

115TH CONGRESS
2D SESSION

S. 3247

To improve programs and activities relating to women’s entrepreneurship and economic empowerment that are carried out by the United States Agency for International Development, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 19, 2018

Mr. BOOZMAN (for himself, Mr. CARDIN, Mrs. SHAHEEN, and Mr. RUBIO) introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

A BILL

To improve programs and activities relating to women’s entrepreneurship and economic empowerment that are carried out by the United States Agency for International Development, 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 “Women’s Entrepre-
5 neurship and Economic Empowerment Act of 2018”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

1 (1) Because women make up the majority of
2 the world's poor and gender inequalities prevail in
3 incomes, wages, access to finance, ownership of as-
4 sets, and control over the allocation of resources,
5 women's entrepreneurship and economic empower-
6 ment is important to achieve inclusive economic
7 growth at all levels of society. Research shows that
8 when women exert greater influence over household
9 finances, economic outcomes for families improve,
10 and childhood survival rates, food security, and edu-
11 cational attainment increase. Women also tend to
12 place a greater emphasis on household savings which
13 improves families' financial resiliency.

14 (2) A 2016 report by the McKinsey Global In-
15 stitute estimated that achieving global gender parity
16 in economic activity could add as much as
17 \$28,000,000,000,000 to annual global gross domes-
18 tic product (GDP) by 2025.

19 (3) Lack of access to financial services that ad-
20 dress gender-specific constraints impedes women's
21 economic inclusion. More than 1,000,000,000 women
22 around the world are currently left out of the formal
23 financial system, which in turn causes many women
24 to rely on informal means of saving and borrowing
25 that are riskier and less reliable. Among other con-

1 sequences, this hampers the success of women entre-
 2 preneurs, including those seeking to run or grow
 3 small and medium-sized enterprises (SMEs). The
 4 International Finance Corporation has estimated
 5 that 70 percent of women-owned SMEs in the for-
 6 mal sector are unserved or underserved in terms of
 7 access to credit, amounting to a \$285,000,000,000
 8 credit gap.

9 (4) Women's economic empowerment is inex-
 10 tricably linked to a myriad of other women's human
 11 rights that are essential to their ability to thrive as
 12 economic actors across the lifecycle. This includes
 13 living lives free of violence and exploitation, achiev-
 14 ing the highest possible standard of health and well-
 15 being, enjoying full legal and human rights such as
 16 access to registration, identification, and citizenship
 17 documents, benefitting from formal and informal
 18 education, and equal protection of and access to land
 19 and property rights, access to fundamental labor
 20 rights, policies to address disproportionate care bur-
 21 dens, and business and management skills and lead-
 22 ership opportunities.

23 (5) Discriminatory legal and regulatory systems
 24 and banking practices are hurdles to women's access
 25 to capital and assets, including land, machinery, pro-

1 duction facilities, technology, and human resources.
2 Often, these barriers are connected to a woman's
3 marital status, which can determine whether she is
4 able to inherit land or own property in her name.
5 These constraints contribute to women frequently
6 running smaller businesses, with fewer employees
7 and lower asset values.

8 (6) Savings groups primarily comprised of
9 women are recognized as a vital entry point, espe-
10 cially for poor and very poor women, to formal fi-
11 nancial services and there is a high demand for such
12 groups to protect and grow their savings with formal
13 financial institutions. Evidence shows that, once
14 linked to a bank, the average savings per member
15 increases between 40 to 100 percent and the average
16 profit per member doubles. Key to these outcomes is
17 investing in financial literacy, business leadership
18 training, and mentorship.

19 (7) United States support for microenterprise
20 and microfinance development programs, which seek
21 to reduce poverty in low-income countries by giving
22 small loans to small-scale entrepreneurs without col-
23 lateral, have been a useful mechanism to help fami-
24 lies weather economic shocks, but many microcredit
25 borrowers largely remain in poverty. The vast major-

ity of microcredit borrowers are women who would like to move up the economic ladder but are held back by binding constraints that create a “missing middle”—large numbers of microenterprises, a handful of large firms or conglomerates, and very few SMEs in between, which are critical to driving economic growth in developing countries.

(8) According to the World Bank, SMEs create four out of 5 new positions in emerging markets but about half of formal SMEs don’t have access to formal credit. The financing gap is even larger when micro and informal enterprises are taken into account. Overall, approximately 70 percent of all micro, small and medium-sized enterprises (MSMEs) in emerging markets lack access to credit.

SEC. 3. ACTIONS TO IMPROVE GENDER POLICIES OF THE UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT.

(a) DEVELOPMENT COOPERATION POLICY.—It shall be the development cooperation policy of the United States—

(1) to reduce gender disparities in access to, control over, and benefit from economic, social, political, and cultural resources, wealth, opportunities, and services;

1 (2) to strive to eliminate gender-based violence
2 and mitigate its harmful effects on individuals and
3 communities through efforts to develop standards
4 and capacity to reduce gender-based violence in the
5 workplace and other places where women conduct
6 work;

7 (3) to support activities that secure private
8 property rights and land tenure for women in devel-
9 oping countries, including legal frameworks to give
10 women equal rights to own, register, use, profit
11 from, and inherit land and property, legal literacy to
12 exercise these rights, and capacity of law enforce-
13 ment and community leaders to enforce such rights;
14 and

15 (4) to increase the capability of women and
16 girls to realize their rights, determine their life out-
17 comes, assume leadership roles, and influence deci-
18 sionmaking in households, communities, and soci-
19 eties.

20 (b) ACTIONS.—In order to advance the policy de-
21 scribed in subsection (a), the Administrator of the United
22 States Agency for International Development shall ensure
23 that—

24 (1) strategies, projects, and activities of the
25 Agency are shaped by a gender analysis and, when

1 applicable, use standard indicators to provide one
 2 measure of success of such strategies, projects, and
 3 activities; and

4 (2) gender equality and female empowerment is
 5 integrated throughout the Agency's Program Cycle
 6 and related processes for purposes of strategic plan-
 7 ning, project design and implementation, and moni-
 8 toring and evaluation.

9 (c) GENDER ANALYSIS DEFINED.—In this section,
 10 the term “gender analysis”—

11 (1) means a socioeconomic analysis of available
 12 or gathered quantitative and qualitative information
 13 to identify, understand, and explain gaps between
 14 men and women which typically involves exam-
 15 ining—

16 (A) differences in the status of women and
 17 men and their differential access to and control
 18 over assets, resources, opportunities, and serv-
 19 ices;

20 (B) the influence of gender roles, struc-
 21 tural barriers, and norms on the division of
 22 time between paid employment, unpaid work
 23 (including subsistence production and care for
 24 family members), and volunteer activities;

1 (C) the influence of gender roles, struc-
 2 tural barriers, and norms on leadership roles
 3 and decisionmaking; constraints, opportunities,
 4 and entry points for narrowing gender gaps and
 5 empowering women; and

6 (D) potential differential impacts of devel-
 7 opment policies and programs on men and
 8 women, including unintended or negative con-
 9 sequences; and

10 (2) includes conclusions and recommendations
 11 to enable development policies and programs to nar-
 12 row gender gaps and improve the lives of women and
 13 girls.

14 **SEC. 4. DEVELOPMENT ASSISTANCE FOR MICRO, SMALL**
 15 **AND MEDIUM-SIZED ENTERPRISES.**

16 (a) FINDINGS AND POLICY.—Section 251 of the For-
 17 eign Assistance Act of 1961 (22 U.S.C. 2211) is amend-
 18 ed—

19 (1) in paragraph (1)—

20 (A) by striking “microenterprise” and in-
 21 serting “micro, small, and medium-sized enter-
 22 prises”;

23 (B) by striking “and in the development”
 24 and inserting “, in the development”; and

1 (C) by inserting “, and in the economic
 2 empowerment of the poor, especially women”
 3 before the period at the end;

4 (2) in paragraph (2)—

5 (A) by striking “microenterprise” and in-
 6 serting “micro, small, and medium-sized enter-
 7 prises”; and

8 (B) by inserting “, particularly enterprises
 9 owned, managed, and controlled by women” be-
 10 fore the period at the end;

11 (3) in paragraph (3), by striking “microenter-
 12 prises” and inserting “micro, small, and medium-
 13 sized enterprises”;

14 (4) in paragraph (4), by striking “microenter-
 15 prise” and inserting “micro, small, and medium-
 16 sized enterprise”;

17 (5) in paragraph (5)—

18 (A) by striking “should continue” and in-
 19 serting “should continue and be expanded”; and

20 (B) by striking “microenterprise and
 21 microfinance development assistance” and in-
 22 serting “development assistance for micro,
 23 small, and medium-sized enterprises”; and

24 (6) in paragraph (6)—

1 (A) by striking “have been successful” and
 2 inserting “have had some success”;

3 (B) by striking “microenterprise pro-
 4 grams” and inserting “development assistance
 5 for micro, small, and medium-sized enter-
 6 prises”; and

7 (C) by striking “, such as countries in
 8 Latin America”.

9 (b) AUTHORIZATION; IMPLEMENTATION; TARGETED
 10 ASSISTANCE.—Section 252 of the Foreign Assistance Act
 11 of 1961 (22 U.S.C. 2211a) is amended—

12 (1) in subsection (a)—

13 (A) in the matter preceding paragraph (1),
 14 by striking “credit, savings, and other services
 15 to microfinance and microenterprise clients”
 16 and inserting “credit, including the use of inno-
 17 vative credit scoring models, savings, financial
 18 technology, financial literacy, insurance, prop-
 19 erty rights, and other services to micro, small,
 20 and medium-sized enterprise clients”;

21 (B) in paragraph (1), by striking “micro-
 22 finance and microenterprise clients” and insert-
 23 ing “micro, small, and medium-sized enterprise
 24 clients, particularly clients owned, managed,
 25 and controlled by women”;

1 (C) in paragraph (2)—

2 (i) by striking “microenterprises” and
3 inserting “micro, small, and medium-sized
4 enterprises”; and

5 (ii) by inserting “to acquire United
6 States goods and services,” after “United
7 States markets,”;

8 (D) in paragraph (3)—

9 (i) by striking “microfinance and mi-
10 croenterprise institutions” and inserting
11 “financial intermediaries”;

12 (ii) by striking “microfinance and mi-
13 croenterprise clients” and inserting “micro,
14 small, and medium-sized enterprises”; and

15 (iii) by striking “and” at the end;

16 (E) in paragraph (4)—

17 (i) by striking “microfinance and mi-
18 croenterprise clients and institutions” and
19 inserting “micro, small, and medium-sized
20 enterprises, financial intermediaries, and
21 capital markets”; and

22 (ii) by striking “the poor and very
23 poor.” and inserting “the poor and very
24 poor, especially women;”; and

25 (F) by adding at the end the following:

1 “(5) assistance for the purpose of promoting
 2 the economic empowerment of women, including
 3 through increased access to financial resources and
 4 improving property rights, inheritance rights, and
 5 other legal protections; and

6 “(6) assistance for the purpose of scaling up
 7 evidence-based graduation approaches, which include
 8 targeting the very poor and households in ultra-pov-
 9 erty, consumption support, promotion of savings,
 10 skills training, and asset transfers.”;

11 (2) in subsection (b)—

12 (A) by amending paragraph (1) to read as
 13 follows:

14 “(1) IN GENERAL.—There is authorized to be
 15 established within the Agency an office to support
 16 the Agency’s efforts to broaden and deepen local fi-
 17 nancial markets, expand access to appropriate finan-
 18 cial products and services, and support the develop-
 19 ment of micro, small and medium-sized enterprises.
 20 The Office shall be headed by a Director who shall
 21 possess technical expertise and ability to offer lead-
 22 ership in the field of financial sector development.”;

23 (B) in paragraph (2)—

24 (i) by amending subparagraph (B) to
 25 read as follows:

1 “(B) USE OF CENTRAL FUNDING MECHA-
 2 NISMS.—In order to ensure that assistance
 3 under this title is distributed effectively and ef-
 4 ficiently, the office shall provide coordination
 5 and support for field-implemented programs, in-
 6 cluding through targeted core support for
 7 micro, small, and medium-sized enterprises and
 8 local financial markets.”; and

9 (ii) in subparagraph (C), in the mat-
 10 ter preceding clause (i)—

11 (I) by inserting “, particularly by
 12 protecting the use and funding of
 13 local organizations in countries in
 14 which the Agency invests,” after “and
 15 sustainability”; and

16 (II) by inserting “, especially
 17 women” after “the poor and very
 18 poor”; and

19 (C) by striking paragraph (3); and

20 (3) in subsection (c), by striking “subsection
 21 (a), 50 percent of all microenterprise resources” and
 22 all that follows and inserting the following: “sub-
 23 section (a)—

1 “(1) 50 percent of all micro, small, and me-
2 dium-sized enterprise resources shall be targeted to
3 activities that reach the very poor; and

4 “(2) 50 percent of all small and medium-sized
5 enterprise resources shall be targeted to activities
6 that reach enterprises owned, managed, and con-
7 trolled by women.”.

8 (c) MONITORING SYSTEM.—Section 253(b) of the
9 Foreign Assistance Act of 1961 (22 U.S.C. 2211b(b)) is
10 amended—

11 (1) in paragraph (1), by inserting “, including
12 goals on a gender disaggregated basis, such as im-
13 provements in employment, access to financial serv-
14 ices, enterprise development, earnings and control
15 over income, and property and land rights,” after
16 “performance goals”;

17 (2) in paragraph (2), by striking “include per-
18 formance indicators to be used in measuring or as-
19 sessing the achievement” and inserting “incorporate
20 Agency planning and reporting processes and indica-
21 tors to measure or assess the achievement”; and

22 (3) by striking paragraph (4).

23 (d) POVERTY MEASUREMENT METHODS.—Section
24 254 of the Foreign Assistance Act of 1961 (22 U.S.C.
25 2211c) is amended to read as follows:

1 **“SEC. 254. POVERTY MEASUREMENT METHODS.**

2 “The Administrator of the Agency, in consultation
3 with financial intermediaries and other appropriate orga-
4 nizations, should have in place at least one method for
5 implementing partners to use to assess poverty levels of
6 their current incoming or prospective clients.”.

7 (e) **ADDITIONAL AUTHORITIES.**—Section 255 of the
8 Foreign Assistance Act of 1961 (22 U.S.C. 2211d) is
9 amended—

10 (1) by striking “assistance for microenterprise
11 development assistance” and inserting “development
12 assistance for micro, small, and medium-sized enter-
13 prises”; and

14 (2) by striking “and, to the extent applicable”
15 and all that follows and inserting a period.

16 (f) **MICROENTERPRISE DEVELOPMENT CREDITS.**—
17 Section 256 of the Foreign Assistance Act of 1961 (22
18 U.S.C. 2212) is amended—

19 (1) in the section heading, by striking “**MICRO-**
20 **ENTERPRISE DEVELOPMENT CREDITS**” and in-
21 serting “**DEVELOPMENT CREDITS FOR MICRO,**
22 **SMALL, AND MEDIUM-SIZED ENTERPRISES**”;

23 (2) in subsection (a)—

24 (A) in paragraph (1), by striking “micro-
25 and small enterprises” and inserting “micro,
26 small, and medium-sized enterprises”; and

1 (B) in paragraph (2), by striking “micro-
 2 enterprises” and inserting “micro, small, and
 3 medium-sized enterprises”;

4 (3) in subsection (b)—

5 (A) in the matter preceding paragraph (1),
 6 by striking “microenterprise households lacking
 7 full access to credit” and inserting “micro,
 8 small, and medium-sized enterprises and house-
 9 holds lacking full access to credit and other fi-
 10 nancial services”; and

11 (B) in paragraphs (1) and (2), by striking
 12 “microfinance institutions” each place such
 13 term appears and inserting “financial inter-
 14 mediaries”;

15 (4) in subsection (c), in the matter preceding
 16 paragraph (1), by striking “microfinance institu-
 17 tions” and inserting “financial intermediaries”; and

18 (5) in subsections (c) and (d), by striking “mi-
 19 croenterprise households” each place such term ap-
 20 pears and inserting “micro, small, and medium-sized
 21 enterprises and households”.

22 (g) UNITED STATES MICROFINANCE LOAN FACIL-
 23 ITY.—Section 257 of the Foreign Assistance Act of 1961
 24 (22 U.S.C. 2213) is amended—

1 (1) in subsection (a), by striking “United
2 States-supported microfinance institutions” and in-
3 serting “United States-supported financial inter-
4 mediaries”; and

5 (2) in subsection (b)—

6 (A) in paragraph (1), by striking “United
7 States-supported microfinance institutions”
8 each place such term appears and inserting
9 “United States-supported financial inter-
10 mediaries”; and

11 (B) in paragraph (2), by striking “micro-
12 finance institutions” and inserting “financial
13 intermediaries”.

14 (h) CONTENTS OF REPORT.—Section 258(b) of the
15 Foreign Assistance Act of 1961 (22 U.S.C. 2214(b)) is
16 amended to read as follows:

17 “(b) CONTENTS.—To the extent practicable, the re-
18 port submitted under subsection (a) should contain the
19 following:

20 “(1) Information about assistance provided
21 under section 252, including—

22 “(A) the amount of each grant or other
23 form of assistance;

1 “(B) the name and type of each inter-
2 mediary and implementing partner organization
3 receiving assistance;

4 “(C) the name of each country receiving
5 assistance; and

6 “(D) the methodology used to ensure com-
7 pliance with the targeted assistance require-
8 ments under subsection (c) of such section.

9 “(2) The percentage of assistance provided
10 under section 252, disaggregated by income level, in-
11 cluding for the very poor, and by gender.

12 “(3) The estimated number of individuals that
13 received assistance under section 252, disaggregated
14 by income level, including for the very poor, by gen-
15 der, and by type of assistance, including loans, train-
16 ing, and business development services.

17 “(4) The results of the monitoring system re-
18 quired under section 253.

19 “(5) Information about any method in place to
20 assess poverty levels under section 254.”.

21 (i) DEFINITIONS.—Section 259 of the Foreign As-
22 sistance Act of 1961 (22 U.S.C. 2214a) is amended—

23 (1) in paragraph (3), by striking “Committee
24 on International Relations of the House of Rep-

representatives” and inserting “Committee on Foreign Affairs of the House of Representatives”;

(2) in paragraph (4), by striking “microenterprises” and inserting “micro, small, and medium-sized enterprises”;

(3) in paragraph (6)—

(A) in subparagraph (E), by striking “microenterprise institution” and inserting “micro, small, or medium-sized enterprise institution”;

and

(B) in subparagraph (F), by striking “microfinance institution” and inserting “financial intermediary”;

(4) by striking paragraphs (7) and (8) and inserting the following:

“(7) MICRO, SMALL, AND MEDIUM-SIZED ENTERPRISE INSTITUTION.—The term ‘micro, small, and medium-sized enterprise institution’ means an entity that provides services, including finance, training, or business development services, for micro, small, and medium-sized enterprises in foreign countries.

“(8) FINANCIAL INTERMEDIARY.—The term ‘financial intermediary’ means the entity that acts as the intermediary between parties in a financial

1 transaction, such as a bank, credit union, investment
 2 fund, a village savings and loan group, or an institu-
 3 tion that provides financial services to a micro,
 4 small, or medium-sized enterprise.”;

5 (5) by striking paragraph (9);

6 (6) by redesignating paragraphs (10) through
 7 (14) as paragraphs (9) through (13), respectively;

8 (7) in paragraph (9), as redesignated, by strik-
 9 ing “of microenterprise development”;

10 (8) by amending paragraph (10), as redesign-
 11 ated, to read as follows:

12 “(10) PRACTITIONER INSTITUTION.—The term
 13 ‘practitioner institution’ means a not-for-profit enti-
 14 ty, a financial intermediary, an information and
 15 communications technology firm with a mobile
 16 money platform, a village and savings loan group, or
 17 any other entity that provides financial or business
 18 development services authorized under section 252
 19 that benefits micro, small, and medium-sized enter-
 20 prise clients.”;

21 (9) in paragraph (12), as redesignated—

22 (A) in the paragraph heading, by striking

23 “UNITED STATES-SUPPORTED MICROFINANCE
 24 INSTITUTION” and inserting “UNITED STATES-
 25 SUPPORTED FINANCIAL INTERMEDIARY”; and

1 (B) by striking “United States-supported
 2 microfinance institution” and inserting “United
 3 States-supported financial intermediary”; and
 4 (10) in paragraph (13), as redesignated, by
 5 amending subparagraph (B) to read as follows:

6 “(B) living below the international poverty
 7 line (as defined by the International Bank for
 8 Reconstruction and Development and the Inter-
 9 national Development Association (collectively
 10 referred to as the ‘World Bank’)).”.

11 (j) TECHNICAL AND CONFORMING AMENDMENT.—
 12 Title VI of chapter 2 of part I of the Foreign Assistance
 13 Act of 1961 (22 U.S.C. 2211 et seq.) is amended in the
 14 title heading by striking “MICROENTERPRISE DE-
 15 VELOPMENT ASSISTANCE” and inserting “DEVEL-
 16 OPMENT ASSISTANCE FOR MICRO, SMALL, AND
 17 MEDIUM-SIZED ENTERPRISES”.

18 **SEC. 5. REPORT AND BRIEFING BY UNITED STATES AGEN-**
 19 **CY FOR INTERNATIONAL DEVELOPMENT.**

20 (a) IN GENERAL.—Not later than 1 year after the
 21 date of the enactment of this Act, the Administrator of
 22 the United States Agency for International Development
 23 shall provide a briefing and submit a report to the Com-
 24 mittee on Foreign Affairs of the House of Representatives
 25 and the Committee on Energy and Natural Resources of

1 the Senate on the implementation of this Act and the
2 amendments made by this Act, including actions to im-
3 prove the gender policies of the United States Agency for
4 International Development pursuant to section 3.

5 (b) PUBLIC AVAILABILITY.—The report required
6 under subsection (a) shall be posted and made available
7 on a text-based, searchable, and publicly available internet
8 website.

9 **SEC. 6. REPORT BY COMPTROLLER GENERAL OF THE**
10 **UNITED STATES.**

11 (a) IN GENERAL.—Not later than 2 years after the
12 date of the enactment of this Act, the Comptroller General
13 of the United States shall submit a report to the Com-
14 mittee on Foreign Affairs of the House of Representatives
15 and the Committee on Energy and Natural Resources of
16 the Senate on development assistance for micro, small,
17 and medium-sized enterprises administered by the United
18 States Agency for International Development.

19 (b) MATTERS TO BE INCLUDED.—The report re-
20 quired under subsection (a) shall include an assessment
21 of the following:

22 (1) What is known about the impact of such de-
23 velopment assistance on the economies of developing
24 countries.

1 (2) The extent to which such development as-
2 sistance is targeting women and the very poor, in-
3 cluding what is known about how such development
4 assistance benefits women.

5 (3) The extent to which the United States
6 Agency for International Development has developed
7 a methodology to ensure compliance with the tar-
8 geted assistance requirement under section 252(c) of
9 the Foreign Assistance Act of 1961, as amended by
10 section 4, and the quality of such methodology.

11 (4) The monitoring system required under sec-
12 tion 253(b) of the Foreign Assistance Act of 1961,
13 as amended by section 4, including the quality of
14 such monitoring system.

○