

104TH CONGRESS
2D SESSION

H. R. 3846

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

IN THE HOUSE OF REPRESENTATIVES

JULY 18, 1996

Mr. GILMAN introduced the following bill; which was referred to the Committee on International Relations

A BILL

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,*

3 **SECTION 1. SHORT TITLE.**

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

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

6 **CREDITS.**

7 Section 108 of the Foreign Assistance Act of 1961

8 (22 U.S.C. 2151f) is amended to read as follows:

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

2 **CREDITS.**

3 “(a) FINDINGS AND POLICY.—The Congress finds
4 and declares that—

5 “(1) the development of micro- and small enter-
6 prise, including cooperatives, is a vital factor in the
7 stable growth of developing countries and in the de-
8 velopment and stability of a free, open, and equi-
9 table international economic system;

10 “(2) it is, therefore, in the best interests of the
11 United States to assist the development of the pri-
12 vate sector in developing countries and to engage the
13 United States private sector in that process;

14 “(3) the support of private enterprise can be
15 served by programs providing credit, training, and
16 technical assistance for the benefit of micro- and
17 small enterprises; and

18 “(4) programs that provide credit, training, and
19 technical assistance to private institutions can serve
20 as a valuable complement to grant assistance pro-
21 vided for the purpose of benefiting micro- and small
22 private enterprise.

23 “(b) PROGRAM.—To carry out the policy set forth in
24 subsection (a), the President is authorized to provide as-
25 sistance to increase the availability of credit to micro- and

1 small enterprises lacking full access to credit, including
2 through—

3 “(1) loans and guarantees to credit institutions
4 for the purpose of expanding the availability of cred-
5 it to micro- and small enterprises;

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

9 “(3) training programs for micro- and small en-
10 trepreneurs in order to enable them to make better
11 use of credit and to better manage their enter-
12 prises.”.

13 **SEC. 3. MICROENTERPRISE DEVELOPMENT GRANT ASSIST-**
14 **ANCE.**

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

18 **“SEC. 129. MICROENTERPRISE DEVELOPMENT GRANT AS-**
19 **SISTANCE.**

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

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

5 “(A) United States and indigenous private and
6 voluntary organizations;

7 “(B) United States and indigenous credit
8 unions and cooperative organizations; or

9 “(C) other indigenous governmental and non-
10 governmental organizations.

11 “(3) Approximately one-half of the credit assistance
12 authorized under paragraph (1) shall be used for poverty
13 lending programs, including the poverty lending portion
14 of mixed programs. Such programs—

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

17 “(B) should provide loans of \$300 or less in
18 1995 United States dollars to such poor members of
19 society.

20 “(4) The Administrator should continue support for
21 mechanisms that—

22 “(A) provide technical support for field mis-
23 sions;

1 “(B) strengthen the institutional development
2 of the intermediary organizations described in para-
3 graph (2); and

4 “(C) share information relating to the provision
5 of assistance authorized under paragraph (1) be-
6 tween such field missions and intermediary organiza-
7 tions.

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

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

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

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

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