

S. 3247 Revised  
Substitute Amdt

AMENDMENT NO. \_\_\_\_\_ Calendar No. \_\_\_\_\_

Purpose: In the nature of a substitute.

**IN THE SENATE OF THE UNITED STATES—115th Cong., 2d Sess.**

**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.

Referred to the Committee on \_\_\_\_\_ and  
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT IN THE NATURE OF A SUBSTITUTE intended  
to be proposed by Mr. CORKER

Viz:

1 Strike all after the enacting clause and insert the fol-  
2 lowing:

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:

8 (1) Because women make up the majority of  
9 the world's poor and gender inequalities prevail in  
10 incomes, wages, access to finance, ownership of as-  
11 sets, and control over the allocation of resources,

1 women's entrepreneurship and economic empower-  
2 ment is important to achieve inclusive economic  
3 growth at all levels of society.

4 (2) Research shows that when women exert  
5 greater influence over household finances, economic  
6 outcomes for families improve, and childhood sur-  
7 vival rates, food security, and educational attain-  
8 ment increase. Women also tend to place a greater  
9 emphasis on household savings which improves fam-  
10 ily financial resiliency.

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

16 (4) Lack of access to financial services that ad-  
17 dress gender-specific constraints impedes women's  
18 economic inclusion. Roughly 1,000,000,000 women  
19 around the world are currently left out of the formal  
20 financial system, which causes many women to rely  
21 on informal means of saving and borrowing that are  
22 riskier and less reliable.

23 (5) Among other consequences, this lack of ac-  
24 cess hampers the success of women entrepreneurs,  
25 including women who are seeking to run or grow

1 small and medium-sized enterprises. The Inter-  
2 national Finance Corporation has estimated that 70  
3 percent of women-owned small and medium-sized en-  
4 terprises in the formal sector are unserved or under-  
5 served in terms of access to financial services, result-  
6 ing in a financing gap of \$300,000,000,000 for  
7 women-owned small businesses.

8 (6) Women's economic empowerment is inex-  
9 tricably linked to a myriad of other women's human  
10 rights that are essential to their ability to thrive as  
11 economic actors across the lifecycle, including—

12 (A) living lives free of violence and exploi-  
13 tation;

14 (B) achieving the highest possible standard  
15 of health and well-being;

16 (C) enjoying full legal and human rights,  
17 such as access to registration, identification,  
18 and citizenship documents;

19 (D) benefitting from formal and informal  
20 education;

21 (E) equal protection of and access to land  
22 and property rights;

23 (F) access to fundamental labor rights;

24 (G) policies to address disproportionate  
25 care burdens; and

1 (H) business and management skills and  
2 leadership opportunities.

3 (7) Discriminatory legal and regulatory systems  
4 and banking practices are obstacles to women's ac-  
5 cess to capital and assets, including land, machinery,  
6 production facilities, technology, and human re-  
7 sources. These barriers are often connected to a  
8 woman's marital status, which can determine wheth-  
9 er she is able to inherit land or own property in her  
10 name. These constraints contribute to women fre-  
11 quently running smaller businesses, with fewer em-  
12 ployees and lower asset values.

13 (8) 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. There is a high demand for such  
17 groups to protect and grow the savings of women  
18 with formal financial institutions.

19 (9) Evidence shows that, once a saving group is  
20 linked to a bank, the average savings per member  
21 increases between 40 to 100 percent and the average  
22 profit per member doubles. Investing in financial lit-  
23 eracy, business leadership training, and mentorship  
24 are key elements to these outcomes.

1           (10) United States support for microenterprise  
2           and microfinance development programs, which seek  
3           to reduce poverty in low-income countries by giving  
4           small loans to small-scale entrepreneurs without col-  
5           lateral, have been a useful mechanism to help fami-  
6           lies weather economic shocks, but many microcredit  
7           borrowers largely remain in poverty.

8           (11) The vast majority of microcredit borrowers  
9           are women who would like to move up the economic  
10          ladder, but are held back by binding constraints that  
11          create a missing middle – large numbers of micro-  
12          enterprises, a handful of large firms or conglom-  
13          erates, and very few small and medium-sized enter-  
14          prises in between, which are critical to driving eco-  
15          nomic growth in developing countries.

16          (12) According to the World Bank, small and  
17          medium-sized enterprises create 4 out of 5 new posi-  
18          tions in emerging markets, but approximately 50  
19          percent of formal small and medium-sized enter-  
20          prises lack access to formal credit. The financing  
21          gap is even larger when micro and informal enter-  
22          prises are taken into account. Overall, approximately  
23          70 percent of all micro, small, and medium-sized en-  
24          terprises in emerging markets lack access to credit.

1 **SEC. 3. ACTIONS TO IMPROVE THE INTERNATIONAL GEN-**  
2 **DER POLICY OF THE UNITED STATES AGENCY**  
3 **FOR INTERNATIONAL DEVELOPMENT.**

4 (a) GENDER ANALYSIS DEFINED.—In this section,  
5 the term “gender analysis”—

6 (1) means a socioeconomic analysis of available  
7 or gathered quantitative and qualitative information  
8 to identify, understand, and explain gaps between  
9 men and women which typically involves exam-  
10 ining—

11 (A) differences in the status of women and  
12 men and their differential access to and control  
13 over assets, resources, education, opportunities,  
14 and services;

15 (B) the influence of gender roles, struc-  
16 tural barriers, and norms on the division of  
17 time between paid employment, unpaid work  
18 (including the subsistence production and care  
19 for family members), and volunteer activities;

20 (C) the influence of gender roles, struc-  
21 tural barriers, and norms on leadership roles  
22 and decision making; constraints, opportunities,  
23 and entry points for narrowing gender gaps and  
24 empowering women; and

25 (D) potential differential impacts of devel-  
26 opment policies and programs on men and

1 women, including unintended or negative con-  
2 sequences; and

3 (2) includes conclusions and recommendations  
4 to enable development policies and programs to nar-  
5 row gender gaps and improve the lives of women and  
6 girls

7 (b) INTERNATIONAL DEVELOPMENT COOPERATION  
8 POLICY.—It shall be the international development co-  
9 operation policy of the United States—

10 (1) to reduce gender disparities with respect to  
11 economic, social, political, educational, and cultural  
12 resources, wealth, opportunities, and services;

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

19 (3) to support activities that secure private  
20 property rights and land tenure for women in devel-  
21 oping countries, including—

22 (A) legal frameworks that give women  
23 equal rights to own, register, use, profit from,  
24 and inherit land and property;

1 (B) improving legal literacy to enable  
2 women to exercise the rights described in sub-  
3 paragraph (A); and

4 (C) improving the capacity of law enforce-  
5 ment and community leaders to enforce such  
6 rights;

7 (4) to increase the capability of women and  
8 girls to fully exercise their rights, determine their  
9 life outcomes, assume leadership roles, and influence  
10 decision-making in households, communities, and so-  
11 cieties; and

12 (5) to improve the access of women and girls to  
13 education, particularly higher education opportuni-  
14 ties in business, finance, and management, in order  
15 to enhance financial literacy and business develop-  
16 ment, management, and strategy skills.

17 (c) ACTIONS.—In order to advance the policy de-  
18 scribed in subsection (b), the Administrator of the United  
19 States Agency for International Development shall ensure  
20 that—

21 (1) strategies, projects, and activities of the  
22 Agency are shaped by a gender analysis;

23 (2) standard indicators are used to assess such  
24 strategies, projects, and activities, if applicable; and



1 (B) by inserting “, particularly enterprises  
2 owned, managed, and controlled by women” be-  
3 fore the period at the end;

4 (3) in paragraph (3), by striking “microenter-  
5 prises” and inserting “micro, small, and medium-  
6 sized enterprises”;

7 (4) in paragraph (4), by striking “microenter-  
8 prise” and inserting “micro, small, and medium-  
9 sized enterprise”;

10 (5) in paragraph (5)—

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

13 (B) by striking “microenterprise and  
14 microfinance development assistance” and in-  
15 serting “development assistance for micro,  
16 small, and medium-sized enterprises”; and

17 (6) in paragraph (6)—

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

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

24 (C) by striking “, such as countries in  
25 Latin America”.

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

4 (1) in subsection (a)—

5 (A) in the matter preceding paragraph (1),  
6 by striking “credit, savings, and other services  
7 to microfinance and microenterprise clients”  
8 and inserting “credit, including the use of inno-  
9 vative credit scoring models, savings, financial  
10 technology, financial literacy, education, insur-  
11 ance, property rights, and other services to  
12 micro, small, and medium-sized enterprise cli-  
13 ents”;

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

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

22 (D) in paragraph (3)—

23 (i) by striking “microfinance and mi-  
24 croenterprise institutions” and inserting  
25 “financial intermediaries”;

1 (ii) by striking “microfinance and mi-  
2 croenterprise clients” and inserting “micro,  
3 small, and medium-sized enterprises”; and

4 (iii) by striking “and” at the end;  
5 (E) in paragraph (4)—

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

11 (ii) by striking “the poor and very  
12 poor.” and inserting “the poor and very  
13 poor, especially women;”; and

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

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

20 “(6) assistance for the purpose of scaling up  
21 evidence-based graduation approaches, which include  
22 targeting the very poor and households in ultra-pov-  
23 erty, consumption support, promotion of savings, fi-  
24 nancial literacy, skills training, and asset trans-  
25 fers.”;

1 (2) in subsection (b)—

2 (A) by amending paragraph (1) to read as  
3 follows:

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

13 (B) in paragraph (2)—

14 (i) by amending subparagraph (B) to  
15 read as follows:

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

24 (ii) in subparagraph (C), in the mat-  
25 ter preceding clause (i)—

1 (I) by inserting “, particularly by  
2 protecting the use and funding of  
3 local organizations in countries in  
4 which the Agency invests,” after “and  
5 sustainability”; and

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

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

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

14 “(1) 50 percent of all micro, small, and me-  
15 dium-sized enterprise resources shall be targeted to  
16 activities that reach the very poor; and

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

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

24 (1) in paragraph (1), by inserting “, including  
25 goals on a gender disaggregated basis, such as im-

1        improvements in employment, access to financial serv-  
2        ices, education, enterprise development, earnings and  
3        control over income, and property and land rights,”  
4        after “performance goals”;

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

10           (3) by striking paragraph (4).

11        (d) **POVERTY MEASUREMENT METHODS.**—Section  
12 254 of the Foreign Assistance Act of 1961 (22 U.S.C.  
13 2211e) is amended to read as follows:

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

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

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

23            (1) by striking “assistance for microenterprise  
24        development assistance” and inserting “development

1 assistance for micro, small, and medium-sized enter-  
2 prises’; and

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

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

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

12 (2) in subsection (a)—

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

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

19 (3) in subsection (b)—

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

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

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

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

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

15 (1) in subsection (a) —

16 (A) by striking “Administrator” and in-  
17 serting “President”;

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

22 (2) in subsection (b)—

23 (A) in paragraph (1), by striking “United  
24 States-supported microfinance institutions”  
25 each place such term appears and inserting

1 “United States-supported financial inter-  
2 mediaries”; and

3 (B) in paragraph (2), by striking “micro-  
4 finance institutions” and inserting “financial  
5 intermediaries”.

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

9 “(b) CONTENTS.—To the extent practicable, the re-  
10 port submitted under subsection (a) should contain the  
11 following:

12 “(1) Information about assistance provided  
13 under section 252, including—

14 “(A) the amount of each grant or other  
15 form of assistance;

16 “(B) the name and type of each inter-  
17 mediary and implementing partner organization  
18 receiving assistance;

19 “(C) the name of each country receiving  
20 assistance; and

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

1           “(2) The percentage of assistance provided  
2 under section 252, disaggregated by income level, in-  
3 cluding 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 As-  
14 sistance Act of 1961 (22 U.S.C. 2214a) is amended—

15           (1) in paragraph (3), by striking “Committee  
16 on International Relations of the House of Rep-  
17 resentatives” and inserting “Committee on Foreign  
18 Affairs of 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 EN-  
9 TERPRISE INSTITUTION.—The term ‘micro, small,  
10 and medium-sized enterprise institution’ means an  
11 entity that provides services, including finance,  
12 training, or business development services, for micro,  
13 small, and medium-sized enterprises in foreign coun-  
14 tries.

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

22 (5) by striking paragraph (9);

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

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

3 (8) by amending paragraph (10), as redesign-  
4 nated, to read as follows:

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

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

15 (A) in the paragraph heading, by striking  
16 “UNITED STATES-SUPPORTED MICROFINANCE  
17 INSTITUTION” and inserting “UNITED STATES-  
18 SUPPORTED FINANCIAL INTERMEDIARY”; and

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

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

24 “(B) living below the international poverty  
25 line (as defined by the International Bank for

1 Reconstruction and Development and the Inter-  
2 national Development Association (collectively  
3 referred to as the ‘World Bank’)).”.

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

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

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

24 (b) PUBLIC AVAILABILITY.—The report required  
25 under subsection (a) shall be posted and made available

1 on a text-based, searchable, and publicly-available internet  
2 website.

3 **SEC. 6. REPORT BY THE COMPTROLLER GENERAL OF THE**  
4 **UNITED STATES.**

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

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

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

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

23 (3) The extent to which the United States  
24 Agency for International Development has developed  
25 a methodology to ensure compliance with the tar-

1       geted assistance requirement under section 252(e) of  
2       the Foreign Assistance Act of 1961, as amended by  
3       section 4(b)(3), and the quality of such methodology.

4               (4) The monitoring system required under sec-  
5       tion 253(b) of the Foreign Assistance Act of 1961,  
6       as amended by section 4(c), including the quality,  
7       appropriateness, and feasibility of such monitoring  
8       system.