

104TH CONGRESS
2D SESSION

H. R. 3846

IN THE SENATE OF THE UNITED STATES

JULY 31, 1996

Received; read twice and referred to the Committee on Foreign Relations

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:

ROBIN H. CARLE,
Clerk.