remains the world's greatest development challenge.

The DFA has proven to be an effective mechanism in providing foreign assistance to Africa. Its flexibility and orientation toward establishing measurable results distinguish the DFA.

The Development Fund for Africa was cut from $781 million in 1995 to $675 million in 1996, a cut of 13.6 percent, which was very regrettable because we know that this is where the humanitarian funds are needed.

I had occasion to visit West Africa along with other members of the Committee on Foreign Affairs, and we saw firsthand how these countries are crying out to us for assistance. I have long said on this floor that despite the pleas for assistance, we have indeed been falling short in recent years.

I think again it is very shortsighted because the world looks to America for leadership, the world looks to America for assistance, and if we want to see democracy flourish in these countries, we want to see people not suffer, we need this kind of humanitarian assistance. So restoring a line item at $704 million is an appropriate policy response to the challenge facing United States policy in Africa, sort of a midway point between restoring most of the money that has been cut. There are many of us that believe it should be more, but I think that this is a very, very important step in the right direction.

I urge adoption of this bill.

Mr. ACKERMAN. Mr. Speaker, I am pleased to rise in support of H.R. 3735, legislation reauthorizing the Development Fund for Africa [DFA].

By supporting the DFA, the House is sending an important message that Africa does matter and that the United States must remain engaged through the flexible and effective mechanism the DFA provides.

Africa continues to present significant development challenges to the United States and to the world. According to the 1995 World Development Report, 22 of the world's 30 poorest countries are in Africa. When compared to Asia or Latin America, life expectancy in Africa is shorter; infant and child mortality is greater; adult literacy in lower; fewer children are enrolled in primary and secondary schools; and population growth is higher. Obviously there is a tremendous amount of work to be done.

Reauthorizing the DFA will protect funding levels for Africa that might otherwise be diverted to short-term foreign policy crises elsewhere; it will continue to provide flexibility in designing and developing effective strategies for the region; and it will sustain the performance-based, results-oriented system for sub-Saharan Africa where aid resources are concentrated in countries that show the most commitment to developing their economic and political systems, and to addressing serious social problems.

Mr. Speaker, I commend Mr. BEREUTER for introducing the bill and Mr. GILMAN for bringing it before the House today, and I urge all my colleagues to vote to support the DFA.

Ms. ROS-LEHTINEN. Mr. Speaker, I thank the leadership of the House for scheduling floor action so quickly on this bill to reauthorize the Development Fund for Africa.

In this era of declining real foreign aid appropriations, it is important that Congress help set our foreign aid priorities by legislation and through negotiations with the executive branch.

Foreign aid needs in Africa are one of our highest priorities and deserve some legislative protection from the other demands upon the foreign affairs budget.

The money we invest today in promoting economic development, private enterprise development, and democratization in Africa is a wise investment.

As we have been in recent years, the lack of economic development and economic opportunities and the lack of democratic political systems has led to some extremely expensive humanitarian crisis and costly U.N. peacekeeping operations—such as those we have faced in recent years in Somalia, Rwanda, Angola, and Liberia, to name only a few countries on the continent.

While other regions of the world have shown economic progress, sub-Saharan Africa continues as a region with the least economic prosperity.

Given the lack of economic development, we should continue our efforts in Africa while phasing out our programs in the countries where they have now achieved their objectives.

I therefore strongly support the reauthorization of the DFA and an authorized level of $704 million—which is the administration's requested level for the next fiscal year—with the hope that the Appropriations Committees will be able to find the resources to meet the needs of Africa.

This is a bipartisan effort, and I urge all Members of the House to support this bill.

Mr. GILMAN. Mr. Speaker, I want to commend Mr. BEREUTER and his bill, H.R. 3735, to reauthorize the Development Fund for Africa for fiscal years 1997–99. As our chairman of our Africa Subcommittee, Ms. ROS-LEHTINEN, will attest, while other regions of the world have improved their economic growth, sub-Saharan Africa remains far behind the rest of the world in per capita GNP. Given the lack of progress, there is a strong case for continued aid to Africa while other aid programs may be phased out. To reflect this strong sentiment behind continued aid to Africa, the committee will mark up this bill to reauthorize the main United States development aid program for that region.

I will note that from 1962 to 1989, Africa only received 6.7 percent of United States foreign aid. This increased to 10 percent in the early 1990's. This bill reflects the consensus that percentage should increase. While other regions have managed to attract private capital, Africa's share of the world trade has declined to just 1.6 percent, including South Africa. Infant mortality on the continent remains at twice the rate of other developing regions. Many countries need to graduate from aid, including South Africa, as AID plans. Others, many others in Africa, have a long way to go and this bill recognizes that fact.

Originally, the bill was drafted to reflect funding for Africa included in the House-passed version of the fiscal year 1997 Foreign Operations Appropriations bill (H.R. 3540). Under that measure's bill and report language, Africa was set to receive $539 million in development assistance, reflecting 41 percent of the worldwide development assistance account (the same percentage used in the President's request). In addition, the appropriations bill contained a child survival account that CRS projected would contribute $140 million to Africa. Therefore, under the fiscal year 1997 House appropriations bill, a total of $679 million in development assistance would go to Africa.

In negotiations, representatives of the administration urged our committee to put aside the House appropriations figures because the Senate did not duplicate them and could provide a higher total number for Africa, especially since the Senate also did not have a child survival fund. Therefore, I offered a compromise amendment to the bill, authorizing the DFA at the administration's fiscal year 1997 request level of $704 million for 3 fiscal years, fiscal years 1997–99. We hope to provide a steady base of funding to slowly improve Africa's lot.

This bill has the support of the administration and major outside foreign assistance groups such as InterAction and Bread for the World. I want to specifically thank Carolyn Reynolds of InterAction and Cathy Selvaggio of Bread for the World for their support. I also want to wish the Acting AID Administrator for Africa, Gary Bombardier, well in his new position. While I have been critical of some actions taken by AID in South Africa, much of our sub-Saharan African aid program enjoys strong support. Gary was instrumental in starting the DFA during his service in Congress and our action today underlines that continuing support for the continent.

With that, I commend the bill to the House and urge all Members to support its passage.

Mr. ENGEL. Mr. Speaker, I yield back the balance of my time.

Mr. BEREUTER. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. CALVERT). The question is on the motion offered by the gentleman from Nebraska [Mr. BEREUTER] that the House suspend the rules and pass the bill, H.R. 3735, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BEREUTER. 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. 3735, the bill just passed.

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

There was no objection.

MICROENTERPRISE ACT

Mr. BEREUTER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3846) to amend the Foreign Assistance Act of 1961 to authorize the provision of assistance for microenterprises, and for other purposes.

The Clerk read as follows:

H.R. 3846

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 Act''.

SEC. 2. MICRO- AND SMALL ENTERPRISE DEVELOPMENT CREDITS.

Section 108 of the Foreign Assistance Act of 1961 (22 U.S.C. 2151f) is amended to read as follows:

''SEC. 108. MICRO- AND SMALL ENTERPRISE DEVELOPMENT CREDITS.

''(a) FINDINGS AND POLICY.—The Congress finds and declares that—

''(1) the development of micro- and small enterprise, including cooperatives, is a vital factor in the stable growth of developing countries and in the development and stability of a free, open, and equitable international economic system;

''(2) it is, therefore, in the best interests of the United States to assist the development of the private sector in developing countries and to engage the United States private sector in that process;

''(3) the support of private enterprise can be served by programs providing credit, training, and technical assistance for the benefit of micro- and small enterprises; and

''(4) programs that provide credit, training, and technical assistance to private institutions can serve as a valuable complement to grant assistance provided for the purpose of benefiting micro- and small private enterprise.

''(b) PROGRAM.—To carry out the policy set forth in subsection (a), the President is authorized to provide assistance to increase the availability of credit to micro- and small enterprises lacking full access to credit, including through—

''(1) loans and guarantees to credit institutions for the purpose of expanding the availability of credit to micro- and small enterprises;

''(2) training programs for lenders in order to enable them to better meet the credit needs of micro- and small entrepreneurs; and

''(3) training programs for micro- and small entrepreneurs in order to enable them to make better use of credit and to better manage their enterprises.''.

SEC. 3. MICROENTERPRISE DEVELOPMENT GRANT ASSISTANCE.

Chapter 1 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) is amended by adding at the end the following new section:

''SEC. 129. MICROENTERPRISE DEVELOPMENT GRANT ASSISTANCE.

''(a) AUTHORIZATION.—(1) In carrying out this part, the Administrator of the United States Agency for International Development is authorized to provide grant assistance for programs of credit and other assistance for microenterprises in developing countries.

''(2) Assistance authorized under paragraph (1) shall be provided through organizations that have a capacity to develop and implement microenterprise programs, including particularly—

''(A) United States and indigenous private and voluntary organizations;

''(B) United States and indigenous credit unions and cooperative organizations; or

''(C) other indigenous governmental and nongovernmental organizations.

''(3) Approximately one-half of the credit assistance authorized under paragraph (1) shall be used for poverty lending programs, including the poverty lending portion of mixed programs. Such programs—

''(A) shall meet the needs of the very poor members of society, particularly poor women; and

''(B) should provide loans of $300 or less in 1995 United States dollars to such poor members of society.

''(4) The Administrator should continue support for mechanisms that—

''(A) provide technical support for field missions;

''(B) strengthen the institutional development of the intermediary organizations described in paragraph (2); and

''(C) share information relating to the provision of assistance authorized under paragraph (1) between such field missions and intermediary organizations.

''(b) MONITORING SYSTEM.—In order to maximize the sustainable development impact of the assistance authorized under subsection (a)(1), the Administrator should establish a monitoring system that—

''(1) establishes performance goals for such assistance and expresses such goals in an objective and quantifiable form, to the extent feasible;

''(2) establishes performance indicators to be used in measuring or assessing the achievement of the goals and objectives of such assistance; and

''(3) provides a basis for recommendations for adjustments to such assistance to enhance the sustainable development impact of such assistance, particularly the impact of such assistance on the very poor, particularly poor women.''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Nebraska [Mr. BEREUTER] and the gentleman from New York [Mr. ENGEL] each will control 20 minutes.

The Chair recognizes the gentleman from Nebraska [Mr. BEREUTER].

Mr. BEREUTER. Mr. Speaker, I yield myself such time as I may consume.

(Mr. BEREUTER asked and was given permission to revise and extend his remarks.)

Mr. BEREUTER. Mr. Speaker, we have long recognized the value of the microenterprise loans. As chairman of the Subcommittee on Asia and the Pacific, I noted the success of the Grameen Bank in Bangladesh. Grameen has loaned over $1 billion to over 2 million people with a repayment rate of 98 percent. These clearly fit the model of the microenterprise loan. I have seen it work very effectively in places like Peru, as well.

This bill provides two new authorities in the Foreign Assistance Act to provide microgrants and microloans. I am assured that the bill has the support of the minority and the administration. I urge its adoption.

Mr. Speaker, I reserve the balance of my time.

Mr. ENGEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of this bill. I want to commend the work that Chairman GILMAN and Mr. GEJDENSON have done in putting together a bill that helps microenterprise development and a bill which we can all support.

Microenterprise development has proven to be an effective way to help the world's poor work their way to a better standard of living for themselves and for their country.

This bill establishes special authorities under the Foreign Assistance Act for microenterprise grants and loans. It signals the importance of focusing on loans to the poorest of the poor and providing such assistance through private voluntary and nongovernmental organizations. Again, it is the perfect example of the private sector working together with government in a partnership that works and helps people.

This bill should strengthen one part of the U.S. foreign assistance program. Again, I commend Chairman GILMAN and Mr. GEJDENSON for their efforts. This bill adopts a balanced and thoughtful approach. I strongly urge its adoption.

Mr. GILMAN. Mr. Speaker, this is a proud day for me. I began my work in support of microenterprise development almost 20 years ago as a member of the President's Commission on Hunger. I introduced the first microenterprise bill in 1986 and supported these programs as strongly as possible during my service here in Congress.

The Microenterprise Act, H.R. 3846, represents a historic alliance between the administration, microenterprise groups, and the Congress behind the cause of microenterprise development to help the poorest of the poor work their way out of poverty.

We have all heard of Prof. Muhammad Yunus and his successful Grameen Bank in Bangladesh. Today, the Grameen Bank is one of the largest banks in Bangladesh. It has served over 2 million borrowers and lent over $1 billion. Most of the loans are small—under $300—and 94 percent of the borrowers are women. The bank represents one of he most successful foreign assistance programs yet designed to eliminate poverty among the poorest of the poor.

Most importantly, Grameen's borrowers have repaid their loans at a 98 percent repayment rate.

The microenterprise movement is not just about Grameen. In Bolivia, BancoSol grew from nothing to serve over 40 percent of all banking clients in Bolivia. BancoSol and its microenterprise lending program is so big and successful that it has graduated part of this program from assistance and now borrows funds directly from the New York market to continue its service to Bolivia's poor. Other microenterprise institutions dot the planet, including hundreds here in the United States and especially in my home State of New York.

This bill breaks new ground. It provides two new tailor-made authorities under the Foreign Assistance Act for microenterprise grants and microenterprise loans. The bill recommends the administration to focus on loans to the poorest of the poor, mainly through private, voluntary organizations, nongovernmental organizations and other worthy institutions.

The administration supports this bill along with Mr. HAMILTON, Mr. GEJDENSON, Mr. HOUGHTON, and 24 other cosponsors. I am grateful to them and I want to give special thanks to key members of the Microenterprise Coalition, Sam Harris of RESULTS, Maria Otero of ACCION International, and Lawrence Yanovitch of FINCA along with Brian Atwood and Robert Boyer of AID who helped bridge the gap, allowing us in the Congress to come together in support of microenterprise.

I am informed that this bill has the support of Senator HELMS and Senator SARBANES. I think this bill is too important to delay in the other body. As the debate on the bill and the report that accompany the bill shows: One, that we want AID to make at least half of its micro credit in amounts below $300, and two, that we want AID to make most initial loans at the $150 level to reach the poorest of the poor. Following the hoped for enactment of this bill, we can reexamine the situation next year to assess how successfully AID is reaching the poor with micro credits.

I commend this bill to the House and urge its adoption.

Mr. ENGEL. Mr. Speaker, I yield back the balance of my time.

Mr. BEREUTER. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Nebraska [Mr. BEREUTER] that the House suspend the rules and pass the bill, H.R. 3846.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BEREUTER. 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. 3846, the bill just passed.

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

There was no objection.

AUTHORIZING VOLUNTARY SEPARATION INCENTIVE PAYMENTS TO EMPLOYEES OF AID

Mr. BEREUTER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3870) to authorize the Agency for International Development to offer voluntary separation incentive payments to employees of that agency, as amended.

The Clerk read as follows:

H.R. 3870

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

SECTION 1. VOLUNTARY SEPARATION INCENTIVES FOR EMPLOYEES OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT.

(a) DEFINITIONS.—For the purposes of this Act—

(1) the term ''agency'' means the Agency for International Development;

(2) the term ''Administrator'' means the Administrator, Agency for International Development; and

(3) the term ''employee'' means an employee (as defined by section 2105 of title 5, United States Code) who is employed by the agency, is serving under an appointment without time limitation, and has been currently employed for a continuous period of at least 12 months, but does not include—

(A) any employee who, upon separation and application, would then be eligible for an immediate annuity under subchapter III of chapter 83 (except for section 8336(d)(2)) or chapter 84 (except for section 8414(b)(1)(B)) of title 5, United States Code, or corresponding provisions of another retirement system for employees of the agency;

(B) a reemployed annuitant under subchapter III of chapter 83 of chapter 84 of title 5, United States Code, or another retirement system for employees of the agency;

(C) an employee having a disability on the basis of which such employee is or would be eligible for disability retirement under the applicable retirement system referred to in subparagraph (A);

(D) an employee who is to be separated involuntarily for misconduct or unacceptable performance, and to whom specific notice has been given with respect to that separation;

(E) an employee who, upon completing an additional period of service, as referred to in section 3(b)(2)(B)(ii) of the Federal Workforce Restructuring Act of 1994 (5 U.S.C. 5597 note), would qualify for a voluntary separation incentive payment under section 3 of such Act;

(F) an employee who has previously received any voluntary separation incentive payment by the Government of the United States under this Act or any other authority and has not repaid such payment;

(G) an employee covered by statutory reemployment rights who is on transfer to another organization; or

(H) any employee who, during the 24-month period preceding the date of separation, received a recruitment or relocation bonus under section 5753 of title 5, United States Code, or who, within the 12-month period preceding the date of separation, received a retention allowance under section 5754 of such title 5.

(b) IN GENERAL.—The Administrator, before obligating any resources for voluntary separation incentive payments under this Act, shall submit to the House and Senate Committees on Appropriations and the Committee on Governmental Affairs of the Senate and the Committee on Government Reform and Oversight of the House of Representatives a strategic plan outlining the intended use of such incentive payments and a proposed organizational chart for the agency once such incentive payments have been completed.

(2) CONTENTS.—The agency's plan shall include—

(A) the positions and functions to be reduced or eliminated, identified by organizational unit, geographic location, occupational category and grade level; and

(B) the number and amounts of voluntary separation incentive payments to be offered; and

(C) a description of how the agency will operate without the eliminated positions and functions.

(c) AUTHORITY TO PROVIDE VOLUNTARY SEPARATION INCENTIVE PAYMENTS.—

(1) IN GENERAL.—A voluntary separation incentive payment under this Act may be paid by the agency to not more than 100 employees of such agency and only to the extent necessary to eliminate the positions and functions identified by the strategic plan.

(2) AMOUNT AND TREATMENT OF PAYMENTS.—A voluntary separation incentive payment under this Act—

(A) shall be paid in a lump sum after the employee's separation;

(B) shall be paid from appropriations or funds available for the payment of the basic pay of the employees;

(C) shall be equal to the lesser of—

(i) an amount equal to the amount the employee would be entitled to receive under section 5595(c) of title 5, United States Code, if the employee were entitled to payment under such section; or

(ii) an amount determined by the agency head not to exceed $25,000;

(D) may not be made except in the case of any employee who voluntarily separates (whether by retirement or resignation) before February 1, 1997;

(E) shall not be a basis for payment, and shall not be included in the computation, of any other type of Government benefit; and

(F) shall not be taken into account in determining the amount of any severance pay to which the employee may be entitled under section 5595 of title 5, United States Code, based on any other separation.

(d) ADDITIONAL AGENCY CONTRIBUTIONS TO THE RETIREMENT FUND.—

(1) IN GENERAL.—In addition to any other payments which it is required to make under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, the agency shall remit to the Office of Personnel Management for deposit in the Treasury of the United States to credit of the Civil Service Retirement and Disability Fund an amount equal to 15 percent of the final basic pay of each employee of the agency who is covered under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, to whom a voluntary separation incentive has been paid under this Act.

(2) DEFINITION.—For the purpose of paragraph (1), the term ''final basic pay'', with respect to an employee, means the total amount of basic pay which would be payable for a year of service by such employee, computed using the employee's final rate of basic pay, and, if last serving on other than a full-time basis, with appropriate adjustment therefor.

(c) EFFECT ON SUBSEQUENT EMPLOYMENT WITH THE GOVERNMENT.—An individual who has received a voluntary separation incentive payment under this Act and accepts any employment for compensation with the Government of the United States, or who works for any agency of the Government of the United States through a personal services contract, within 5 years after the date of the separation on which the payment is based shall be required to pay, prior to the individual's first day of employment, the entire amount of the incentive payment to the agency that paid the incentive payment.

(f) REDUCTION OF AGENCY EMPLOYMENT LEVELS.—

(1) IN GENERAL.—The total number of funded employee positions in the agency shall be reduced by one position for each vacancy created by the separation of any employee who has received, or is due to receive, a voluntary separation incentive payment under this Act. For the purposes of this subsection, positions shall be counted on a full-time-equivalent basis.

(2) ENFORCEMENT.—The President, through the Office of Management and Budget, shall monitor the agency and take any action necessary to ensure that the requirements of this subsection are met.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Nebraska [Mr. BEREUTER] and the gentleman from New York [Mr. ENGEL] each will control 20 minutes.

The Chairman recognizes the gentleman from Nebraska [Mr. BEREUTER].

Mr. BEREUTER. Mr. Speaker, I yield myself such time as I may consume.

(Mr. BEREUTER asked and was given permission to revise and extend his remarks.)

Mr. BEREUTER. Mr. Speaker, the Agency for International Development requested this legislation to help them downsize. The Agency for International Development, AID, has already trimmed 3,000 positions, from 11,000 to