

INFORMATION COLLECTION REQUEST (ICR):

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OMB 83-I SUPPORTING STATEMENT

A. Justification

1. Information to be collected and circumstances that make the collection of information necessary

The U.S. Agency for International Development (USAID) created by Congress through the Foreign Assistance Act of 1961, is a federal agency with the mission to promote and demonstrate democratic values abroad, and advance a free, peaceful, and prosperous world. In support of America's foreign policy, USAID leads the U.S. Government's international development and disaster assistance through partnerships and investments that save lives, reduce poverty, strengthen democratic governance, and help people emerge from humanitarian crises and progress beyond assistance.

Consistent with the OMB Memorandum on the Use of Challenges and Prizes to Promote Open Government (M-10-11, March 8, 2010), USAID intends to establish open innovation competitions and give awards to members of the public to further the mission of the USAID. The purposes of the proposed open innovation competitions (including prizes, challenges and hackathons) is to advance USAID's ability to source breakthrough innovations by increasing engagement with innovators, entrepreneurs, businesses, scientists and organizations with innovations for solving development and disaster response challenges.

USAID is seeking OMB approval for a generic clearance for USAID's open innovation competitions - prizes, challenges and hackathons. The information to be collected from open innovation competition participants includes contact and background information necessary to conduct a contest or award program. Limited background or biographical information similar to data found on a resume, such as a participant's past work experience, may be requested for some contests or awards. Additionally, the substantive entries that are the subject of the contests or awards, such as descriptions of products, services, or invention descriptions or depictions, statistics on product or service performance or impact, or essays, posters, drawings, and videos may be requested from competition participants.

2. Use and sharing of collected information, and impact on privacy

Along with the substantive open innovation competition submission, open innovation competition participants will provide contact information, such as email addresses, mailing addresses, and phone numbers for the purpose of administration of the competition. This

contact information will be shared only USAID staff and contractors/implementers involved in the implementation of the open innovation competition, and will be used for the sole purpose of open innovation competition administration. Most open innovation competitions will require participants to make submissions electronically, some will allow hard copy delivery or in-person presentations/participation.

Judging of the various open innovation competitions will generally be conducted by USAID staff, but may include outside experts and advisors. The submissions may be available in various forms to the judges, including in an electronic database, hard copy or in-person presentation/participation.

Should open innovation competitions involve children, USAID will require parental permission to publicly display or advertise certain information, including the contestant's name, age, grade, school affiliation, and country/state of residence. For the purposes of displaying any child's submission on the USAID website, only a child's first name, grade, and country or state of residence will be visible to the public. USAID will not publicly share any other information pertaining to a child.

After selection of open innovation competition finalists and winners, the physical and electronic submissions will be stored for a two-year period to satisfy the USAID's record disposition management requirements. After this two-year period, all records will be discarded and destroyed.

3. Use of information technology (IT) in information collection

Open innovation competitions use only electronic submissions due to their broad geographic spread..

4. Efforts to identify duplication

Because USAID would issue the awards and because no other federal agency has the same mission as USAID, no duplication is anticipated. USAID works closely with the Fed Government Prizes and Challenges community of practice to socialize competitions and understand where there are relevant synergies.

5. Impact on small businesses

Participation in all open innovation competitions will be strictly voluntary, and any qualifying individuals, organizations or businesses that choose to participate may do so. These competitions are designed to facilitate grant making with small businesses as the application process is notably simpler than a typical RFP, requiring a very basic proposal, and application have a significantly reduced level of effort.

6. Consequence to federal program or policy activities if the collection is not conducted or is conducted less frequently

USAID believes that conducting various open innovation competitions can improve and expand sourcing breakthrough innovations that have the potential to contribute to solving intractable development and humanitarian response challenges. Moreover, USAID believes that open innovation competitions can motivate innovators that have never worked with the Agency to compete to innovate processes, products, and services, with the goal of improving USAID program impact around the world.

Failure to collect the information would impair USAID's ability to operate an open innovation competition effectively. Each open innovation competition should result in a one-time collection of information, although a secondary submission of information may be needed for selecting finalists and award recipients.

7. Special circumstances requiring respondents to report information more often than quarterly, or to prepare responses in fewer than 30 days

There are circumstances to warrant requiring open innovation competition participants to report or prepare a response in fewer than 30 days. Participant submissions or participation in USAID open innovation competitions vary in the level of detail and complexity requested depending on the problem that is to be addressed and potential solutions. USAID expects to advertise its contests and awards for at least four to eight weeks but will make a final determination on a case by case basis in order to maximize response rates.

8. Agency's Federal Register Notice and related information

USAID issued a Federal Register notice on February 3, 2020; Document Number: [2020-01961](#). The only comment received was not germane to the application process, but instead challenged the justification for the U.S. government providing any assistance to other countries. The follow up 30 day submission was made on June 16, 2020; no comments were received.

9. Decision to provide payment or gift

To promote active participation and response rates, some open innovation competitions may offer monetary and/or in-kind prizes in full compliance with federal appropriations law.

10. Assurance of confidentiality

The information submitted would be subject to the Freedom of Information Act and USAID's statutes and regulations pertaining to information disclosure.

11. Questions of a sensitive nature

There will be no questions of a sensitive nature.

12. Estimate of hour burden to respondents

USAID/CDI uses a variety of open innovation competition formats (prizes, challenges and hackathons) for its outreach and has developed estimates detailed below.

USAID/W/LAB/CDI estimates a single challenge competition would have 800 submissions (i.e. applicants) with each submission requiring 10 hours to complete and an additional 100 applicants needing an additional 2 hours for follow up questions leaving a total hour burden per challenge of 8,200 hours. Historically, we have completed \$500 million in Challenge competitions. 14,000 applicants. Based on the above a typical applicant to finalist ratio is 8 applicants to 1 finalist.

This authorization is being pursued for a new mechanism under development. This mechanism will be approximately \$150 million. Based on the above information, for a mechanism of that size we would anticipate somewhere in the neighborhood of 4,200 applicants and 525 finalists who would spend approximately 43,050 hours of application time. Since roughly half the mechanism is to hold "award" funds (i.e. prize money), since these funds will be mostly distributed by grants, and since grants take roughly two years to executed; we anticipate that all of the time reserved for participating in competitions will be consumed in the first three years of the mechanism in a stepwise fashion. The steps of the present plan are year 1 (8,610 hours), year 2 (17,220) and year 3 (17,220) to allow for scale up. However, given that scale up is unpredictable and the mechanism could be consumed much faster than anticipated; therefore, I would suggest an annual cap, if necessary, of 17,500-20,000 burden hours.

Collection Type	Respondents	Burden Hours
Open Innovation Competition Applicants	4,200	42,000
Finalists	525	1,050
Total	4,725	43,050

U.S. median hourly earnings in October 2019 for production and nonsupervisory employees on private non-farm payrolls was [\\$23.70](#). At this rate and assuming a 31.4% rate of [benefits](#), then total compensation would be \$1,487,295.92 ($43,050 * \$23.70 / 0.686$). This represents a worse case scenario as it assumes that all applications were prepared by Americans, when we know that 70% of submissions are prepared by applicants outside the U.S. Outside the OECD few countries publish wage information, particularly on white collar workers, since this is usually much less regulated.

Since there is no reliable data on global labor rates, we can prepare an educated guess of wage rates using [GNI per capita \(constant 2010 US\\$\)](#). GNI per capita for the U.S. is \$53,815.80

(2017) or \$26.91/hour. Using a 2,000 hour work year, this is very close to the \$23.70 reported hourly wage. Using this approach, the World (2017) average GNI per capita is \$10,672.15 (\$5.34/hour) and the average for low income countries (2016) \$721.90 (\$0.36/hour). At the world rate wages paid would be \$229,887.00 and \$315,112.24 for total compensation.

13. Estimate of total annual cost burden to respondents

There are no costs to respondents beyond those presented in Section A.12. There are no operating, maintenance, or capital costs associated with the collection.

14. Estimate of total annual costs to federal government

Twenty USAID staff and contractors would support the contest or award activities annually across USAID. USAID/CDI tentatively estimates that each staff and contract member will spend approximately six hours per work week for 6 months on such open innovation competition activities. Accordingly, for 20 staff and contractors, the estimated total annual cost to the federal government is determined as follows:

20 employees x (6 hours/week/employee x 24 weeks) = 2,880 hours;

The average hourly wage rate for a mid-level salaried GS-13 employee in the Washington, DC metropolitan area (effective as of January 2019) is \$53.85 (GS-13, step 5). This represents 68.6 percent of total compensation (U.S. Bureau of Labor Statistics, "[Employer Costs for Employee Compensation](#)," June 2019). Adding an additional 31.4 percent for benefits brings average hourly compensation for a mid-level salaried GS-13 employee to \$78.50.

The total estimated labor cost to the US Government is \$226,080 (\$78.50/hour x 2,880 hours). Computer systems and related expenses average \$22,000 per a year.

15. Program changes or adjustments

Not applicable

16. Plans for tabulation and publication

USAID runs numerous open innovation competitions to meet Agency needs for innovative solutions. Competitions are customized to meet the needs of relevant teams and thus there is not a set timeframe for collection of information, publication dates, etc. This submission attempts to standardize the process by which open innovation competitions are conducted to allow us to more easily compare their effectiveness, efficiency and learn across competitions.

Furthermore, we do not publish the submissions (i.e. collections of information) to our competitions as this is considered proprietary information. We do publish use metrics (e.g.

countries, number competitors, gender of competitors, etc.) in response to the competition as a measure of the general performance of the challenge, prize or hack-a-thon as a tool in our reports to Congress and the public (e.g. 5:1 matching contributions, 14,643 applications, representing 587 unique solutions from 107 mostly developing countries). The frequency and content of such reporting is typically specified in the legislation which provides the funding. Analyses consist typically of descriptive statistics, on both the subjects and frequency specified in the funding and authorizing legislation which are varied.

17. Rationale for not displaying the expiration date for OMB approval

The agency does not seek an exemption from displaying the expiration date.

18. Exception to the certification statement

Not applicable.

19. Collections of Information Employing Statistical Methods

The information collection does not employ statistical methods.