

103^D CONGRESS
2^D SESSION

H. R. 4511

To amend the Foreign Assistance Act of 1961 to authorize the Administrator of the United States Agency for International Development to provide assistance for programs of credit and other assistance for microenterprises in developing countries.

IN THE HOUSE OF REPRESENTATIVES

MAY 26, 1994

Mr. GEJDENSON (for himself, Ms. MCKINNEY, Ms. CANTWELL, Mrs. KENNELLY, Mrs. LOWEY, Mr. GILMAN, and Mr. BEREUTER) introduced the following bill; which was referred to the Committee on Foreign Affairs

A BILL

To amend the Foreign Assistance Act of 1961 to authorize the Administrator of the United States Agency for International Development to provide assistance for programs of credit and other assistance for microenterprises in developing countries.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Microenterprise Devel-
5 opment Act of 1994”.

1 **SEC. 2. AUTHORIZATION OF MICROENTERPRISE DEVELOP-**
2 **MENT ASSISTANCE.**

3 Chapter 1 of part I of the Foreign Assistance Act
4 of 1961 (22 U.S.C. 2151 et seq.) is amended by adding
5 at the end the following new section:

6 “SEC. 129. MICROENTERPRISE DEVELOPMENT AS-
7 SISTANCE.—(a) The Congress finds the following:

8 “(1) A strong microenterprise sector is a fun-
9 damental condition of economic pluralism.

10 “(2) Microenterprise development programs
11 offer an important mechanism to alleviate poverty,
12 develop private enterprise, and create employment.

13 “(3) The very poor, particularly poor women, in
14 the developing world often do not advance economi-
15 cally because they cannot obtain investment capital
16 to secure their asset base or expand their otherwise
17 viable microenterprise activities.

18 “(4) The development of sustainable
19 microenterprise institutions which provide credit,
20 training, and mobilize domestic savings are therefore
21 critical components to a broad-based economic
22 growth strategy.

23 “(5) Microenterprise credit also offers a tool to
24 leverage foreign assistance resources because unlike
25 grants credit can be continually recycled generating
26 new benefits to program participants.

1 “(6) Interest income on a credit portfolio can
2 be used to finance recurring costs assuring the long-
3 term continuity of development assistance.

4 “(7) Because microenterprise development credit
5 programs foster self-reliance, such programs reduce
6 the dependency of program participants and indige-
7 nous institutions on foreign assistance.

8 “(b) The purposes of this section are—

9 “(1) to provide for the continuation and expan-
10 sion of the commitment of the United States Agency
11 for International Development to microenterprise de-
12 velopment programs;

13 “(2) to make microenterprise development a
14 part of the mainstream of the overall economic
15 growth strategy of the United States Agency for
16 International Development; and

17 “(3) to improve the access of microenterprise
18 credit to the very poor, particularly poor women, in
19 developing countries.

20 “(c)(1) In carrying out this part, the Administrator
21 of the United States Agency for International Develop-
22 ment is authorized to provide assistance for programs of
23 credit and other assistance for microenterprises in devel-
24 oping countries.

1 “(2) Assistance authorized under paragraph (1) shall
2 be provided through—

3 “(A) United States and indigenous private and
4 voluntary organizations;

5 “(B) United States and indigenous credit
6 unions and cooperative organizations; and

7 “(C) other indigenous governmental and non-
8 governmental organizations;
9 that have a capacity to develop and implement
10 microenterprise programs.

11 “(3) A significant portion of assistance authorized
12 under paragraph (1) shall be used for poverty lending pro-
13 grams which—

14 “(A) meet the needs of the very poor members
15 of society, particularly poor women; and

16 “(B) provide loans of \$300 or less in 1994
17 United States dollars to such poor members of soci-
18 ety.

19 “(4) The Administrator of the United States Agency
20 for International Development shall strengthen appro-
21 priate mechanisms, including mechanisms for central
22 microenterprise programs, for the purpose of—

23 “(A) providing technical support for field mis-
24 sions of the United States Agency for International
25 Development;

1 “(B) strengthening the institutional develop-
2 ment of the intermediary organizations described in
3 paragraph (2); and

4 “(C) sharing information relating to the provi-
5 sion of assistance authorized under paragraph (1)
6 between such field missions and intermediary organi-
7 zations.

8 “(d) In order to maximize the sustainable develop-
9 ment impact of the assistance authorized under subsection
10 (c)(1), the Administrator of the United States Agency for
11 International Development shall establish a monitoring
12 system that—

13 “(1) establishes performance goals for such as-
14 sistance and expresses such goals in an objective and
15 quantifiable form, to the extent feasible;

16 “(2) establishes performance indicators to be
17 used in measuring or assessing the achievement of
18 the goals and objectives of such assistance; and

19 “(3) provides a basis for recommendations for
20 adjustments to such assistance to enhance the sus-
21 tainable development impact of such assistance, par-
22 ticularly the impact of such assistance on the very
23 poor, particularly poor women.”.

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