

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF REPEAL

Repeal effective at the end of the transition period, as defined in section 9681 of this title, see section 9684 of this title.

REPORT TO CONGRESS NOT LATER THAN JUNE 30, 1982, ON METHODS FOR ESTIMATING THE IMPACT ON INVESTMENTS IF INSURANCE OR OTHER SUPPORT IS NOT PROVIDED

Pub. L. 97-65, §9(b), Oct. 16, 1981, 95 Stat. 1024, which provided for a report to Congress by the Overseas Private Investment Corporation on the effect on investments of lack of insurance, was repealed by Pub. L. 99-204, §17(c)(2), Dec. 23, 1985, 99 Stat. 1677.

SUBPART V—DISADVANTAGED CHILDREN IN ASIA

§ 2201. Assistance to disadvantaged children in Asia**(a) Congressional findings**

The Congress recognizes the humanitarian needs of disadvantaged children in Asian countries where there has been or continues to be a heavy presence of United States military and related personnel in recent years. Moreover, the Congress finds that inadequate provision has been made for the care and welfare of such disadvantaged children, particularly those fathered by the¹ United States citizens.

(b) Authority of President

Accordingly, the President is authorized to expend up to \$3,000,000 of funds made available under part I of this subchapter, in addition to funds otherwise available for such purposes, to help meet the needs of these disadvantaged children in Asia by assisting in the expansion and improvement of orphanages, hostels, day care centers, school feeding programs, and health, education, and welfare programs. Assistance provided under this section shall be furnished under the auspices of and by international organizations or private voluntary agencies operating within, and in cooperation with, the countries of Asia where these disadvantaged children reside.

(Pub. L. 87-195, pt. I, §241, as added Pub. L. 95-424, title I, §116, Oct. 6, 1978, 92 Stat. 952; amended Pub. L. 99-83, title IX, §903(a), Aug. 8, 1985, 99 Stat. 268.)

Editorial Notes

PRIOR PROVISIONS

A prior section 2201, Pub. L. 87-195, pt. I, §241, Sept. 4, 1961, 75 Stat. 433; Pub. L. 88-205, pt. I, §105, Dec. 16, 1963, 77 Stat. 382, related to general authority of President respecting development research and use of funds for research into problems of population growth, prior to repeal by Pub. L. 94-161, title III, §306(1), Dec. 20, 1975, 89 Stat. 858.

AMENDMENTS

1985—Subsec. (b). Pub. L. 99-83 substituted “\$3,000,000” for “\$2,000,000”.

¹ So in original.

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REFERENCES TO PART I DEEMED TO INCLUDE SECTION 2293

References to part I of this subchapter are deemed to include a reference to section 2293 of this title. See section 2293(d)(1) of this title.

EFFECTIVE DATE OF 1985 AMENDMENT

Amendment by Pub. L. 99-83 effective Oct. 1, 1985, see section 1301 of Pub. L. 99-83, set out as a note under section 2151-1 of this title.

EFFECTIVE DATE

Section effective Oct. 1, 1978, see section 605 of Pub. L. 95-424, set out as an Effective Date of 1978 Amendment note under section 2151 of this title.

Executive Documents

DELEGATION OF FUNCTIONS

For delegation of functions of President under this section, see Ex. Ord. No. 12163, Sept. 29, 1979, 44 F.R. 56673, as amended, set out as a note under section 2381 of this title.

SUBPART VI—DEVELOPMENT ASSISTANCE FOR MICRO, SMALL, AND MEDIUM-SIZED ENTERPRISES

Editorial Notes

CODIFICATION

Pub. L. 115-428, §4(j), Jan. 9, 2019, 132 Stat. 5516, substituted “DEVELOPMENT ASSISTANCE FOR MICRO, SMALL, AND MEDIUM-SIZED ENTERPRISES” for “MICROENTERPRISE DEVELOPMENT ASSISTANCE” in subpart heading.

PRIOR PROVISIONS

A prior subpart VI, consisting of sections 2211 to 2213, related to Alliance for Progress, prior to repeal by Pub. L. 95-424, title I, §102(g)(1)(A), title VI, §605, Oct. 6, 1978, 92 Stat. 942, 961, effective Oct. 1, 1978.

Division A—Grant Assistance

§ 2211. Findings and policy

Congress finds and declares the following:

(1) Access to financial services and the development of micro, small, and medium-sized enterprises are vital factors in the stable growth of developing countries, in the development of free, open, and equitable international economic systems, and in the economic empowerment of the poor, especially women.

(2) It is therefore in the best interest of the United States to facilitate access to financial services and assist the development of micro, small, and medium-sized enterprises in developing countries, particularly enterprises owned, managed, and controlled by women.

(3) Access to financial services and the development of micro, small, and medium-sized enterprises 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, micro, small, and medium-sized enterprise programs should target both rural and urban poor.

(5) Microenterprise programs have been successful and should continue and be expanded to empower vulnerable women in the developing world. The Agency should work to ensure that recipients of development assistance for micro, small, and medium-sized enterprises under this subpart communicate and work with nongovernmental organizations and government organizations to identify and assist victims of trafficking as provided for in section 7104(a)(1) of this title and women who are victims of or susceptible to other forms of exploitation and violence.

(6) Given that microenterprise programs have had some success in empowering disenfranchised groups such as women, development assistance for micro, small, and medium-sized enterprises 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.

(Pub. L. 87-195, pt. I, § 251, as added Pub. L. 108-484, § 3, Dec. 23, 2004, 118 Stat. 3923; amended Pub. L. 115-428, § 4(a), Jan. 9, 2019, 132 Stat. 5512.)

Editorial Notes

PRIOR PROVISIONS

A prior section 2211, Pub. L. 87-195, pt. I, § 251, as added Pub. L. 87-565, pt. I, § 106, Aug. 1, 1962, 76 Stat. 257; amended Pub. L. 88-205, pt. I, § 106(a), Dec. 16, 1963, 77 Stat. 382; Pub. L. 89-583, pt. I, § 105(a), Sept. 19, 1966, 80 Stat. 799; Pub. L. 90-137, pt. I, § 106(a), Nov. 14, 1967, 81 Stat. 451, related to assistance in order to promote the economic development of countries and areas in Latin America, prior to repeal by Pub. L. 95-424, title I, § 102(g)(1)(A), title VI, § 605, Oct. 6, 1978, 92 Stat. 942, 961, effective Oct. 1, 1978.

AMENDMENTS

2019—Par. (1). Pub. L. 115-428, § 4(a)(1), substituted “micro, small, and medium-sized enterprises” for “microenterprise” and “, in the development” for “and in the development” and inserted “, and in the economic empowerment of the poor, especially women” before period at end.

Par. (2). Pub. L. 115-428, § 4(a)(2), substituted “micro, small, and medium-sized enterprises” for “microenterprise” and inserted “, particularly enterprises owned, managed, and controlled by women” before period at end.

Par. (3). Pub. L. 115-428, § 4(a)(3), substituted “micro, small, and medium-sized enterprises” for “microenterprises”.

Par. (4). Pub. L. 115-428, § 4(a)(4), substituted “micro, small, and medium-sized enterprise” for “microenterprise”.

Par. (5). Pub. L. 115-428, § 4(a)(5), substituted “should continue and be expanded” for “should continue” and “development assistance for micro, small, and medium-sized enterprises” for “microenterprise and microfinance development assistance”.

Par. (6). Pub. L. 115-428, § 4(a)(6), substituted “have had some success” for “have been successful” and “development assistance for micro, small, and medium-sized enterprises should” for “microenterprise programs should” and struck out “, such as countries in Latin America” after “demonstrated”.

Statutory Notes and Related Subsidiaries

FINDINGS AND POLICY

Pub. L. 108-484, § 2, Dec. 23, 2004, 118 Stat. 3922, provided that: “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) [see Short Title of 2000 Amendments note set out under section 2151 of this title].

“(B) Public Law 108-31 [see Tables for classification] (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 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) 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.”

SENSE OF CONGRESS

Pub. L. 108-484, § 7, Dec. 23, 2004, 118 Stat. 3930, provided that: “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 [22 U.S.C. 2211 et seq.] (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 [22 U.S.C. 2214] (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 [Dec. 23, 2004].”

REFERENCES

Pub. L. 108-484, §9, Dec. 23, 2004, 118 Stat. 3931, provided that: “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 [former 22 U.S.C. 2151f, 2152a, 2152b] 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 [division B of this subpart], subtitle A of title VI of chapter 2 of part I of such Act [this division], or subtitle C of title VI of chapter 2 of part I of such Act [division C of this subpart], respectively.”

§ 2211a. Authorization; implementation; targeted assistance

(a) Authorization

The President is authorized to provide assistance on a non-reimbursable basis for programs in developing countries to increase the availability of credit, including the use of innovative credit scoring models, savings, financial technology, financial literacy, education, insurance, property rights, and other services to micro, small, and medium-sized enterprise 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 micro, small, and medium-sized enterprise clients, particularly clients owned, managed, and controlled by women;

(2) assistance for the purpose of training, technical assistance, and business development services for micro, small, and medium-sized enterprises 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 financial intermediaries in order to enable them to better meet the credit, savings, and training needs of micro, small, and medium-sized enterprises;

(4) policy, regulatory programs, and research at the country level that improve the environment for micro, small, and medium-sized enterprises, financial intermediaries, and capital markets and institutions that serve the poor and very poor, especially women;

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

(6) assistance for the purpose of scaling up evidence-based graduation approaches, which include targeting the very poor and households in ultra-poverty, consumption support, promotion of savings, financial literacy, skills training, and asset transfers.

(b) Implementation

(1) In general

There is authorized to be established within the Agency an office to support the Agency’s efforts to broaden and deepen local financial markets, expand access to appropriate financial products and services, and support the development of micro, small and medium-sized enterprises. The Office shall be headed by a Director who shall possess technical expertise and ability to offer leadership in the field of financial sector 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

In order to ensure that assistance under this subpart is distributed effectively and efficiently, the office shall provide coordination and support for field-implemented programs, including through targeted core support for micro, small, and medium-sized enterprises and local financial markets.

(C) Efficiency and cost-effectiveness

Assistance under this section shall meet high standards of efficiency, cost-effectiveness, and sustainability, particularly by protecting the use and funding of local organizations in countries in which the Agency invests, and shall especially provide the greatest possible resources to the poor and very poor, especially women. 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.

(c) Targeted assistance

In carrying out sustainable poverty-focused programs under subsection (a)—

(1) 50 percent of all micro, small, and medium-sized enterprise resources shall be targeted to activities that reach the very poor; and

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