

104<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

**H. R. 3846**

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**AN ACT**

To amend the Foreign Assistance Act of 1961 to authorize the provision of assistance for micro-enterprises, and for other purposes.

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## AN ACT

To amend the Foreign Assistance Act of 1961 to authorize the provision of assistance for microenterprises, and for other purposes.

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

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Microenterprise Act”.

3 **SEC. 2. MICRO- AND SMALL ENTERPRISE DEVELOPMENT**

4 **CREDITS.**

5 Section 108 of the Foreign Assistance Act of 1961  
6 (22 U.S.C. 2151f) is amended to read as follows:

7 **“SEC. 108. MICRO- AND SMALL ENTERPRISE DEVELOPMENT**

8 **CREDITS.**

9 “(a) **FINDINGS AND POLICY.**—The Congress finds  
10 and declares that—

11 “(1) the development of micro- and small enter-  
12 prise, including cooperatives, is a vital factor in the  
13 stable growth of developing countries and in the de-  
14 velopment and stability of a free, open, and equi-  
15 table international economic system;

16 “(2) it is, therefore, in the best interests of the  
17 United States to assist the development of the pri-  
18 vate sector in developing countries and to engage the  
19 United States private sector in that process;

20 “(3) the support of private enterprise can be  
21 served by programs providing credit, training, and  
22 technical assistance for the benefit of micro- and  
23 small enterprises; and

24 “(4) programs that provide credit, training, and  
25 technical assistance to private institutions can serve  
26 as a valuable complement to grant assistance pro-

1 vided for the purpose of benefiting micro- and small  
2 private enterprise.

3 “(b) PROGRAM.—To carry out the policy set forth in  
4 subsection (a), the President is authorized to provide as-  
5 sistance to increase the availability of credit to micro- and  
6 small enterprises lacking full access to credit, including  
7 through—

8 “(1) loans and guarantees to credit institutions  
9 for the purpose of expanding the availability of cred-  
10 it to micro- and small enterprises;

11 “(2) training programs for lenders in order to  
12 enable them to better meet the credit needs of  
13 micro- and small entrepreneurs; and

14 “(3) training programs for micro- and small en-  
15 trepreneurs in order to enable them to make better  
16 use of credit and to better manage their enter-  
17 prises.”.

18 **SEC. 3. MICROENTERPRISE DEVELOPMENT GRANT ASSIST-**  
19 **ANCE.**

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

1 **“SEC. 129. MICROENTERPRISE DEVELOPMENT GRANT AS-**  
2 **SISTANCE.**

3 “(a) AUTHORIZATION.—(1) In carrying out this part,  
4 the Administrator of the United States Agency for Inter-  
5 national Development is authorized to provide grant as-  
6 sistance for programs of credit and other assistance for  
7 microenterprises in developing countries.

8 “(2) Assistance authorized under paragraph (1) shall  
9 be provided through organizations that have a capacity to  
10 develop and implement microenterprise programs, includ-  
11 ing particularly—

12 “(A) United States and indigenous private and  
13 voluntary organizations;

14 “(B) United States and indigenous credit  
15 unions and cooperative organizations; or

16 “(C) other indigenous governmental and non-  
17 governmental organizations.

18 “(3) Approximately one-half of the credit assistance  
19 authorized under paragraph (1) shall be used for poverty  
20 lending programs, including the poverty lending portion  
21 of mixed programs. Such programs—

22 “(A) shall meet the needs of the very poor  
23 members of society, particularly poor women; and

24 “(B) should provide loans of \$300 or less in  
25 1995 United States dollars to such poor members of  
26 society.

1       “(4) The Administrator should continue support for  
2 mechanisms that—

3           “(A) provide technical support for field mis-  
4 sions;

5           “(B) strengthen the institutional development  
6 of the intermediary organizations described in para-  
7 graph (2); and

8           “(C) share information relating to the provision  
9 of assistance authorized under paragraph (1) be-  
10 tween such field missions and intermediary organiza-  
11 tions.

12       “(b) MONITORING SYSTEM.—In order to maximize  
13 the sustainable development impact of the assistance au-  
14 thorized under subsection (a)(1), the Administrator should  
15 establish a monitoring system that—

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

19           “(2) establishes performance indicators to be  
20 used in measuring or assessing the achievement of  
21 the goals and objectives of such assistance; and

22           “(3) provides a basis for recommendations for  
23 adjustments to such assistance to enhance the sus-  
24 tainable development impact of such assistance, par-

1 ticularly the impact of such assistance on the very  
2 poor, particularly poor women.”.

Passed the House of Representatives July 29, 1996.

Attest:

*Clerk.*