



Calendar No. _____

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. SHAHHEEN, Mr. RUBIO, Ms. MURKOWSKI, Mr. COONS, Mr. ISAKSON, Mr. MERKLEY, Ms. COLLINS, Mr. GRAHAM, Mr. DURBIN, and Mr. GARDNER) introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

_____ (legislative day, _____), _____

Reported by Mr. CORKER, with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Women’s Entrepre-
3 neurship and Economic Empowerment Act of 2018”.

4 **SEC. 2. FINDINGS.**

5 Congress finds the following:

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

19 (2) A 2016 report by the McKinsey Global In-
20 stitute estimated that achieving global gender parity
21 in economic activity could add as much as
22 \$28,000,000,000,000 to annual global gross domes-
23 tic product (GDP) by 2025.

24 (3) Lack of access to financial services that ad-
25 dress gender-specific constraints impedes women’s
26 economic inclusion. More than 1,000,000,000 women

1 around the world are currently left out of the formal
2 financial system, which in turn causes many women
3 to rely on informal means of saving and borrowing
4 that are riskier and less reliable. Among other con-
5 sequences, this hampers the success of women entre-
6 preneurs, including those seeking to run or grow
7 small and medium-sized enterprises (SMEs). The
8 International Finance Corporation has estimated
9 that 70 percent of women-owned SMEs in the for-
10 mal sector are unserved or underserved in terms of
11 access to credit, amounting to a \$285,000,000,000
12 credit gap.

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

1 dens, and business and management skills and lead-
2 ership opportunities.

3 (5) Discriminatory legal and regulatory systems
4 and banking practices are hurdles to women's access
5 to capital and assets, including land, machinery, pro-
6 duction facilities, technology, and human resources.
7 Often, these barriers are connected to a woman's
8 marital status, which can determine whether she is
9 able to inherit land or own property in her name.
10 These constraints contribute to women frequently
11 running smaller businesses, with fewer employees
12 and lower asset values.

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

24 (7) United States support for microenterprise
25 and microfinance development programs, which seek

1 to reduce poverty in low-income countries by giving
2 small loans to small-scale entrepreneurs without col-
3 lateral, have been a useful mechanism to help fami-
4 lies weather economic shocks, but many microcredit
5 borrowers largely remain in poverty. The vast major-
6 ity of microcredit borrowers are women who would
7 like to move up the economic ladder but are held
8 back by binding constraints that create a “missing
9 middle”—large numbers of microenterprises, a
10 handful of large firms or conglomerates, and very
11 few SMEs in between, which are critical to driving
12 economic growth in developing countries.

13 (8) According to the World Bank, SMEs create
14 four out of 5 new positions in emerging markets but
15 about half of formal SMEs don't have access to for-
16 mal credit. The financing gap is even larger when
17 micro and informal enterprises are taken into ac-
18 count. Overall, approximately 70 percent of all
19 micro, small and medium-sized enterprises (MSMEs)
20 in emerging markets lack access to credit.

1 **SEC. 3. ACTIONS TO IMPROVE GENDER POLICIES OF THE**
2 **UNITED STATES AGENCY FOR INTER-**
3 **NATIONAL DEVELOPMENT.**

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

7 (1) to reduce gender disparities in access to,
8 control over, and benefit from economic, social, polit-
9 ical, and cultural resources, wealth, opportunities,
10 and services;

11 (2) to strive to eliminate gender-based violence
12 and mitigate its harmful effects on individuals and
13 communities through efforts to develop standards
14 and capacity to reduce gender-based violence in the
15 workplace and other places where women conduct
16 work;

17 (3) to support activities that secure private
18 property rights and land tenure for women in devel-
19 oping countries, including legal frameworks to give
20 women equal rights to own, register, use, profit
21 from, and inherit land and property, legal literacy to
22 exercise these rights, and capacity of law enforce-
23 ment and community leaders to enforce such rights;
24 and

25 (4) to increase the capability of women and
26 girls to realize their rights, determine their life out-

1 comes, assume leadership roles, and influence deci-
2 sionmaking in households, communities, and soci-
3 eties.

4 (b) ACTIONS.—In order to advance the policy de-
5 scribed in subsection (a), the Administrator of the United
6 States Agency for International Development shall ensure
7 that—

8 (1) strategies, projects, and activities of the
9 Agency are shaped by a gender analysis and, when
10 applicable, use standard indicators to provide one
11 measure of success of such strategies, projects, and
12 activities; and

13 (2) gender equality and female empowerment is
14 integrated throughout the Agency's Program Cycle
15 and related processes for purposes of strategic plan-
16 ning, project design and implementation, and moni-
17 toring and evaluation.

18 (c) GENDER ANALYSIS DEFINED.—In this section,
19 the term "gender analysis"—

20 (1) means a socioeconomic analysis of available
21 or gathered quantitative and qualitative information
22 to identify, understand, and explain gaps between
23 men and women which typically involves exam-
24 ining—

1 (A) differences in the status of women and
2 men and their differential access to and control
3 over assets, resources, opportunities, and serv-
4 ices;

5 (B) the influence of gender roles, struc-
6 tural barriers, and norms on the division of
7 time between paid employment, unpaid work
8 (including subsistence production and care for
9 family members); and volunteer activities;

10 (C) the influence of gender roles, struc-
11 tural barriers, and norms on leadership roles
12 and decisionmaking; constraints, opportunities,
13 and entry points for narrowing gender gaps and
14 empowering women; and

15 (D) potential differential impacts of devel-
16 opment policies and programs on men and
17 women, including unintended or negative con-
18 sequences; and

19 (2) includes conclusions and recommendations
20 to enable development policies and programs to nar-
21 row gender gaps and improve the lives of women and
22 girls.

1 **SEC. 4. DEVELOPMENT ASSISTANCE FOR MICRO, SMALL**
2 **AND MEDIUM-SIZED ENTERPRISES.**

3 (a) **FINDINGS AND POLICY.**—Section 251 of the For-
4 eign Assistance Act of 1961 (22 U.S.C. 2211) is amend-
5 ed—

6 (1) in paragraph (1)—

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

10 (B) by striking “and in the development”
11 and inserting “, in the development”; and

12 (C) by inserting “, and in the economic
13 empowerment of the poor, especially women”
14 before the period at the end;

15 (2) in paragraph (2)—

16 (A) by striking “microenterprise” and in-
17 serting “micro, small, and medium-sized enter-
18 prises”; and

19 (B) by inserting “, particularly enterprises
20 owned, managed, and controlled by women” be-
21 fore the period at the end;

22 (3) in paragraph (3), by striking “microenter-
23 prises” and inserting “micro, small, and medium-
24 sized enterprises”;

1 (4) in paragraph (4), by striking “microenter-
2 prise” and inserting “micro, small, and medium-
3 sized enterprise”;

4 (5) in paragraph (5)—

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

7 (B) by striking “microenterprise and
8 microfinance development assistance” and in-
9 serting “development assistance for micro,
10 small, and medium-sized enterprises”; and

11 (6) in paragraph (6)—

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

14 (B) by striking “microenterprise pro-
15 grams” and inserting “development assistance
16 for micro, small, and medium-sized enter-
17 prises”; and

18 (C) by striking “, such as countries in
19 Latin America”.

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

23 (1) in subsection (a)—

24 (A) in the matter preceding paragraph (1),
25 by striking “credit, savings, and other services

1 to microfinance and microenterprise clients”
2 and inserting “credit, including the use of inno-
3 vative credit scoring models, savings, financial
4 technology, financial literacy, insurance, prop-
5 erty rights, and other services to micro, small,
6 and medium-sized enterprise clients”;

7 (B) in paragraph (1), by striking “micro-
8 finance and microenterprise clients” and insert-
9 ing “micro, small, and medium-sized enterprise
10 clients, particularly clients owned, managed,
11 and controlled by women”;

12 (C) in paragraph (2)—

13 (i) by striking “microenterprises” and
14 inserting “micro, small, and medium-sized
15 enterprises”; and

16 (ii) by inserting “to acquire United
17 States goods and services,” after “United
18 States markets,”;

19 (D) in paragraph (3)—

20 (i) by striking “microfinance and mi-
21 croenterprise institutions” and inserting
22 “financial intermediaries”;

23 (ii) by striking “microfinance and mi-
24 croenterprise clients” and inserting “micro,
25 small, and medium-sized enterprises”; and

1 (iii) by striking “and” at the end;

2 (E) in paragraph (4)—

3 (i) by striking “microfinance and mi-
4 croenterprise clients and institutions” and
5 inserting “micro, small, and medium-sized
6 enterprises, financial intermediaries, and
7 capital markets”; and

8 (ii) by striking “the poor and very
9 poor.” and inserting “the poor and very
10 poor, especially women;”; and

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

12 “(5) assistance for the purpose of promoting
13 the economic empowerment of women, including
14 through increased access to financial resources and
15 improving property rights, inheritance rights, and
16 other legal protections; and

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

22 (2) in subsection (b)—

23 (A) by amending paragraph (1) to read as
24 follows:

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

10 (B) in paragraph (2)—

11 (i) by amending subparagraph (B) to
12 read as follows:

13 “(B) USE OF CENTRAL FUNDING MECHA-
14 NISMS.—In order to ensure that assistance
15 under this title is distributed effectively and ef-
16 ficiently, the office shall provide coordination
17 and support for field-implemented programs, in-
18 cluding through targeted core support for
19 micro, small, and medium-sized enterprises and
20 local financial markets.”; and

21 (ii) in subparagraph (C), in the mat-
22 ter preceding clause (i)—

23 (I) by inserting “, particularly by
24 protecting the use and funding of
25 local organizations in countries in

1 which the Agency invests,” after “and
2 sustainability”; and

3 (H) by inserting “, especially
4 women” after “the poor and very
5 poor”; and

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

7 (3) in subsection (c), by striking “subsection
8 (a), 50 percent of all microenterprise resources” and
9 all that follows and inserting the following: “sub-
10 section (a)—

11 “(1) 50 percent of all micro, small, and me-
12 dium-sized enterprise resources shall be targeted to
13 activities that reach the very poor; and

14 “(2) 50 percent of all small and medium-sized
15 enterprise resources shall be targeted to activities
16 that reach enterprises owned, managed, and con-
17 trolled by women.”.

18 (e) MONITORING SYSTEM.—Section 253(b) of the
19 Foreign Assistance Act of 1961 (22 U.S.C. 2211b(b)) is
20 amended—

21 (1) in paragraph (1), by inserting “, including
22 goals on a gender disaggregated basis, such as im-
23 provements in employment, access to financial serv-
24 ices, enterprise development, earnings and control

1 over income, and property and land rights,” after
2 “performance goals”;

3 (2) in paragraph (2), by striking “include per-
4 formance indicators to be used in measuring or as-
5 sessing the achievement” and inserting “incorporate
6 Agency planning and reporting processes and indica-
7 tors to measure or assess the achievement”; and

8 (3) by striking paragraph (4).

9 (d) **POVERTY MEASUREMENT METHODS.**—Section
10 254 of the Foreign Assistance Act of 1961 (22 U.S.C.
11 2211e) is amended to read as follows:

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

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

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

21 (1) by striking “assistance for microenterprise
22 development assistance” and inserting “development
23 assistance for micro, small, and medium-sized enter-
24 prises”; and

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

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

6 (1) in the section heading, by striking “**MICRO-**
7 **ENTERPRISE DEVELOPMENT CREDITS**” and in-
8 serting “**DEVELOPMENT CREDITS FOR MICRO,**
9 **SMALL, AND MEDIUM-SIZED ENTERPRISES**”;

10 (2) in subsection (a)—

11 (A) in paragraph (1), by striking “micro-
12 and small enterprises” and inserting “micro,
13 small, and medium-sized enterprises”; and

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

17 (3) in subsection (b)—

18 (A) in the matter preceding paragraph (1),
19 by striking “microenterprise households lacking
20 full access to credit” and inserting “micro,
21 small, and medium-sized enterprises and house-
22 holds lacking full access to credit and other fi-
23 nancial services”; and

24 (B) in paragraphs (1) and (2), by striking
25 “microfinance institutions” each place such

1 term appears and inserting “financial inter-
2 mediaries”;

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

6 (5) in subsections (e) and (d), by striking “mi-
7 croenterprise households” each place such term ap-
8 pears and inserting “micro, small, and medium-sized
9 enterprises and households”.

10 (g) UNITED STATES MICROFINANCE LOAN FACIL-
11 ITY.—Section 257 of the Foreign Assistance Act of 1961
12 (~~22 U.S.C. 2213~~) is amended—

13 (1) in subsection (a), by striking “United
14 States-supported microfinance institutions” and in-
15 serting “United States-supported financial inter-
16 mediaries”; and

17 (2) in subsection (b)—

18 (A) in paragraph (1), by striking “United
19 States-supported microfinance institutions”
20 each place such term appears and inserting
21 “United States-supported financial inter-
22 mediaries”; and

23 (B) in paragraph (2), by striking “micro-
24 finance institutions” and inserting “financial
25 intermediaries”.

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

4 “(b) CONTENTS.—To the extent practicable, the re-
5 port submitted under subsection (a) should contain the
6 following:

7 “(1) Information about assistance provided
8 under section 252, including—

9 “(A) the amount of each grant or other
10 form of assistance;

11 “(B) the name and type of each inter-
12 mediary and implementing partner organization
13 receiving assistance;

14 “(C) the name of each country receiving
15 assistance; and

16 “(D) the methodology used to ensure com-
17 pliance with the targeted assistance require-
18 ments under subsection (e) of such section.

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

22 “(3) The estimated number of individuals that
23 received assistance under section 252, disaggregated
24 by income level, including for the very poor, by gen-

1 der, and by type of assistance, including loans, train-
2 ing, and business development services.

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

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

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

9 (1) in paragraph (3), by striking “Committee
10 on International Relations of the House of Rep-
11 resentatives” and inserting “Committee on Foreign
12 Affairs of the House of Representatives”;

13 (2) in paragraph (4), by striking “microenter-
14 prises” and inserting “micro, small, and medium-
15 sized enterprises”;

16 (3) in paragraph (6)—

17 (A) in subparagraph (E), by striking “mi-
18 croenterprise institution” and inserting “micro,
19 small, or medium-sized enterprise institution”;
20 and

21 (B) in subparagraph (F), by striking
22 “microfinance institution” and inserting “finan-
23 cial intermediary”;

24 (4) by striking paragraphs (7) and (8) and in-
25 serting the following:

1 “(7) MICRO, SMALL, AND MEDIUM-SIZED EN-
2 TERPRISE INSTITUTION.—The term ‘micro, small,
3 and medium-sized enterprise institution’ means an
4 entity that provides services, including finance,
5 training, or business development services, for micro,
6 small, and medium-sized enterprises in foreign coun-
7 tries.

8 “(8) FINANCIAL INTERMEDIARY.—The term ‘fi-
9 nancial intermediary’ means the entity that acts as
10 the intermediary between parties in a financial
11 transaction, such as a bank, credit union, investment
12 fund, a village savings and loan group, or an institu-
13 tion that provides financial services to a micro,
14 small, or medium-sized enterprise.”;

15 (5) by striking paragraph (9);

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

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

20 (8) by amending paragraph (10), as redesi-
21 gnated, to read as follows:

22 “(10) PRACTITIONER INSTITUTION.—The term
23 ‘practitioner institution’ means a not-for-profit enti-
24 ty, a financial intermediary, an information and
25 communications technology firm with a mobile

1 money platform, a village and savings loan group, or
2 any other entity that provides financial or business
3 development services authorized under section 252
4 that benefits micro, small, and medium-sized enter-
5 prise clients.”;

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

7 (A) in the paragraph heading, by striking
8 “UNITED STATES-SUPPORTED MICROFINANCE
9 INSTITUTION” and inserting “UNITED STATES-
10 SUPPORTED FINANCIAL INTERMEDIARY”; and

11 (B) by striking “United States-supported
12 microfinance institution” and inserting “United
13 States-supported financial intermediary”; and

14 (10) in paragraph (13), as redesignated, by
15 amending subparagraph (B) to read as follows:

16 “(B) living below the international poverty
17 line (as defined by the International Bank for
18 Reconstruction and Development and the Inter-
19 national Development Association (collectively
20 referred to as the ‘World Bank’)).”

21 (j) TECHNICAL AND CONFORMING AMENDMENT.—

22 Title VI of chapter 2 of part I of the Foreign Assistance
23 Act of 1961 (22 U.S.C. 2211 et seq.) is amended in the
24 title heading by striking “MICROENTERPRISE DE-
25 VELOPMENT ASSISTANCE” and inserting “DEVEL-

1 the Senate on development assistance for micro, small,
2 and medium-sized enterprises administered by the United
3 States Agency for International Development.

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

7 (1) What is known about the impact of such de-
8 velopment assistance on the economies of developing
9 countries.

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

14 (3) The extent to which the United States
15 Agency for International Development has developed
16 a methodology to ensure compliance with the tar-
17 geted assistance requirement under section 252(e) of
18 the Foreign Assistance Act of 1961, as amended by
19 section 4, and the quality of such methodology.

20 (4) The monitoring system required under sec-
21 tion 253(b) of the Foreign Assistance Act of 1961,
22 as amended by section 4, including the quality of
23 such monitoring system.

1 **SECTION 1. SHORT TITLE.**

2 *This Act may be cited as the “Women’s Entrepreneur-*
3 *ship and Economic Empowerment Act of 2018”.*

4 **SEC. 2. FINDINGS.**

5 *Congress finds the following:*

6 (1) *Because women make up the majority of the*
7 *world’s poor and gender inequalities prevail in in-*
8 *comes, wages, access to finance, ownership of assets,*
9 *and control over the allocation of resources, women’s*
10 *entrepreneurship and economic empowerment is im-*
11 *portant to achieve inclusive economic growth at all*
12 *levels of society.*

13 (2) *Research shows that when women exert great-*
14 *er influence over household finances, economic out-*
15 *comes for families improve, and childhood survival*
16 *rates, food security, and educational attainment in-*
17 *crease. Women also tend to place a greater emphasis*
18 *on household savings which improves family financial*
19 *resiliency.*

20 (3) *A 2016 report by the McKinsey Global Insti-*
21 *tute estimated that achieving global gender parity in*
22 *economic activity could add as much as*
23 *\$28,000,000,000,000 to annual global gross domestic*
24 *product by 2025.*

25 (4) *Lack of access to financial services that ad-*
26 *dress gender-specific constraints impedes women’s eco-*

1 *conomic inclusion. Roughly 1,000,000,000 women*
2 *around the world are currently left out of the formal*
3 *financial system, which causes many women to rely*
4 *on informal means of saving and borrowing that are*
5 *riskier and less reliable.*

6 *(5) Among other consequences, this lack of access*
7 *hampers the success of women entrepreneurs, includ-*
8 *ing women who are seeking to run or grow small and*
9 *medium-sized enterprises. The International Finance*
10 *Corporation has estimated that 70 percent of women-*
11 *owned small and medium-sized enterprises in the for-*
12 *mal sector are unserved or underserved in terms of ac-*
13 *cess to financial services, resulting in a financing gap*
14 *of \$300,000,000,000 for women-owned small busi-*
15 *nesses.*

16 *(6) Women's economic empowerment is inex-*
17 *tricably linked to a myriad of other women's human*
18 *rights that are essential to their ability to thrive as*
19 *economic actors across the lifecycle, including—*

20 *(A) living lives free of violence and exploi-*
21 *tation;*

22 *(B) achieving the highest possible standard*
23 *of health and well-being;*

1 (C) enjoying full legal and human rights,
2 such as access to registration, identification, and
3 citizenship documents;

4 (D) benefitting from formal and informal
5 education;

6 (E) equal protection of and access to land
7 and property rights;

8 (F) access to fundamental labor rights;

9 (G) policies to address disproportionate care
10 burdens; and

11 (H) business and management skills and
12 leadership opportunities.

13 (7) Discriminatory legal and regulatory systems
14 and banking practices are obstacles to women's access
15 to capital and assets, including land, machinery, pro-
16 duction facilities, technology, and human resources.
17 These barriers are often connected to a woman's mar-
18 ital status, which can determine whether she is able
19 to inherit land or own property in her name. These
20 constraints contribute to women frequently running
21 smaller businesses, with fewer employees and lower
22 asset values.

23 (8) Savings groups primarily comprised of
24 women are recognized as a vital entry point, espe-
25 cially for poor and very poor women, to formal finan-

1 *cial services. There is a high demand for such groups*
2 *to protect and grow the savings of women with formal*
3 *financial institutions.*

4 (9) *Evidence shows that, once a saving group is*
5 *linked to a bank, the average savings per member in-*
6 *creases between 40 to 100 percent and the average*
7 *profit per member doubles. Investing in financial lit-*
8 *eracy, business leadership training, and mentorship*
9 *are key elements to these outcomes.*

10 (10) *United States support for microenterprise*
11 *and microfinance development programs, which seek*
12 *to reduce poverty in low-income countries by giving*
13 *small loans to small-scale entrepreneurs without col-*
14 *lateral, have been a useful mechanism to help families*
15 *weather economic shocks, but many microcredit bor-*
16 *rowers largely remain in poverty.*

17 (11) *The vast majority of microcredit borrowers*
18 *are women who would like to move up the economic*
19 *ladder, but are held back by binding constraints that*
20 *create a missing middle – large numbers of micro-*
21 *enterprises, a handful of large firms or conglomerates,*
22 *and very few small and medium-sized enterprises in*
23 *between, which are critical to driving economic*
24 *growth in developing countries.*

1 (12) *According to the World Bank, small and*
2 *medium-sized enterprises create 4 out of 5 new posi-*
3 *tions in emerging markets, but approximately 50 per-*
4 *cent of formal small and medium-sized enterprises*
5 *lack access to formal credit. The financing gap is even*
6 *larger when micro and informal enterprises are taken*
7 *into account. Overall, approximately 70 percent of all*
8 *micro, small, and medium-sized enterprises in emerg-*
9 *ing markets lack access to credit.*

10 **SEC. 3. ACTIONS TO IMPROVE THE INTERNATIONAL GEN-**
11 **DER POLICY OF THE UNITED STATES AGENCY**
12 **FOR INTERNATIONAL DEVELOPMENT.**

13 (a) *GENDER ANALYSIS DEFINED.*—*In this section, the*
14 *term “gender analysis”*—

15 (1) *means a socioeconomic analysis of available*
16 *or gathered quantitative and qualitative information*
17 *to identify, understand, and explain gaps between*
18 *men and women which typically involves exam-*
19 *ining—*

20 (A) *differences in the status of women and*
21 *men and their differential access to and control*
22 *over assets, resources, education, opportunities,*
23 *and services;*

24 (B) *the influence of gender roles, structural*
25 *barriers, and norms on the division of time be-*

1 *tween paid employment, unpaid work (including*
2 *the subsistence production and care for family*
3 *members), and volunteer activities;*

4 *(C) the influence of gender roles, structural*
5 *barriers, and norms on leadership roles and deci-*
6 *sion making; constraints, opportunities, and*
7 *entry points for narrowing gender gaps and em-*
8 *powering women; and*

9 *(D) potential differential impacts of devel-*
10 *opment policies and programs on men and*
11 *women, including unintended or negative con-*
12 *sequences; and*

13 *(2) includes conclusions and recommendations to*
14 *enable development policies and programs to narrow*
15 *gender gaps and improve the lives of women and*
16 *girls.*

17 *(b) INTERNATIONAL DEVELOPMENT COOPERATION*
18 *POLICY.—It shall be the international development coopera-*
19 *tion policy of the United States—*

20 *(1) to reduce gender disparities with respect to*
21 *economic, social, political, educational, and cultural*
22 *resources, wealth, opportunities, and services;*

23 *(2) to strive to eliminate gender-based violence*
24 *and mitigate its harmful effects on individuals and*
25 *communities including through efforts to develop*

1 *standards and capacity to reduce gender-based vio-*
2 *lence in the workplace and other places where women*
3 *work;*

4 *(3) to support activities that secure private prop-*
5 *erty rights and land tenure for women in developing*
6 *countries, including—*

7 *(A) legal frameworks that give women equal*
8 *rights to own, register, use, profit from, and in-*
9 *herit land and property;*

10 *(B) improving legal literacy to enable*
11 *women to exercise the rights described in sub-*
12 *paragraph (A); and*

13 *(C) improving the capacity of law enforce-*
14 *ment and community leaders to enforce such*
15 *rights;*

16 *(4) to increase the capability of women and girls*
17 *to fully exercise their rights, determine their life out-*
18 *comes, assume leadership roles, and influence deci-*
19 *sion-making in households, communities, and soci-*
20 *eties; and*

21 *(5) to improve the access of women and girls to*
22 *education, particularly higher education opportuni-*
23 *ties in business, finance, and management, in order*
24 *to enhance financial literacy and business develop-*
25 *ment, management, and strategy skills.*

1 (c) *ACTIONS.*—*In order to advance the policy described*
2 *in subsection (b), the Administrator of the United States*
3 *Agency for International Development shall ensure that—*

4 (1) *strategies, projects, and activities of the*
5 *Agency are shaped by a gender analysis;*

6 (2) *standard indicators are used to assess such*
7 *strategies, projects, and activities, if applicable; and*

8 (3) *gender equality and female empowerment are*
9 *integrated throughout the Agency’s program cycle and*
10 *related processes for purposes of strategic planning,*
11 *project design and implementation, monitoring, and*
12 *evaluation.*

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

15 (a) *FINDINGS AND POLICY.*—*Section 251 of the For-*
16 *ign Assistance Act of 1961 (22 U.S.C. 2211) is amended—*

17 (1) *in paragraph (1)—*

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

21 (B) *by striking “and in the development”*
22 *and inserting “, in the development”; and*

23 (C) *by inserting “, and in the economic em-*
24 *powerment of the poor, especially women” before*
25 *the period at the end;*

1 (2) in paragraph (2)—

2 (A) by striking “microenterprise” and in-
3 serting “micro, small, and medium-sized enter-
4 prises”; and

5 (B) by inserting “, particularly enterprises
6 owned, managed, and controlled by women” be-
7 fore the period at the end;

8 (3) in paragraph (3), by striking “microenter-
9 prises” and inserting “micro, small, and medium-
10 sized enterprises”;

11 (4) in paragraph (4), by striking “microenter-
12 prise” and inserting “micro, small, and medium-sized
13 enterprise”;

14 (5) in paragraph (5)—

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

17 (B) by striking “microenterprise and micro-
18 finance development assistance” and inserting
19 “development assistance for micro, small, and
20 medium-sized enterprises”; and

21 (6) in paragraph (6)—

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

24 (B) by striking “microenterprise programs
25 should” and inserting “development assistance

1 *for micro, small, and medium-sized enterprises*
2 *should”; and*

3 *(C) by striking “, such as countries in*
4 *Latin America”.*

5 **(b) AUTHORIZATION; IMPLEMENTATION; TARGETED**
6 *ASSISTANCE.*—*Section 252 of the Foreign Assistance Act of*
7 *1961 (22 U.S.C. 2211a) is amended—*

8 *(1) in subsection (a)—*

9 *(A) in the matter preceding paragraph (1),*
10 *by striking “credit, savings, and other services to*
11 *microfinance and microenterprise clients” and*
12 *inserting “credit, including the use of innovative*
13 *credit scoring models, savings, financial tech-*
14 *nology, financial literacy, education, insurance,*
15 *property rights, and other services to micro,*
16 *small, and medium-sized enterprise clients”;*

17 *(B) in paragraph (1), by striking “micro-*
18 *finance and microenterprise clients” and insert-*
19 *ing “micro, small, and medium-sized enterprise*
20 *clients, particularly clients owned, managed, and*
21 *controlled by women”;*

22 *(C) in paragraph (2), by striking “micro-*
23 *enterprises” and inserting “micro, small, and*
24 *medium-sized enterprises”;*

25 *(D) in paragraph (3)—*

1 (i) by striking “microfinance and mi-
2 croenterprise institutions” and inserting
3 “financial intermediaries”;

4 (ii) by striking “microfinance and mi-
5 croenterprise clients” and inserting “micro,
6 small, and medium-sized enterprises”; and

7 (iii) by striking “and” at the end;

8 (E) in paragraph (4)—

9 (i) by striking “microfinance and mi-
10 croenterprise clients and institutions” and
11 inserting “micro, small, and medium-sized
12 enterprises, financial intermediaries, and
13 capital markets”; and

14 (ii) by striking “the poor and very
15 poor.” and inserting “the poor and very
16 poor, especially women;”; and

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

18 “(5) assistance for the purpose of promoting the
19 economic empowerment of women, including through
20 increased access to financial resources and improving
21 property rights, inheritance rights, and other legal
22 protections; and

23 “(6) assistance for the purpose of scaling up evi-
24 dence-based graduation approaches, which include
25 targeting the very poor and households in ultra-pov-

1 *erty, consumption support, promotion of savings, fi-*
2 *nancial literacy, skills training, and asset transfers.”;*

3 *(2) in subsection (b)—*

4 *(A) by amending paragraph (1) to read as*
5 *follows:*

6 *“(1) IN GENERAL.—There is authorized to be es-*
7 *tablished within the Agency an office to support the*
8 *Agency’s efforts to broaden and deepen local financial*
9 *markets, expand access to appropriate financial prod-*
10 *ucts and services, and support the development of*
11 *micro, small and medium-sized enterprises. The Office*
12 *shall be headed by a Director who shall possess tech-*
13 *nical expertise and ability to offer leadership in the*
14 *field of financial sector development.”;*

15 *(B) in paragraph (2)—*

16 *(i) by amending subparagraph (B) to*
17 *read as follows:*

18 *“(B) USE OF CENTRAL FUNDING MECHA-*
19 *NISMS.—In order to ensure that assistance under*
20 *this title is distributed effectively and efficiently,*
21 *the office shall provide coordination and support*
22 *for field-implemented programs, including*
23 *through targeted core support for micro, small,*
24 *and medium-sized enterprises and local financial*
25 *markets.”; and*

1 (ii) in subparagraph (C), in the matter
2 preceding clause (i)—

3 (I) by inserting “, particularly by
4 protecting the use and funding of local
5 organizations in countries in which the
6 Agency invests,” after “and sustain-
7 ability”; and

8 (II) by inserting “, especially
9 women” after “the poor and very
10 poor”; and

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

12 (3) in subsection (c), by striking “subsection (a),
13 50 percent of all microenterprise resources” and all
14 that follows and inserting the following: “subsection
15 (a)—

16 “(1) 50 percent of all micro, small, and medium-
17 sized enterprise resources shall be targeted to activi-
18 ties that reach the very poor; and

19 “(2) 50 percent of all small and medium-sized
20 enterprise resources shall be targeted to activities that
21 reach enterprises owned, managed, and controlled by
22 women.”.

23 (c) *MONITORING SYSTEM*.—Section 253(b) of the For-
24 eign Assistance Act of 1961 (22 U.S.C. 2211b(b)) is amend-
25 ed—

1 (1) in paragraph (1), by inserting “, including
2 goals on a gender disaggregated basis, such as im-
3 provements in employment, access to financial serv-
4 ices, education, enterprise development, earnings and
5 control over income, and property and land rights,”
6 after “performance goals”;

7 (2) in paragraph (2), by striking “include per-
8 formance indicators to be used in measuring or as-
9 sessing the achievement” and inserting “incorporate
10 Agency planning and reporting processes and indica-
11 tors to measure or assess the achievement”; and

12 (3) by striking paragraph (4).

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

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

17 “The Administrator of the Agency, in consultation
18 with financial intermediaries and other appropriate orga-
19 nizations, should have in place at least 1 method for imple-
20 menting partners to use to assess poverty levels of their cur-
21 rent incoming or prospective clients.”

22 (e) *ADDITIONAL AUTHORITIES*.—Section 255 of the
23 Foreign Assistance Act of 1961 (22 U.S.C. 2211d) is amend-
24 ed—

1 (1) by striking “assistance for microenterprise
2 development assistance” and inserting “development
3 assistance for micro, small, and medium-sized enter-
4 prises”; and

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

7 (f) *MICROENTERPRISE DEVELOPMENT CREDITS*.—Sec-
8 tion 256 of the Foreign Assistance Act of 1961 (22 U.S.C.
9 2212) is amended—

10 (1) in the section heading, by striking “**MICRO-**
11 **ENTERPRISE DEVELOPMENT CREDITS**” and in-
12 serting “**DEVELOPMENT CREDITS FOR MICRO,**
13 **SMALL, AND MEDIUM-SIZED ENTERPRISES**”;

14 (2) in subsection (a)—

15 (A) in paragraph (1), by striking “micro-
16 and small enterprises” and inserting “micro,
17 small, and medium-sized enterprises”; and

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

21 (3) in subsection (b)—

22 (A) in the matter preceding paragraph (1),
23 by striking “microenterprise households lacking
24 full access to credit” and inserting “micro,
25 small, and medium-sized enterprises and house-

1 *holds lacking full access to credit and other fi-*
2 *nancial services*”; and

3 *(B) in paragraphs (1) and (2), by striking*
4 *“microfinance institutions” each place such term*
5 *appears and inserting “financial inter-*
6 *mediaries”;*

7 *(4) in subsection (c), in the matter preceding*
8 *paragraph (1), by striking “microfinance institu-*
9 *tions” and inserting “financial intermediaries”; and*

10 *(5) in subsections (c) and (d), by striking “mi-*
11 *croenterprise households” each place such term ap-*
12 *pears and inserting “micro, small, and medium-sized*
13 *enterprises and households”.*

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

17 *(1) in subsection (a) —*

18 *(A) by striking “Administrator” and insert-*
19 *ing “President”;*

20 *(B) by striking “United States-supported*
21 *microfinance institutions” and inserting*
22 *“United States-supported financial inter-*
23 *mediaries”; and*

24 *(2) in subsection (b)—*

1 “(2) *The percentage of assistance provided under*
2 *section 252, disaggregated by income level, including*
3 *for the very poor, and by gender.*

4 “(3) *The estimated number of individuals that*
5 *received assistance under section 252, disaggregated*
6 *by income level (or an appropriate proxy for income*
7 *level, including for the very poor), by gender, and by*
8 *type of assistance.*

9 “(4) *The results of the monitoring system re-*
10 *quired under section 253.*

11 “(5) *Information about any method in place to*
12 *assess poverty levels under section 254.”.*

13 *(i) DEFINITIONS.—Section 259 of the Foreign Assist-*
14 *ance Act of 1961 (22 U.S.C. 2214a) is amended—*

15 *(1) in paragraph (3), by striking “Committee on*
16 *International Relations of the House of Representa-*
17 *tives” and inserting “Committee on Foreign Affairs of*
18 *the House of Representatives”;*

19 *(2) in paragraph (4), by striking “microenter-*
20 *prises” and inserting “micro, small, and medium-*
21 *sized enterprises”;*

22 *(3) in paragraph (6)—*

23 *(A) in subparagraph (E), by striking “mi-*
24 *croenterprise institution” and inserting “micro,*

1 *small, or medium-sized enterprise institution*”;
2 *and*

3 *(B) in subparagraph (F), by striking*
4 *“microfinance institution” and inserting “finan-*
5 *cial intermediary”;*

6 *(4) by striking paragraphs (7) and (8) and in-*
7 *serting the following:*

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

14 *“(8) FINANCIAL INTERMEDIARY.—The term ‘fi-*
15 *nancial intermediary’ means the entity that acts as*
16 *the intermediary between parties in a financial*
17 *transaction, such as a bank, credit union, investment*
18 *fund, a village savings and loan group, or an institu-*
19 *tion that provides financial services to a micro, small,*
20 *or medium-sized enterprise.”;*

21 *(5) by striking paragraph (9);*

22 *(6) by redesignating paragraphs (10) through*
23 *(14) as paragraphs (9) through (13), respectively;*

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

1 (8) by amending paragraph (10), as redesignig-
2 nated, to read as follows:

3 “(10) *PRACTITIONER INSTITUTION*.—The term
4 ‘practitioner institution’ means a not-for-profit enti-
5 ty, a financial intermediary, an information and
6 communications technology firm with a mobile money
7 platform, a village and savings loan group, or any
8 other entity that provides financial or business devel-
9 opment services authorized under section 252 that
10 benefits micro, small, and medium-sized enterprise
11 clients.”;

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

13 (A) in the paragraph heading, by striking
14 “UNITED STATES-SUPPORTED MICROFINANCE IN-
15 STITUTION” and inserting “UNITED STATES-SUP-
16 PORTED FINANCIAL INTERMEDIARY”; and

17 (B) by striking “United States-supported
18 microfinance institution” and inserting “United
19 States-supported financial intermediary”; and

20 (10) in paragraph (13), as redesignated, by
21 amending subparagraph (B) to read as follows:

22 “(B) living below the international poverty
23 line (as defined by the International Bank for
24 Reconstruction and Development and the Inter-

1 *national Development Association (collectively*
2 *referred to as the ‘World Bank’)).”.*

3 (j) *TECHNICAL AND CONFORMING AMENDMENT.—Title*
4 *VI of chapter 2 of part I of the Foreign Assistance Act of*
5 *1961 (22 U.S.C. 2211 et seq.) is amended in the title head-*
6 *ing by striking “MICROENTERPRISE DEVELOPMENT*
7 *ASSISTANCE” and inserting “DEVELOPMENT AS-*
8 *SISTANCE FOR MICRO, SMALL, AND MEDIUM-*
9 *SIZED ENTERPRISES”.*

10 **SEC. 5. REPORT AND BRIEFING BY THE UNITED STATES**
11 **AGENCY FOR INTERNATIONAL DEVELOP-**
12 **MENT.**

13 (a) *IN GENERAL.—Not later than 1 year after the date*
14 *of the enactment of this Act, the Administrator of the*
15 *United States Agency for International Development shall*
16 *provide a briefing and submit a report to the Committee*
17 *on Foreign Affairs of the House of Representatives and the*
18 *Committee on Foreign Relations of the Senate regarding*
19 *the implementation of this Act and the amendments made*
20 *by this Act, including actions to improve the gender policies*
21 *of the United States Agency for International Development*
22 *pursuant to section 3.*

23 (b) *PUBLIC AVAILABILITY.—The report required under*
24 *subsection (a) shall be posted and made available on a text-*
25 *based, searchable, and publicly-available internet website.*

1 **SEC. 6. REPORT BY THE COMPTROLLER GENERAL OF THE**
2 **UNITED STATES.**

3 (a) *IN GENERAL.*—Not later than 2 years after the
4 date of the enactment of this Act, the Comptroller General
5 of the United States shall submit a report to the Committee
6 on Foreign Affairs of the House of Representatives and the
7 Committee on Foreign Relations of the Senate regarding
8 development assistance for micro, small, and medium-sized
9 enterprises administered by the United States Agency for
10 International Development.

11 (b) *MATTERS TO BE INCLUDED.*—The report required
12 under subsection (a) shall include an assessment of the fol-
13 lowing:

14 (1) *What is known about the impact of such de-*
15 *velopment assistance on the economies of developing*
16 *countries.*

17 (2) *The extent to which such development assist-*
18 *ance is targeting women and the very poor, including*
19 *what is known about how such development assistance*
20 *benefits women.*

21 (3) *The extent to which the United States Agency*
22 *for International Development has developed a meth-*
23 *odology to ensure compliance with the targeted assist-*
24 *ance requirement under section 252(c) of the Foreign*
25 *Assistance Act of 1961, as amended by section 4(b)(3),*
26 *and the quality of such methodology.*

1 (4) *The monitoring system required under sec-*
2 *tion 253(b) of the Foreign Assistance Act of 1961, as*
3 *amended by section 4(c), including the quality, ap-*
4 *propriateness, and feasibility of such monitoring sys-*
5 *tem.*