

112TH CONGRESS
1ST SESSION

H. R. 2524

To amend the Foreign Assistance Act of 1961 to improve access to microenterprise by the very poor, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 13, 2011

Mr. SMITH of New Jersey (for himself and Mr. RUSH) introduced the following bill; which was referred to the Committee on Foreign Affairs

A BILL

To amend the Foreign Assistance Act of 1961 to improve access to microenterprise by the very poor, 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 Em-
5 powerment and Job Creation Act of 2011”.

1 **SEC. 2. AMENDMENTS TO FOREIGN ASSISTANCE ACT OF**
2 **1961 TO IMPROVE ACCESS TO MICROENTER-**
3 **PRISE BY THE VERY POOR.**

4 (a) FINDINGS AND POLICY.—Section 251 of the For-
5 eign Assistance Act of 1961 (22 U.S.C. 2211) is amended
6 by adding at the end the following new paragraph:

7 “(7) The very poor can utilize microfinance
8 mechanisms and benefit from microenterprise oppor-
9 tunities, but they require innovative approaches that
10 respond to their particular circumstances and
11 needs.”.

12 (b) AUTHORIZATION; IMPLEMENTATION; TARGETED
13 ASSISTANCE.—

14 (1) AUTHORIZATION.—Section 252(a) of the
15 Foreign Assistance Act of 1961 (22 U.S.C.
16 2211a(a)) is amended—

17 (A) in paragraph (1) to read as follows:

18 “(1) assistance for the purpose of expanding
19 the availability of credit, savings, and other financial
20 services to microfinance and microenterprise clients,
21 particularly those who are unable to access such
22 services through the private sector, and to increase
23 the capacity of such clients to access such services
24 through education, training, and mentoring;”;

25 (B) in paragraph (3), by striking “and” at
26 the end;

1 (C) by redesignating paragraph (4) as
2 paragraph (5); and

3 (D) by inserting after paragraph (3) the
4 following new paragraph:

5 “(4) assistance for value chain interventions
6 that—

7 “(A) benefit primarily the very poor popu-
8 lations;

9 “(B) is integral to the success of a micro-
10 finance or microenterprise project; and

11 “(C) includes measures to ensure that the
12 value chain that is created or enhanced will be
13 self-sustainable upon completion of the inter-
14 vention; and”.

15 (2) IMPLEMENTATION.—Section 252(b)(2) of
16 the Foreign Assistance Act of 1961 (22 U.S.C.
17 2211a(b)(2)) is amended—

18 (A) in subparagraph (B)(ii), by striking
19 “\$25,000,000” and inserting “\$24,100,000”;
20 and

21 (B) by adding at the end the following new
22 subparagraph:

23 “(D) ADMINISTRATIVE COSTS.—For pur-
24 poses of subparagraph (C), the term ‘adminis-
25 trative costs’ does not include the salary and re-

1 lated costs of personnel who train, mentor,
2 monitor, and verify the accountability of groups
3 participating in projects based on an informal
4 savings-led group model.”.

5 (3) TARGETED ASSISTANCE.—Section 252 of
6 the Foreign Assistance Act of 1961 (22 U.S.C.
7 2211a) is amended by striking subsection (c) and in-
8 serting the following new subsection:

9 “(c) TARGETED ASSISTANCE.—In carrying out sus-
10 tainable poverty-focused programs under subsection (a)—

11 “(1)(A) 50 percent of all microenterprise re-
12 sources shall be targeted to clients who are very
13 poor; and

14 “(B) clients who receive resources specified in
15 subparagraph (A) shall include individuals who—

16 “(i) do not have permanent, secure shelter;

17 “(ii) are living in camps administered by
18 the United Nations High Commissioner for
19 Refugees for refugees and internally displaced
20 persons;

21 “(iii) are victims or potential victims of se-
22 vere forms of trafficking in persons or are
23 women who are victims of or susceptible to
24 other forms of exploitation and violence; or

1 “(iv) are widows, orphans, or vulnerable
2 children; and

3 “(2) assistance shall be distributed taking into
4 account country and regional assistance targets es-
5 tablished by the Director that are based on the pov-
6 erty ratios of countries eligible for assistance from
7 the International Development Association.”.

8 (c) REPORT.—Section 258(b) of the Foreign Assist-
9 ance Act of 1961 (22 U.S.C. 2214(b)) is amended by add-
10 ing at the end the following paragraphs:

11 “(12) A description of the efforts made to no-
12 tify new potential program implementers that pro-
13 vide microenterprise opportunities to the very poor,
14 including faith-based and community-based organi-
15 zations, of assistance available pursuant to section
16 252(a).

17 “(13) A list of organizations that provided as-
18 sistance to individuals listed in section 252(c)(1)(B),
19 the amount of assistance provided to each organiza-
20 tion, and a description of the microenterprise
21 projects funded through each organization.

22 “(14) The country and regional poverty targets
23 established pursuant to section 252(c)(2), and a
24 comparison as to how assistance pursuant to sub-

1 section (a) is being distributed relative to such tar-
2 gets.

3 “(15) In order to ensure compliance with sec-
4 tion 253(b)(4) and to increase access by the very
5 poor to microenterprise opportunities, an identifica-
6 tion of—

7 “(A) the poverty assessment tools cur-
8 rently available for identifying the very poor
9 that have been evaluated by the Administrator
10 of the Agency, acting through the Director of
11 the office, during the applicable fiscal year; and

12 “(B) those tools identified under subpara-
13 graph (A) that have been determined to meet
14 the Agency’s requirements for accountability
15 and transparency and have been approved for
16 such purpose.”.

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

19 (1) in paragraph (3), by striking “the Com-
20 mittee on International Relations” and inserting
21 “the Committee on Foreign Affairs”;

22 (2) by redesignating paragraph (14) as para-
23 graph (15);

24 (3) by inserting after paragraph (13) the fol-
25 lowing new paragraph:

1 “(14) VALUE CHAIN.—The term ‘value chain’
2 means all or part of a market system to produce and
3 deliver goods from the extraction of raw materials or
4 production of other inputs to final consumer pur-
5 chase, including the flow of financing among the
6 value chain actors for the purpose of delivering prod-
7 ucts to market.”; and

8 (4) in subparagraph (B) of paragraph (15) (as
9 redesignated), by striking “\$1” and inserting
10 “\$1.25”.

11 **SEC. 3. ENHANCED PROCUREMENT POLICIES FOR MICRO-**
12 **FINANCE PROGRAMS.**

13 For the purpose of improving the procurement proc-
14 ess for microfinance programs, when administering assist-
15 ance under section 252 of the Foreign Assistance Act of
16 1961 (22 U.S.C. 2211a), the Administrator shall—

17 (1) develop a formal past performance system
18 and database for acquisition and assistance instru-
19 ments to be used in the evaluation of all future com-
20 petitions for such instruments; and

21 (2) develop rules regarding potential organiza-
22 tional conflicts of interest related to the design, eval-
23 uation, and audit of programs in relation to the im-
24 plementation of such programs that apply both to
25 acquisition and assistance instruments.

1 **SEC. 4. AUTHORIZATION OF APPROPRIATIONS.**

2 (a) GRANT ASSISTANCE.—Section 252 of the Foreign
3 Assistance Act of 1961 (22 U.S.C. 2211a), as amended
4 by this Act, is further amended by adding at the end the
5 following subsection:

6 “(d) AVAILABILITY OF FUNDS.—Of the amounts au-
7 thorized to be available to carry out this part, the United
8 States Leadership Against HIV/AIDS, Tuberculosis, and
9 Malaria Act of 2003, the FREEDOM Support Act, the
10 International Security Assistance Act of 1978, the Agri-
11 cultural Trade Development and Assistance Act of 1954,
12 and the Support for East European Democracy (SEED)
13 Act of 1989, including local currencies derived from such
14 funds, there are authorized to be appropriated
15 \$264,930,000 for each of the fiscal years 2012 through
16 2016 to carry out this subtitle.”.

17 (b) CREDIT ASSISTANCE.—Section 256(f)(1) of the
18 Foreign Assistance Act of 1961 (22 U.S.C. 2212(f)(1))
19 is amended—

20 (1) by striking “such sums as may be nec-
21 essary” and inserting “\$2,070,000”; and

22 (2) by striking “2005 through 2009” and in-
23 serting “2012 through 2016”.

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