

107TH CONGRESS
2D SESSION

H. R. 4209

To amend the Foreign Assistance Act of 1961 to reauthorize microenterprise assistance programs under that Act and to expand sustainable poverty-focused microenterprise programs under that Act by implementing improved poverty measurement methods under those programs.

IN THE HOUSE OF REPRESENTATIVES

APRIL 11, 2002

Mr. ROEMER (for himself, Mr. HOUGHTON, Mr. GILMAN, Mr. BERMAN, Mr. ACKERMAN, Ms. ROS-LEHTINEN, Mr. ROHRABACHER, Mr. MORAN of Virginia, Mr. McDERMOTT, Mr. GREENWOOD, Mr. LUTHER, Mr. KIRK, Mr. HALL of Ohio, Mr. DICKS, Mr. CARSON of Oklahoma, Mr. CONYERS, Mrs. MEEK of Florida, Ms. ESHOO, Mrs. DAVIS of California, Mr. HORN, Mr. ALLEN, Mr. MOORE, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. BISHOP, Ms. CARSON of Indiana, Mr. McNULTY, Mr. FROST, Mr. PASTOR, Ms. MILLENDER-McDONALD, Mrs. MORELLA, Mr. PRICE of North Carolina, Mr. LARSON of Connecticut, Mr. SABO, Mr. BOEHLERT, and Mr. BRADY of Pennsylvania) introduced the following bill; which was referred to the Committee on International Relations

A BILL

To amend the Foreign Assistance Act of 1961 to reauthorize microenterprise assistance programs under that Act and to expand sustainable poverty-focused microenterprise programs under that Act by implementing improved poverty measurement methods under those programs.

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 “Promoting Self-Reli-
3 ance for the World’s Poorest Act of 2002”.

4 **SEC. 2. REAUTHORIZATION OF MICROENTERPRISE ASSIST-**
5 **ANCE PROGRAMS.**

6 (a) MICRO- AND SMALL ENTERPRISE DEVELOPMENT
7 CREDITS.—Section 108(f)(1) of the Foreign Assistance
8 Act of 1961 (22 U.S.C. 2151f(f)(1)) is amended by insert-
9 ing “and \$2,000,000 for each of the fiscal years 2003
10 through 2006” after “\$1,500,000 for each of fiscal years
11 2001 and 2002”.

12 (b) MICROENTERPRISE DEVELOPMENT GRANT AS-
13 SISTANCE.—Section 131(d) of the Foreign Assistance Act
14 of 1961 (22 U.S.C. 2152a(d)) is amended by inserting
15 “and \$200,000,000 for each of the fiscal years 2003
16 through 2006” after “\$155,000,000 for each of the fiscal
17 years 2001 and 2002”.

18 **SEC. 3. POVERTY MEASUREMENT METHODS UNDER MICRO-**
19 **ENTERPRISE ASSISTANCE PROGRAMS.**

20 (a) IN GENERAL.—Section 131(b) of the Foreign As-
21 sistance Act of 1961 (22 U.S.C. 2152a(b)) is amended—

22 (1) in paragraph (3)—

23 (A) in the matter preceding subparagraph

24 (A)—

25 (i) by striking “targeted to very poor
26 entrepreneurs” in the first sentence and

1 inserting “obligated and expended in sup-
2 port of programs or services under which
3 50 percent or more of the clients are ini-
4 tially very poor”; and

5 (ii) by adding at the end of the first
6 sentence before the period the following:
7 “or as those living on the equivalent of less
8 than \$1 per day (as determined by the
9 World Bank)”; and

10 (B) in subparagraph (A)(i), by striking
11 “entrepreneurs” and inserting “clients”; and
12 (2) by adding at the end the following:

13 “(6) POVERTY MEASUREMENT METHODS.—(A)
14 The Administrator of the United States Agency for
15 International Development shall, in consultation
16 with appropriate microfinance and microenterprise
17 institutions, develop methods to measure the level of
18 poverty of clients of sustainable poverty-focused
19 microenterprise programs under paragraph (1).

20 “(B) In developing poverty measurement meth-
21 ods under subparagraph (A), the Administrator
22 shall—

23 “(i) utilize cost-efficient sampling methods
24 as opposed to full census methods, using cri-
25 teria that correlate with characteristics of either

1 those individuals living in the bottom 50 per-
2 cent below the official poverty line (as estab-
3 lished by the national government of the coun-
4 try) or those individuals living on less than \$1
5 per day (as determined by the World Bank), in-
6 cluding criteria such as the availability of the
7 basic necessities of life (including nutritious
8 food, climate-appropriate clothing and shelter,
9 and clean water);

10 “(ii) utilize cost-efficient sampling methods
11 that are appropriate for application by micro-
12 finance and microenterprise institutions on an
13 annual basis; and

14 “(iii) give priority to methods already in
15 use by practitioner institutions that meet the
16 criteria in clauses (i) and (ii), including meas-
17 ures of loan size.

18 “(C) The Administrator—

19 “(i) shall implement interim poverty meas-
20 urement methods in accordance with this
21 paragraph—

22 “(I) with respect to not less than 25
23 sustainable poverty-focused programs by
24 September 30, 2002; and

1 “(II) with respect to not less than 40
2 sustainable poverty-focused programs by
3 September 30, 2003; and

4 “(ii) shall implement final poverty meas-
5 urement methods in accordance with this para-
6 graph not later than September 30, 2004.

7 “(D) In carrying out subparagraph (C)(i), the
8 Administrator shall ensure that the programs de-
9 scribed in such subparagraph are equitably distrib-
10 uted among the various countries and regions of the
11 world.

12 “(E) As of October 1, 2004, grant assistance to
13 a program or service under this subsection shall
14 qualify in whole or in part as targeted assistance to
15 the very poor under paragraph (3) if one of the ap-
16 proved final measurement methods verifies that at
17 least 50 percent of the clients of the program or
18 service are among the very poor as described in
19 paragraph (3).”.

20 (b) REPORT.—Not later than July 1, 2004, the Ad-
21 ministrators of the United States Agency for International
22 Development shall submit to Congress a report that
23 contains—

24 (1)(A) a description of the interim poverty
25 measurement methods implemented in accordance

1 with section 131(b)(6)(C)(i) of the Foreign Assist-
2 ance Act of 1961, as added by subsection (a); and

3 (B) an analysis of the results of the application
4 of such poverty measurement methods to sustainable
5 poverty-focused programs under such section; and

6 (2) a description of the proposed final poverty
7 measurement methods to be implemented not later
8 than September 30, 2004, in accordance with section
9 131(b)(6)(C)(ii) of such Act.

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