

guidelines established under paragraph (2)(A). The Secretary shall ensure, through consultation with Sea Grant Programs, that the results and findings of the program are communicated to State, Indian tribe, and local governments, and to the general public."

#### SEC. 105. AUTHORIZATION OF APPROPRIATIONS.

Section 605 of such Act is amended—

(1) by striking "and" after "2000," in the first sentence and in the paragraphs (1), (2), (3), and (5);

(2) by inserting "\$23,500,000 for fiscal year 2005, \$24,500,000 for fiscal year 2006, \$25,000,000 for fiscal year 2007, and \$25,500,000 for fiscal year 2008," after "2001," in the first sentence;

(3) by inserting ", and \$2,500,000 for each of fiscal years 2005 through 2008" after "2001" in paragraph (1);

(4) by inserting ", and \$6,500,000, of which \$1,000,000 shall be used for the research program described in section 603(f)(2)(B), for each of fiscal years 2005 through 2008" after "2001" in paragraph (2);

(5) by striking "2001" in paragraph (3) and inserting "2001, and \$3,000,000 for each of fiscal years 2005 through 2008";

(6) by striking "blooms;" in paragraph (3) and inserting "blooms and to carry out section 603(d);";

(7) by striking "and 2001" in paragraph (4) and inserting "2001, and \$6,000,000 for each of fiscal years 2005 through 2008";

(8) by striking "and" after the semicolon in paragraph (4);

(9) by striking "2001" in paragraph (5) and inserting "2001, \$4,000,000 for fiscal year 2005, \$5,000,000 for fiscal year 2006, \$5,500,000 for fiscal year 2007, and \$6,000,000 for fiscal year 2008";

(10) by striking "Administration." in paragraph (5) and inserting "Administration; and"; and

(11) by adding at the end the following:

"(6) \$1,500,000 for each of fiscal years 2005 through 2008 to carry out section 603(e)."

#### TITLE II—MISCELLANEOUS

##### SEC. 201. AVAILABILITY OF NOAA REAL PROPERTY ON VIRGINIA KEY, FLORIDA.

(a) IN GENERAL.—The Secretary of Commerce may make available to the University of Miami real property under the administrative jurisdiction of the National Oceanic and Atmospheric Administration on Virginia Key, Florida, for development by the University of a Marine Life Science Center.

(b) MANNER OF AVAILABILITY.—The Secretary may make property available under this section by easement, lease, license, or long-term agreement with the University.

(c) AUTHORIZED USES BY UNIVERSITY.—

(1) IN GENERAL.—Property made available under this section may be used by the University (subject to paragraph (2)) to develop and operate facilities for multidisciplinary environmental and fisheries research, assessment, management, and educational activities.

(2) AGREEMENT.—Property made available under this section may not be used by the University (including any affiliate of the University) except in accordance with an agreement with the Secretary that—

(A) specifies—

(i) the conditions for non-Federal use of the property; and

(ii) the retained Federal interests in the property, including interests in access to and egress from the property by Federal personnel and preservation of existing rights-of-way;

(B) establishes conditions for joint occupancy of buildings and other facilities on the property by the University and Federal agencies; and

(C) includes provisions that ensure—

(i) that there is no diminishment of existing National Oceanic and Atmospheric Ad-

ministration programs and services at Virginia Key; and

(ii) the availability of the property for planning, development, and construction of future Federal buildings and facilities.

(3) TERMINATION OF AVAILABILITY.—The availability of property under this section shall terminate immediately upon use of the property by the University—

(A) for any purpose other than as described in paragraph (1); or

(B) in violation of the agreement under paragraph (2).

(d) USE OF FACILITIES BY SECRETARY.—The Secretary may—

(1) subject to the availability of funding, enter into an agreement to occupy facilities constructed by the University on property made available under this section; and

(2) participate with the University in collaborative research at, or administered through, such facilities.

(e) NO CONVEYANCE OF TITLE.—This section shall not be construed to convey or authorize conveyance of any interest of the United States in title to property made available under this section.

##### SEC. 202. CONVEYANCE OF NOAA VESSEL WHITING.

(a) IN GENERAL.—The Secretary of Commerce shall convey to the Government of Mexico, without consideration, all right, title, and interest of the United States in and to the National Oceanic and Atmospheric Administration vessel WHITING—

(1) for use as a hydrographic survey platform in support of activities of the United States-Mexico Charting Advisors Committee; and

(2) to enhance coordination and cooperation between the United States and Mexico regarding hydrographic surveying and nautical charting activities in the border waters of both countries in the Gulf of Mexico and in the Pacific Ocean.

(b) OPERATION AND MAINTENANCE.—The Government of the United States shall not be responsible or liable for any remediation, maintenance, or operation of a vessel conveyed under this section after the date of the delivery of the vessel to the Government of Mexico.

(c) DEADLINE.—The Secretary shall seek to complete the conveyance by as soon as practicable after the date of the enactment of this Act.

(d) DELIVERY OF VESSEL.—The Secretary shall deliver the vessel WHITING pursuant to this section at the vessel's homeport location of Norfolk, Virginia, at no additional cost to the United States.

Mr. EHLERS. Mr. Speaker, I rise in strong support of the final version of the Harmful Algal Bloom and Hypoxia Amendments Act. This bill represents the final negotiated compromise between the House and Senate earlier versions of this bill.

Harmful algal blooms, also known as HABs, and hypoxia, are serious problems in coastal communications nationwide. This bill supports basic and applied research that will lead to new methods to predict, control and respond to HABs and hypoxia. I am especially pleased that we added the Great Lakes to the research categories in the bill.

I thank my colleague from Maryland, WAYNE GILCHREST of the Resources Committee, for his help in guiding this bill through the process. I also want to thank my Senate Colleagues, Senator MCCAIN, Senator SNOWE, Senator BREAUX and Senator VOINOVICH for their leadership on this issue. And finally, I thank my colleagues on the Science Committee, including Chairman BOEHLERT, and my

friend from Washington, Mr. BAIRD who have provided useful input. I appreciate all of their help in reaching an agreement on this important bill.

The language before us today reflects a bipartisan, bicameral agreement and I urge all of my colleagues to support the Harmful Algal Bloom and Hypoxia Amendments Act. I reserve the balance of my time.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### GENERAL LEAVE

Mr. EHLERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on S. 3014.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

#### MICROENTERPRISE RESULTS AND ACCOUNTABILITY ACT OF 2004

Mr. SMITH of New Jersey. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3818) to amend the Foreign Assistance Act of 1961 to improve the results and accountability of microenterprise development assistance programs, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

Mr. RANGEL. Mr. Speaker, reserving the right to object, I will not object, but I just want to point out that the people in Haiti are suffering. We have this small trade bill that we wanted so badly to send some hope to these people. The House would not consider it because the Senate did not agree that they would accept it. The Senate said they could not accept what they have not seen, and here we leave today telling the people in Haiti that this small bill that certainly could not have hurt anybody in the textile industries here, could not offend the labors even though there was objection, but we were too busy to do this in the House.

Mr. Speaker, I will be fighting next year for the people in Haiti.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The Clerk read the bill, as follows:

H.R. 3818

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

*This Act may be cited as the "Microenterprise Results and Accountability Act of 2004".*

#### SEC. 2. FINDINGS AND POLICY.

*Congress finds and declares the following:*

(1) Congress has demonstrated its support for microenterprise development assistance programs through the enactment of two comprehensive microenterprise laws:

(A) The Microenterprise for Self-Reliance Act of 2000 (title I of Public Law 106-309; 114 Stat. 1082).

(B) Public Law 108-31 (an Act entitled "An Act to amend the Microenterprise for Self-Reliance Act of 2000 and the Foreign Assistance Act of 1961 to increase assistance for the poorest people in developing countries under microenterprise assistance program under those Acts, and for other purposes", approved June 17, 2003).

(2) The United States Agency for International Development, the agency responsible for implementing microenterprise development assistance programs authorized under sections 108 and 131 of the Foreign Assistance Act of 1961 (22 U.S.C. 2151f and 2152a), is not presently organized to adequately coordinate, implement, and monitor such programs, as evidenced by the late submission by the Agency of the report required by section 108 of the Microenterprise for Self-Reliance Act of 2000.

(3) The Comptroller General, in a report dated November 2003, found that the United States Agency for International Development has met some, but not all, of the key objectives of such microenterprise development assistance programs.

(4) The Comptroller General's report found, among other things, the following:

(A) Microenterprise development assistance generally can help alleviate some impacts of poverty, improve income levels and quality of life for borrowers and provide poor individuals, workers, and their families with an important coping mechanism.

(B) Although studies and academic analyses funded by the United States Agency for International Development have found that microenterprise activities generally serve the poor clustered around the poverty line, few loans appear to be reaching the very poor.

(C) Microenterprise development assistance programs of the United States Agency for International Development have encouraged women's participation in microfinance projects and, according to data of the Agency, women have comprised two-thirds or more of the micro-loan clients in Agency-funded microenterprise projects since 1997.

(5)(A) The Comptroller General's report recommends that the Administrator of the United States Agency for International Development review the Agency's "microenterprise results reporting" system with the goal of ensuring that its annual reporting is complete and accurate.

(B) Specifically, the Administrator should review and reconsider the methodologies used for the collection, analysis, and reporting of data on annual spending targets, outreach to the very poor, sustainability of microfinance institutions, and the contribution of Agency's funding to the institutions it supports.

### SEC. 3. MICROENTERPRISE DEVELOPMENT ASSISTANCE.

Chapter 2 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2166 et seq.) is amended by inserting after title V the following new title:

#### "TITLE VI—MICROENTERPRISE DEVELOPMENT ASSISTANCE

##### "SEC. 251. FINDINGS AND POLICY.

"Congress finds and declares the following:

"(1) Access to financial services and the development of microenterprise are vital factors in the stable growth of developing countries and in the development of free, open, and equitable international economic systems.

"(2) It is therefore in the best interest of the United States to facilitate access to financial services and assist the development of microenterprise in developing countries.

"(3) Access to financial services and the development of microenterprises can be supported by

programs providing credit, savings, training, technical assistance, business development services, and other financial services.

"(4) Given the relatively high percentage of populations living in rural areas of developing countries, and the combined high incidence of poverty in rural areas and growing income inequality between rural and urban markets, microenterprise programs should target both rural and urban poor.

"(5) Microenterprise programs have been successful and should continue to empower vulnerable women in the developing world. Such programs should take into account the risks faced by women who are potential victims of severe forms of trafficking and the need for assistance for women who become victims of severe forms of trafficking, as provided for in section 106(a)(1) of the Trafficking Victims Protection Act of 2000 (22 U.S.C. 7104(a)(1); Public Law 106-386).

"(6) Given that microenterprise programs have been successful in empowering disenfranchised groups such as women, microenterprise programs should also target populations disenfranchised due to race or ethnicity in countries where a strong relationship between poverty and race or ethnicity has been demonstrated, such as countries in Latin America.

### "SEC. 252. AUTHORIZATION; IMPLEMENTATION; TARGETED ASSISTANCE.

"(a) AUTHORIZATION.—The President is authorized to provide assistance on a grant basis for programs in developing countries to increase the availability of credit, savings, and other services to microenterprises lacking full access to capital, training, technical assistance, and business development services, through—

"(1) grants to microfinance institutions for the purpose of expanding the availability of credit, savings, and other financial services to microenterprise clients;

"(2) grants to microenterprise institutions for the purpose of training, technical assistance, and business development services for microenterprises to enable them to make better use of credit, to better manage their enterprises, to conduct market analysis and product development for expanding domestic and international sales, particularly to United States markets, and to increase their income and build their assets;

"(3) capacity-building for microenterprise institutions in order to enable them to better meet the credit, savings, and training needs of microenterprise clients; and

"(4) policy and regulatory programs at the country level that improve the environment for microenterprise clients and microenterprise institutions that serve the poor and very poor.

"(b) IMPLEMENTATION.—

"(1) OFFICE OF MICROENTERPRISE DEVELOPMENT.—

"(A) ESTABLISHMENT.—There is established within the Agency an Office of Microenterprise Development, which shall be headed by a Director who shall be appointed by the Administrator and who should possess technical expertise and ability to offer leadership in the field of microenterprise development.

"(B) DUTIES.—The Office shall coordinate and be responsible for the provision of assistance under this title.

"(2) ASSISTANCE THROUGH GRANTS TO ELIGIBLE ORGANIZATIONS.—Assistance under subsection (a) shall be provided through grants executed, approved, or reviewed by the Office to eligible implementing partner organizations that have a capacity to develop and implement microenterprise programs.

"(3) REVIEW AND APPROVAL.—With respect to assistance under subsection (a) that is furnished through field missions of the Agency, the Office shall be responsible for—

"(A) reviewing or approving each grant agreement prior to obligation of funds under the agreement in order to ensure that activities to be carried out using such funds are efficacious, technically sound, and suitable for the economic and security climate of the country or region where the activities will be conducted; and

"(B) approving microenterprise development components of strategic plans of missions, bureaus, and offices of the Agency.

"(c) TARGETED ASSISTANCE.—In carrying out sustainable poverty-focused programs under subsection (a), 50 percent of all microenterprise resources shall be targeted to very poor clients, defined as those individuals living in the bottom 50 percent below the poverty line as established by the national government of the country. Specifically, such resources shall be used for—

"(1) support of programs under this section through practitioner institutions that—

"(A) provide credit and other financial services to clients who are very poor, with loans in 1995 United States dollars of—

"(i) \$1,000 or less in the Europe and Eurasia region;

"(ii) \$400 or less in the Latin America region; and

"(iii) \$300 or less in the rest of the world; and

"(B) can cover their costs in a reasonable time period; or

"(2) demand-driven business development programs that achieve reasonable cost recovery that are provided to clients holding poverty loans (as defined by the regional poverty loan limitations in paragraph (1)(A)), whether they are provided by microfinance institutions or by specialized business development services providers.

"(d) SUPPORT FOR CENTRAL MECHANISMS.—The Administrator should increase the use of central mechanisms through microenterprise, microfinance, and practitioner institutions in the implementation of this title.

### "SEC. 253. MONITORING SYSTEM.

"(a) ESTABLISHMENT.—In order to maximize the sustainable development impact of assistance authorized under section 252(a), the Administrator of the Agency, acting through the Director of the Office, shall establish a monitoring system that meets the requirements of subsection (b).

"(b) REQUIREMENTS.—The requirements referred to in subsection (a) are the following:

"(1) The monitoring system establishes performance goals for the assistance and expresses such goals in an objective and quantifiable form, to the extent feasible.

"(2) The monitoring system establishes performance indicators to be used in measuring or assessing the achievement of the performance goals described in paragraph (1) and the objectives of the assistance authorized under section 252.

"(3) The monitoring system provides a basis for recommendations for adjustments to the assistance to enhance the sustainability and the impact of the assistance, particularly the impact of such assistance on the very poor, particularly poor women.

"(4) The monitoring system adopts the widespread use of proven and effective poverty assessment tools to successfully identify the very poor and ensure that they receive adequate access to microenterprise loans, savings, and assistance.

### "SEC. 254. DEVELOPMENT AND CERTIFICATION OF POVERTY MEASUREMENT METHODS; APPLICATION OF METHODS.

"(a) DEVELOPMENT AND CERTIFICATION.—

"(1) IN GENERAL.—The Administrator of the Agency, in consultation with microenterprise institutions and other appropriate organizations, shall develop no fewer than two low-cost methods for eligible implementing partner organizations to use to assess the poverty levels of their current or prospective clients. The Administrator shall develop poverty indicators that correlate with the circumstances of the very poor.

"(2) FIELD TESTING.—The Administrator shall field-test the methods developed under paragraph (1). As part of the testing, institutions and programs may use the methods on a voluntary basis to demonstrate their ability to reach the very poor.

"(3) CERTIFICATION.—Not later than October 1, 2004, the Administrator shall, from among the

low-cost poverty measurement methods developed under paragraph (1), certify no fewer than two such methods as approved methods for measuring the poverty levels of current or prospective clients of microenterprise institutions for purposes of assistance under section 252.

“(b) APPLICATION.—The Administrator shall require that, with reasonable exceptions, all eligible implementing partner organizations applying for microenterprise assistance under this title use one of the certified methods, beginning not later than October 1, 2005, to determine and report the poverty levels of current or prospective clients.

**“SEC. 255. AUTHORIZATION OF APPROPRIATIONS; ADDITIONAL AUTHORITIES.**

“(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the President to carry out this subtitle \$200,000,000 for fiscal year 2005 and such sums as may be necessary for fiscal year 2006.

“(b) ADDITIONAL AUTHORITIES.—(1) Amounts appropriated pursuant to the authorization of appropriations under subsection (a)—

“(A) may be referred to as the ‘Microenterprise Development Assistance Account’;

“(B) shall be allocated to the Office, and upon approval by the Director of the Office, may be reallocated to field missions of the Agency in furtherance of the purposes of this title;

“(C) are authorized to remain available until expended; and

“(D) are in addition to amounts otherwise available for such purposes.

“(2) Notwithstanding any other provision of law, amounts made available for assistance for microenterprise development assistance under any provision of law other than this title may be provided to further the purposes of this title. To the extent assistance described in the preceding sentence is provided in accordance with such sentence, the Administrator of the Agency shall include, as part of the report required under section 258, a detailed description of such assistance and, to the extent applicable, the information required by paragraphs (1) through (10) of subsection (b) of such section with respect to such assistance.”

**SEC. 4. MICROENTERPRISE DEVELOPMENT CREDITS.**

(a) TRANSFER.—Section 108 of the Foreign Assistance Act of 1961 (22 U.S.C. 2151f) is hereby—

(1) transferred from chapter 1 of part I of the Foreign Assistance Act of 1961 to title VI of chapter 2 of part I of such Act (as added by section 3 of this Act); and

(2) inserted after section 255 of the Foreign Assistance Act of 1961.

(b) REDESIGNATION.—Title VI of chapter 2 of part I of the Foreign Assistance Act of 1961 is amended by redesignating section 108 (as added by subsection (a)) as section 256.

(c) CONFORMING AMENDMENTS.—Title VI of chapter 2 of part I of the Foreign Assistance Act of 1961 is amended—

(1) by inserting after the title heading the following:

“Subtitle A—Grant Assistance”;

(2) by inserting after section 255 the following:

“Subtitle B—Credit Assistance”; and

(3) in section 256 (as redesignated by subsection (b))—

(A) in the matter preceding paragraph (1) of subsection (c), by striking “Administrator of the agency primarily responsible for administering this part” and inserting “Administrator of the Agency”; and

(B) in subsection (f)(1)—

(i) by striking “section 131” and inserting “this part”; and

(ii) by striking “2001 through 2004” and inserting “2005 and 2006”.

**SEC. 5. UNITED STATES MICROFINANCE LOAN FACILITY.**

(a) TRANSFER.—Section 132 of the Foreign Assistance Act of 1961 (22 U.S.C. 2152b) is hereby—

(1) transferred from chapter 1 of part I of the Foreign Assistance Act of 1961 to title VI of chapter 2 of part I of such Act (as added by section 3 of this Act); and

(2) inserted after section 256 of the Foreign Assistance Act of 1961 (as added by section 4 of this Act).

(b) REDESIGNATION.—Title VI of chapter 2 of part I of the Foreign Assistance Act of 1961 is amended by redesignating section 132 (as added by subsection (a)) as section 257.

(c) CONFORMING AMENDMENTS.—Title VI of chapter 2 of part I of the Foreign Assistance Act of 1961 is amended—

(1) by inserting after section 256 the following:

“Subtitle C—United States Microfinance Loan Facility”; and

(2) in section 257 (as redesignated by subsection (b))—

(A) in subsection (b)(3), by striking “2001 and 2002” and inserting “2005 and 2006”; and

(B) in the matter preceding subparagraph (A) of subsection (d)(1), by striking “the fiscal year 2001” and inserting “each of the fiscal years 2005 and 2006”; and

(C) by striking subsection (e).

**SEC. 6. MISCELLANEOUS PROVISIONS.**

Title VI of chapter 2 of part I of the Foreign Assistance Act of 1961 (as added by section 3 of this Act and amended by sections 4 and 5 of this Act) is further amended by adding at the end the following new subtitle:

“Subtitle D—Miscellaneous Provisions

**“SEC. 258. REPORT.**

“(a) IN GENERAL.—Not later than December 31, 2005, and each December 31 thereafter, the Administrator of the Agency shall submit to the appropriate congressional committees a report that contains a detailed description of the implementation of this title for the previous fiscal year.

“(b) CONTENTS.—The report shall contain the following:

“(1) The number of grants provided under section 252, with a listing of—

“(A) the amount of each grant;

“(B) the name of each implementing partner organization; and

“(C) a listing of the number of countries receiving assistance authorized by sections 252.

“(2) The results of the monitoring system required under section 253.

“(3) The process of developing and applying poverty assessment procedures required under section 254.

“(4) The percentage of assistance furnished under section 252 that was allocated to the very poor based on the data collected using the certified methods required by section 254.

“(5) The absolute number of the very poor reached with assistance furnished under section 252.

“(6) The amount of assistance provided under section 252 through central mechanisms.

“(7) The name of each country that receives assistance under section 256 and the amount of such assistance.

“(8) An estimate of the percentage of beneficiaries of assistance under this title who are women, including, to the extent practicable, the percentage of these women who have been victims of sex trafficking, as well as information on efforts to provide assistance under this title to women who have been victims of severe forms of trafficking or who were previously involved in prostitution.

“(9) Any additional information relating to the provision of assistance authorized by this title, including the use of the poverty measurement tools required by section 254, or additional information on assistance provided by the United States to support microenterprise development under this title or any other provision of law.

“(10) An estimate of the percentage of beneficiaries of assistance under this title in coun-

tries where a strong relationship between poverty and race or ethnicity has been demonstrated.

“(c) LIMITATION.—The content of the report required by this section shall be produced by the Office established under section 252(b)(1), and shall be made available for free electronic distribution through such Office.

**“SEC. 259. DEFINITIONS.**

“In this title:

“(1) ADMINISTRATOR.—The term ‘Administrator’ means the Administrator of the Agency.

“(2) AGENCY.—The term ‘Agency’ means the United States Agency for International Development.

“(3) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term ‘appropriate congressional committees’ means the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate.

“(4) BUSINESS DEVELOPMENT SERVICES.—The term ‘business development services’ means support for the growth of microenterprises through training, technical assistance, marketing assistance, improved production technologies, and other related services.

“(5) DIRECTOR.—The term ‘Director’ means the Director of the Office.

“(6) ELIGIBLE IMPLEMENTING PARTNER ORGANIZATION.—The term ‘eligible implementing partner organization’ means an entity eligible to receive assistance under this title which is—

“(A) a United States or an indigenous private voluntary organization;

“(B) a United States or an indigenous credit union;

“(C) a United States or an indigenous cooperative organization;

“(D) an indigenous governmental or non-governmental organization;

“(E) a microenterprise institution;

“(F) a microfinance institution; or

“(G) a practitioner institution.

“(7) MICROENTERPRISE INSTITUTION.—The term ‘microenterprise institution’ means a not-for-profit entity that provides services, including microfinance, training, or business development services, for microenterprise clients in foreign countries.

“(8) MICROFINANCE INSTITUTION.—The term ‘microfinance institution’ means a not-for-profit entity or a regulated financial intermediary that directly provides, or works to expand, the availability of credit, savings, and other financial services to microenterprise clients in foreign countries.

“(9) MICROFINANCE NETWORK.—The term ‘microfinance network’ means an affiliated group of practitioner institutions that provides services to its members, including financing, technical assistance, and accreditation, for the purpose of promoting the financial sustainability and societal impact of microenterprise assistance.

“(10) OFFICE.—The term ‘Office’ means the Office of Microenterprise Development established under section 252(b)(1).

“(11) PRACTITIONER INSTITUTION.—The term ‘practitioner institution’ means a not-for-profit entity or a regulated financial intermediary, including a microfinance network, that provides services, including microfinance, training, or business development services, for microenterprise clients, or provides assistance to microenterprise institutions in foreign countries.

“(12) PRIVATE VOLUNTARY ORGANIZATION.—The term ‘private voluntary organization’ means a not-for-profit entity that—

“(A) engages in and supports activities of an economic or social development or humanitarian nature for citizens in foreign countries; and

“(B) is incorporated as such under the laws of the United States, including any of its states, territories or the District of Columbia, or of a foreign country.

“(13) UNITED STATES-SUPPORTED MICROFINANCE INSTITUTION.—The term ‘United States-

supported microfinance institution' means a financial intermediary that has received funds made available under this part for fiscal year 1980 or any subsequent fiscal year.

"(14) *VERY POOR*.—The term 'very poor' means those individuals—

"(A) living in the bottom 50 percent below the poverty line established by the national government of the country in which those individuals live; or

"(B) living on less than the equivalent of \$1 per day."

#### SEC. 7. REPEALS.

(a) *FOREIGN ASSISTANCE ACT OF 1961*.—Section 131 of the Foreign Assistance Act of 1961 (22 U.S.C. 2152a) is hereby repealed.

(b) *PUBLIC LAW 108-31*.—

(1) *IN GENERAL*.—Section 4 of Public Law 108-31 (22 U.S.C. 2151f note) is amended by striking subsection (b).

(2) *CONFORMING AMENDMENT*.—Section 4 of Public Law 108-31 is amended by striking "(a)" and all that follows through "Not later" and inserting "Not later".

#### SEC. 8. REFERENCES.

Any reference in a law, regulation, agreement, or other document of the United States to section 108, 131, or 132 of the Foreign Assistance Act of 1961 shall be deemed to be a reference to subtitle B of title VI of chapter 2 of part I of the Foreign Assistance Act of 1961, subtitle A of title VI of chapter 2 of part I of such Act, or subtitle C of title VI of chapter 2 of part I of such Act, respectively.

AMENDMENT IN THE NATURE OF A SUBSTITUTE  
OFFERED BY MR. SMITH OF NEW JERSEY

Mr. SMITH of New Jersey. Mr. Speaker, I offer an amendment in the nature of a substitute in lieu of the amendment reported by the Committee on International Relations.

The SPEAKER pro tempore. The Clerk will report the amendment in lieu of the committee amendment.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. SMITH of New Jersey:

Strike all after the enacting clause and insert the following:

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Microenterprise Results and Accountability Act of 2004".

#### SEC. 2. FINDINGS AND POLICY.

Congress finds and declares the following:

(1) Congress has demonstrated its support for microenterprise development assistance programs through the enactment of two comprehensive microenterprise laws:

(A) The Microenterprise for Self-Reliance Act of 2000 (title I of Public Law 106-309; 114 Stat. 1082).

(B) Public Law 108-31 (an Act entitled "An Act to amend the Microenterprise for Self-Reliance Act of 2000 and the Foreign Assistance Act of 1961 to increase assistance for the poorest people in developing countries under microenterprise assistance program under those Acts, and for other purposes", approved June 17, 2003).

(2) The report on the effectiveness of the United States Agency for International Development's microfinance program, prepared by the Consultative Group to Assist the Poor, rated the Agency in the top tier of the 17 donors in this field.

(3) The Comptroller General, in a report dated November 2003, found that the United States Agency for International Development has met some, but not all, of the key objectives of such microenterprise development assistance programs.

(4) The Comptroller General's report found, among other things, the following:

(A) Microenterprise development assistance generally can help alleviate some im-

pacts of poverty, improve income levels and quality of life for borrowers and provide poor individuals, workers, and their families with an important coping mechanism.

(B) Microenterprise development assistance programs of the United States Agency for International Development have encouraged women's participation in microfinance projects and, according to data of the Agency, women have comprised two-thirds or more of the micro-loan clients in Agency-funded microenterprise projects since 1997.

(5)(A) The Comptroller General's report recommends that the Administrator of the United States Agency for International Development review the Agency's "microenterprise results reporting" system with the goal of ensuring that its annual reporting is complete and accurate.

(B) Specifically, the Administrator should review and reconsider the methodologies used for the collection, analysis, and reporting of data on annual spending targets, outreach to the very poor, sustainability of microfinance institutions, and the contribution of Agency's funding to the institutions it supports.

#### SEC. 3. MICROENTERPRISE DEVELOPMENT ASSISTANCE.

Chapter 2 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2166 et seq.) is amended by inserting after title V the following new title:

#### "TITLE VI—MICROENTERPRISE DEVELOPMENT ASSISTANCE

##### "SEC. 251. FINDINGS AND POLICY.

"Congress finds and declares the following:

"(1) Access to financial services and the development of microenterprise are vital factors in the stable growth of developing countries and in the development of free, open, and equitable international economic systems.

"(2) It is therefore in the best interest of the United States to facilitate access to financial services and assist the development of microenterprise in developing countries.

"(3) Access to financial services and the development of microenterprises can be supported by programs providing credit, savings, training, technical assistance, business development services, and other financial services.

"(4) Given the relatively high percentage of populations living in rural areas of developing countries, and the combined high incidence of poverty in rural areas and growing income inequality between rural and urban markets, microenterprise programs should target both rural and urban poor.

"(5) Microenterprise programs have been successful and should continue to empower vulnerable women in the developing world. The Agency should work to ensure that recipients of microenterprise and microfinance development assistance under this title communicate and work with nongovernmental organizations and government organizations to identify and assist victims of trafficking as provided for in section 106(a)(1) of the Trafficking Victims Protection Act of 2000 (22 U.S.C. 7104(a)(1); Public Law 106-386) and women who are victims of or susceptible to other forms of exploitation and violence.

"(6) Given that microenterprise programs have been successful in empowering disenfranchised groups such as women, microenterprise programs should also target populations disenfranchised due to race or ethnicity in countries where a strong relationship between poverty and race or ethnicity has been demonstrated, such as countries in Latin America.

##### "SEC. 252. AUTHORIZATION; IMPLEMENTATION; TARGETED ASSISTANCE.

"(a) *AUTHORIZATION*.—The President is authorized to provide assistance on a non-reim-

bursable basis for programs in developing countries to increase the availability of credit, savings, and other services to microfinance and microenterprise clients lacking full access to capital, training, technical assistance, and business development services, through—

"(1) assistance for the purpose of expanding the availability of credit, savings, and other financial and non-financial services to microfinance and microenterprise clients;

"(2) assistance for the purpose of training, technical assistance, and business development services for microenterprises to enable them to make better use of credit, to better manage their enterprises, to conduct market analysis and product development for expanding domestic and international sales, particularly to United States markets, and to increase their income and build their assets;

"(3) capacity-building for microfinance and microenterprise institutions in order to enable them to better meet the credit, savings, and training needs of microfinance and microenterprise clients; and

"(4) policy, regulatory programs, and research at the country level that improve the environment for microfinance and microenterprise clients and institutions that serve the poor and very poor.

"(b) *IMPLEMENTATION*.—

"(1) *OFFICE OF MICROENTERPRISE DEVELOPMENT*.—There is established within the Agency an office of microenterprise development, which shall be headed by a Director who shall be appointed by the Administrator and who should possess technical expertise and ability to offer leadership in the field of microenterprise development.

"(2) *ADDITIONAL PROVISIONS*.—

"(A) *USE OF IMPLEMENTING PARTNER ORGANIZATIONS*.—Assistance under this section shall emphasize the use of implementing partner organizations that best meet the requirements of subparagraph (C).

"(B) *USE OF CENTRAL FUNDING MECHANISMS*.—

"(i) *PROGRAM*.—In order to ensure that assistance under this title is distributed effectively and efficiently, the office shall also seek to implement a program of central funding under which assistance is administered directly by the office, including through targeted core support for microfinance and microenterprise networks and other practitioners.

"(ii) *FUNDING*.—Of the amount made available to carry out this subtitle for a fiscal year, not less than \$25,000,000 should be made available to carry out clause (i).

"(C) *EFFICIENCY AND COST-EFFECTIVENESS*.—Assistance under this section shall meet high standards of efficiency, cost-effectiveness, and sustainability and shall especially provide the greatest possible resources to the poor and very poor. When administering assistance under this section, the Administrator shall—

"(i) take into consideration the percentage of funds a provider of assistance intends to expend on administrative costs;

"(ii) take all appropriate steps to ensure that the provider of assistance keeps administrative costs as low as practicable to ensure the maximum amount of funds are used for directly assisting microfinance and microenterprise clients, for establishing sustainable microfinance and microenterprise institutions, or for advancing the microenterprise development field; and

"(iii) give preference to proposals from providers of assistance that are the most technically competitive and have a reasonable allocation to overhead and administrative costs.

“(3) APPROVAL OF STRATEGIC PLANS.—With respect to assistance provided under this section, the office shall be responsible for concurring in the microenterprise development components of strategic plans of missions, bureaus, and other offices of the Agency and providing technical support to field missions to help the missions prepare such components.

“(c) TARGETED ASSISTANCE.—In carrying out sustainable poverty-focused programs under subsection (a), 50 percent of all microenterprise resources shall be targeted to clients who are very poor. Specifically, until September 30, 2006, such resources shall be used for—

“(1) support of programs under this section through practitioner institutions that—

“(A) provide credit and other financial services to clients who are very poor, with loans in 1995 United States dollars of—

“(i) \$1,000 or less in the Europe and Eurasia region;

“(ii) \$400 or less in the Latin America region; and

“(iii) \$300 or less in the rest of the world; and

“(B) can cover their costs in a reasonable time period; or

“(2) demand-driven business development programs that achieve reasonable cost recovery that are provided to clients holding poverty loans (as defined by the regional poverty loan limitations in paragraph (1)(A)), whether they are provided by microfinance institutions or by specialized business development services providers.

#### “SEC. 253. MONITORING SYSTEM.

“(a) IN GENERAL.—In order to maximize the sustainable development impact of assistance authorized under section 252(a), the Administrator of the Agency, acting through the Director of the office, shall strengthen its monitoring system to meet the requirements of subsection (b).

“(b) REQUIREMENTS.—The requirements referred to in subsection (a) are the following:

“(1) The monitoring system shall include performance goals for the assistance and expresses such goals in an objective and quantifiable form, to the extent feasible.

“(2) The monitoring system shall include performance indicators to be used in measuring or assessing the achievement of the performance goals described in paragraph (1) and the objectives of the assistance authorized under section 252.

“(3) The monitoring system provides a basis for recommendations for adjustments to the assistance to enhance the sustainability and the impact of the assistance, particularly the impact of such assistance on the very poor, particularly poor women.

“(4) The monitoring system adopts the widespread use of proven and effective poverty assessment tools to successfully identify the very poor and ensure that they receive adequate access to microenterprise loans, savings, and assistance.

#### “SEC. 254. DEVELOPMENT AND CERTIFICATION OF POVERTY MEASUREMENT METHODS; APPLICATION OF METHODS.

“(a) DEVELOPMENT AND CERTIFICATION.—

“(1) IN GENERAL.—The Administrator of the Agency, in consultation with microenterprise institutions and other appropriate organizations, shall develop no fewer than two low-cost methods for implementing partner organizations to use to assess the poverty levels of their current incoming or prospective clients. The Administrator shall develop poverty indicators that correlate with the circumstances of the very poor.

“(2) FIELD TESTING.—The Administrator shall field-test the methods developed under paragraph (1). As part of the testing, institutions and programs may use the methods on

a voluntary basis to demonstrate their ability to reach the very poor.

“(3) CERTIFICATION.—Not later than April 1, 2005, the Administrator shall, from among the low-cost poverty measurement methods developed under paragraph (1), certify no fewer than two such methods as approved methods for measuring the poverty levels of current, incoming, or prospective clients of microenterprise institutions for purposes of assistance under section 252.

“(b) APPLICATION.—The Administrator shall require that, with reasonable exceptions, all implementing partner organizations applying for microenterprise assistance under this title use one of the certified methods, beginning not later than October 1, 2006, to determine and report the poverty levels of current, incoming, or prospective clients.

#### “SEC. 255. ADDITIONAL AUTHORITIES.

“Notwithstanding any other provision of law, amounts made available for assistance for microenterprise development assistance under any provision of law other than this title may be provided to further the purposes of this title. To the extent assistance described in the preceding sentence is provided in accordance with such sentence, the Administrator of the Agency shall include, as part of the report required under section 258, a detailed description of such assistance and, to the extent applicable, the information required by paragraphs (1) through (11) of subsection (b) of such section with respect to such assistance.”

#### SEC. 4. MICROENTERPRISE DEVELOPMENT CREDITS.

(a) TRANSFER.—Section 108 of the Foreign Assistance Act of 1961 (22 U.S.C. 2151f) is hereby—

(1) transferred from chapter 1 of part I of the Foreign Assistance Act of 1961 to title VI of chapter 2 of part I of such Act (as added by section 3 of this Act); and

(2) inserted after section 255 of the Foreign Assistance Act of 1961.

(b) REDESIGNATION.—Title VI of chapter 2 of part I of the Foreign Assistance Act of 1961 is amended by redesignating section 108 (as added by subsection (a)) as section 256.

(c) CONFORMING AMENDMENTS.—Title VI of chapter 2 of part I of the Foreign Assistance Act of 1961 is amended—

(1) by inserting after the title heading the following:

“Subtitle A—Grant Assistance”;

(2) by inserting after section 255 the following:

“Subtitle B—Credit Assistance”;

(3) in section 256 (as redesignated by subsection (b))—

(A) in the matter preceding paragraph (1) of subsection (c), by striking “Administrator of the agency primarily responsible for administering this part” and inserting “Administrator of the Agency”;

(B) in subsection (f)(1)—

(i) by striking “section 131” and inserting “this part”;

(ii) by striking “\$1,500,000 for each of fiscal years 2001 through 2004” and inserting “such sums as may be necessary for each of the fiscal years 2005 through 2009”.

#### SEC. 5. UNITED STATES MICROFINANCE LOAN FACILITY.

(a) TRANSFER.—Section 132 of the Foreign Assistance Act of 1961 (22 U.S.C. 2152b) is hereby—

(1) transferred from chapter 1 of part I of the Foreign Assistance Act of 1961 to title VI of chapter 2 of part I of such Act (as added by section 3 of this Act); and

(2) inserted after section 256 of the Foreign Assistance Act of 1961 (as added by section 4 of this Act).

(b) REDESIGNATION.—Title VI of chapter 2 of part I of the Foreign Assistance Act of

1961 is amended by redesignating section 132 (as added by subsection (a)) as section 257.

(c) CONFORMING AMENDMENTS.—Title VI of chapter 2 of part I of the Foreign Assistance Act of 1961 is amended—

(1) by inserting after section 256 the following:

“Subtitle C—United States Microfinance Loan Facility”;

(2) in section 257 (as redesignated by subsection (b))—

(A) in subsection (b)(3), by striking “2001 and 2002” and inserting “2005 through 2009”;

(B) in the matter preceding subparagraph (A) of subsection (d)(1), by striking “this part for the fiscal year 2001, up to \$5,000,000” and inserting “this part for each of the fiscal years 2005 through 2009, such sums as may be necessary”;

(C) by striking subsection (e).

#### SEC. 6. MISCELLANEOUS PROVISIONS.

Title VI of chapter 2 of part I of the Foreign Assistance Act of 1961 (as added by section 3 of this Act) and amended by sections 4 and 5 of this Act) is further amended by adding at the end the following new subtitle:

“Subtitle D—Miscellaneous Provisions

#### “SEC. 258. REPORT.

“(a) IN GENERAL.—Not later than June 30, 2006, and each June 30 thereafter, the Administrator of the Agency, acting through the Director of the office, shall submit to the appropriate congressional committees a report that contains a detailed description of the implementation of this title for the previous fiscal year.

“(b) CONTENTS.—The report shall contain the following:

“(1) The number of grants, cooperative agreements, contracts, contributions, or other form of assistance provided under section 252, with a listing of—

“(A) the amount of each grant, cooperative agreement, contract, contribution, or other form of assistance;

“(B) the name of each recipient and each developing country with respect to which projects or activities under the grant, cooperative agreement, contract, contribution, or other form of assistance were carried out; and

“(C) a listing of the number of countries receiving assistance authorized by section 252.

“(2) The results of the monitoring system required under section 253.

“(3) The process of developing and applying poverty assessment procedures required under section 254.

“(4) The percentage of assistance furnished under section 252 that was allocated to the very poor based on the data collected using the certified methods required by section 254.

“(5) The estimated number of the very poor reached with assistance provided under section 252.

“(6) The amount of assistance provided under section 252 through central mechanisms.

“(7) The name of each country that receives assistance under section 256 and the amount of such assistance.

“(8) Information on the efforts of the Agency to ensure that recipients of United States microenterprise and microfinance development assistance work closely with non-governmental organizations and foreign governments to identify and assist victims or potential victims of severe forms of trafficking in persons and women who are victims of or susceptible to other forms of exploitation and violence.

“(9) Any additional information relating to the provision of assistance authorized by this title, including the use of the poverty measurement tools required by section 254,

or additional information on assistance provided by the United States to support microenterprise development under this title or any other provision of law.

"(10) An estimate of the percentage of beneficiaries of assistance under this title in countries where a strong relationship between poverty and race or ethnicity has been demonstrated.

"(11) The level of funding provided through contracts, the level of funding provided through grants, contracts, and cooperative agreements that is estimated to be subgranted or subcontracted, as the case may be, to direct service providers, and an analysis of the comparative cost-effectiveness and sustainability of projects carried out under these mechanisms.

"(c) AVAILABILITY TO PUBLIC.—The report required by this section shall be made available to the public on the Internet website of the Agency.

#### **"SEC. 259. DEFINITIONS.**

"In this title:

"(1) ADMINISTRATOR.—The term 'Administrator' means the Administrator of the Agency.

"(2) AGENCY.—The term 'Agency' means the United States Agency for International Development.

"(3) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term 'appropriate congressional committees' means the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate.

"(4) BUSINESS DEVELOPMENT SERVICES.—The term 'business development services' means support for the growth of microenterprises through training, technical assistance, marketing assistance, improved production technologies, and other related services.

"(5) DIRECTOR.—The term 'Director' means the Director of the office.

"(6) IMPLEMENTING PARTNER ORGANIZATION.—The term 'implementing partner organization' means an entity eligible to receive assistance under this title which is—

"(A) a United States or an indigenous private voluntary organization;

"(B) a United States or an indigenous credit union;

"(C) a United States or an indigenous cooperative organization;

"(D) an indigenous governmental or non-governmental organization;

"(E) a microenterprise institution;

"(F) a microfinance institution; or

"(G) a practitioner institution.

"(7) MICROENTERPRISE INSTITUTION.—The term 'microenterprise institution' means a not-for-profit entity that provides services, including microfinance, training, or business development services, for microenterprise clients in foreign countries.

"(8) MICROFINANCE INSTITUTION.—The term 'microfinance institution' means a not-for-profit entity or a regulated financial intermediary that directly provides, or works to expand, the availability of credit, savings, and other financial services to microfinance and microenterprise clients in foreign countries.

"(9) MICROFINANCE NETWORK.—The term 'microfinance network' means an affiliated group of practitioner institutions that provides services to its members, including financing, technical assistance, and accreditation, for the purpose of promoting the financial sustainability and societal impact of microenterprise assistance.

"(10) OFFICE.—The term 'office' means the office of microenterprise development established under section 252(b)(1).

"(11) PRACTITIONER INSTITUTION.—The term 'practitioner institution' means a not-for-profit entity or a regulated financial inter-

mediary, including a microfinance network, that provides services, including microfinance, training, or business development services, for microfinance and microenterprise clients, or provides assistance to microenterprise institutions in foreign countries.

"(12) PRIVATE VOLUNTARY ORGANIZATION.—The term 'private voluntary organization' means a not-for-profit entity that—

"(A) engages in and supports activities of an economic or social development or humanitarian nature for citizens in foreign countries; and

"(B) is incorporated as such under the laws of the United States, including any of its states, territories or the District of Columbia, or of a foreign country.

"(13) UNITED STATES-SUPPORTED MICROFINANCE INSTITUTION.—The term 'United States-supported microfinance institution' means a financial intermediary that has received funds made available under this part for fiscal year 1980 or any subsequent fiscal year.

"(14) VERY POOR.—The term 'very poor' means those individuals—

"(A) living in the bottom 50 percent below the poverty line established by the national government of the country in which those individuals live; or

"(B) living on less than the equivalent of \$1 per day (as calculated using the purchasing power parity (PPP) exchange rate method)."

#### **SEC. 7. SENSE OF CONGRESS.**

It is the sense of Congress that, in carrying out title VI of chapter 2 of part I of the Foreign Assistance Act of 1961 (as added by section 3 of this Act and amended by sections 4 through 6 of this Act), the Administrator of the United States Agency for International Development—

(1) where applicable, should ensure that microenterprise development assistance provided under such title is matched by recipients with an equal amount of assistance from non-United States Government sources, including private donations, multilateral funding, commercial and concessional borrowing, savings, and program income;

(2) should include in the report required by section 258 of the Foreign Assistance Act of 1961 (as added by section 6 of this Act) a description of all matching assistance (as described in paragraph (1)) provided for the prior year by recipients of microenterprise development assistance under such title;

(3) should ensure that recipients of microenterprise development assistance under such title do not expend an unreasonably large percentage of such assistance on administrative costs;

(4) should not use recipients of microenterprise development assistance under such title to carry out critical management functions of the Agency, including functions such as strategy development or overall management of programs in a country; and

(5) should consult with the appropriate congressional committees with respect to the implementation of title VI of chapter 2 of part I of the Foreign Assistance Act of 1961 not later than 90 days after the date of the enactment of this Act.

#### **SEC. 8. REPEALS.**

(a) FOREIGN ASSISTANCE ACT OF 1961.—Section 131 of the Foreign Assistance Act of 1961 (22 U.S.C. 2152a) is hereby repealed.

(b) PUBLIC LAW 108-31.—

(1) IN GENERAL.—Section 4 of Public Law 108-31 (22 U.S.C. 2151f note) is amended by striking subsection (b).

(2) CONFORMING AMENDMENT.—Section 4 of Public Law 108-31 is amended by striking "(a)" and all that follows through "Not later" and inserting "Not later".

#### **SEC. 9. REFERENCES.**

Any reference in a law, regulation, agreement, or other document of the United

States to section 108, 131, or 132 of the Foreign Assistance Act of 1961 shall be deemed to be a reference to subtitle B of title VI of chapter 2 of part I of the Foreign Assistance Act of 1961, subtitle A of title VI of chapter 2 of part I of such Act, or subtitle C of title VI of chapter 2 of part I of such Act, respectively.

Mr. SMITH of New Jersey (during the reading). Mr. Speaker, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The amendment in the nature of a substitute was agreed to.

Mr. SMITH of New Jersey. Mr. Speaker, I yield myself such time as I may consume. Mr. Speaker, I rise in support of H.R. 3818, "The Microenterprise Results and Accountability Act of 2004." I introduced this bill at the beginning of the 108th Congress, and this final product represents the culmination of months of hard work and discussion by Republicans and Democrats in both the House and Senate, members of the microenterprise community, and USAID, to build upon one of our most progressive and successful foreign aid programs.

I would like to thank Mr. DELAY and our leadership for scheduling this bill. We know that the House has been considering numerous important pieces of foreign affairs legislation in recent months—from the Foreign Aid appropriations bill to legislation reorganizing our intelligence community and better securing our borders to fight the War on Terrorism—and I am grateful that our leadership took time to schedule this important measure.

I would like to thank Chairman HYDE, who has shown strong support for this bill every step of the way and moved it promptly at the beginning of this year. I would also like to thank Mr. LANTOS, Mr. WELDON, and 81 other Members of Congress who cosponsored this legislation.

Mr. Speaker, this legislation is primarily about ensuring better results, not authorizing additional money. A comprehensive GAO report completed in November 2003 revealed that oversight and accountability of microenterprise programs administered by AID is weak, and that programs are not having the desired effect of reaching the very poor—those earning less than the equivalent of \$1/day—to the greatest extent possible.

In response to those concerns, H.R. 3818 builds-in accountability through a focus on cost-effectiveness and efficiency. H.R. 3818 establishes a dedicated Microenterprise Office within USAID which will approve strategic plans of field missions, establish a monitoring system in order to maximize the impact of programs and measure results, and coordinate preparation of a yearly report to Congress. The legislation also ensures that more funds go to the "poorest of the poor" through the development and implementation of easy-to-use, cost-effective poverty assessment techniques. Identifying and targeting the poorest potential clients who would stand to benefit most from microenterprise loans has proven to be more difficult than originally anticipated. I am hopeful that once developed, these poverty assessment techniques may prove useful not only for microenterprise but also in other areas of our foreign aid.



This bill also stipulates that USAID should emphasize the use of global microfinance networks and other non-profit voluntary organizations in the implementation of microenterprise and microfinance programs. In the last two years, I am concerned that USAID has been shifting its focus away from non-profit organizations and networks to contractors in the implementation of the Agency's microenterprise program. While for-profit entities such as consulting firms are making excellent contributions in the areas of technical assistance, research and policy reform, global microfinance networks and non-profit voluntary organizations have the operational experience and track record in microenterprise and microfinance service delivery to poor people. These organizations are able to get resources directly to clients, and are well positioned to reach the very poorest economically active entrepreneurs in the countries where they work. Further, such networks have built self-sustaining microfinance institutions that now cover, on average, almost all of their operating costs. More than \$150 million in earned revenue was captured by these institutions in 2002 to cover their operating costs, in addition to private donations that have added significant leverage to USAID's investments. These networks have excelled in rapidly developing microfinance institutions in volatile and risky situations, including during the early stages of a country's transition from war to peace. However, while H.R. 3818 also encourages the use of indigenous governmental organizations as implementing partners for microenterprise and microfinance programs, these governmental organizations should be used only when necessary, efficient and effective, and, in particular, only when they use the best practices in this field. Since the reforms in H.R. 3818 are so comprehensive, we expect USAID will work in close consultation with the appropriate Congressional committees and offices regarding this and other issues.

The term "foreign aid" often has a bad connotation—and there are some good reasons why, too. Many times in the past, foreign aid was sent in a "top-down" manner to corrupt governments and organizations where it never really reached the intended recipients.

Microenterprise, on the other hand, takes a totally different approach. It's a "trickle-up" approach that focuses on helping the poorest people on the planet build themselves up, little by little, into self-sufficiency. The success of microenterprise lending programs to empower entrepreneurs and borrowers in the developing world cannot be overstated.

Over two million clients are currently benefiting from USAID-assisted programs that provide the necessary capital through small loans, usually of a few hundred dollars or less, for entrepreneurs to start and expand their own small businesses. It is estimated that 97 percent of microenterprise loans are successfully repaid and 70 percent to women, who are often very vulnerable, subjected to abuse, and in need of economic opportunities in the developing world. Microenterprise is a key vehicle to assist victims of trafficking and to raise the social and economic status of women around the world.

Microenterprise also complements the principles President Bush has outlined for more effective foreign aid through the Millennium Challenge Account. Business owners assisted by micro-lending are not only able to increase

their own incomes, but through their efforts, they create jobs and help economies grow.

Success stories from the beneficiaries of microenterprise are quite numerous. Take for example, Dorothy Eyiah (EYE-ee-ah) from Ghana. Dorothy was resourceful, but she had no idea how she was going to support her AIDS-stricken sister and family when she brought them into her home in Ghana. She used to support herself selling ice, but that wasn't going to pay for the food and medicines she now needed. She started praying. All doors seemed shut until Dorothy met some women within her village who were part of an Opportunity International Trust Bank. The Trust Bank could help her grow a small business—providing her with financing, training, support. Five loans later, Dorothy is the secretary of her Trust Bank and runs 3 businesses, employing 9 people from her village. She is content. Her sister is comfortable, all the children are in school, and their needs are being met. "God has been so good to me," she says.

Success stories such as this are what microfinance and H.R. 3818 are all about. By building the best possible microenterprise program, our goal is to reach the greatest possible number of poor people with services that truly have an impact on their lives. As we compare the effectiveness of various methods of implementation of funds, success will be measured by the ability to reach very poor people and other underserved populations, including women, and by the kind of impact these programs have on poor families. We are concerned not only with the efficient delivery of financial services, but also with the well-being of those who receive those services. We want to see poor people work their way out of poverty, increase their income, build their assets, and grow their businesses, and we also want to see them educate their children, achieve greater self-esteem, strengthen their families, and improve the quality of their lives.

When we provide micro loans for the developing world, we export values upon which our nation is based upon, including the ideal that if you work hard and dream big, you can succeed. Again, I thank my colleagues who have supported this legislation and I urge the rest of my colleagues to do the same.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### GENERAL LEAVE

Mr. SMITH of New Jersey. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 3818.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

#### EXTENDING AUTHORITY OF U.S. DISTRICT COURT FOR SOUTHERN DISTRICT OF IOWA TO HOLD COURT IN ROCK ISLAND, ILLINOIS

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate

bill (S. 2873) to extend the authority of the United States District Court for the Southern District of Iowa to hold court in Rock Island, Illinois, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 2873

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. HOLDING OF COURT FOR THE SOUTHERN DISTRICT OF IOWA.

Section 11029 of the 21st Century Department of Justice Appropriations Authorization Act (28 U.S.C. 95 note; Public Law 107-273; 116 Stat. 1836) is amended by striking "July 1, 2005" and inserting "July 1, 2006".

#### SEC. 2. HOLDING OF COURT AT CLEVELAND, MISSISSIPPI.

Section 104(a)(3) of title 28, United States Code, is amended in the second sentence by inserting "and Cleveland" after "Clarksdale".

#### SEC. 3. PLACE OF HOLDING COURT IN TEXARKANA, TEXAS, AND TEXARKANA, ARKANSAS.

Sections 83(b)(1) and 124(c)(5) of title 28, United States Code, are each amended by inserting after "held at Texarkana" the following: ", and may be held anywhere within the Federal courthouse in Texarkana that is located astride the State line between Texas and Arkansas".

#### SEC. 4. PLACE OF HOLDING COURT IN THE NORTHERN DISTRICT OF NEW YORK.

Section 112(a) of title 28, United States Code, is amended by striking "and Watertown" and inserting "Watertown, and Plattsburgh".

#### SEC. 5. PLACE OF HOLDING COURT IN THE DISTRICT OF COLORADO.

Section 85 of title 28, United States Code, is amended by inserting "Colorado Springs," after "Boulder".

Mr. SENSENBRENNER. The other body has passed S. 2873, which contains five non-controversial items that affect the operations of certain Federal courts. These provisions have been thoroughly scrubbed and will assist the affected judicial districts in their work. I urge the House to pass the measure.

Mr. Speaker, the contents of S. 2873 are as follows:

First, the bill designates Cleveland, Mississippi, as a place of holding federal court. This is necessary because Cleveland is the site for a local prison that houses Federal inmates who cannot be incarcerated elsewhere based on a shortage of Federal facilities in the area.

The provision will allow a federal judge who resides in Cleveland to process the Federal cases there rather than commute to Greenville along with the prisoners. There is no need for building construction or leased space.

Second, the bill designates Texarkana, Texas, and Texarkana Arkansas, as places of holding Federal court. The provision allows the Western District of Arkansas and the Eastern District of Texas to hold court anywhere within the Texarkana courthouse that straddles the border between the two States. This will allow the judges to coordinate their workloads and move their dockets more efficiently.