

2. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE
HYDE OF ILLINOIS, OR
HIS DESIGNEE, DEBATABLE FOR 20 MINUTES:

10
rev

**AMENDMENT TO H.R. 1950, AS REPORTED
OFFERED BY MR. HYDE OF ILLINOIS AND MR.
LANTOS OF CALIFORNIA**

Strike section 1 of the bill and insert the following:

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the "Millennium Challenge
3 Account, Peace Corps Expansion, and Foreign Relations
4 Authorization Act of 2003".

Strike subsection (a) of section 2 of the bill and in-
sert the following:

5 (a) ORGANIZATION OF ACT INTO DIVISIONS.—This
6 Act is organized into four divisions as follows:

7 (1) DIVISION A.—Millennium Challenge Ac-
8 count Act of 2003.

9 (2) DIVISION B.—Peace Corps Expansion Act
10 of 2003.

11 (3) DIVISION C.—Department of State Author-
12 ization Act, Fiscal Years 2004 and 2005.

13 (4) DIVISION D.—Defense Trade and Security
14 Assistance Reform Act of 2003.

Redesignate division A of the bill as division C of
the bill (and conform all titles, subtitles, and sections



therein accordingly, and make all other related technical and conforming amendments).

Redesignate division B of the bill as division D of the bill (and conform all titles, subtitles, and sections therein accordingly, and make all other related technical and conforming amendments).

Insert after section 3 of the bill the following two new divisions (and conform the table of contents accordingly):

1 **DIVISION A—MILLENNIUM**
 2 **CHALLENGE ACCOUNT**
 3 **TITLE I—GENERAL PROVISIONS**

4 **SEC. 101. SHORT TITLE.**

5 This division may be cited as the “Millennium Chal-
 6 lenge Account Act of 2003”.

7 **SEC. 102. DEFINITIONS.**

8 In this division:

9 (1) APPROPRIATE CONGRESSIONAL COMMIT-
 10 TEES.—The term “appropriate congressional com-
 11 mittees” means—

12 (A) the Committee on International Rela-
 13 tions and the Committee on Appropriations of
 14 the House of Representatives; and



1 (B) the Committee on Foreign Relations
2 and the Committee on Appropriations of the
3 Senate.

4 (2) BOARD.—The term “Board” means the
5 Board of Directors of the Corporation established
6 pursuant to section 303 of this Act.

7 (3) COMPACT.—The term “Compact” means
8 the Millennium Challenge Compact described in sec-
9 tion 204 of this Act.

10 (4) CORPORATION.—The term “Corporation”
11 means the Millennium Challenge Corporation estab-
12 lished under section 301 of this Act.

13 (5) COUNCIL.—The term “Council” means the
14 Millennium Challenge Advisory Council established
15 under section 308 of this Act.

16 (6) MILLENNIUM DEVELOPMENT GOALS.—The
17 term “Millennium Development Goals” means the
18 key development objectives described in the United
19 Nations Millennium Declaration, as contained in
20 United Nations General Assembly Resolution 55/2
21 (September 2000), which aim to eradicate extreme
22 poverty and hunger, achieve universal primary edu-
23 cation, promote gender equality and empower
24 women, reduce child mortality, improve maternal
25 health, combat HIV/AIDS, malaria, and other infec-

1 tious diseases, ensure environmental sustainability,
2 and develop a global partnership for development.

3 **SEC. 103. SUNSET.**

4 All authorities under this division (other than title
5 IV) shall terminate on October 1, 2007.

6 **TITLE II—MILLENNIUM**
7 **CHALLENGE ASSISTANCE**

8 **SEC. 201. FINDINGS; STATEMENT OF POLICY.**

9 (a) **FINDINGS.**—Congress finds the following:

10 (1) A principal objective of United States for-
11 eign assistance programs, as stated in section 101 of
12 the Foreign Assistance Act of 1961, is the “encour-
13 agement and sustained support of the people of de-
14 veloping countries in their efforts to acquire the
15 knowledge and resources essential to development
16 and to build the economic, political, and social insti-
17 tutions which will improve the quality of their lives”.

18 (2) The expanding acceptance of free trade and
19 open markets and the spread of democracy and the
20 rule of law have brought a better way of life to an
21 increasing number of people in the world.

22 (3) Inequalities between men and women under-
23 mine development and poverty-reduction efforts in
24 fundamental ways. A woman’s limited access to re-
25 sources and restrictions on the exercise of her rights,



1 including the right to participate in social and polit-
2 ical processes, disables her from maximizing her con-
3 tribution to her family's health, education, and gen-
4 eral well-being.

5 (4) On March 14, 2002, the President noted
6 the successes of development assistance programs:
7 "The advances of free markets and trade and de-
8 mocracy and rule of law have brought prosperity to
9 an ever-widening circle of people in this world. Dur-
10 ing our lifetime, per capita income in the poorest
11 countries has nearly doubled. Illiteracy has been cut
12 by one-third, giving more children a chance to learn.
13 Infant mortality has been almost halved, giving more
14 children a chance to live."

15 (5) Development is neither an easy process nor
16 a linear one. There are successes and there are fail-
17 ures. Today, too many people are still living in pov-
18 erty, disease has eroded many of the economic and
19 social gains of previous decades, and many countries
20 have not adopted policies, for a variety of reasons,
21 that would enable them to compete in an open and
22 equitable international economic system.

23 (6) More countries and more people will be able
24 to participate in and benefit from the opportunities
25 afforded by the global economy if the following con-

1 ditions for sound and sustainable economic develop-
2 ment are met:

3 (A) SECURITY.—Security is necessary for
4 economic development. Persistent poverty and
5 oppression can lead to hopelessness, despair,
6 and to failed states that become havens for ter-
7 rorists.

8 (B) POLICIES THAT SUPPORT BROAD-
9 BASED ECONOMIC GROWTH.—Successful long-
10 term development can only occur through
11 broad-based economic growth that enables the
12 poor to increase their incomes and have access
13 to productive resources and services so that
14 they can lead lives of decency, dignity, and
15 hope.

16 (C) DEMOCRACY AND THE RULE OF
17 LAW.—Democratic development, political plu-
18 ralism, and respect for internationally recog-
19 nized human rights are intrinsically linked to
20 economic and social progress. The ability of
21 people to participate in the economic and polit-
22 ical processes affecting their lives is essential to
23 sustained growth. The rule of law and a com-
24 mitment to fight corruption is also critical to
25 the development of a prosperous society.



1 (D) INVESTMENTS IN PEOPLE.—Economic
2 growth and democracy can be sustained only if
3 both men and women have the basic tools and
4 capabilities that foster the opportunity for par-
5 ticipation in the economic, social, and political
6 life of their countries. Successful development
7 of countries requires citizens who are literate,
8 healthy, and prepared and able to work.

9 (7) Economic assistance programs authorized
10 under part I of the Foreign Assistance Act of 1961,
11 as administered by the United States Agency for
12 International Development and other Federal agen-
13 cies, are of critical importance in assisting countries
14 to be in a position to maximize the effectiveness of
15 assistance authorized by this title.

16 (8) It is in the national interest of the United
17 States to help those countries that are implementing
18 the economic and political reforms necessary for de-
19 velopment to occur.

20 (9) On March 14, 2002, the President stated
21 that the “growing divide between wealth and pov-
22 erty, between opportunity and misery, is both a chal-
23 lenge to our compassion and a source of instability
24 . . . [w]e must confront it . . . [w]e must include
25 every African, every Asian, every Latin American,



1 every Muslim, in an expanding circle of develop-
2 ment.”.

3 (10) The President has pledged that funds re-
4 quested for the Millennium Challenge Account shall
5 be in addition to, and not a substitute for, existing
6 development and humanitarian programs.

7 (11) Development assistance alone is not suffi-
8 cient to stimulate economic growth and development.
9 Assistance has been shown to have a positive impact
10 on growth and development in developing countries
11 with sound policies and institutions. If countries
12 have poor policies and institutions, however, it is
13 highly unlikely that assistance will have a net posi-
14 tive effect.

15 (12) Economic development, and the achieve-
16 ment of the Millennium Development Goals, must be
17 a shared responsibility between donor and recipient
18 countries.

19 (b) STATEMENT OF POLICY REGARDING A NEW
20 COMPACT FOR GLOBAL DEVELOPMENT.—It is, therefore,
21 the policy of the United States to support a new compact
22 for global development that—

23 (1) increases support by donor countries to
24 those developing countries that are fostering democ-



1 racy and the rule of law, investing in their people,
2 and promoting economic freedom for all their people;

3 (2) recognizes, however, that it is the devel-
4 oping countries themselves that are primarily re-
5 sponsible for the achievement of those goals;

6 (3) seeks to coordinate the disparate develop-
7 ment assistance policies of donor countries, and to
8 harmonize the trade and finance policies of donor
9 countries with their respective development assist-
10 ance programs; and

11 (4) aims to reduce poverty by significantly in-
12 creasing the economic growth trajectory of bene-
13 ficiary countries through investing in the productive
14 potential of the people of such countries.

15 **SEC. 202. AUTHORIZATION OF ASSISTANCE.**

16 (a) ASSISTANCE.—The President, acting through the
17 Chief Executive Officer of the Millennium Challenge Cor-
18 poration, is authorized to provide assistance to eligible
19 countries to support policies and programs that advance
20 the progress of such countries in achieving lasting eco-
21 nomic growth and poverty reduction and are in further-
22 ance of the purposes of this title.

23 (b) PRINCIPAL OBJECTIVES.—Assistance provided
24 under subsection (a) should advance a country's progress
25 toward promoting the following principal objectives:

1 (1) FOSTERING DEMOCRATIC SOCIETIES,
2 HUMAN RIGHTS, AND THE RULE OF LAW.—The as-
3 sistance should promote—

4 (A) political, social, and economic plu-
5 ralism;

6 (B) respect for the rule of law;

7 (C) anti-corruption initiatives and law en-
8 forcement;

9 (D) development of institutions of demo-
10 cratic governance, including electoral and legis-
11 lative processes;

12 (E) transparent and accountable public ad-
13 ministration at all levels of government;

14 (F) a fair, competent, and independent ju-
15 diciary; and

16 (G) a free and independent media.

17 (2) FOSTERING INVESTMENT IN EDUCATION
18 AND HEALTH INFRASTRUCTURE AND SYSTEMS.—
19 The assistance should foster improved educational
20 opportunities and health conditions, particularly for
21 women and children, including through—

22 (A) support for programs and personnel
23 that promote broad-based primary education,
24 including through the development of academic
25 curricula, by making available textbooks and



1 other educational materials, and through appro-
2 priate use of technology;

3 (B) support for programs to strengthen
4 and build institutions, including primary health
5 care systems, infrastructure, facilities, and per-
6 sonnel that provide quality health care;

7 (C) support for improved systems for the
8 delivery of healthy water and sanitation serv-
9 ices; and

10 (D) support for programs that reduce child
11 mortality (including those programs that com-
12 bat HIV/AIDS, malaria, tuberculosis, and other
13 infectious diseases, consistent with sections
14 104(c), 104A, 104B, and 104C of the Foreign
15 Assistance Act of 1961).

16 (3) PROMOTING ECONOMIC FREEDOM, BROAD-
17 BASED ECONOMIC GROWTH, AND FOSTERING FREE
18 MARKET SYSTEMS.—The assistance should foster the
19 institutions and conditions needed to promote free
20 market systems, trade, and investment, including—

21 (A) the reform and restructuring of bank-
22 ing and financial systems, including by allowing
23 foreign competition in the banking and financial
24 sectors, where appropriate;



1 (B) the development of transparent and ef-
2 ficient commercial codes and reduction in the
3 regulatory burden on business;

4 (C) the protection of property rights,
5 including—

6 (i) private property and intellectual
7 property rights, including through the
8 adoption and effective enforcement of intel-
9 lectual property treaties or international
10 agreements; and

11 (ii) the establishment and mainte-
12 nance of an efficient and integrated legal
13 property system that, among other things,
14 facilitates the ability of the poor, particu-
15 larly women, to convert physical and intel-
16 lectual assets into capital, such as utilizing
17 existing practices and customs that allow
18 assets to be documented in a manner that
19 makes the assets widely transferable,
20 leveragable, and fungible, that allows indi-
21 viduals to hold legal title to their property,
22 and that holds owners accountable for
23 transactions involving their property;

24 (D) support for market-based policies that
25 support increased agricultural production;



1 (E) a strong commitment to sound mone-
2 tary and budgetary policies;

3 (F) the development of small businesses,
4 private cooperatives, credit unions, and trade
5 and labor unions;

6 (G) the protection of internationally recog-
7 nized workers' rights; and

8 (H) the capacity of eligible countries to
9 ameliorate damage to the environment and re-
10 spect other environmental standards.

11 **SEC. 203. ELIGIBILITY AND RELATED REQUIREMENTS.**

12 (a) ASSISTANCE FOR LOW INCOME COUNTRIES.—

13 (1) FISCAL YEAR 2004.—A country shall be eli-
14 gible to receive assistance under section 202 for fis-
15 cal year 2004 if—

16 (A) the country is eligible for assistance
17 from the International Development Associa-
18 tion, and the per capita income of the country
19 is equal to or less than the historical ceiling of
20 the International Development Association for
21 that year, as defined by the International Bank
22 for Reconstruction and Development;

23 (B) subject to paragraph (3), the country
24 is not ineligible to receive United States eco-
25 nomic assistance by reason of the application of



1 section 116, 490, or 620A of the Foreign As-
2 sistance Act of 1961, or by reason of the appli-
3 cation of any other provision of law; and

4 (C) the Chief Executive Officer of the Cor-
5 poration determines that the country has dem-
6 onstrated a commitment to—

7 (i) bolster democracy, human rights,
8 good governance and the rule of law;

9 (ii) invest in the health and education
10 of its citizens; and

11 (iii) promote sound economic policies
12 that promote economic freedom and oppor-
13 tunity.

14 (2) FISCAL YEARS 2005 AND 2006.—A country
15 shall be eligible to receive assistance under section
16 202 for fiscal years 2005 and 2006 if—

17 (A) the per capita income of the country is
18 equal to or less than the historical ceiling of the
19 International Development Association for the
20 fiscal year involved, as defined by the Inter-
21 national Bank for Reconstruction and Develop-
22 ment;

23 (B) the country meets the requirements of
24 paragraph (1)(B); and



1 (C) the country meets the requirements of
2 clauses (i) through (iii) of paragraph (1)(C), as
3 determined by the Chief Executive Officer.

4 (3) RULE OF CONSTRUCTION.—For the pur-
5 poses of determining whether a country is eligible
6 for receiving assistance under section 202 pursuant
7 to paragraph (1)(B), the exercise by the President,
8 the Secretary of State, or any other officer or em-
9 ployee of the United States of any waiver or suspen-
10 sion of any provision of law referred to in such para-
11 graph shall not be construed as satisfying the re-
12 quirement of such paragraph.

13 (b) ASSISTANCE FOR LOWER MIDDLE INCOME
14 COUNTRIES.—

15 (1) IN GENERAL.—In addition to countries de-
16 scribed in subsection (a), a country shall be eligible
17 to receive assistance under section 202 for fiscal
18 year 2006 if the country—

19 (A) is classified as a lower middle income
20 country in the then most recent edition of the
21 World Development Report published by the
22 International Bank for Reconstruction and De-
23 velopment;

24 (B) meets the requirements of subsection
25 (a)(1)(B); and



1 (C) meets the requirements of clauses (i)
2 through (iii) of subsection (a)(1)(C), as deter-
3 mined by the Chief Executive Officer.

4 (2) LIMITATION.—The total amount of assist-
5 ance provided to countries under this subsection for
6 fiscal year 2006 may not exceed 20 percent of the
7 total amount of assistance provided to all countries
8 under section 202 for fiscal year 2006.

9 (c) ASSISTANCE FOR SELECTED LOW INCOME COUN-
10 TRIES.—

11 (1) IN GENERAL.—A country shall be eligible to
12 receive assistance for any of fiscal years 2004
13 through 2006 solely for the purpose of becoming eli-
14 gible to receive assistance under subsection (a) if the
15 country—

16 (A) meets the requirements of paragraphs
17 (1)(B) and (2)(A) of subsection (a);

18 (B) demonstrates a commitment to meet-
19 ing the requirements of clauses (i) through (iii)
20 of subsection (a)(1)(C), as determined by the
21 Chief Executive Officer; but

22 (C) fails to meet the eligibility criteria nec-
23 essary to receive assistance under section 202,
24 as established under subsection (e).



1 (2) ADMINISTRATION.—Assistance for countries
2 eligible by reason of the application of this sub-
3 section shall be provided through the United States
4 Agency for International Development.

5 (3) ALLOCATION OF FUNDS.—Of the amount
6 authorized to be appropriated under section 208(a)
7 for a fiscal year, not more than 15 percent of such
8 amount is authorized to be appropriated to the
9 President for the fiscal year to carry out this sub-
10 section.

11 (d) GENERAL AUTHORITY TO DETERMINE ELIGI-
12 BILITY.—

13 (1) GENERAL AUTHORITY.—The Chief Execu-
14 tive Officer shall determine whether or not a country
15 is eligible to receive assistance under section 202.

16 (2) CONGRESSIONAL NOTIFICATION.—Not later
17 than 7 days after making a determination of eligi-
18 bility for a country under paragraph (1), the Chief
19 Executive Officer shall provide notice thereof to the
20 appropriate congressional committees. Such notice
21 shall include a certification of the determination of
22 the Chief Executive Officer that the country meets
23 the requirements of clauses (i) through (iii) of sub-
24 section (a)(1)(C) in accordance with such subsection,



1 subsection (a)(2)(C), subsection (b)(1)(C), or sub-
2 section (c)(1)(B), as the case may be.

3 (e) ELIGIBILITY CRITERIA.—

4 (1) INITIAL CRITERIA AND METHODOLOGY.—At
5 soon as practicable after the date of the enactment
6 of this Act, but not later than 30 days prior to mak-
7 ing any determination of eligibility for a country
8 under this section, the Chief Executive Officer—

9 (A) shall consult in-person with the appro-
10 priate congressional committees with respect to
11 the establishment of eligibility criteria and
12 methodology that the Chief Executive Officer
13 proposes to use for purposes of determining eli-
14 gibility under this section;

15 (B) shall establish such eligibility criteria
16 and methodology; and

17 (C) shall prepare and transmit to such
18 committees a written report that contains such
19 eligibility criteria and methodology.

20 (2) REVISIONS TO CRITERIA AND METHOD-
21 OLOGY.—If the Chief Executive Officer proposes to
22 use revised or different criteria from the criteria de-
23 scribed in paragraph (1) in making a determination
24 of eligibility for a country under this section, then,
25 not later than 15 days prior to making such deter-

1 mination, the Chief Executive Officer shall consult
2 in-person with the appropriate congressional com-
3 mittees with respect to such revised or different cri-
4 teria and methodology in accordance with paragraph
5 (1)(A) and shall prepare and transmit a written re-
6 port in accordance with paragraph (1)(C).

7 (f) FORM OF ASSISTANCE; RECIPIENTS.—

8 (1) FORM OF ASSISTANCE.—Assistance pro-
9 vided under section 202 for a country shall be pro-
10 vided to one or more of the entities described in
11 paragraph (2) on a nonrepayable basis and in ac-
12 cordance with a fair, open, and competitive selection
13 process that results in the awarding of such assist-
14 ance on a merit basis using selection criteria that
15 are made public by the Corporation in advance and
16 are otherwise in accordance with standard and cus-
17 tomary best practices for the provision of similar
18 types of assistance.

19 (2) RECIPIENTS.—The entities referred to in
20 paragraph (1) are the following:

21 (A) The national government of the coun-
22 try.

23 (B) Regional or local governmental units
24 of the country.



1 (C) Nongovernmental organizations, in-
2 cluding for-profit, not-for-profit, and voluntary
3 organizations.

4 (D) International organizations and trust
5 funds.

6 (g) CONGRESSIONAL NOTIFICATION.—The Chief Ex-
7 ecutive Officer may not make any grant or enter into any
8 contract for assistance for a country under section 202
9 that exceeds \$5,000,000 until 15 days after the date on
10 which the Chief Executive Officer provides notification of
11 the proposed grant or contract to the appropriate congres-
12 sional committees in accordance with the procedures appli-
13 cable to reprogramming notifications under section 634A
14 of the Foreign Assistance Act of 1961.

15 (h) PROHIBITION ON USE OF FUNDS.—The prohibi-
16 tions on use of funds contained in paragraphs (1) through
17 (3) of section 104(f) of the Foreign Assistance Act of
18 1961 (22 U.S.C. 2151b(f)(1)–(3)) shall apply to funds
19 made available to carry out this division to the same ex-
20 tent and in the same manner as such prohibitions apply
21 to funds made available to carry out part I of such Act.

22 **SEC. 204. MILLENNIUM CHALLENGE COMPACT.**

23 (a) COMPACT.—The President, acting through the
24 Chief Executive Officer of the Corporation, may provide
25 assistance to an eligible country under section 202 only



1 if the country enters into a contract with the United
2 States, to be known as a “Millennium Challenge Com-
3 pact”, that establishes a multi-year plan for achieving
4 shared development objectives in furtherance of the pur-
5 poses of this title, and only if the President, acting
6 through the Chief Executive Officer, provides to Congress
7 notice regarding such Compact pursuant to subsection (h).

8 (b) ELEMENTS.—

9 (1) IN GENERAL.—The Compact shall take into
10 account the national development strategy of the eli-
11 gible country and shall contain—

12 (A) the specific objectives that the country
13 and the United States expect to achieve;

14 (B) the responsibilities of the country and
15 the United States in the achievement of such
16 objectives;

17 (C) regular benchmarks to measure, where
18 appropriate, progress toward achieving such ob-
19 jectives;

20 (D) an identification of the intended bene-
21 ficiaries, disaggregated by income level, gender,
22 and age, to the maximum extent practicable;

23 (E) a multi-year financial plan, including
24 the estimated amount of contributions by the
25 Corporation and the country and proposed



1 mechanisms to implement the plan and provide
2 oversight, that describes how the requirements
3 of subparagraphs (A) through (D) will be met,
4 including identifying the role of civil society in
5 the achievement of such requirements;

6 (F) where appropriate, a description of the
7 responsibility of other donors in the achieve-
8 ment of such objectives; and

9 (G) a plan to ensure appropriate fiscal ac-
10 countability for the use of assistance provided
11 under section 202.

12 (2) LOWER MIDDLE INCOME COUNTRIES.—In addi-
13 tion to the elements described in subparagraphs (A)
14 through (G) of paragraph (1), with respect to a lower mid-
15 dle income country described in section 203(b), the Com-
16 pact shall identify an appropriate contribution from the
17 country relative to its national budget, taking into account
18 the prevailing economic conditions, toward meeting the ob-
19 jectives of the Compact. Such contribution shall be in ad-
20 dition to government spending allocated for such purposes
21 in the country's budget for the year immediately preceding
22 the establishment of the Compact and shall continue for
23 the duration of the Compact.

24 (c) DEFINITION.—In subsection (b), the term “na-
25 tional development strategy” means any strategy to



1 achieve market-driven economic growth that has been de-
2 veloped by the government of the country in consultation
3 with a wide variety of civic participation, including non-
4 governmental organizations, private and voluntary organi-
5 zations, academia, women and student organizations, local
6 trade and labor unions, and the business community.

7 (d) ADDITIONAL PROVISION RELATING TO PROHIBI-
8 TION ON TAXATION.—In addition to the elements de-
9 scribed in subsection (b), each Compact shall contain a
10 provision that states that assistance provided by the
11 United States under the Compact shall be exempt from
12 taxation by the government of the eligible country.

13 (e) LOCAL INPUT.—In entering into a Compact, the
14 United States and the eligible country—

15 (1) shall take into account the local-level per-
16 spectives of the rural and urban poor in the eligible
17 country; and

18 (2) should consult with private and voluntary
19 organizations, the business community, and other
20 donors, in the eligible country.

21 (f) CONSULTATION.—During any discussions with a
22 country for the purpose of entering into a Compact with
23 the country, officials of the Corporation participating in
24 such discussions shall, at a minimum, consult with appro-
25 priate officials of the United States Agency for Inter-



1 national Development, particularly with those officials re-
2 sponsible for the appropriate region or country on develop-
3 ment issues related to the Compact.

4 (g) COORDINATION WITH OTHER DONORS.—To the
5 maximum extent feasible, activities undertaken to achieve
6 the objectives of the Compact shall be undertaken in co-
7 ordination with the assistance activities of other donors.

8 (h) CONGRESSIONAL AND PUBLIC NOTIFICATION.—
9 Not later than 15 days prior to entering into a Compact
10 with an eligible country, the President, acting through the
11 Chief Executive Officer—

12 (1) shall consult in-person with the appropriate
13 congressional committees with respect to the pro-
14 posed Compact;

15 (2) shall provide notification of the proposed
16 Compact to the appropriate congressional commit-
17 tees in accordance with the procedures applicable to
18 reprogramming notifications under section 634A of
19 the Foreign Assistance Act of 1961;

20 (3) shall prepare and transmit to such commit-
21 tees a written report that contains a detailed sum-
22 mary of the proposed Compact and a copy of the full
23 text of the Compact; and

24 (4) shall publish such detailed summary and
25 full text of the proposed Compact in the Federal

1 Register and on the Internet website of the Corpora-
2 tion.

3 (i) ASSISTANCE FOR DEVELOPMENT OF COMPACT.—

4 Notwithstanding subsection (a), the Chief Executive Offi-
5 cer may enter into contracts or make grants for any eligi-
6 ble country for the purpose of facilitating the development
7 of the Compact between the United States and the coun-
8 try.

9 **SEC. 205. SUSPENSION AND TERMINATION OF ASSISTANCE.**

10 (a) SUSPENSION OF ASSISTANCE.—

11 (1) IN GENERAL.—The President shall suspend
12 assistance in whole or in part for a country under
13 this title if the President determines that—

14 (A) the country is engaged in activities
15 which are contrary to the national security in-
16 terests of the United States;

17 (B) the elected head of state of the country
18 or any member of the country's highest judicial
19 tribunal has been removed from that office or
20 forcibly detained through extra-constitutional
21 processes; or

22 (C) the country has failed to adhere to its
23 responsibilities under the Compact.

24 (2) REINSTATEMENT.—The President may re-
25 instate assistance for a country under this title only



1 if the President determines that the country has
2 demonstrated a commitment to correcting each con-
3 dition for which assistance was suspended under
4 paragraph (1).

5 (3) CONGRESSIONAL NOTIFICATION.—A suspen-
6 sion of assistance under paragraph (1), or a rein-
7 statement of assistance under paragraph (2), shall
8 be effective beginning 15 days after the date on
9 which the President transmits to the appropriate
10 congressional committees a report that contains the
11 determination of the President under paragraph (1)
12 or paragraph (2), as the case may be.

13 (b) TERMINATION OF ASSISTANCE.—

14 (1) IN GENERAL.—The President, acting
15 through the Chief Executive Officer of the Corpora-
16 tion, shall terminate all assistance for a country
17 under this title if the President determines that the
18 country has consistently failed to adhere to its re-
19 sponsibilities under the Compact or has significantly
20 failed to meet the requirements of this title.

21 (2) CONGRESSIONAL NOTIFICATION.—A termi-
22 nation of assistance under paragraph (1) shall be ef-
23 fective beginning 15 days after the date on which
24 the President, acting through the Chief Executive
25 Officer, provides notification of the proposed termi-

1 nation of assistance to the congressional committees
2 specified in section 634A(a) of the Foreign Assist-
3 ance Act of 1961 in accordance with the procedures
4 applicable to reprogramming notifications under that
5 section.

6 **SEC. 206. ANNUAL REPORT.**

7 (a) **REPORT.**—Not later than April 1, 2005, and not
8 later than April 1 of each year thereafter, the Chief Exec-
9 utive Officer of the Corporation shall prepare and trans-
10 mit to the appropriate congressional committees a report
11 on the implementation of this title for the preceding year.

12 (b) **CONTENTS.**—The report shall include the fol-
13 lowing:

14 (1) A description and assessment of the eligi-
15 bility criteria and methodology utilized by the Chief
16 Executive Officer to determine eligibility for each
17 country under section 203.

18 (2) A description of the agreed upon measures
19 of progress contained in each Compact.

20 (3)(A) An analysis, on a country-by-country,
21 project-by-project basis, of the impact of assistance
22 provided under this title on the economic develop-
23 ment of each country.

24 (B) For each country, the analysis shall—



1 (i) to the maximum extent possible, be
2 done on a sector-by-sector basis, gender basis,
3 and per capita income basis, and identify trends
4 within each of these bases;

5 (ii) identify economic policy reforms condu-
6 cive to economic development that are sup-
7 ported by assistance provided under this title;

8 (iii) describe, in quantified terms to the ex-
9 tent practicable, the progress made in achieving
10 assistance objectives for the country;

11 (iv) describe the amount and nature of eco-
12 nomic assistance provided by other major do-
13 nors which further the purposes of this title;
14 and

15 (v) discuss the commitment and contribu-
16 tion of the country to achieving the assistance
17 objectives contained in its Compact.

18 (4) A description and assessment of property
19 rights in each country, including—

20 (A) the total value of legal and extralegal
21 property and business holdings;

22 (B) the average time required to acquire
23 land; and

24 (C) the average time required to register
25 and wind up a business enterprise.



1 **SEC. 207. PARTICIPATION OF CERTAIN UNITED STATES**
2 **BUSINESSES.**

3 (a) **PARTICIPATION.**—To the maximum extent prac-
4 ticable, the President, acting through the Chief Executive
5 Officer, shall ensure that United States small, minority-
6 owned, and disadvantaged business enterprises fully par-
7 ticipate in the provision of goods and services that are fi-
8 nanced with funds made available under this title.

9 (b) **REPORT.**—The Chief Executive Officer shall pre-
10 pare and submit to the appropriate congressional commit-
11 tees an annual report that contains a description of the
12 extent to which the requirement of subsection (a) has been
13 met for the preceding year.

14 **SEC. 208. AUTHORIZATION OF APPROPRIATIONS; RELATED**
15 **AUTHORITIES.**

16 (a) **AUTHORIZATION OF APPROPRIATIONS.**—There
17 are authorized to be appropriated to the President, acting
18 through the Chief Executive Officer of the Corporation,
19 to carry out this division (other than title IV)
20 \$1,300,000,000 for fiscal year 2004, \$3,000,000,000 for
21 fiscal year 2005, and \$5,000,000,000 for fiscal year 2006.

22 (b) **ADDITIONAL AUTHORITIES.**—Amounts appro-
23 priated pursuant to the authorization of appropriations
24 under subsection (a)—

25 (1) may be referred to as the “Millennium
26 Challenge Account”;

1 (2) are authorized to remain available until ex-
2 pended; and

3 (3) are in addition to amounts otherwise avail-
4 able for such purposes.

5 **TITLE III—MILLENNIUM**
6 **CHALLENGE CORPORATION**

7 **SEC. 301. MILLENNIUM CHALLENGE CORPORATION.**

8 (a) ESTABLISHMENT.—There is hereby established in
9 the executive branch a corporation to be known as the
10 “Millennium Challenge Corporation” that shall be respon-
11 sible for carrying out title II.

12 (b) GOVERNMENT CORPORATION.—The Corporation
13 shall be a Government corporation, as defined in section
14 103 of title 5, United States Code.

15 **SEC. 302. CHIEF EXECUTIVE OFFICER.**

16 (a) APPOINTMENT.—The Corporation shall be head-
17 ed by an individual who shall serve as Chief Executive Of-
18 ficer of the Corporation, who shall be appointed by the
19 President, by and with the advice and consent of the Sen-
20 ate.

21 (b) COMPENSATION AND RANK.—

22 (1) IN GENERAL.—The Chief Executive Officer
23 shall be compensated at the rate provided for level
24 II of the Executive Schedule under section 5313 of



1 title 5, United States Code, and shall have the equiv-
2 alent rank of Deputy Secretary.

3 (2) AMENDMENT.—Section 5313 of title 5,
4 United States Code, is amended by adding at the
5 end the following:

6 “Chief Executive Officer, Millennium Challenge
7 Corporation.”.

8 (c) AUTHORITIES AND DUTIES.—The Chief Execu-
9 tive Officer shall exercise the powers and discharge the
10 duties of the Corporation and any other duties, as con-
11 ferred on the Chief Executive Officer by the President.

12 (d) AUTHORITY TO APPOINT OFFICERS.—The Chief
13 Executive Officer shall appoint all officers of the Corpora-
14 tion.

15 **SEC. 303. BOARD OF DIRECTORS.**

16 (a) IN GENERAL.—There shall be in the Corporation
17 a Board of Directors.

18 (b) DUTIES.—The Board may prescribe, amend, and
19 repeal bylaws, rules, regulations, and procedures gov-
20 erning the manner in which the business of the Corpora-
21 tion may be conducted and in which the powers granted
22 to it by law may be exercised.

23 (c) MEMBERSHIP.—

24 (1) IN GENERAL.—The Board shall consist of—



1 (A) the Secretary of State, the Secretary
2 of Treasury, the Administrator of the United
3 States Agency for International Development,
4 the Chief Executive Officer of the Corporation,
5 and the United States Trade Representative;
6 and

7 (B) four other individuals who shall be ap-
8 pointed by the President, by and with the ad-
9 vice and consent of the Senate, of which—

10 (i) one individual shall be appointed
11 from among a list of individuals submitted
12 by the majority leader of the House of
13 Representatives;

14 (ii) one individual shall be appointed
15 from among a list of individuals submitted
16 by the minority leader of the House of
17 Representatives;

18 (iii) one individual shall be appointed
19 from among a list of individuals submitted
20 by the majority leader of the Senate; and

21 (iv) one individual shall be appointed
22 from among a list of individuals submitted
23 by the minority leader of the Senate.

24 (2) EX-OFFICIO MEMBERS.—In addition to
25 members of the Board described in paragraph (1),



1 the Director of the Office of Management and Budg-
2 et, the President and Chief Executive Officer of the
3 Overseas Private Investment Corporation, the Direc-
4 tor of the Trade and Development Agency, and the
5 Director of the Peace Corps shall be non-voting
6 members, ex officio, of the Board.

7 (d) TERMS.—

8 (1) OFFICERS OF FEDERAL GOVERNMENT.—
9 Each member of the Board described in paragraphs
10 (1)(A) and (2) of subsection (c) shall serve for a
11 term that is concurrent with the term of service of
12 the individual's position as an officer within the
13 other Federal department or agency.

14 (2) OTHER MEMBERS.—Each member of the
15 Board described in subsection (c)(1)(B) shall be ap-
16 pointed for a term of 3 years and may be re-
17 appointed for a term of an additional 2 years.

18 (3) VACANCIES.—A vacancy in the Board shall
19 be filled in the manner in which the original appoint-
20 ment was made.

21 (e) CHAIRPERSON.—The Secretary of State shall
22 serve as the Chairperson of the Board.

23 (f) QUORUM.—A majority of the members of the
24 Board shall constitute a quorum, which shall include at



1 least one member of the Board described in subsection
2 (c)(1)(B).

3 (g) MEETINGS.—The Board shall meet at the call of
4 the Chairperson.

5 (h) COMPENSATION.—

6 (1) OFFICERS OF FEDERAL GOVERNMENT.—

7 (A) IN GENERAL.—A member of the Board
8 described in paragraphs (1)(A) and (2) of sub-
9 section (c) may not receive additional pay, al-
10 lowances, or benefits by reason of their service
11 on the Board.

12 (B) TRAVEL EXPENSES.—Each such mem-
13 ber of the Board shall receive travel expenses,
14 including per diem in lieu of subsistence, in ac-
15 cordance with applicable provisions under sub-
16 chapter I of chapter 57 of title 5, United States
17 Code.

18 (2) OTHER MEMBERS.—

19 (A) IN GENERAL.—Except as provided in
20 paragraph (2), a member of the Board de-
21 scribed in subsection (c)(1)(B)—

22 (i) shall be paid compensation out of
23 funds made available for the purposes of
24 this title at the daily equivalent of the
25 highest rate payable under section 5332 of

1 title 5, United States Code, for each day
2 (including travel time) during which the
3 member is engaged in the actual perform-
4 ance of duties as a member of the Board;
5 and

6 (ii) while away from the member's
7 home or regular place of business on nec-
8 essary travel, as determined by the Chief
9 Executive Officer, in the actual perform-
10 ance of duties as a member of the Board,
11 shall be paid per diem, travel, and trans-
12 portation expenses in the same manner as
13 is provided under subchapter I of chapter
14 57 of title 5, United States Code.

15 (B) LIMITATION.—A member of the Coun-
16 cil may not be paid compensation under sub-
17 paragraph (A)(i) for more than thirty days in
18 any calendar year.

19 **SEC. 304. INTERAGENCY COORDINATION.**

20 In carrying out the functions described in this title,
21 and consistent with section 101 of the National Security
22 Act of 1947 (50 U.S.C. 402), the President shall ensure
23 coordination of assistance authorized under title II with
24 foreign economic assistance programs and activities car-
25 ried out by other Federal departments and agencies.



1 **SEC. 305. POWERS OF THE CORPORATION; RELATED PROVI-**
2 **SIONS.**

3 (a) **POWERS.**—The Corporation—

4 (1) may adopt, alter, and use a corporate seal,
5 which shall be judicially noticed;

6 (2) may prescribe, amend, and repeal such
7 rules, regulations, and procedures as are necessary
8 for carrying out the functions of the Corporation
9 and all Compacts;

10 (3) may make and perform such contracts,
11 grants, and other agreements with any individual,
12 corporation, or other private or public entity, how-
13 ever designated and wherever situated, as may be
14 necessary for carrying out the functions of the Cor-
15 poration;

16 (4) may determine and prescribe the manner in
17 which its obligations shall be incurred and its ex-
18 penses allowed and paid, including expenses for rep-
19 resentation not exceeding \$95,000 in any fiscal year;

20 (5) may lease, purchase, or otherwise acquire,
21 own, hold, improve, use or otherwise deal in and
22 with such property (real, personal, or mixed) or any
23 interest therein, wherever situated, as may be nec-
24 essary for carrying out the functions of the Corpora-
25 tion;



1 (6) may accept gifts or donations of services or
2 of property (real, personal, or mixed), tangible or in-
3 tangible, in furtherance of the purposes of this divi-
4 sion;

5 (7) may hire or obtain passenger motor vehi-
6 cles;

7 (8) may use the United States mails in the
8 same manner and on the same conditions as the Ex-
9 ecutive departments (as defined in section 101 of
10 title 5, United States Code);

11 (9) may, with the consent of any Executive
12 agency (as defined in section 105 of title 5, United
13 States Code), use the information, services, facilities,
14 and personnel of that agency on a full or partial re-
15 imbursement in carrying out the purposes of this di-
16 vision; and

17 (10) may sue and be sued, complain, and de-
18 fend, in its corporate name in any court of com-
19 petent jurisdiction.

20 (b) OFFICES.—

21 (1) PRINCIPAL OFFICE.—The Corporation shall
22 maintain its principal office in the metropolitan area
23 of Washington, District of Columbia.

24 (2) OTHER OFFICES.—The Corporation may es-
25 tablish other offices in any place or places outside



1 the United States in which the Corporation may
2 carry out any or all of its operations and business.

3 (c) COOPERATION WITH OTHER FEDERAL DEPART-
4 MENTS AND AGENCIES.—In order to avoid unnecessary
5 expense and duplication of functions, efforts, and activities
6 between the Corporation and other Federal departments
7 and agencies the Chief Executive Officer, or the Chief Ex-
8 ecutive Officer's designee—

9 (1)(A) shall consult, to the maximum extent
10 practicable, with the Administrator of the United
11 States Agency for International Development, or the
12 Administrator's designee, in order to coordinate the
13 activities of the Corporation and the Agency for
14 International Development; and

15 (B) shall consult with the heads of other de-
16 partments and agencies to ensure similar coordina-
17 tion of activities;

18 (2)(A) shall ensure proper coordination of ac-
19 tivities of the Corporation with the provision of de-
20 velopment assistance of relevant international finan-
21 cial institutions, including the International Bank
22 for Reconstruction and Development, the Inter-
23 national Monetary Fund, and the regional multilat-
24 eral development banks; and



1 (B) shall provide to each United States Execu-
2 tive Director (or other United States representative)
3 to the relevant international financial institutions a
4 copy of each proposed Compact between the United
5 States and an eligible country and a copy of each
6 such final Compact.

7 (d) POSITIONS WITH FOREIGN GOVERNMENTS.—
8 When approved by the Corporation, in furtherance of its
9 purposes, employees of the Corporation (including individ-
10 uals detailed to the Corporation) may accept and hold of-
11 fices or positions to which no compensation is attached
12 with governments or governmental agencies of foreign
13 countries or with international organizations.

14 **SEC. 306. TRANSPARENCY AND ACCOUNTABILITY OF THE**
15 **CORPORATION.**

16 The Corporation and its officers and employees shall
17 be subject to the provisions of section 552 of title 5,
18 United States Code (relating to freedom of information).

19 **SEC. 307. DETAIL OF PERSONNEL TO THE CORPORATION;**
20 **OTHER AUTHORITIES AND LIMITATIONS.**

21 (a) DETAIL OF PERSONNEL.—Upon request of the
22 Chief Executive Officer of the Corporation, the head of
23 an agency may detail any employee of such agency to the
24 Corporation on a fully or partially reimbursable basis. Any
25 employee so detailed remains, for the purpose of pre-

1 serving such employee's allowances, privileges, rights, se-
2 niority, and other benefits, an employee of the agency
3 from which detailed.

4 (b) LIMITATION ON TOTAL SERVICE.—

5 (1) IN GENERAL.—Except as provided in para-
6 graph (2), no individual may serve in or under the
7 Corporation (whether as an employee of the Cor-
8 poration, a detailee to the Corporation, or a com-
9 bination thereof) for a total period exceeding 5
10 years.

11 (2) EXCEPTIONS.—

12 (A) EXTENSION AUTHORITY.—The Chief
13 Executive Officer may extend the 5-year period
14 under paragraph (1) for up to an additional 3
15 years, in the case of any particular individual,
16 if the Chief Executive Officer determines that
17 such extension is essential to the achievement of
18 the purposes of this division.

19 (B) OFFICERS.—Nothing in this sub-
20 section shall limit the period for which an indi-
21 vidual may serve as an officer of the Corpora-
22 tion appointed pursuant to section 302(d) nor
23 shall any period of service as such an officer be
24 taken into account for purposes of applying this
25 subsection.

1 (c) REEMPLOYMENT RIGHTS.—

2 (1) IN GENERAL.—An employee of an agency
3 who is serving under a career or career conditional
4 appointment (or the equivalent), and who, with the
5 consent of the head of such agency, transfers to the
6 Corporation, is entitled to be reemployed in such em-
7 ployee's former position or a position of like senior-
8 ity, status, and pay in such agency, if such
9 employee—

10 (A) is separated from the Corporation—

11 (i) by reason of the application of sub-
12 section (b); or

13 (ii) for any other reason, other than
14 misconduct, neglect of duty, or malfea-
15 sance; and

16 (B) applies for reemployment not later
17 than 90 days after the date of separation from
18 the Corporation.

19 (2) SPECIFIC RIGHTS.—An employee who satis-
20 fies paragraph (1) is entitled to be reemployed (in
21 accordance with such paragraph) within 30 days
22 after applying for reemployment and, on reemploy-
23 ment, is entitled to at least the rate of basic pay to
24 which such employee would have been entitled had
25 such employee never transferred.



1 (d) BASIC PAY.—The Chief Executive Officer may fix
2 the rate of basic pay of employees of the Corporation with-
3 out regard to the provisions of—

4 (1) chapter 51 of title 5, United States Code
5 (relating to the classification of positions), and

6 (2) subchapter III of chapter 53 of such title
7 (relating to General Schedule pay rates),

8 except that no employee of the Corporation may receive
9 a rate of basic pay that exceeds the rate for level II of
10 the Executive Schedule under section 5313 of such title.

11 (e) ASSIGNMENT TO UNITED STATES EMBASSIES.—
12 An employee of the Corporation, including an individual
13 detailed to or contracted by the Corporation, may be as-
14 signed to a United States diplomatic mission or consular
15 post, or United States Agency for International Develop-
16 ment field mission.

17 (f) PRIVILEGES AND IMMUNITIES.—The Secretary of
18 State shall seek to ensure that an employee of the Cor-
19 poration, including an individual detailed to or contracted
20 by the Corporation, and the members of the family of such
21 employee, while the employee is performing duties in any
22 country or place outside the United States, enjoy the privi-
23 leges and immunities that are enjoyed by a member of
24 the Foreign Service, or the family of a member of the For-
25 eign Service, as appropriate, of comparable rank and sal-



1 ary of such employee, if such employee or a member of
2 the family of such employee is not a national of or perma-
3 nently resident in such country or place.

4 (g) RESPONSIBILITY OF CHIEF OF MISSION.—An
5 employee of the Corporation, including an individual de-
6 tailed to or contracted by the Corporation, and a member
7 of the family of such employee, shall be subject to section
8 207 of the Foreign Service Act of 1980 (22 U.S.C. 3927)
9 in the same manner as United States Government employ-
10 ees while the employee is performing duties in any country
11 or place outside the United States if such employee or
12 member of the family of such employee is not a national
13 of or permanently resident in such country or place.

14 (h) ALLOCATION OF FUNDS.—

15 (1) IN GENERAL.—The Corporation may allo-
16 cate or transfer to the United States Agency for
17 International Development or any other agency any
18 part of any funds available for carrying out the pur-
19 poses of this division. Such funds shall be available
20 for obligation and expenditure for the purposes for
21 which authorized, in accordance with authority
22 granted in this title or under authority governing the
23 activities of the agencies of the United States Gov-
24 ernment to which such funds are allocated or trans-
25 ferred.

1 (2) CONGRESSIONAL NOTIFICATION.—The
2 Chief Executive Officer shall notify the appropriate
3 congressional committees not later than 15 days
4 prior to a transfer of funds under paragraph (1)
5 that exceeds \$5,000,000.

6 (3) USE OF SERVICES.—For carrying out the
7 purposes of this division, the Corporation may utilize
8 the services and facilities of, or procure commodities
9 from, any agency under such terms and conditions
10 as may be agreed to by the head of the agency and
11 the Corporation.

12 (i) FUNDING LIMITATION.—Of the funds allocated
13 under subsection (h) in any fiscal year, not more than 7
14 percent of such funds may be used for administrative ex-
15 penses.

16 (j) OTHER AUTHORITIES.—Except to the extent in-
17 consistent with the provisions of this division, the adminis-
18 trative authorities under chapters 1 and 2 of part III of
19 the Foreign Assistance Act of 1961 shall apply to the pro-
20 vision of assistance under this division to the same extent
21 and in the same manner as such authorities apply to the
22 provision of economic assistance under part I of such Act.

23 (k) APPLICABILITY OF GOVERNMENT CORPORATION
24 CONTROL ACT.—



1 (1) IN GENERAL.—The Corporation shall be
2 subject to the provisions of chapter 91 of subtitle VI
3 of title 31, United States Code, except that the Cor-
4 poration shall not be authorized to issue obligations
5 or offer obligations to the public.

6 (2) CONFORMING AMENDMENT.—Section
7 9101(3) of title 31, United States Code, is amended
8 by adding at the end the following:

9 “(Q) the Millennium Challenge Corpora-
10 tion.”

11 (1) INSPECTOR GENERAL.—

12 (1) IN GENERAL.—The Inspector General of
13 the United States Agency for International Develop-
14 ment shall serve as Inspector General of the Cor-
15 poration, and, in acting in such capacity, may con-
16 duct reviews, investigations, and inspections of all
17 aspects of the operations and activities of the Cor-
18 poration.

19 (2) AUTHORITY OF THE BOARD.—In carrying
20 out its responsibilities under this subsection, the In-
21 spector General shall report to and be under the
22 general supervision of the Board of Directors.

23 (3) REIMBURSEMENT AND AUTHORIZATION OF
24 SERVICES.—



1 (A) REIMBURSEMENT.—The Corporation
2 shall reimburse the United States Agency for
3 International Development for all expenses in-
4 curred by the Inspector General in connection
5 with the Inspector General's responsibilities
6 under this subsection.

7 (B) AUTHORIZATION FOR SERVICES.—Of
8 the amount authorized to be appropriated
9 under section 208(a) for a fiscal year, up to
10 \$1,000,000 is authorized to be made available
11 to the Inspector General of the United States
12 Agency for International Development to con-
13 duct reviews, investigations, and inspections of
14 operations and activities of the Corporation.

15 (m) COMPTROLLER GENERAL.—

16 (1) IN GENERAL.—The Comptroller General
17 shall conduct audits, evaluations, and investigations
18 of the Corporation.

19 (2) SCOPE.—The activities and financial trans-
20 actions of the Corporation for any fiscal year during
21 which Federal funds are available to finance any
22 portion of its operations may be evaluated, inves-
23 tigated, or audited by the Comptroller General in ac-
24 cordance with such rules and regulations as may be
25 prescribed by the Comptroller General.



1 (3) ACCESS AND RECORDS.—Any evaluation, in-
2 vestigation, or audit shall be conducted at the place
3 or places where pertinent information of the Cor-
4 poration is normally kept. The representatives of the
5 General Accounting Office shall have access to all
6 books, accounts, financial records, reports, files, and
7 other papers or property belonging to or in use by
8 the Corporation and necessary to facilitate the eval-
9 uation, investigation, or audit; and full facilities for
10 verifying transactions with the balances and securi-
11 ties held by depositories, fiscal agents, and
12 custodians shall be afforded to such representatives.
13 All such books, accounts, financial records, reports,
14 files, and other papers or property of the Corpora-
15 tion shall remain in the possession and custody of
16 the Corporation throughout the period beginning on
17 the date such possession or custody commences and
18 ending three years after such date, but the General
19 Accounting Office may require the retention of such
20 books, accounts, financial records, reports, files, pa-
21 pers, or property for a longer period under section
22 3523(c) of title 31, United States Code.

23 (4) REPORT.—A report of such audit, evalua-
24 tion, or investigation shall be made by the Comp-
25 troller General to the appropriate congressional com-



1 mittees and to the President, together with such rec-
2 ommendations with respect thereto as the Comp-
3 troller General shall deem advisable.

4 (n) DEFINITIONS.—For purposes of this section—

5 (1) the term “agency” means an Executive
6 agency, as defined by section 105 of title 5, United
7 States Code; and

8 (2) the term “detail” means the assignment or
9 loan of an employee, without a change of position,
10 from the agency by which such employee is employed
11 to the Corporation.

12 **SEC. 308. MILLENNIUM CHALLENGE ADVISORY COUNCIL.**

13 (a) ESTABLISHMENT.—There is hereby established in
14 the executive branch an advisory council to the Corpora-
15 tion to be known as the Millennium Challenge Advisory
16 Council.

17 (b) FUNCTIONS.—

18 (1) GENERAL FUNCTIONS.—The Council shall
19 advise and consult with the Chief Executive Officer
20 of the Corporation and the Board of Directors with
21 respect to policies and programs designed to further
22 the purposes of this division and shall periodically
23 report to the Congress with respect to the activities
24 of the Corporation. In addition, the Council shall re-
25 view on an annual basis the criteria and method-



1 ology used to determine eligibility of countries for
2 assistance under title II and make recommendations
3 to the Chief Executive Officer and the Board to im-
4 prove the effectiveness of such criteria and method-
5 ology in order to achieve the purposes of this divi-
6 sion.

7 (2) ADDITIONAL FUNCTIONS.—Members of the
8 Council shall (subject to subsection (d)(1)) conduct
9 on-site inspections, and make examinations, of the
10 activities of the Corporation in the United States
11 and in other countries in order to—

12 (A) evaluate the accomplishments of the
13 Corporation;

14 (B) assess the potential capabilities and
15 the future role of the Corporation;

16 (C) make recommendations to the Chief
17 Executive Officer, the Board of Directors, and
18 Congress, for the purpose of guiding the future
19 direction of the Corporation and of helping to
20 ensure that the purposes and programs of the
21 Corporation are carried out in ways that are ec-
22 onomical, efficient, responsive to changing
23 needs in developing countries and to changing
24 relationships among people, and in accordance
25 with law;



1 (D) make such other evaluations, assess-
2 ments, and recommendations as the Council
3 considers appropriate.

4 (3) PUBLIC PARTICIPATION.—The Council may
5 provide for public participation in its activities, con-
6 sistent with section 552b of title 5, United States
7 Code.

8 (c) MEMBERSHIP.—

9 (1) IN GENERAL.—The Council shall consist of
10 seven individuals, who shall be appointed by the
11 Chief Executive Officer, and who shall be broadly
12 representative of nongovernmental entities with ex-
13 pertise and interest in international trade and eco-
14 nomic development, including business and business
15 associations, trade and labor unions, private and vol-
16 untary organizations, foundations, public policy or-
17 ganizations, academia, and other entities as the
18 Chief Executive Officer determines appropriate.

19 (2) ADDITIONAL REQUIREMENT.—No member
20 appointed under paragraph (1) may be an officer or
21 employee of the United States Government.

22 (d) COMPENSATION.—

23 (1) IN GENERAL.—Except as provided in para-
24 graph (2), a member of the Council—



1 (A) shall be paid compensation out of
2 funds made available for the purposes of this
3 title at the daily equivalent of the highest rate
4 payable under section 5332 of title 5, United
5 States Code, for each day (including travel
6 time) during which the member is engaged in
7 the actual performance of duties as a member
8 of the Council; and

9 (B) while away from the member's home
10 or regular place of business on necessary travel,
11 as determined by the Chief Executive Officer, in
12 the actual performance of duties as a member
13 of the Council, shall be paid per diem, travel,
14 and transportation expenses in the same man-
15 ner as is provided under subchapter I of chap-
16 ter 57 of title 5, United States Code.

17 (2) LIMITATION.—A member of the Council
18 may not be paid compensation under paragraph
19 (1)(A) for more than thirty days in any calendar
20 year.

21 (e) QUORUM.—A majority of the members of the
22 Council shall constitute a quorum for the purposes of
23 transacting any business.

24 (f) FINANCIAL INTERESTS OF MEMBERS.—A member
25 of the Council shall disclose to the Chairperson of the



1 Council and the Chief Executive Officer of the existence
2 of any direct or indirect financial interest of that member
3 in any particular matter before the Council and may not
4 vote or otherwise participate as a Council member with
5 respect to that particular matter.

6 (g) CHAIRPERSON.—The Chief Executive Officer
7 shall designate one of the members of the Council as
8 Chairperson, who shall serve in that capacity for a term
9 of two years. The Chief Executive Officer may renew the
10 term of the member appointed as Chairperson under the
11 preceding sentence.

12 (h) MEETINGS, BYLAWS, AND REGULATIONS.—

13 (1) MEETINGS.—The Council shall hold a reg-
14 ular meeting during each calendar quarter and shall
15 meet at the call of the President, the Chief Execu-
16 tive Officer, the Chairperson of the Board, the
17 Chairperson of the Council, or two members of the
18 Council.

19 (2) BYLAWS AND REGULATIONS.—The Council
20 shall prescribe such bylaws and regulations as it
21 considers necessary to carry out its functions. Such
22 bylaws and regulations shall include procedures for
23 fixing the time and place of meetings, giving or
24 waiving of notice of meetings, and keeping of min-
25 utes of meetings.



1 (i) REPORT TO THE PRESIDENT, CHIEF EXECUTIVE
2 OFFICER, AND BOARD.—

3 (1) REPORT.—Not later than January 1, 2005,
4 and not later than January 1 of each year thereafter
5 that the Corporation is in existence, the Council
6 shall submit to the President, the Chief Executive
7 Officer, and the Board a report on its views on the
8 programs and activities of the Corporation.

9 (2) CONTENTS.—Each report shall contain a
10 summary of the advice and recommendations pro-
11 vided by the Council to the Chief Executive Officer
12 and the Board during the period covered by the re-
13 port and such recommendations (including rec-
14 ommendations for administrative or legislative ac-
15 tion) as the Council considers appropriate to make
16 to the Congress.

17 (3) ADDITIONAL REQUIREMENT.—Not later
18 than 90 days after receiving each such report, the
19 Chief Executive Officer shall transmit to Congress a
20 copy of the report, together with any comments con-
21 cerning the report that the Chief Executive Officer
22 considers appropriate.

23 (j) ADMINISTRATIVE ASSISTANCE.—The Chief Exec-
24 utive Officer shall make available to the Council such per-
25 sonnel, administrative support services, and technical as-



1 sistance as are necessary to carry out its functions effec-
2 tively.

3 (k) TERMINATION.—Section 14(a)(2)(B) of the Fed-
4 eral Advisory Committee Act (5 U.S.C. App.; relating to
5 the termination of advisory committees) shall not apply
6 to the Council. Notwithstanding section 102 of this Act,
7 the authorities of the Council shall terminate on December
8 31, 2007.

9 **SEC. 309. MILLENNIUM CHALLENGE SEED GRANTS.**

10 (a) FINDINGS.—Congress finds the following:

11 (1) Many countries in the developing world lack
12 the academic and public policy advocacy base essen-
13 tial to attaining the principal objectives of the Mil-
14 lennium Challenge Account.

15 (2) Because of widespread government repres-
16 sion of free speech and poverty, the countries of Af-
17 rica in particular suffer an acute shortage of non-
18 governmental organizations which effectively study
19 and promote the principal objectives of the Millen-
20 nium Challenge Account.

21 (3) Many developing countries, particularly low
22 income countries, lack the institutional capacity to
23 enhance the quality and accuracy of data upon
24 which the eligibility criteria in section 203 relies.

1 Such countries may also lack the ability to monitor
2 and evaluate development projects effectively.

3 (4) The Millennium Challenge Account will
4 struggle to reach its goals unless countries in the de-
5 veloping world possess a home grown intellectual
6 commitment and culture of advocacy aimed at pro-
7 moting its principal objectives.

8 (b) ASSISTANCE.—The Chief Executive Officer of the
9 Corporation is authorized to provide assistance in support
10 of nongovernmental organizations (including universities,
11 independent foundations, and other organizations) in low
12 income and lower middle income countries, and, where ap-
13 propriate, directly to agencies of foreign governments in
14 low income countries, that are undertaking research, edu-
15 cation, and advocacy efforts aimed at promoting demo-
16 cratic societies, human rights, the rule of law, improved
17 educational opportunities and health conditions, particu-
18 larly for women and children, and economic freedom, in-
19 cluding research aimed at improving data related to the
20 eligibility criteria and methodology established by this divi-
21 sion with respect to such a country or monitoring and
22 evaluating the impact of assistance provided under this di-
23 vision.



1 (c) LIMITATION.—Not more than \$10,000,000 of the
2 amount made available to carry out this division for a fis-
3 cal year may be made available to carry out this section.

4 **TITLE IV—PROVISIONS RELAT-**
5 **ING TO UNITED STATES ECO-**
6 **NOMIC ASSISTANCE**

7 **SEC. 401. DEFINITION.**

8 In this title, the term “United States economic assist-
9 ance” means any bilateral economic assistance, from any
10 budget functional category, that is provided by any depart-
11 ment or agency of the United States to a foreign country,
12 including such assistance that is intended—

13 (A) to assist the development and economic
14 advancement of friendly foreign countries and
15 peoples, including assistance provided under
16 title II (relating to the Millennium Challenge
17 Account);

18 (B) to promote the freedom, aspirations, or
19 sustenance of friendly peoples under oppressive
20 rule by unfriendly governments;

21 (C) to promote international trade and for-
22 eign direct investment as a means of aiding eco-
23 nomic growth;



1 (D) to save lives and alleviate suffering of
2 foreign peoples during or following war, natural
3 disaster, or complex crisis;

4 (E) to assist in recovery and rehabilitation
5 of countries or peoples following disaster or
6 war;

7 (F) to protect refugees and promote dura-
8 ble solutions to aid refugees;

9 (G) to promote sound environmental prac-
10 tices;

11 (H) to assist in development of democratic
12 institutions and good governance by the people
13 of foreign countries;

14 (I) to promote peace and reconciliation or
15 prevention of conflict;

16 (J) to improve the technical capacities of
17 governments to reduce production of and de-
18 mand for illicit narcotics; and

19 (K) to otherwise promote through bilateral
20 foreign economic assistance the national objec-
21 tives of the United States.

22 **SEC. 402. FRAMEWORK FOR ASSISTANCE.**

23 (a) SENSE OF CONGRESS.—It is the sense of Con-
24 gress that a coherent framework for United States eco-



1 nomic assistance should be established in accordance with
2 this section.

3 (b) ELEMENTS.—The framework described in sub-
4 section (a) includes the following elements:

5 (1) The United States Agency for International
6 Development, under the direction and foreign policy
7 guidance of the Secretary of State, should be respon-
8 sible for—

9 (A) providing assistance to countries that
10 face natural and man-made disasters in order
11 to provide humanitarian relief to the peoples of
12 such countries, in coordination with refugee
13 programs administered by the Department of
14 State;

15 (B) providing assistance to countries that
16 are suffering from conflicts or are in post-con-
17 flict situations in order to provide humanitarian
18 relief, transition assistance, and reconstruction
19 assistance;

20 (C) providing assistance to help moderate-
21 to-poorly performing countries achieve develop-
22 ment progress in the areas described in part I
23 of the Foreign Assistance Act of 1961, includ-
24 ing progress toward becoming eligible for assist-
25 ance under this title, and to promote inter-

1 national health worldwide, as well as assisting
2 in the development of country and regional de-
3 velopment strategies;

4 (D) addressing transnational problems,
5 such as environmental degradation, food insecu-
6 rity, and health problems; and

7 (E) assisting other Federal departments
8 and agencies, including the Corporation estab-
9 lished under title III, to carry out assistance ac-
10 tivities abroad, including providing technical as-
11 sistance and advice to such departments and
12 agencies, coordinating its assistance programs
13 with such departments and agencies, and using
14 its field offices to help implement such assist-
15 ance.

16 (2) The Corporation established under title III
17 should provide assistance to countries that have
18 demonstrated a commitment to bolstering democ-
19 racy, good governance, and the rule of law, to invest-
20 ing in the health and educations of their people, and
21 to promoting sound economic policies that foster
22 economic opportunity for their people.

23 (3) The Department of State should be respon-
24 sible for allocating security assistance to support key
25 foreign policy objectives of the United States and



1 shall administer assistance in such areas as non-pro-
2 liferation, anti-terrorism, counter-narcotics, and re-
3 lief for refugees.

4 (4) Other Federal departments and agencies
5 with expertise in international development-related
6 activities, such as the Overseas Private Investment
7 Corporation, the Trade and Development Agency,
8 the Department of Agriculture, the Department of
9 Health and Human Services, and the Centers for
10 Disease Control and Prevention, to the extent such
11 departments and agencies have the authority to
12 carry out development-related programs, and in co-
13 ordination with the Department of State and the
14 United States Agency for International Develop-
15 ment, should provide expertise in specific technical
16 areas and shall provide assistance, including assist-
17 ance provided with funds made available from the
18 Corporation to assist United States Government
19 international development activities.

20 **SEC. 403. REPORT RELATING TO IMPACT AND EFFECTIVE-**
21 **NESS OF ASSISTANCE.**

22 (a) REPORT.—Not later than December 31, 2004,
23 and December 31 of each third year thereafter, the Presi-
24 dent shall transmit to Congress a report which analyzes,
25 on a country-by-country basis, the impact and effective-

1 ness of United States economic assistance furnished under
2 the framework established in section 402 to each country
3 during the preceding three fiscal years. The report shall
4 include the following for each recipient country:

5 (1) An analysis of the impact of United States
6 economic assistance during the preceding three fiscal
7 years on economic development in that country, with
8 a discussion of the United States interests that were
9 served by the assistance. This analysis shall be done
10 on a sector-by-sector basis to the extent possible and
11 shall identify any economic policy reforms which
12 were promoted by the assistance. This analysis
13 shall—

14 (A) include a description, quantified to the
15 extent practicable, of the specific objectives the
16 United States sought to achieve in providing
17 economic assistance for that country, and

18 (B) specify the extent to which those objec-
19 tives were not achieved, with an explanation of
20 why they were not achieved.

21 (2) A description of the amount and nature of
22 economic assistance provided by other donors during
23 the preceding three fiscal years, set forth by develop-
24 ment sector to the extent possible.



1 (3) A discussion of the commitment of the host
2 government to addressing the country's needs in
3 each development sector, including a description of
4 the resources devoted by that government to each
5 development sector during the preceding three fiscal
6 years.

7 (4) A description of the trends, both favorable
8 and unfavorable, in each development sector.

9 (5) Statistical and other information necessary
10 to evaluate the impact and effectiveness of United
11 States economic assistance on development in the
12 country.

13 (6) A comparison of the analysis provided in
14 the report with relevant analyses by international fi-
15 nancial institutions, other international organiza-
16 tions, other donor countries, or nongovernmental or-
17 ganizations.

18 (b) LISTING OF MOST AND LEAST SUCCESSFUL AS-
19 SISTANCE PROGRAMS.—The report required by this sec-
20 tion shall identify—

21 (1) each country in which United States eco-
22 nomic assistance has been most successful, as indi-
23 cated by the extent to which the specific objectives
24 the United States sought to achieve in providing the



1 assistance for the country, as referred to in sub-
2 section (a)(1)(A), were achieved; and

3 (2) each country in which United States eco-
4 nomic assistance has been least successful, as indi-
5 cated by the extent to which the specific objectives
6 the United States sought to achieve in providing the
7 assistance for the country, as referred to in sub-
8 section (a)(1)(A), were not achieved.

9 For each country listed pursuant to paragraph (2), the
10 report shall explain why the assistance was not more suc-
11 cessful and shall specify what the United States has done
12 as a result.

13 (d) DE MINIMUS EXCEPTION.—Information under
14 subsections (a) and (b) for a fiscal year shall not be re-
15 quired with respect to a country for which United States
16 economic assistance for the country for the fiscal year is
17 less than \$5,000,000.

18 **DIVISION B—REAUTHORIZATION**
19 **AND EXPANSION OF THE**
20 **PEACE CORPS**
21 **TITLE X—GENERAL PROVISIONS**

22 **SEC. 1001. SHORT TITLE.**

23 This division may be cited as the “Peace Corps Ex-
24 pansion Act of 2003”.

1 **SEC. 1002. DEFINITIONS.**

2 In this division:

3 (1) **APPROPRIATE CONGRESSIONAL COMMIT-**
4 **TEES.**—The term “appropriate congressional com-
5 mittees” means the Committee on International Re-
6 lations of the House of Representatives and the
7 Committee on Foreign Relations of the Senate.

8 (2) **DIRECTOR.**—The term “Director” means
9 the Director of the Peace Corps.

10 (3) **HOST COUNTRY.**—The term “host country”
11 means a country whose government has invited the
12 Peace Corps to establish a Peace Corps program
13 within the territory of the country.

14 (4) **PEACE CORPS VOLUNTEER.**—The term
15 “Peace Corps volunteer” means a volunteer or a vol-
16 unteer leader under the Peace Corps Act.

17 (5) **RETURNED PEACE CORPS VOLUNTEER.**—
18 The term “returned Peace Corps volunteer” means
19 a person who has been certified by the Director as
20 having served satisfactorily as a Peace Corps volun-
21 teer.

22 **SEC. 1003. FINDINGS.**

23 Congress makes the following findings:

24 (1) The Peace Corps was established in 1961 to
25 promote world peace and friendship through the
26 service abroad of volunteers who are United States

1 citizens. The spirit of service and commitment to
2 helping others is a fundamental component of de-
3 mocracy.

4 (2) Since its establishment, more than 168,000
5 volunteers have served in the Peace Corps in 136
6 countries throughout the world.

7 (3) The three goals codified in the Peace Corps
8 Act which have guided the Peace Corps and its vol-
9 unteers over the years, can work in concert to pro-
10 mote global acceptance of the principles of inter-
11 national peace and nonviolent coexistence among
12 peoples of diverse cultures and systems of govern-
13 ment.

14 (4) The Peace Corps has sought to fulfill three
15 goals—to help people in developing countries meet
16 basic needs, promote understanding abroad of the
17 values and ideals of the United States, and promote
18 an understanding of other peoples by the people of
19 the United States.

20 (5) After more than 40 years of operation, the
21 Peace Corps remains the world's premier inter-
22 national service organization dedicated to promoting
23 grassroots development by working with families and
24 communities to improve health care for children, ex-
25 pand agricultural production, teach in schools, fight



1 infectious diseases, protect the environment, and ini-
2 tiate small business opportunities.

3 (6) The Peace Corps remains committed to
4 sending well trained and well supported Peace Corps
5 volunteers overseas to promote international peace,
6 cross-cultural awareness, and mutual understanding
7 between the United States and other countries.

8 (7) The Peace Corps is an independent agency,
9 and, therefore, no Peace Corps personnel or volun-
10 teers should be used to accomplish any goal other
11 than the goals established by the Peace Corps Act.

12 (8) The Crisis Corps has been an effective tool
13 in harnessing the skills and talents of returned
14 Peace Corps volunteers and should be expanded, to
15 the maximum extent practicable, to utilize the talent
16 of returned Peace Corps volunteers.

17 (9) In fiscal year 2003, the Peace Corps is op-
18 erating with an annual budget of \$295,000,000 in
19 70 countries, with more than 7,000 Peace Corps vol-
20 unteers.

21 (10) There is deep misunderstanding and mis-
22 information in many parts of the world, particularly
23 in countries with substantial Muslim populations,
24 with respect to United States values and ideals. A
25 new or expanded Peace Corps presence in such

1 places could foster better understanding between the
2 people of the United States and such countries.

3 (11) Congress has declared, and the Peace
4 Corps Act provides, that the Peace Corps shall
5 maintain, to the maximum extent practicable and
6 appropriate, a volunteer corps of at least 10,000 in-
7 dividuals.

8 (12) President George W. Bush has called for
9 the doubling of the number of Peace Corps volun-
10 teers in service.

11 (13) Any expansion of the Peace Corps should
12 not jeopardize the quality of the Peace Corps volun-
13 teer experience and, therefore, necessitates, among
14 other things, an appropriate increase in field and
15 headquarters support staff.

16 (14) In order to ensure that the proposed ex-
17 pansion of the Peace Corps preserves the integrity of
18 the program and the security of volunteers, the inte-
19 grated Planning and Budget System supported by
20 the Office of Planning and Policy Analysis should
21 continue its focus on strategic planning.

22 (15) A streamlined, bipartisan Peace Corps Na-
23 tional Advisory Council composed of distinguished
24 returned Peace Corps volunteers, former Peace
25 Corps staff, and other individuals with diverse back-



1 grounds and expertise can be a source of ideas and
2 suggestions that may be useful to the Director of the
3 Peace Corps as the Director discharges the duties
4 and responsibilities as head of the agency.

5 **TITLE XI—AMENDMENTS TO**
6 **PEACE CORPS ACT; RELATED**
7 **PROVISIONS**

8 **SEC. 1101. ADVANCING THE GOALS OF THE PEACE CORPS.**

9 (a) **RECRUITMENT OF VOLUNTEERS.**—Section 2A of
10 the Peace Corps Act (22 U.S.C. 2501–1) is amended by
11 adding at the end the following new sentence: “As an inde-
12 pendent agency, the Peace Corps shall be responsible for
13 recruiting all of its volunteers.”

14 (b) **DETAILS AND ASSIGNMENTS.**—Section 5(g) of
15 the Peace Corps Act (22 U.S.C. 2504(g)) is amended by
16 striking “*Provided, That*” and inserting “*Provided, That*
17 such detail or assignment furthers the fulfillment of Peace
18 Corps’ development and public diplomacy goals as de-
19 scribed in section 2: *Provided further, That*”.

20 **SEC. 1102. REPORTS AND CONSULTATIONS.**

21 (a) **ANNUAL REPORTS; CONSULTATIONS ON NEW**
22 **INITIATIVES.**—Section 11 of the Peace Corps Act (22
23 U.S.C. 2510) is amended by striking the section heading
24 and the text of section 11 and inserting the following:

1 "SEC. 11. ANNUAL REPORTS; CONSULTATIONS ON NEW INI-
2 TIATIVES.

3 "(a) ANNUAL REPORTS.—The Director shall trans-
4 mit to Congress, at least once in each fiscal year, a report
5 on operations under this Act. Each report shall contain
6 information—

7 "(1) describing efforts undertaken to improve
8 coordination of activities of the Peace Corps with ac-
9 tivities of international voluntary service organiza-
10 tions, such as the United Nations volunteer pro-
11 gram, and of host country voluntary service organi-
12 zations, including—

13 "(A) a description of the purpose and
14 scope of any development project which the
15 Peace Corps undertook during the preceding
16 fiscal year as a joint venture with any such
17 international or host country voluntary service
18 organizations; and

19 "(B) recommendations for improving co-
20 ordination of development projects between the
21 Peace Corps and any such international or host
22 country voluntary service organizations;

23 "(2) describing—

24 "(A) any major new initiatives that the
25 Peace Corps has under review for the upcoming
26 fiscal year, and any major initiatives that were

1 undertaken in the previous fiscal year that were
2 not included in prior reports to the Congress;

3 “(B) the rationale for undertaking such
4 new initiatives;

5 “(C) an estimate of the cost of such initia-
6 tives; and

7 “(D) the impact on the safety of volun-
8 teers;

9 “(3) describing in detail the Peace Corps plans,
10 including budgetary plans, to have 14,000 volunteers
11 in service by 2007 while maintaining the quality of
12 the volunteer experience, ensuring the safety and se-
13 curity of all volunteers, and providing for appro-
14 priate administrative and other support; and

15 “(4) describing standard security procedures for
16 any country in which the Peace Corps operates pro-
17 grams or is considering doing so, as well as any spe-
18 cial security procedures contemplated because of
19 changed circumstances in specific countries, and as-
20 sessing whether security conditions would be
21 enhanced—

22 “(A) by co-locating volunteers with inter-
23 national or local nongovernmental organiza-
24 tions; or



1 “(B) with the placement of multiple volun-
2 teers in one location.

3 “(b) CONSULTATIONS ON NEW INITIATIVES.—The
4 Director of the Peace Corps shall consult with the appro-
5 priate congressional committees with respect to any major
6 new initiatives not previously discussed in the latest an-
7 nual report submitted to Congress under subsection (a)
8 or in budget presentations. Whenever possible, such con-
9 sultations should take place prior to the initiation of such
10 initiatives, or as soon as practicable thereafter.”.

11 (b) ONE-TIME REPORT ON STUDENT LOAN FOR-
12 GIVENESS PROGRAMS.—Not later than 30 days after the
13 date of enactment of this Act, the Director shall submit
14 to the appropriate congressional committees a report—

15 (1) describing the student loan forgiveness pro-
16 grams currently available to Peace Corps volunteers
17 upon completion of their service;

18 (2) comparing such programs with other Gov-
19 ernment-sponsored student loan forgiveness pro-
20 grams; and

21 (3) recommending any additional student loan
22 forgiveness programs which could attract more ap-
23 plications from low- and middle-income individuals
24 who are carrying considerable student-loan debt bur-
25 dens.



1 (c) ANNUAL REPORT TO CONGRESS ON THE FED-
2 ERAL EQUAL OPPORTUNITY RECRUITMENT PROGRAM
3 (FEORP).—Not later than 90 days after the date of en-
4 actment of this Act and annually thereafter, the Director
5 shall report on the progress of the Peace Corps in recruit-
6 ing historically underrepresented groups. The Director
7 shall prepare this report in accordance with section 7201
8 of title 5, United States Code, and subpart B of part 720
9 of title 5, Code of Federal Regulations.

10 (d) REPORT ON MAINTAINING THE INTEGRITY OF
11 THE MEDICAL SCREENING AND MEDICAL PLACEMENT
12 COORDINATION PROCESSES.—Not later than 120 days
13 after the date of enactment of this Act, the Director shall
14 prepare and submit to the appropriate congressional com-
15 mittees a report that—

16 (1) describes the medical screening procedures
17 and standards of the Office of Medical Services/
18 Screening Unit of the Peace Corps to determine
19 whether an applicant for Peace Corps service has
20 worldwide clearance, limited clearance, a deferral pe-
21 riod, or is not medically, including psychologically,
22 qualified to serve in the Peace Corps as a volunteer;

23 (2) describes the procedures and criteria for
24 matching applicants for Peace Corps service with a
25 host country to ensure that the applicant, reasonable



1 accommodations notwithstanding, can complete at
2 least two years of volunteer service without interrup-
3 tion to host country national projects due to foresee-
4 able medical conditions; and

5 (3) with respect to each of fiscal years 2000
6 through 2002 and the first six months of fiscal year
7 2003, states the number of—

8 (A) medical screenings conducted;

9 (B) applicants who have received world-
10 wide clearance, limited clearance, deferral peri-
11 ods, and medical disqualifications to serve;

12 (C) Peace Corps volunteers who the agency
13 has had to separate from service due to the dis-
14 covery of undisclosed medical information; and

15 (D) Peace Corps volunteers who have ter-
16 minated their service early due to medical, in-
17 cluding psychological, reasons.

18 **SEC. 1103. SPECIAL VOLUNTEER RECRUITMENT AND**
19 **PLACEMENT FOR CERTAIN COUNTRIES.**

20 (a) REPORT.—Not later than 60 days after the date
21 of enactment of this Act, the Director shall submit to the
22 appropriate congressional committees a report that—

23 (1) describes the recruitment strategies to be
24 employed by the Peace Corps to recruit and train



1 volunteers with the appropriate language skills and
2 interest in serving in host countries; and

3 (2) lists the countries that the Director has de-
4 termined should be priorities for special recruitment
5 and placement of Peace Corps volunteers.

6 (b) USE OF RETURNED PEACE CORPS VOLUNTEERS
7 AND FORMER STAFF.—The Director is authorized and
8 strongly urged to utilize the services of returned Peace
9 Corps volunteers and former Peace Corps staff who have
10 relevant language and cultural experience and may have
11 served previously in countries with substantial Muslim
12 populations, in order to open or reopen Peace Corps pro-
13 grams in such countries.

14 **SEC. 1104. GLOBAL INFECTIOUS DISEASES INITIATIVE; CO-**
15 **ORDINATION OF HIV/AIDS ACTIVITIES.**

16 (a) INITIATIVE.—

17 (1) IN GENERAL.—The Director, in cooperation
18 with international public health experts, such as the
19 Centers for Disease Control and Prevention, the Na-
20 tional Institutes of Health, the World Health Orga-
21 nization, the Pan American Health Organization,
22 and local public health officials, shall expand the
23 Peace Corps' program of training for Peace Corps
24 volunteers in the areas of education, prevention, and
25 treatment of infectious diseases which are prevalent



1 in host countries in order to ensure that the Peace
2 Corps increases its contribution to the global cam-
3 paign against such diseases.

4 (2) ADDITIONAL REQUIREMENT.—Activities for
5 the education, prevention, and treatment of infec-
6 tious diseases in host countries by the Peace Corps
7 shall be undertaken in a manner that is consistent
8 with activities authorized under sections 104(c),
9 104A, 104B, and 104C of the Foreign Assistance
10 Act of 1961.

11 (b) COORDINATION OF HIV/AIDS ACTIVITIES.—

12 (1) IN GENERAL.—The Director should des-
13 ignate an officer or employee of the Peace Corps
14 who is located in the United States to coordinate all
15 HIV/AIDS activities within the Peace Corps. Such
16 individual may be an individual who is an officer or
17 employee of the Peace Corps on the date of the en-
18 actment of this Act.

19 (2) FIELD COORDINATION.—In addition to the
20 position established under paragraph (1), the Direc-
21 tor should designate an individual within each coun-
22 try in sub-Saharan Africa, the Western Hemisphere,
23 and Asia in which Peace Corps volunteers carry out
24 HIV/AIDS activities to coordinate all such activities
25 of the Peace Corps in such countries.



1 (c) DEFINITIONS.—In this section:

2 (1) AIDS.—The term “AIDS” means the ac-
3 quired immune deficiency syndrome.

4 (2) HIV.—The term “HIV” means the human
5 immunodeficiency virus, the pathogen that causes
6 AIDS.

7 (3) HIV/AIDS.—The term “HIV/AIDS”
8 means, with respect to an individual, an individual
9 who is infected with HIV or living with AIDS.

10 (4) INFECTIOUS DISEASES.—The term “infec-
11 tious diseases” means HIV/AIDS, tuberculosis, and
12 malaria.

13 **SEC. 1105. PEACE CORPS NATIONAL ADVISORY COUNCIL.**

14 Section 12 of the Peace Corps Act (22 U.S.C. 2511;
15 relating to the Peace Corps National Advisory Council)
16 is amended—

17 (1) in subsection (b)(2)—

18 (A) in subparagraph (C), by striking
19 “and” after the semicolon;

20 (B) by redesignating subparagraph (D) as
21 subparagraph (E); and

22 (C) by inserting after subparagraph (C)
23 the following:

24 “(D) make recommendations for utilizing the
25 expertise of returned Peace Corps volunteers and

1 former Peace Corps staff in fulfilling the goals of
2 the Peace Corps; and”;

3 (2) in subsection (c)(2)—

4 (A) in subparagraph (A)—

5 (i) in the first sentence—

6 (I) by striking “fifteen” and in-
7 serting “eleven”; and

8 (II) by striking “President, by
9 and with the advice and consent of
10 the Senate” and inserting “Director
11 of the Peace Corps”;

12 (ii) by striking the second sentence
13 and inserting the following: “Six of the
14 members shall be former Peace Corps vol-
15 unteers, at least one of whom shall have
16 been a former staff member abroad or in
17 the Washington headquarters, and not
18 more than six shall be members of the
19 same political party.”;

20 (B) by striking subparagraph (B);

21 (C) by amending subparagraph (D) to read
22 as follows:

23 “(D) The members of the Council shall be appointed
24 to 2-year terms.”;

1 (D) in subparagraph (H), by striking
2 “nine” and inserting “seven”;

3 (E) in subparagraph (I), by striking
4 “President shall nominate” and inserting “Di-
5 rector shall appoint”; and

6 (F) by redesignating subparagraphs (C),
7 (D), (E), (F), (G), (H), and (I) as subpara-
8 graphs (B), (C), (D), (E), (F), (G), and (H),
9 respectively; and

10 (3) by amending subsection (g) to read as fol-
11 lows:

12 “(g) CHAIR.—The Director shall designate one of the
13 voting members of the Council as Chair, who shall serve
14 in that capacity for a term of two years. The Director may
15 renew the term of a voting member appointed as Chair
16 under the preceding sentence.”.

17 **SEC. 1106. READJUSTMENT ALLOWANCES.**

18 The Peace Corps Act is amended—

19 (1) in section 5(c) (22 U.S.C. 2504(c)), by
20 striking “\$125 for each month of satisfactory serv-
21 ice” and inserting “\$275 for each month of satisfac-
22 tory service during fiscal year 2004 and \$300 for
23 each month of satisfactory service thereafter”; and

24 (2) in section 6(1) (22 U.S.C. 2505(1)), by
25 striking “\$125 for each month of satisfactory serv-



1 ice” and inserting “\$275 for each month of satisfac-
2 tory service during fiscal year 2004 and \$300 for
3 each month of satisfactory service thereafter”.

4 **SEC. 1107. PROGRAMS AND PROJECTS OF RETURNED**
5 **PEACE CORPS VOLUNTEERS AND FORMER**
6 **STAFF.**

7 (a) **PURPOSE.**—The purpose of this section is to pro-
8 vide support for returned Peace Corps volunteers to de-
9 velop and carry out programs and projects to promote the
10 objectives of the Peace Corps Act, as set forth in section
11 2(a) of that Act (22 U.S.C. 2501(a)).

12 (b) **GRANTS TO CERTAIN NONPROFIT CORPORA-**
13 **TIONS.**—

14 (1) **GRANT AUTHORITY.**—

15 (A) **IN GENERAL.**—To carry out the pur-
16 pose of this section, and subject to the avail-
17 ability of appropriations, the Director may
18 award grants on a competitive basis to private
19 nonprofit corporations for the purpose of ena-
20 bling returned Peace Corps volunteers to use
21 their knowledge and expertise to develop and
22 carry out the programs and projects described
23 in paragraph (2).

24 (B) **DELEGATION OF AUTHORITY AND**
25 **TRANSFER OF FUNDS.**—The Director may dele-

1 gate the authority to award grants under sub-
2 paragraph (A) and may transfer funds author-
3 ized under this section subject to the notifica-
4 tion procedures of section 634A of the Foreign
5 Assistance Act of 1961 to the Chief Executive
6 Officer of the Corporation for National and
7 Community Service (referred to in this section
8 as the "Corporation").

9 (2) PROGRAMS AND PROJECTS.—Such pro-
10 grams and projects may include—

11 (A) educational programs designed to en-
12 rich the knowledge and interest of elementary
13 school and secondary school students in the ge-
14 ography and cultures of other countries where
15 the volunteers have served;

16 (B) projects that involve partnerships with
17 local libraries to enhance community knowledge
18 about other peoples and countries; and

19 (C) audio-visual projects that utilize mate-
20 rials collected by the volunteers during their
21 service that would be of educational value to
22 communities.

23 (3) ELIGIBILITY FOR GRANTS.—To be eligible
24 to compete for grants under this section, a nonprofit
25 corporation shall have a board of directors composed

1 of returned Peace Corps volunteers and former
2 Peace Corps staff with a background in community
3 service, education, or health. If the grants are made
4 by the Corporation, the nonprofit corporation shall
5 meet all appropriate Corporation management re-
6 quirements, as determined by the Corporation.

7 (c) GRANT REQUIREMENTS.—Such grants shall be
8 made pursuant to a grant agreement between the Peace
9 Corps or the Corporation and the nonprofit corporation
10 that requires that—

11 (1) the grant funds will only be used to support
12 programs and projects described in subsection (a)
13 pursuant to proposals submitted by returned Peace
14 Corps volunteers (either individually or cooperatively
15 with other returned volunteers);

16 (2) the nonprofit corporation will give consider-
17 ation to funding individual programs or projects by
18 returned Peace Corps volunteers, in amounts of not
19 more than \$50,000, under this section;

20 (3) not more than 20 percent of the grant
21 funds made available to the nonprofit corporation
22 will be used for the salaries, overhead, or other ad-
23 ministrative expenses of the nonprofit corporation;

24 (4) the nonprofit corporation will not receive
25 grant funds for programs or projects under this sec-



1 tion for a third or subsequent year unless the non-
2 profit corporation makes available, to carry out the
3 programs or projects during that year, non-Federal
4 contributions—

5 (A) in an amount not less than \$2 for
6 every \$3 of Federal funds provided through the
7 grant; and

8 (B) provided directly or through donations
9 from private entities, in cash or in kind, fairly
10 evaluated, including plant, equipment, or serv-
11 ices; and

12 (5) the nonprofit corporation shall manage,
13 monitor, and submit reports to the Peace Corps or
14 the Corporation, as the case may be, on each pro-
15 gram or project for which the nonprofit corporation
16 receives a grant under this section.

17 (d) STATUS OF THE FUND.—Nothing in this section
18 shall be construed to make any nonprofit corporation sup-
19 ported under this section an agency or establishment of
20 the Federal Government or to make the members of the
21 board of directors or any officer or employee of such non-
22 profit corporation an officer or employee of the United
23 States.

24 (e) FACTORS IN AWARDING GRANTS.—In deter-
25 mining the number of nonprofit corporations to receive



1 grants under this section for any fiscal year, the Peace
2 Corps or the Corporation—

3 (1) shall take into consideration the need to
4 minimize overhead costs that direct resources from
5 the funding of programs and projects; and

6 (2) shall seek to ensure a broad geographical
7 distribution of grants for programs and projects
8 under this section.

9 (f) CONGRESSIONAL OVERSIGHT.—Grant recipients
10 under this section shall be subject to the appropriate over-
11 sight procedures of Congress.

12 (g) FUNDING.—

13 (1) IN GENERAL.—There is authorized to be
14 appropriated to carry out this section up to
15 \$10,000,000. Such sum shall be in addition to funds
16 made available to the Peace Corps under this divi-
17 sion.

18 (2) AVAILABILITY.—Amounts appropriated pur-
19 suant to paragraph (1) are authorized to remain
20 available until expended.

21 (h) CRISIS CORPS.—

22 (1) STATEMENT OF POLICY.—Congress states
23 that the Crisis Corps has been an effective tool in
24 harnessing the skills and talents of returned Peace
25 Corps volunteers.



1 (2) INCREASE IN NUMBER OF CRISIS CORPS AS-
2 SIGNMENTS.—The Director, in consultation with the
3 governments of host countries and appropriate non-
4 governmental organizations, shall increase the num-
5 ber of available Crisis Corps assignments for re-
6 turned Peace Corps volunteers to at least 120 as-
7 signments in fiscal year 2004, 140 assignments in
8 fiscal year 2005, 160 assignments in fiscal year
9 2006, and 165 assignments in fiscal year 2007.

10 **SEC. 1108. DECLARATION OF POLICY.**

11 Congress declares its support for the goal announced
12 by President Bush of doubling the number of Peace Corps
13 volunteers to 14,000 by 2007 and supports the funding
14 levels necessary to accomplish this growth.

15 **SEC. 1109. PEACE CORPS IN SIERRA LEONE.**

16 (a) FINDINGS.—Congress makes the following find-
17 ings:

18 (1) Peace Corps service to Sierra Leone was
19 suspended in 1994 due to a brutal civil war between
20 the government and the Revolutionary United Front
21 (RUF).

22 (2) Backed by British military intervention and
23 a United Nations peacekeeping operation, govern-
24 ment authority has been reestablished throughout



1 the country and "free and fair" national elections
2 took place in May 2002.

3 (3) Sierra Leone is a majority Muslim country.

4 (4) The Peace Corps has given the safety and
5 security of its volunteers high priority.

6 (b) SENSE OF CONGRESS.—It is the sense of Con-
7 gress that the Peace Corps should return its program to
8 Sierra Leone as soon as security conditions are consistent
9 with the safety and security of its volunteers.

10 **SEC. 1110. AUTHORIZATION OF APPROPRIATIONS.**

11 Section 3(b)(1) of the Peace Corps Act (22 U.S.C.
12 2502(b)(1)) is amended by striking "and \$365,000,000
13 fiscal year 2003" and inserting "\$365,000,000 for fiscal
14 year 2003, \$366,868,000 for fiscal year 2004,
15 \$411,800,000 for fiscal year 2005, \$455,930,000 for fis-
16 cal year 2006, and \$499,400,000 for fiscal year 2007".

