AMRASI will mobilize diagnostic and pharmaceutical companies alongside key public sector stakeholders to increase access to urgently-needed diagnostics and antimicrobials using market shaping instruments (e.g., pooled procurement), while concurrently promoting best medical practice through novel incentives interventions (e.g., outcomes-based finance). A deep understanding of market dynamics and motivations and incentives for behavior change, AMRASI has a unique opportunity to influence the responsible use of antibiotics on a broad scale.

Opportunities to expand the Agency's Scaling Capacity

The approaches and examples outlined above demonstrate the Agency's effective scaling work that should be continued. Additionally, the Agency can expand its scaling capacity by:

- Benefiting from dedicated funding to DIV to scale highly cost-effective solutions to reduce the reliance on external gift funds and foster Agency uptake of proven innovations over the long-run;

- Promoting the use and potential of IIAs including the capacity to offer larger prize amounts and dedicate incentive award funding for the critical 'missing middle' innovators who have demonstrated development results and need targeted, unrestricted funding when they are beginning to scale (users, customers) but before sales and/or other revenues have sufficiently grown to sustain operations. Target-based innovation incentive awards, which are awarded on the basis of metrics like number of users, quantifiable social and environmental impact, could motivate innovators, provide flexible funding to solvers if targets are reached, and make innovations compelling investments for other USG entities such as the Development Finance Corporation or non-USG investors; and

- Expanding ongoing and post-hoc monitoring, evaluation and learning of scaling approaches and long-term tracking of innovations and innovators supported. This includes social science research for a better understanding of market dynamics and systems for innovation adoption and diffusion (before, during, and after USAID interventions and investments) as well as long-term tracking and post-hoc evaluations.

Scaling proven technologies and innovations is often a more resource-intensive endeavor than piloting, requiring sustained USAID investment in tried and tested approaches such as evidence generation, catalytic capital and investment facilitation, and business development and acceleration. Well-resourced Innovation teams would help position the Agency to support and expand the labor- and capital-intensive process of scaling high-performing innovations.

Requirement #3: *(3) an analysis of the pervasiveness of sub-grantees or sub-contractors being highlighted within grant or contract proposals but not included or minimized during the period of the award.*

The subcontractors and subrecipients (including sub-grantees) engaged by prime contractors and recipients are an integral part of USAID's partner network. USAID has invested in a number of approaches, shared below, that aim to increase transparency and equity across the subcontractor and subrecipient community.

USAID recognizes that anticipated subcontracts and subawards may not always be awarded by a prime contractor or recipient in the manner that was negotiated with the sub at the proposal or application stage. However, USAID also recognizes that circumstances outside the control of the prime contractor or recipient sometimes necessitate changes that do not reflect a lack of good faith. Some examples, based on USAID staff experiences, include Agency-requested modifications to scope, anticipated subcontractors/subrecipients not passing the pre-award risk assessments and responsibility determinations, or changes in the availability or interest of the proposed subcontractor or subrecipient to receive funding.

USAID has repeatedly requested that entities share specific examples of concerns of unfair treatment

where they were "not included or minimized" in the performance of the award. USAID has asked that these examples be shared with the USAID Ombudsman[12], who serves as a neutral party to review the information. To date, USAID has not received this type of evidence. Specific examples would facilitate USAID's commitment to addressing this topic proactively. Regardless, USAID will continue to monitor sub-tier awards and consult with both implementing partners and sub-tier partners on this topic.

Further, each year, USAID conducts a partner experience survey – including both subcontractors and subrecipients – to collect feedback on organizations experience engaging with USAID. A diverse set of small businesses, nonprofits, and NGOs from various countries participated. The 2023 survey indicated that 84 percent of respondents indicated that their experience as a sub-partner was a positive one, 12 percent responded neutrally, and only four percent disagreed. When asked about the relationship between the prime and sub, 80 percent of respondents agreed that they feel respected by their prime partners, with 9 percent responding neutrally and only 12 percent disagreeing. The full survey results are available here[13].

Still, USAID is committed to ensuring fair and equitable treatment of subcontractors and subrecipients, as demonstrated in the agency's Acquisition & Assistance (A&A) Strategy[14] and its accompanying implementation plan. For example, one item from this plan that supports the involvement of new and local partners is USAID's launch of a sub-opportunities page[15] within WorkWithUSAID.gov. This portal provides a space for implementing partners to post their subcontracting and subaward opportunities, and provides the ability for interested parties to search for opportunities in one central location. Since its launch, more than 415 opportunities have been posted.

USAID also actively monitors data related to subcontracts and subrecipients. Prime contractors are required to report applicable subcontracts in the FFATA Subaward Reporting System (FSRS) under the parameters included in their award terms (e.g., FAR 52.204-10[16], 2 CFR 170 Appendix A[17]). This data reported in FSRS, which is publicly available on USASpending.gov, allows USAID to monitor and track subcontracts and subawards. There are additional measures in place to monitor the use of small business concerns and assess subcontract data reported in the Electronic Subcontracting Reporting System (eSRS). When applicable, contractors must comply with the requirements in the FAR 52.219-9[18] ("Small Business Subcontracting Plan") clause included in their contract. USAID's A&A workforce reviews and evaluates the information reported in eSRS.

In addition to the formal FSRS and eSRS reporting, there are other ways USAID monitors subcontracts and subawards. During the solicitation phase, USAID requires offerors and applicants to submit budgets that identify subcontracts or subawards; USAID reviews this sub-tier information carefully during the evaluation process. Later during implementation, it is possible to further monitor subcontract and subaward activities and spending in a variety of ways, including via certain approvals processes (e.g., Contracting Officer consent to subcontract) and as part of periodic programmatic and financial reporting requirements.

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[12] https://www.usaid.gov/partner-with-us/acquisition-assistance-ombudsman

[13] https://www.workwithusaid.gov/blog/results-of-the-2023-partner-experience-survey

[14] https://www.usaid.gov/policy/acquisition-and-assistance-strategy

[15] https://www.workwithusaid.org/sub-opportunities

[16] https://www.acquisition.gov/far/52.204-10

[17] https://www.ecfr.gov/current/title-2/subtitle-A/chapter-I/part-170

[18] https://www.acquisition.gov/far/52.219-9