

115TH CONGRESS  
2D SESSION

# H. R. 5480

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IN THE SENATE OF THE UNITED STATES

JULY 18, 2018

Received; read twice and referred to the Committee on Foreign Relations

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## AN ACT

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 \$28 tril-  
22 lion to annual global gross domestic product (GDP)  
23 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 billion 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 billion credit  
12 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 but is not limited to, living lives free of violence and  
18 exploitation, achieving the highest possible standard  
19 of health and well-being, enjoying full legal and  
20 human rights such as access to registration, identi-  
21 fication, and citizenship documents, benefitting from  
22 formal and informal education, and equal protection  
23 of and access to land and property rights, access to  
24 fundamental labor rights, policies to address dis-

1 proportionate care burdens, and business and man-  
2 agement skills and leadership 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 4 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 sion-making 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 socio-economic 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 decision making; 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 prise”;

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

12 (C) by adding at the end before the period  
13 the following: “, and in the economic empower-  
14 ment of the poor, especially women”;

15 (2) in paragraph (2)—

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

19 (B) by adding at the end before the period  
20 the following: “, particularly those enterprises  
21 owned, managed, and controlled by women”;

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-sized  
3 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 enterprises”;  
17 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 as follows:

23 (1) In subsection (a)—

24 (A) in the matter preceding paragraph

25 (1)—

1 (i) by striking “credit, savings, and  
2 other services” and inserting “credit, in-  
3 cluding the use of innovative credit scoring  
4 models, savings, financial technology, fi-  
5 nancial literacy, insurance, property rights,  
6 and other services”; and

7 (ii) by striking “microfinance and mi-  
8 croenterprise clients” and inserting “micro,  
9 small and medium-sized enterprise cli-  
10 ents”;

11 (B) in paragraph (1), by striking “micro-  
12 finance and microenterprise clients” and insert-  
13 ing “micro, small and medium-sized enterprise  
14 clients, particularly those clients owned, man-  
15 aged, and controlled by women”;

16 (C) in paragraph (2)—

17 (i) by striking “microenterprises” and  
18 inserting “micro, small and medium-sized  
19 enterprises”; and

20 (ii) by inserting “acquire United  
21 States goods and services,” after “United  
22 States markets,”;

23 (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  
19 the economic empowerment of women, including  
20 through increased access to financial resources and  
21 improving property rights, inheritance rights, and  
22 other legal protections; and

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

1 erty, consumption support, promotion of savings,  
2 skills training, and asset transfers.”.

3 (2) In subsection (b)—

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

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

14 (B) in paragraph (2)—

15 (i) in subparagraph (B)—

16 (I) by striking “USE OF CEN-  
17 TRAL FUNDING MECHANISMS.—” and  
18 all that follows through “In order to  
19 ensure” and inserting “USE OF CEN-  
20 TRAL FUNDING MECHANISMS.—In  
21 order to ensure”;

22 (II) by striking “the office shall”  
23 and all that follows through “and  
24 other practitioners” and inserting  
25 “the office shall provide coordination

1 and support for field-implemented  
2 programs, including through targeted  
3 core support for micro, small and me-  
4 dium-sized enterprises and local finan-  
5 cial markets”; and

6 (III) by striking clause (ii);

7 (ii) in subparagraph (C)—

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

13 (II) by inserting “, especially  
14 women” after “the poor and very  
15 poor”; and

16 (C) by striking paragraph (3).

17 (3) In subsection (c)—

18 (A) by striking “all microenterprise re-  
19 sources” and inserting “all micro, small and  
20 medium-sized enterprise resources”; and

21 (B) by striking “clients who are very  
22 poor.” and all that follows and inserting “activi-  
23 ties that reach the very poor, and 50 percent of  
24 all small and medium-sized enterprise resources  
25 shall be targeted to activities that reach enter-

1           prises owned, managed, and controlled by  
2           women.”.

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

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

12           (2) in paragraph (2), by striking “include per-  
13 formance indicators” and all that follows through  
14 “the achievement” and inserting “incorporate Agen-  
15 cy planning and reporting processes and indicators  
16 to measure or assess the achievement”; and

17           (3) by striking paragraph (4).

18           (d) POVERTY MEASUREMENT METHODS.—Section  
19 254 of the Foreign Assistance Act of 1961 (22 U.S.C.  
20 2211c) is amended to read as follows:

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

22           “The Administrator of the Agency, in consultation  
23 with financial intermediaries and other appropriate orga-  
24 nizations, should have in place at least one method for

1 implementing partners to use to assess poverty levels of  
2 their current incoming or prospective clients.”.

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

6 (1) by striking “assistance for microenterprise  
7 development assistance” and inserting “development  
8 assistance for micro, small and medium-sized enter-  
9 prises”; and

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

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

15 (1) in the section heading, by striking “**MICRO-**  
16 **ENTERPRISE DEVELOPMENT CREDITS**” and in-  
17 sserting “**DEVELOPMENT CREDITS FOR MICRO,**  
18 **SMALL AND MEDIUM-SIZED ENTERPRISES**”;

19 (2) in subsection (a)—

20 (A) in paragraph (1), by striking “micro-  
21 and small enterprises” and inserting “micro,  
22 small and medium-sized enterprises”; and

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



1           (3) in subsection (b), in the matter preceding  
2 paragraph (1), by inserting “and other financial  
3 services” after “credit”;

4           (4) by striking “microenterprise households”  
5 each place it appears and inserting “micro, small  
6 and medium-sized enterprises and households”; and

7           (5) by striking “microfinance institutions” each  
8 place it appears and inserting “financial inter-  
9 mediaries”.

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) by striking “United States-supported  
19 microfinance institutions” each place it appears  
20 and inserting “United States-supported finan-  
21 cial intermediaries”; and

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

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

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

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

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

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

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

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

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

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

1 ing loans, training, and business development serv-  
2 ices.

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” and inserting “Com-  
11 mittee on Foreign Affairs”;

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

15 (3) in paragraph (6)—

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

19 and

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

23 (4) in paragraph (7) to read as follows:

24 “(7) MICRO, SMALL AND MEDIUM-SIZED EN-  
25 TERPRISE INSTITUTION.—The term ‘micro, small

1 and medium-sized enterprise institution’ means an  
2 entity that provides services, including finance,  
3 training, or business development services, for micro,  
4 small and medium-sized enterprises in foreign coun-  
5 tries.”;

6 (5) in paragraph (8) to read as follows:

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

14 (6) by striking paragraph (9);

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

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

19 (9) in paragraph (10) to read as follows:

20 “(10) PRACTITIONER INSTITUTION.—The term  
21 ‘practitioner institution’ means a not-for-profit enti-  
22 ty, financial intermediary, information and commu-  
23 nications technology firm with a mobile money plat-  
24 form, a village and savings loan group, or any other  
25 entity that provides financial or business develop-

1       ment services authorized under section 252 that ben-  
2       efits micro, small and medium-sized enterprise cli-  
3       ents.”;

4           (10) in paragraph (12) (as redesignated)—

5                (A) in the heading, by striking “UNITED  
6       STATES-SUPPORTED MICROFINANCE INSTITU-  
7       TION” and inserting “UNITED STATES-SUP-  
8       PORTED FINANCIAL INTERMEDIARY”; and

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

12           (11) in subparagraph (B) of paragraph (13) (as  
13       redesignated) to read as follows:

14                “(B) living below the International Poverty  
15       Line, as defined by the International Bank for  
16       Reconstruction and Development and the Inter-  
17       national Development Association (collectively  
18       referred to as the ‘World Bank’).”.

19       (j) TECHNICAL AND CONFORMING AMENDMENT.—

20       Title VI of chapter 2 of part I of the Foreign Assistance  
21       Act of 1961 is amended in the title heading by striking  
22       “MICROENTERPRISE DEVELOPMENT ASSIST-  
23       ANCE” and inserting “DEVELOPMENT ASSISTANCE  
24       FOR MICRO, SMALL AND MEDIUM-SIZED EN-  
25       TERPRISES”.

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

3 (a) IN GENERAL.—Not later than 1 year after the  
4 date of the enactment of this Act, the Administrator of  
5 the United States Agency for International Development  
6 shall provide a briefing and submit to the Committee on  
7 Foreign Affairs of the House of Representatives and the  
8 Committee on Foreign Relations of the Senate a report  
9 on the implementation of this Act and the amendments  
10 made by this Act, including actions to improve the gender  
11 policies of the United States Agency for International De-  
12 velopment pursuant to section 3.

13 (b) PUBLIC AVAILABILITY.—The report required  
14 under paragraph (1) shall be posted and made available  
15 on a text-based, searchable, and publicly-available internet  
16 website.

17 **SEC. 6. REPORT BY COMPTROLLER GENERAL OF THE**  
18 **UNITED STATES.**

19 (a) IN GENERAL.—Not later than 2 years after the  
20 date of the enactment of this Act, the Comptroller General  
21 of the United States shall submit to the Committee on  
22 Foreign Affairs of the House of Representatives and the  
23 Committee on Foreign Relations of the Senate a report  
24 on development assistance for micro, small and medium-  
25 sized enterprises administered by the United States Agen-  
26 cy for International Development.

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

4 (1) What is known about the impact of such de-  
5 velopment assistance on the economies of developing  
6 countries.

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

11 (3) The extent to which the United States  
12 Agency for International Development has developed  
13 a methodology used to ensure compliance with the  
14 targeted assistance requirement in section 252(c) of  
15 the Foreign Assistance Act of 1961, as amended by  
16 section 4 of this Act, and the quality of such meth-  
17 odology.

18 (4) The monitoring system required in section  
19 253(b) of the Foreign Assistance Act of 1961, as

1 amended by section 4 of this Act, including the qual-  
2 ity of such monitoring system.

Passed the House of Representatives July 17, 2018.

Attest: KAREN L. HAAS,  
*Clerk.*