

In the Senate of the United States,

November 13, 2002.

Resolved, That the bill from the House of Representatives (H.R. 4073) entitled “An Act to amend the Microenterprise for Self-Reliance Act of 2000 and the Foreign Assistance Act of 1961 to increase assistance for the poorest people in developing countries under microenterprise assistance programs under those Acts, and for other purposes.”, do pass with the following

AMENDMENT:

Strike out all after the enacting clause and insert:

1 ***SECTION 1. AMENDMENTS TO THE MICROENTERPRISE FOR***
2 ***SELF-RELIANCE ACT OF 2000.***

3 *(a) PURPOSES.—Section 103 of the Microenterprise for*
4 *Self-Reliance Act of 2000 (Public Law 106–309) is*
5 *amended—*

1 (1) in paragraph (3), by striking “microentre-
2 preneurs” and inserting “microenterprise house-
3 holds”;

4 (2) in paragraph (4), by striking “and” at the
5 end;

6 (3) in paragraph (5)—

7 (A) by striking “microfinance policy” and
8 inserting “microenterprise policy”;

9 (B) by striking “the poorest of the poor”
10 and inserting “the very poor”; and

11 (C) by striking the period at the end and
12 inserting “; and”; and

13 (4) by adding at the end the following:

14 “(6) to ensure that in the implementation of this
15 title at least 50 percent of all microenterprise assist-
16 ance under this title, and the amendments made
17 under this title, shall be targeted to the very poor.”.

18 (b) *DEFINITIONS.*—Section 104 of such Act is
19 amended—

20 (1) in paragraph (2), by striking “for micro-
21 entrepreneurs” and inserting “to microentrepreneurs
22 and their households”; and

23 (2) by adding at the end the following:

24 “(5) *VERY POOR.*—The term ‘very poor’ means
25 individuals—

1 “(A) living in the bottom 50 percent below
 2 the poverty line established by the national gov-
 3 ernment of the country in which those individ-
 4 uals live; or

5 “(B) living on the equivalent of less than \$1
 6 per day.”.

7 **SEC. 2. AMENDMENTS TO THE MICRO- AND SMALL ENTER-**
 8 **PRISE DEVELOPMENT CREDITS PROGRAM**
 9 **UNDER THE FOREIGN ASSISTANCE ACT OF**
 10 **1961.**

11 (a) *FINDINGS AND POLICY.*—Section 108(a)(2) of the
 12 *Foreign Assistance Act of 1961 (22 U.S.C. 2151f(a)(2))* is
 13 amended by striking “the development of the enterprises of
 14 the poor” and inserting “the access to financial services and
 15 the development of microenterprises”.

16 (b) *PROGRAM.*—Section 108(b) of such Act (22 U.S.C.
 17 2151f(b)) is amended to read as follows:

18 “(b) *PROGRAM.*—To carry out the policy set forth in
 19 subsection (a), the President is authorized to provide assist-
 20 ance to increase the availability of financial services to
 21 microenterprise households lacking full access to credit, in-
 22 cluding through—

23 “(1) loans and guarantees to microfinance insti-
 24 tutions for the purpose of expanding the availability

1 *of savings and credit to poor and low-income house-*
 2 *holds;*

3 “(2) *training programs for microfinance institu-*
 4 *tions in order to enable them to better meet the finan-*
 5 *cial services needs of their clients; and*

6 “(3) *training programs for clients in order to*
 7 *enable them to make better use of credit, increase their*
 8 *financial literacy, and to better manage their enter-*
 9 *prises to improve their quality of life.”.*

10 (c) *ELIGIBILITY CRITERIA.*—Section 108(c) of such
 11 *Act (22 U.S.C. 2151f(c)) is amended—*

12 (1) *in the first sentence of the matter preceding*
 13 *paragraph (1)—*

14 (A) *by striking “credit institutions” and in-*
 15 *serting “microfinance institutions”; and*

16 (B) *by striking “micro- and small enter-*
 17 *prises” and inserting “microenterprise house-*
 18 *holds”; and*

19 (2) *in paragraphs (1) and (2), by striking “cred-*
 20 *it” each place it appears and inserting “financial*
 21 *services”.*

22 (d) *ADDITIONAL REQUIREMENT.*—Section 108(d) of
 23 *such Act (22 U.S.C. 2151f(d)) is amended by striking*
 24 *“micro- and small enterprise programs” and inserting*
 25 *“programs for microenterprise households”.*

1 (e) *AVAILABILITY OF FUNDS.*—Section 108(f)(1) of
 2 such Act (22 U.S.C. 2151f(f)(1)) is amended by striking
 3 “for each of fiscal years 2001 and 2002” and inserting “for
 4 each of fiscal years 2001 through 2004”.

5 (f) *CONFORMING AMENDMENT.*—Section 108 of such
 6 Act (22 U.S.C. 2151f) is amended in the heading to read
 7 as follows:

8 **“SEC. 108. MICROENTERPRISE DEVELOPMENT CREDITS.”.**

9 **SEC. 3. AMENDMENTS TO THE MICROENTERPRISE DEVEL-**
 10 **OPMENT GRANT ASSISTANCE PROGRAM**
 11 **UNDER THE FOREIGN ASSISTANCE ACT OF**
 12 **1961.**

13 (a) *FINDINGS AND POLICY.*—Section 131(a) of the For-
 14 eign Assistance Act of 1961 (22 U.S.C. 2152a(a)) is amend-
 15 ed to read as follows:

16 “(a) *FINDINGS AND POLICY.*—Congress finds and de-
 17 clares that—

18 “(1) access to financial services and the develop-
 19 ment of microenterprise are vital factors in the stable
 20 growth of developing countries and in the development
 21 of free, open, and equitable international economic
 22 systems;

23 “(2) it is therefore in the best interest of the
 24 United States to facilitate access to financial services

1 *and assist the development of microenterprise in de-*
 2 *veloping countries;*

3 *“(3) access to financial services and the develop-*
 4 *ment of microenterprises can be supported by pro-*
 5 *grams providing credit, savings, training, technical*
 6 *assistance, business development services, and other fi-*
 7 *nancial and non-financial services; and*

8 *“(4) given the relatively high percentage of popu-*
 9 *lations living in rural areas of developing countries,*
 10 *and the combined high incidence of poverty in rural*
 11 *areas and growing income inequality between rural*
 12 *and urban markets, microenterprise programs should*
 13 *target both rural and urban poor.”.*

14 (b) *AUTHORIZATION.*—*Section 131(b) of such Act (22*
 15 *U.S.C. 2152a(b)) is amended—*

16 (1) *in paragraph (3)(A)(i), by striking “entre-*
 17 *preneurs” and inserting “clients”; and*

18 (2) *in paragraph (4)(D)—*

19 (A) *in clause (i), by striking “very small*
 20 *loans” and inserting “financial services to poor*
 21 *entrepreneurs”; and*

22 (B) *in clause (ii), by striking “micro-*
 23 *finance” and inserting “microenterprise”.*

1 (c) *MONITORING SYSTEM*.—Section 131(c) of such Act
 2 (22 U.S.C. 2152a(c)) is amended by striking paragraph (4)
 3 and inserting the following:

4 “(4) adopts the widespread use of proven and ef-
 5 fective poverty assessment tools to successfully identify
 6 the very poor and ensure that they receive needed
 7 microenterprise loans, savings, and assistance.”.

8 (d) *DEVELOPMENT AND APPLICATION OF POVERTY*
 9 *MEASUREMENT METHODS*.—Section 131 of such Act (22
 10 U.S.C. 2152a) is amended—

11 (1) by redesignating subsections (d) and (e) as
 12 subsections (e) and (f), respectively; and

13 (2) by inserting after subsection (c) the fol-
 14 lowing:

15 “(d) *DEVELOPMENT AND CERTIFICATION OF POVERTY*
 16 *MEASUREMENT METHODS; APPLICATION OF METHODS*.—

17 “(1) *DEVELOPMENT AND CERTIFICATION*.—(A)
 18 The Administrator of the United States Agency for
 19 International Development, in consultation with
 20 microenterprise institutions and other appropriate or-
 21 ganizations, shall develop no fewer than two low-cost
 22 methods for partner institutions to use to assess the
 23 poverty levels of their current or prospective clients.
 24 The United States Agency for International Develop-

1 *ment shall develop poverty indicators that correlate*
 2 *with the circumstances of the very poor.*

3 *“(B) The Administrator shall field-test the meth-*
 4 *ods developed under subparagraph (A). As part of the*
 5 *testing, institutions and programs may use the meth-*
 6 *ods on a voluntary basis to demonstrate their ability*
 7 *to reach the very poor.*

8 *“(C) Not later than October 1, 2004, the Admin-*
 9 *istrator shall, from among the low-cost poverty meas-*
 10 *urement methods developed under subparagraph (A),*
 11 *certify no fewer than two such methods as approved*
 12 *methods for measuring the poverty levels of current or*
 13 *prospective clients of microenterprise institutions for*
 14 *purposes of assistance under this section.*

15 *“(2) APPLICATION.—The Administrator shall re-*
 16 *quire that, with reasonable exceptions, all organiza-*
 17 *tions applying for microenterprise assistance under*
 18 *this Act use one of the certified methods, beginning no*
 19 *later than October 1, 2005, to determine and report*
 20 *the poverty levels of current or prospective clients.”.*

21 *(e) LEVEL OF ASSISTANCE.—Section 131(e) of such*
 22 *Act, as redesignated by subsection (d), is amended by insert-*
 23 *ing “and \$175,000,000 for fiscal year 2003 and*
 24 *\$200,000,000 for fiscal year 2004” after “fiscal years 2001*
 25 *and 2002”.*

1 (f) *DEFINITIONS.*—Section 131(f) of such Act, as reded-
 2 ignated by subsection (d), is amended by adding at the end
 3 the following:

4 “(5) *VERY POOR.*—The term ‘very poor’ means
 5 those individuals—

6 “(A) living in the bottom 50 percent below
 7 the poverty line established by the national gov-
 8 ernment of the country in which those individ-
 9 uals live; or

10 “(B) living on less than the equivalent of \$1
 11 per day.”.

12 **SEC. 4. REPORT TO CONGRESS.**

13 (a) *IN GENERAL.*—Not later than September 30, 2005,
 14 the Administrator of the United States Agency for Inter-
 15 national Development shall submit to Congress a report
 16 that documents the process of developing and applying pov-
 17 erty assessment procedures with its partners.

18 (b) *REPORTS FOR FISCAL YEAR 2006 AND BEYOND.*—
 19 Beginning with fiscal year 2006, the Administrator of the
 20 United States Agency for International Development shall
 21 annually submit to Congress on a timely basis a report that
 22 addresses the United States Agency for International Devel-
 23 opment’s compliance with the Microenterprise for Self-Reli-
 24 ance Act of 2000 by documenting—

- 1 (1) *the percentage of its resources that were allo-*
2 *cated to the very poor (as defined in paragraph (5)*
3 *of section 131(f) of the Foreign Assistance Act of 1961*
4 *(22 U.S.C. 2152a(f)(5))) based on the data collected*
5 *from its partners using the certified methods; and*
6 (2) *the absolute number of the very poor reached.*

Attest:

Secretary.

107TH CONGRESS
2D SESSION

H. R. 4073

AMENDMENT