

108TH CONGRESS  
1ST SESSION

# H. R. 2441

To establish the Millennium Challenge Account to provide increased support for developing countries that have fostered democracy and the rule of law, invested in their citizens, and promoted economic freedom; to assess the impact and effectiveness of United States economic assistance; to authorize the expansion of the Peace Corps, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 12, 2003

Mr. HYDE (for himself, Mr. LANTOS, Mr. GREEN of Wisconsin, Ms. HARRIS, Ms. LEE, Mr. CROWLEY, Mr. LAHOOD, and Mr. JANKLOW) introduced the following bill; which was referred to the Committee on International Relations

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## A BILL

To establish the Millennium Challenge Account to provide increased support for developing countries that have fostered democracy and the rule of law, invested in their citizens, and promoted economic freedom; to assess the impact and effectiveness of United States economic assistance; to authorize the expansion of the Peace Corps, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) **SHORT TITLE.**—This Act may be cited as the  
 3 “Millennium Challenge Account Authorization and Peace  
 4 Corps Expansion Act of 2003”.

5 (b) **TABLE OF CONTENTS.**—The table of contents for  
 6 this Act is as follows:

Sec. 1. Short title; table of contents.

DIVISION A—MILLENNIUM CHALLENGE ACCOUNT

TITLE I—GENERAL PROVISIONS

Sec. 101. Definitions.

Sec. 102. Sunset.

TITLE II—MILLENNIUM CHALLENGE ASSISTANCE

Sec. 201. Findings; statement of policy.

Sec. 202. Authorization of assistance.

Sec. 203. Eligibility and related requirements.

Sec. 204. Millennium Challenge Compact.

Sec. 205. Suspension and termination of assistance.

Sec. 206. Annual report.

Sec. 207. Authorization of appropriations; related authorities.

TITLE III—MILLENNIUM CHALLENGE CORPORATION

Sec. 301. Millennium Challenge Corporation.

Sec. 302. Chief Executive Officer.

Sec. 303. Board of Directors.

Sec. 304. Interagency coordination.

Sec. 305. Powers of the Corporation; related provisions.

Sec. 306. Transparency and accountability of the Corporation.

Sec. 307. Detail of personnel to the Corporation; other authorities and limita-  
 tions.

Sec. 308. Millennium Challenge Advisory Council.

Sec. 309. Enhancing data collection and monitoring and evaluation capabili-  
 ties.

TITLE IV—PROVISIONS RELATING TO UNITED STATES ECONOMIC  
 ASSISTANCE

Sec. 401. Definition.

Sec. 402. Framework for assistance.

Sec. 403. Report relating to impact and effectiveness of assistance.

DIVISION B—REAUTHORIZATION AND EXPANSION OF THE PEACE  
 CORPS

TITLE X—GENERAL PROVISIONS

Sec. 1001. Definitions.  
 Sec. 1002. Findings.

TITLE XI—AMENDMENTS TO PEACE CORPS ACT; RELATED  
 PROVISIONS

Sec. 1101. Advancing the goals of the Peace Corps.  
 Sec. 1102. Reports and consultations.  
 Sec. 1103. Special volunteer recruitment and placement for certain countries.  
 Sec. 1104. Global Infectious Diseases Initiative; coordination of HIV/AIDS activities.  
 Sec. 1105. Peace Corps National Advisory Council.  
 Sec. 1106. Readjustment allowances.  
 Sec. 1107. Programs and projects of returned Peace Corps volunteers and former staff.  
 Sec. 1108. Declaration of policy.  
 Sec. 1109. Authorization of appropriations.

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

4   **SEC. 101. DEFINITIONS.**

5           In this division:

6                   (1) **APPROPRIATE CONGRESSIONAL COMMITTEES.**—The term “appropriate congressional committees” means—

9                           (A) the Committee on International Relations and the Committee on Appropriations of the House of Representatives; and

12                           (B) the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

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

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

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

7           (5) COUNCIL.—The term “Council” means the  
8           Millennium Challenge Advisory Council established  
9           under section 308 of this Act.

10          (6) MILLENNIUM DEVELOPMENT GOALS.—The  
11          term “Millennium Development Goals” means the  
12          key objectives described in the United Nations Mil-  
13          lennium Declaration, as contained in United Nations  
14          General Assembly Resolution 55/2 (September  
15          2000), which aim to eradicate extreme poverty and  
16          hunger, achieve universal primary education, pro-  
17          mote gender equality and empower women, reduce  
18          child mortality, improve maternal health, combat  
19          HIV/AIDS, malaria, and other infectious diseases,  
20          ensure environmental sustainability, and develop a  
21          global partnership for development.

22 **SEC. 102. SUNSET.**

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

1                   **TITLE II—MILLENNIUM**  
2                   **CHALLENGE ASSISTANCE**

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

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

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

13                  (2) The expanding acceptance of free trade and  
14                  open markets and the spread of democracy and the  
15                  rule of law have brought a better way of life to an  
16                  increasing number of people in the world.

17                  (3) Inequalities between men and women under-  
18                  mine development and poverty-reduction efforts in  
19                  fundamental ways. A woman’s limited access to re-  
20                  sources and restrictions on the exercise of her rights,  
21                  including the right to participate in social and polit-  
22                  ical processes, disables her from maximizing her con-  
23                  tribution to her family’s health, education, and gen-  
24                  eral well-being.

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

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

19           (6) More countries and more people will be able  
20 to participate in and benefit from the opportunities  
21 afforded by the global economy if the following con-  
22 ditions for sound and sustainable economic develop-  
23 ment are met:

24           (A) SECURITY.—Security is necessary for  
25 economic development. Persistent poverty and

1 oppression can lead to hopelessness, despair,  
2 and to failed states that become havens for ter-  
3 rorists.

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

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

22 (D) INVESTMENTS IN PEOPLE.—Economic  
23 growth and democracy can be sustained only if  
24 both men and women have the basic tools and  
25 capabilities that foster the opportunity for par-

1           ticipation in the economic, social, and political  
2           life of their countries. Successful development  
3           of countries requires citizens who are literate,  
4           healthy, and prepared and able to work.

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

12          (8) It is in the national interest of the United  
13          States to help those countries that are implementing  
14          the economic and political reforms necessary for de-  
15          velopment to occur.

16          (9) On March 14, 2002, the President stated  
17          that the “growing divide between wealth and pov-  
18          erty, between opportunity and misery, is both a chal-  
19          lenge to our compassion and a source of instability  
20          . . . [w]e must confront it . . . [w]e must include  
21          every African, every Asian, every Latin American,  
22          every Muslim, in an expanding circle of develop-  
23          ment.”.

24          (10) The President has pledged that funds re-  
25          quested for the Millennium Challenge Account shall

1 be in addition to, and not a substitute for, existing  
2 development and humanitarian programs.

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

11 (12) Economic development, and the achieve-  
12 ment of the Millennium Development Goals, must be  
13 a shared responsibility between donor and recipient  
14 countries.

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

19 (1) increases support by donor countries to  
20 those developing countries that are fostering democ-  
21 racy and the rule of law, investing in their people,  
22 and promoting economic freedom for all their people;

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

1           (3) seeks to coordinate the disparate develop-  
2           ment assistance policies of donor countries, and to  
3           harmonize the trade and finance policies of donor  
4           countries with their respective development assist-  
5           ance programs; and

6           (4) aims to reduce poverty by significantly in-  
7           creasing the economic growth trajectory of bene-  
8           ficiary countries through investing in the productive  
9           potential of the people of such countries.

10 **SEC. 202. AUTHORIZATION OF ASSISTANCE.**

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

18           (b) PRINCIPAL OBJECTIVES.—Assistance provided  
19 under subsection (a) should advance a country’s progress  
20 toward promoting the following principal objectives:

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

24           (A) political, social, and economic plu-  
25 ralism;

1 (B) respect for the rule of law;

2 (C) anti-corruption initiatives and law en-  
3 forcement;

4 (D) development of institutions of demo-  
5 cratic governance, including electoral and legis-  
6 lative processes;

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

9 (F) a fair, competent, and independent ju-  
10 diciary; and

11 (G) a free and independent media.

12 (2) FOSTERING INVESTMENT IN EDUCATION  
13 AND HEALTH INFRASTRUCTURE AND SYSTEMS.—

14 The assistance should foster improved educational  
15 opportunities and health conditions, particularly for  
16 women and children, including through—

17 (A) support for programs and personnel  
18 that promote broad-based primary education,  
19 including through the development of academic  
20 curricula, by making available textbooks and  
21 other educational materials, and through appro-  
22 priate use of technology;

23 (B) support for programs to strengthen  
24 and build institutions, including primary health

1 care systems, infrastructure, facilities, and per-  
2 sonnel that provide quality health care;

3 (C) support for improved systems for the  
4 delivery of healthy water and sanitation serv-  
5 ices; and

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

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

17 (A) the reform and restructuring of bank-  
18 ing and financial systems, including by allowing  
19 foreign competition in the banking and financial  
20 sectors, where appropriate;

21 (B) the development of transparent and ef-  
22 ficient commercial codes and reduction in the  
23 regulatory burden on business;

24 (C) the protection of property rights, in-  
25 cluding private property and intellectual prop-

1           erty rights, including through the adoption and  
2           effective enforcement of intellectual property  
3           treaties or international agreements;

4           (D) support for market-based policies that  
5           support increased agricultural production;

6           (E) a strong commitment to sound mone-  
7           etary and budgetary policies;

8           (F) the development of small businesses,  
9           private cooperatives, credit unions, and trade  
10          and labor unions;

11          (G) the protection of internationally recog-  
12          nized workers' rights; and

13          (H) the capacity of eligible countries to  
14          ameliorate damage to the environment and re-  
15          spect other environmental standards.

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

17       (a) ASSISTANCE FOR LOW INCOME COUNTRIES.—

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

21           (A) the country is eligible for assistance  
22           from the International Development Associa-  
23           tion, and the per capita income of the country  
24           is equal to or less than the historical ceiling of  
25           the International Development Association for

1 that year, as defined by the International Bank  
2 for Reconstruction and Development;

3 (B) subject to paragraph (3), the country  
4 is not ineligible to receive United States eco-  
5 nomic assistance by reason of the application of  
6 section 116, 490, or 620A of the Foreign As-  
7 sistance Act of 1961, or by reason of the appli-  
8 cation of any other provision of law; and

9 (C) the Chief Executive Officer of the Cor-  
10 poration determines that the country has dem-  
11 onstrated a commitment to—

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

14 (ii) invest in the health and education  
15 of its citizens; and

16 (iii) promote sound economic policies  
17 that promote economic freedom and oppor-  
18 tunity.

19 (2) FISCAL YEARS 2005 AND 2006.—A country  
20 shall be eligible to receive assistance under section  
21 202 for fiscal years 2005 and 2006 if—

22 (A) the per capita income of the country is  
23 equal to or less than the historical ceiling of the  
24 International Development Association for the  
25 fiscal year involved, as defined by the Inter-

1 national Bank for Reconstruction and Develop-  
2 ment;

3 (B) the country meets the requirements of  
4 paragraph (1)(B); and

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

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

17 (b) ASSISTANCE FOR LOWER MIDDLE INCOME  
18 COUNTRIES.—

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

23 (A) is classified as a lower middle income  
24 country in the then most recent edition of the  
25 World Development Report for Reconstruction

1 and Development published by the International  
2 Bank for Reconstruction and Development;

3 (B) meets the requirements of subsection  
4 (a)(1)(B); and

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

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

13 (c) ASSISTANCE FOR SELECTED LOW INCOME COUN-  
14 TRIES.—

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

20 (A) meets the requirements of paragraphs  
21 (1)(B) and (2)(A) of subsection (a);

22 (B) demonstrates a commitment to meet-  
23 ing the requirements of clauses (i) through (iii)  
24 of subsection (a)(1)(C), as determined by the  
25 Chief Executive Officer; but

1           (C) fails to meet the eligibility criteria nec-  
2           essary to receive assistance under section 202,  
3           as established under subsection (e).

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

8           (3) ALLOCATION OF FUNDS.—Of the amount  
9           authorized to be appropriated under section 207(a)  
10          for a fiscal year, not more than 15 percent of such  
11          amount is authorized to be appropriated to the  
12          President for the fiscal year to carry out this sub-  
13          section.

14          (d) GENERAL AUTHORITY TO DETERMINE ELIGI-  
15          BILITY.—

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

19           (2) CONGRESSIONAL NOTIFICATION.—Not later  
20           than 7 days after making a determination of eligi-  
21           bility for a country under paragraph (1), the Chief  
22           Executive Officer shall provide notice thereof to the  
23           appropriate congressional committees. Such notice  
24           shall include a certification of the determination of  
25           the Chief Executive Officer that the country meets

1 the requirements of clauses (i) through (iii) of sub-  
2 section (a)(1)(C) in accordance with such subsection,  
3 subsection (a)(2)(C), subsection (b)(1)(C), or sub-  
4 section (c)(1)(B), as the case may be.

5 (e) ELIGIBILITY CRITERIA.—

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

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

17 (B) shall establish such eligibility criteria  
18 and methodology; and

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

22 (2) REVISIONS TO CRITERIA AND METHODOD-  
23 OLOGY.—If the Chief Executive Officer proposes to  
24 use revised or different criteria from the criteria de-  
25 scribed in paragraph (1) in making a determination

1 of eligibility for a country under this section, then,  
2 not later than 15 days prior to making such deter-  
3 mination, the Chief Executive Officer shall consult  
4 in-person with the appropriate congressional com-  
5 mittees with respect to such revised or different cri-  
6 teria and methodology in accordance with paragraph  
7 (1)(A) and shall prepare and transmit a written re-  
8 port in accordance with paragraph (1)(C).

9 (f) FORM OF ASSISTANCE; RECIPIENTS.—

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

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

23 (A) The national government of the coun-  
24 try.

1 (B) Regional or local governmental units  
2 of the country.

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

6 (D) International organizations and trust  
7 funds.

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

17 **SEC. 204. MILLENNIUM CHALLENGE COMPACT.**

18 (a) COMPACT.—The President, acting through the  
19 Chief Executive Officer of the Corporation, may provide  
20 assistance to an eligible country under section 202 only  
21 if the country enters into a contract with the United  
22 States, to be known as a “Millennium Challenge Com-  
23 pact”, that establishes a multi-year plan for achieving  
24 shared development objectives in furtherance of the pur-  
25 poses of this title, and only if the President, acting

1 through the Chief Executive Officer, provides to Congress  
2 notice regarding such Compact pursuant to subsection (h).

3 (b) ELEMENTS.—The Compact shall take into ac-  
4 count the national development strategy of the eligible  
5 country and shall contain—

6 (1) the specific objectives that the country and  
7 the United States expect to achieve;

8 (2) the responsibilities of the country and the  
9 United States in the achievement of such objectives;

10 (3) regular benchmarks to measure, where ap-  
11 propriate, progress toward achieving such objectives;

12 (4) an identification of the intended bene-  
13 ficiaries, disaggregated by income level, gender, and  
14 age, to the maximum extent practicable;

15 (5) a multi-year financial plan, including the es-  
16 timated amount of contributions by the Corporation  
17 and the country and proposed mechanisms to imple-  
18 ment the plan and provide oversight, that describes  
19 how the requirements of paragraphs (1) through (4)  
20 will be met, including identifying the role of civil so-  
21 ciety in the achievement of such requirements;

22 (6) where appropriate, a description of the re-  
23 sponsibility of other donors in the achievement of  
24 such objectives; and

1           (7) a plan to ensure appropriate fiscal account-  
2           ability for the use of assistance provided under sec-  
3           tion 202.

4           (c) DEFINITION.—In subsection (b), the term “na-  
5           tional development strategy” means any strategy to  
6           achieve market-driven economic growth that has been de-  
7           veloped by the government of the country in consultation  
8           with a wide variety of civic participation, including non-  
9           governmental organizations, private and voluntary organi-  
10          zations, academia, women and student organizations, local  
11          trade and labor unions, and the business community.

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

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

20                (1) shall take into account the local-level per-  
21                spectives of the rural and urban poor in the eligible  
22                country; and

23                (2) should consult with private and voluntary  
24                organizations, the business community, and other  
25                donors, in the eligible country.

1 (f) CONSULTATION.—During any discussions with a  
2 country for the purpose of entering into a Compact with  
3 the country, officials of the Corporation participating in  
4 such discussions shall, at a minimum, consult with appro-  
5 priate officials of the United States Agency for Inter-  
6 national Development, particularly with those officials re-  
7 sponsible for the appropriate region or country on develop-  
8 ment issues related to the Compact.

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

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

17 (1) shall consult in-person with the appropriate  
18 congressional committees with respect to the pro-  
19 posed Compact;

20 (2) shall provide notification of the proposed  
21 Compact to the appropriate congressional commit-  
22 tees in accordance with the procedures applicable to  
23 reprogramming notifications under section 634A of  
24 the Foreign Assistance Act of 1961;

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

5           (4) shall publish such detailed summary and  
6           full text of the proposed Compact in the Federal  
7           Register and on the Internet website of the Corpora-  
8           tion.

9           (i) ASSISTANCE FOR DEVELOPMENT OF COMPACT.—  
10          Notwithstanding subsection (a), the Chief Executive Offi-  
11          cer may enter into contracts or make grants for any eligi-  
12          ble country for the purpose of facilitating the development  
13          of the Compact between the United States and the coun-  
14          try.

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

16          (a) SUSPENSION OF ASSISTANCE.—

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

20                          (A) the country is engaged in activities  
21                          which are contrary to the national security in-  
22                          terests of the United States;

23                          (B) the elected head of state of the country  
24                          or any member of the country's highest judicial  
25                          tribunal has been removed from that office or

1           forcibly detained through extra-constitutional  
2           processes; or

3                   (C) the country has failed to adhere to its  
4           responsibilities under the Compact.

5           (2) REINSTATEMENT.—The President may re-  
6           instate assistance for a country under this title only  
7           if the President determines that the country has  
8           demonstrated a commitment to correcting each con-  
9           dition for which assistance was suspended under  
10          paragraph (1).

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

19          (b) TERMINATION OF ASSISTANCE.—

20                  (1) IN GENERAL.—The President, acting  
21                  through the Chief Executive Officer of the Corpora-  
22                  tion, shall terminate all assistance for a country  
23                  under this title if the President determines that the  
24                  country has consistently failed to adhere to its re-

1       sponsibilities under the Compact or has significantly  
2       failed to meet the requirements of this title.

3               (2) CONGRESSIONAL NOTIFICATION.—A termi-  
4       nation of assistance under paragraph (1) shall be ef-  
5       fective beginning 15 days after the date on which  
6       the President, acting through the Chief Executive  
7       Officer, provides notification of the proposed termi-  
8       nation of assistance to the congressional committees  
9       specified in section 634A(a) of the Foreign Assist-  
10      ance Act of 1961 in accordance with the procedures  
11      applicable to reprogramming notifications under that  
12      section.

13 **SEC. 206. ANNUAL REPORT.**

14       (a) REPORT.—Not later than April 1, 2005, and not  
15      later than April 1 of each year thereafter, the Chief Exec-  
16      utive Officer of the Corporation shall prepare and trans-  
17      mit to the appropriate congressional committees a report  
18      on the implementation of this title for the preceding year.

19       (b) CONTENTS.—The report shall include the fol-  
20      lowing:

21               (1) A description and assessment of the eligi-  
22      bility criteria and methodology utilized by the Chief  
23      Executive Officer to determine eligibility for each  
24      country under section 203.

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

3           (3)(A) An analysis, on a country-by-country,  
4 project-by-project basis, of the impact of assistance  
5 provided under this title on the economic develop-  
6 ment of each country.

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

8                 (i) to the maximum extent possible, be  
9 done on a sector-by-sector basis, gender basis,  
10 and per capita income basis, and identify trends  
11 within each of these bases;

12                 (ii) identify economic policy reforms condu-  
13 cive to economic development that are sup-  
14 ported by assistance provided under this title;

15                 (iii) describe, in quantified terms to the ex-  
16 tent practicable, the progress made in achieving  
17 assistance objectives for the country;

18                 (iv) describe the amount and nature of eco-  
19 nomic assistance provided by other major do-  
20 nors which further the purposes of this title;  
21 and

22                 (v) discuss the commitment and contribu-  
23 tion of the country to achieving the assistance  
24 objectives contained in its Compact.

1 **SEC. 207. AUTHORIZATION OF APPROPRIATIONS; RELATED**  
 2 **AUTHORITIES.**

3 (a) AUTHORIZATION OF APPROPRIATIONS.—There  
 4 are authorized to be appropriated to the President, acting  
 5 through the Chief Executive Officer of the Corporation,  
 6 to carry out this division (other than title IV)  
 7 \$1,300,000,000 for fiscal year 2004, \$3,000,000,000 for  
 8 fiscal year 2005, and \$5,000,000,000 for fiscal year 2006.

9 (b) ADDITIONAL AUTHORITIES.—Amounts appro-  
 10 priated pursuant to the authorization of appropriations  
 11 under subsection (a)—

12 (1) may be referred to as the “Millennium  
 13 Challenge Account”;

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

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

18 **TITLE III—MILLENNIUM**  
 19 **CHALLENGE CORPORATION**

20 **SEC. 301. MILLENNIUM CHALLENGE CORPORATION.**

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

1 (b) GOVERNMENT CORPORATION.—The Corporation  
2 shall be a Government corporation, as defined in section  
3 103 of title 5, United States Code.

4 **SEC. 302. CHIEF EXECUTIVE OFFICER.**

5 (a) APPOINTMENT.—The Corporation shall be head-  
6 ed by an individual who shall serve as Chief Executive Of-  
7 ficer of the Corporation, who shall be appointed by the  
8 President, by and with the advice and consent of the Sen-  
9 ate.

10 (b) COMPENSATION AND RANK.—

11 (1) IN GENERAL.—The Chief Executive Officer  
12 shall be compensated at the rate provided for level  
13 II of the Executive Schedule under section 5313 of  
14 title 5, United States Code, and shall have the equiv-  
15 alent rank of Deputy Secretary.

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

19 “Chief Executive Officer, Millennium Challenge  
20 Corporation.”.

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

1 (d) AUTHORITY TO APPOINT OFFICERS.—The Chief  
2 Executive Officer shall appoint all officers of the Corpora-  
3 tion.

4 **SEC. 303. BOARD OF DIRECTORS.**

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

7 (b) DUTIES.—The Board may prescribe, amend, and  
8 repeal bylaws, rules, regulations, and procedures gov-  
9 erning the manner in which the business of the Corpora-  
10 tion may be conducted and in which the powers granted  
11 to it by law may be exercised.

12 (c) MEMBERSHIP.—

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

14 (A) the Secretary of State, the Secretary  
15 of Treasury, the Administrator of the United  
16 States Agency for International Development,  
17 the Chief Executive Officer of the Corporation,  
18 and the United States Trade Representative;  
19 and

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

23 (i) one individual shall be appointed  
24 from among a list of individuals submitted

1 by the majority leader of the House of  
2 Representatives;

3 (ii) one individual shall be appointed  
4 from among a list of individuals submitted  
5 by the minority leader of the House of  
6 Representatives;

7 (iii) one individual shall be appointed  
8 from among a list of individuals submitted  
9 by the majority leader of the Senate; and

10 (iv) one individual shall be appointed  
11 from among a list of individuals submitted  
12 by the minority leader of the Senate.

13 (2) EX-OFFICIO MEMBERS.—In addition to  
14 members of the Board described in paragraph (1),  
15 the Director of the Office of Management and Budget,  
16 the President and Chief Executive Officer of the  
17 Overseas Private Investment Corporation, the Direc-  
18 tor of the Trade and Development Agency, and the  
19 Director of the Peace Corps shall be non-voting  
20 members, ex officio, of the Board.

21 (d) TERMS.—

22 (1) OFFICERS OF FEDERAL GOVERNMENT.—  
23 Each member of the Board described in paragraphs  
24 (1)(A) and (2) of subsection (c) shall serve for a  
25 term that is concurrent with the term of service of

1 the individual's position as an officer within the  
2 other Federal department or agency.

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

7 (3) VACANCIES.—A vacancy in the Board shall  
8 be filled in the manner in which the original appoint-  
9 ment was made.

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

12 (f) QUORUM.—A majority of the members of the  
13 Board shall constitute a quorum, which shall include at  
14 least one member of the Board described in subsection  
15 (c)(1)(B).

16 (g) MEETINGS.—The Board shall meet at the call of  
17 the Chairperson.

18 (h) COMPENSATION.—

19 (1) OFFICERS OF FEDERAL GOVERNMENT.—

20 (A) IN GENERAL.—A member of the Board  
21 described in paragraphs (1)(A) and (2) of sub-  
22 section (c) may not receive additional pay, al-  
23 lowances, or benefits by reason of their service  
24 on the Board.

1           (B) TRAVEL EXPENSES.—Each such mem-  
2           ber of the Board shall receive travel expenses,  
3           including per diem in lieu of subsistence, in ac-  
4           cordance with applicable provisions under sub-  
5           chapter I of chapter 57 of title 5, United States  
6           Code.

7           (2) OTHER MEMBERS.—

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

11                 (i) shall be paid compensation out of  
12                 funds made available for the purposes of  
13                 this title at the daily equivalent of the  
14                 highest rate payable under section 5332 of  
15                 title 5, United States Code, for each day  
16                 (including travel time) during which the  
17                 member is engaged in the actual perform-  
18                 ance of duties as a member of the Board;  
19                 and

20                 (ii) while away from the member's  
21                 home or regular place of business on nec-  
22                 essary travel, as determined by the Chief  
23                 Executive Officer, in the actual perform-  
24                 ance of duties as a member of the Board,  
25                 shall be paid per diem, travel, and trans-

1                   portation expenses in the same manner as  
2                   is provided under subchapter I of chapter  
3                   57 of title 5, United States Code.

4                   (B) LIMITATION.—A member of the Coun-  
5                   cil may not be paid compensation under sub-  
6                   paragraph (A)(i) for more than thirty days in  
7                   any calendar year.

8   **SEC. 304. INTERAGENCY COORDINATION.**

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

15   **SEC. 305. POWERS OF THE CORPORATION; RELATED PROVI-**  
16                   **SIONS.**

17           (a) POWERS.—The Corporation—

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

20                   (2) may prescribe, amend, and repeal such  
21                   rules, regulations, and procedures as are necessary  
22                   for carrying out the functions of the Corporation  
23                   and all Compacts;

24                   (3) may make and perform such contracts,  
25                   grants, and other agreements with any individual,

1 corporation, or other private or public entity, how-  
2 ever designated and wherever situated, as may be  
3 necessary for carrying out the functions of the Cor-  
4 poration;

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

9 (5) may lease, purchase, or otherwise acquire,  
10 own, hold, improve, use or otherwise deal in and  
11 with such property (real, personal, or mixed) or any  
12 interest therein, wherever situated, as may be nec-  
13 essary for carrying out the functions of the Corpora-  
14 tion;

15 (6) may accept gifts or donations of services or  
16 of property (real, personal, or mixed), tangible or in-  
17 tangible, in furtherance of the purposes of this divi-  
18 sion;

19 (7) may hire or obtain passenger motor vehi-  
20 cles;

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

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

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

10          (b) OFFICES.—

11           (1) PRINCIPAL OFFICE.—The Corporation shall  
12           maintain its principal office in the metropolitan area  
13           of Washington, District of Columbia.

14           (2) OTHER OFFICES.—The Corporation may es-  
15           tablish other offices in any place or places outside  
16           the United States in which the Corporation may  
17           carry out any or all of its operations and business.

18          (c) COOPERATION WITH OTHER FEDERAL DEPART-  
19          MENTS AND AGENCIES.—In order to avoid unnecessary  
20          expense and duplication of functions, efforts, and activities  
21          between the Corporation and other Federal departments  
22          and agencies the Chief Executive Officer, or the Chief Ex-  
23          ecutive Officer's designee—

24           (1)(A) shall consult, to the maximum extent  
25           practicable, with the Administrator of the United

1 States Agency for International Development, or the  
2 Administrator's designee, in order to coordinate the  
3 activities of the Corporation and the Agency for  
4 International Development; and

5 (B) shall consult with the heads of other de-  
6 partments and agencies to ensure similar coordina-  
7 tion of activities;

8 (2)(A) shall ensure proper coordination of ac-  
9 tivities of the Corporation with the provision of de-  
10 velopment assistance of relevant international finan-  
11 cial institutions, including the International Bank  
12 for Reconstruction and Development, the Inter-  
13 national Monetary Fund, and the regional multilat-  
14 eral development banks; and

15 (B) shall provide to each United States Execu-  
16 tive Director (or other United States representative)  
17 to the relevant international financial institutions a  
18 copy of each proposed Compact between the United  
19 States and an eligible country and a copy of each  
20 such final Compact.

21 (d) POSITIONS WITH FOREIGN GOVERNMENTS.—  
22 When approved by the Corporation, in furtherance of its  
23 purposes, employees of the Corporation (including individ-  
24 uals detailed to the Corporation) may accept and hold of-  
25 fices or positions to which no compensation is attached

1 with governments or governmental agencies of foreign  
2 countries or with international organizations.

3 **SEC. 306. TRANSPARENCY AND ACCOUNTABILITY OF THE**  
4 **CORPORATION.**

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

8 **SEC. 307. DETAIL OF PERSONNEL TO THE CORPORATION;**  
9 **OTHER AUTHORITIES AND LIMITATIONS.**

10 (a) **DETAIL OF PERSONNEL.**—Upon request of the  
11 Chief Executive Officer of the Corporation, the head of  
12 an agency may detail any employee of such agency to the  
13 Corporation on a fully or partially reimbursable basis. Any  
14 employee so detailed remains, for the purpose of pre-  
15 serving such employee's allowances, privileges, rights, se-  
16 niority, and other benefits, an employee of the agency  
17 from which detailed.

18 (b) **LIMITATION ON TOTAL SERVICE.**—

19 (1) **IN GENERAL.**—Except as provided in para-  
20 graph (2), no individual may serve in or under the  
21 Corporation (whether as an employee of the Cor-  
22 poration, a detailee to the Corporation, or a com-  
23 bination thereof) for a total period exceeding 5  
24 years.

25 (2) **EXCEPTIONS.**—

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

8           (B) OFFICERS.—Nothing in this sub-  
9           section shall limit the period for which an indi-  
10          vidual may serve as an officer of the Corpora-  
11          tion appointed pursuant to section 302(d) nor  
12          shall any period of service as such an officer be  
13          taken into account for purposes of applying this  
14          subsection.

15       (c) REEMPLOYMENT RIGHTS.—

16           (1) IN GENERAL.—An employee of an agency  
17          who is serving under a career or career conditional  
18          appointment (or the equivalent), and who, with the  
19          consent of the head of such agency, transfers to the  
20          Corporation, is entitled to be reemployed in such em-  
21          ployee's former position or a position of like senior-  
22          ity, status, and pay in such agency, if such em-  
23          ployee—

24           (A) is separated from the Corporation—

1 (i) by reason of the application of sub-  
2 section (b); or

3 (ii) for any other reason, other than  
4 misconduct, neglect of duty, or malfea-  
5 sance; and

6 (B) applies for reemployment not later  
7 than 90 days after the date of separation from  
8 the Corporation.

9 (2) SPECIFIC RIGHTS.—An employee who satis-  
10 fies paragraph (1) is entitled to be reemployed (in  
11 accordance with such paragraph) within 30 days  
12 after applying for reemployment and, on reemploy-  
13 ment, is entitled to at least the rate of basic pay to  
14 which such employee would have been entitled had  
15 such employee never transferred.

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

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

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

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

1 (e) ASSIGNMENT TO UNITED STATES EMBASSIES.—

2 An employee of the Corporation, including an individual  
3 detailed to or contracted by the Corporation, may be as-  
4 signed to a United States diplomatic mission or consular  
5 post, or United States Agency for International Develop-  
6 ment field mission.

7 (f) PRIVILEGES AND IMMUNITIES.—The Secretary of  
8 State shall seek to ensure that an employee of the Cor-  
9 poration, including an individual detailed to or contracted  
10 by the Corporation, and the members of the family of such  
11 employee, while the employee is performing duties in any  
12 country or place outside the United States, enjoy the privi-  
13 leges and immunities that are enjoyed by a member of  
14 the Foreign Service, or the family of a member of the For-  
15 eign Service, as appropriate, of comparable rank and sal-  
16 ary of such employee, if such employee or a member of  
17 the family of such employee is not a national of or perma-  
18 nently resident in such country or place.

19 (g) RESPONSIBILITY OF CHIEF OF MISSION.—An  
20 employee of the Corporation, including an individual de-  
21 tailed to or contracted by the Corporation, and a member  
22 of the family of such employee, shall be subject to section  
23 207 of the Foreign Service Act of 1980 (22 U.S.C. 3927)  
24 in the same manner as United States Government employ-  
25 ees while the employee is performing duties in any country

1 or place outside the United States if such employee or  
2 member of the family of such employee is not a national  
3 of or permanently resident in such country or place.

4 (h) ALLOCATION OF FUNDS.—

5 (1) IN GENERAL.—The Corporation may allo-  
6 cate or transfer to the United States Agency for  
7 International Development or any other agency any  
8 part of any funds available for carrying out the pur-  
9 poses of this division. Such funds shall be available  
10 for obligation and expenditure for the purposes for  
11 which authorized, in accordance with authority  
12 granted in this title or under authority governing the  
13 activities of the agencies of the United States Gov-  
14 ernment to which such funds are allocated or trans-  
15 ferred.

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

21 (3) USE OF SERVICES.—For carrying out the  
22 purposes of this division, the Corporation may utilize  
23 the services and facilities of, or procure commodities  
24 from, any agency under such terms and conditions

1 as may be agreed to by the head of the agency and  
2 the Corporation.

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

7 (j) OTHER AUTHORITIES.—Except to the extent in-  
8 consistent with the provisions of this division, the adminis-  
9 trative authorities under chapters 1 and 2 of part III of  
10 the Foreign Assistance Act of 1961 shall apply to the pro-  
11 vision of assistance under this division to the same extent  
12 and in the same manner as such authorities apply to the  
13 provision of economic assistance under part I of such Act.

14 (k) APPLICABILITY OF GOVERNMENT CORPORATION  
15 CONTROL ACT.—

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

21 (2) CONFORMING AMENDMENT.—Section  
22 9101(3) of title 31, United States Code, is amended  
23 by adding at the end the following:

24 “(Q) the Millennium Challenge Corpora-  
25 tion.”

1 (l) INSPECTOR GENERAL.—

2 (1) IN GENERAL.—The Inspector General of  
3 the United States Agency for International Develop-  
4 ment shall serve as Inspector General of the Cor-  
5 poration, and, in acting in such capacity, may con-  
6 duct reviews, investigations, and inspections of all  
7 aspects of the operations and activities of the Cor-  
8 poration.

9 (2) AUTHORITY OF THE BOARD.—In carrying  
10 out its responsibilities under this subsection, the In-  
11 spector General shall report to the Board of Direc-  
12 tors.

13 (3) REIMBURSEMENT.—The Corporation shall  
14 reimburse the United States Agency for Inter-  
15 national Development for all expenses incurred by  
16 the Inspector General in connection with the Inspec-  
17 tor General's responsibilities under this subsection.

18 (m) COMPTROLLER GENERAL.—

19 (1) IN GENERAL.—The Comptroller General  
20 shall conduct audits, evaluations, and investigations  
21 of the Corporation.

22 (2) SCOPE.—The activities and financial trans-  
23 actions of the Corporation for any fiscal year during  
24 which Federal funds are available to finance any  
25 portion of its operations may be evaluated, inves-

1       tigated, or audited by the Comptroller General in ac-  
2       cordance with such rules and regulations as may be  
3       prescribed by the Comptroller General.

4           (3) ACCESS AND RECORDS.—Any evaluation, in-  
5       vestigation, or audit shall be conducted at the place  
6       or places where pertinent information of the Cor-  
7       poration is normally kept. The representatives of the  
8       General Accounting Office shall have access to all  
9       books, accounts, financial records, reports, files, and  
10      other papers or property belonging to or in use by  
11      the Corporation and necessary to facilitate the eval-  
12      uation, investigation, or audit; and full facilities for  
13      verifying transactions with the balances and securi-  
14      ties held by depositories, fiscal agents, and  
15      custodians shall be afforded to such representatives.  
16      All such books, accounts, financial records, reports,  
17      files, and other papers or property of the Corpora-  
18      tion shall remain in the possession and custody of  
19      the Corporation throughout the period beginning on  
20      the date such possession or custody commences and  
21      ending three years after such date, but the General  
22      Accounting Office may require the retention of such  
23      books, accounts, financial records, reports, files, pa-  
24      pers, or property for a longer period under section  
25      3523(e) of title 31, United States Code.

1           (4) REPORT.—A report of such audit, evalua-  
2           tion, or investigation shall be made by the Comp-  
3           troller General to the appropriate congressional com-  
4           mittees and to the President, together with such rec-  
5           ommendations with respect thereto as the Comp-  
6           troller General shall deem advisable.

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

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

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

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

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

20          (b) FUNCTIONS.—

21          (1) GENERAL FUNCTIONS.—The Council shall  
22          advise and consult with the Chief Executive Officer  
23          of the Corporation and the Board of Directors with  
24          respect to policies and programs designed to further  
25          the purposes of this division and shall periodically

1 report to the Congress with respect to the activities  
2 of the Corporation. In addition, the Council shall re-  
3 view on an annual basis the criteria and method-  
4 ology used to determine eligibility of countries for  
5 assistance under title II and make recommendations  
6 to the Chief Executive Officer and the Board to im-  
7 prove the effectiveness of such criteria and method-  
8 ology in order to achieve the purposes of this divi-  
9 sion.

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

15 (A) evaluate the accomplishments of the  
16 Corporation;

17 (B) assess the potential capabilities and  
18 the future role of the Corporation;

19 (C) make recommendations to the Chief  
20 Executive Officer, the Board of Directors, and  
21 Congress, for the purpose of guiding the future  
22 direction of the Corporation and of helping to  
23 ensure that the purposes and programs of the  
24 Corporation are carried out in ways that are ec-  
25 nomical, efficient, responsive to changing

1 needs in developing countries and to changing  
2 relationships among people, and in accordance  
3 with law;

4 (D) make such other evaluations, assess-  
5 ments, and recommendations as the Council  
6 considers appropriate.

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

11 (c) MEMBERSHIP.—

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

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

25 (d) COMPENSATION.—

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

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

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

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

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

1 (f) FINANCIAL INTERESTS OF MEMBERS.—A mem-  
2 ber of the Council shall disclose to the Chairperson of the  
3 Council and the Chief Executive Officer of the existence  
4 of any direct or indirect financial interest of that member  
5 in any particular matter before the Council and may not  
6 vote or otherwise participate as a Council member with  
7 respect to that particular matter.

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

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

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

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

1 waiving of notice of meetings, and keeping of min-  
2 utes of meetings.

3 (i) REPORT TO THE PRESIDENT, CHIEF EXECUTIVE  
4 OFFICER, AND BOARD.—

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

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

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

1 (j) ADMINISTRATIVE ASSISTANCE.—The Chief Exec-  
2 utive Officer shall make available to the Council such per-  
3 sonnel, administrative support services, and technical as-  
4 sistance as are necessary to carry out its functions effec-  
5 tively.

6 (k) TERMINATION.—Section 14(a)(2)(B) of the Fed-  
7 eral Advisory Committee Act (5 U.S.C. App.; relating to  
8 the termination of advisory committees) shall not apply  
9 to the Council. Notwithstanding section 102 of this Act,  
10 the authorities of the Council shall terminate on December  
11 31, 2007.

12 **SEC. 309. ENHANCING DATA COLLECTION AND MONI-**  
13 **TORING AND EVALUATION CAPABILITIES.**

14 (a) IN GENERAL.—The President, acting through the  
15 Chief Executive Officer of the Corporation, is authorized  
16 to provide assistance (through grant, contract, and, where  
17 applicable, in coordination with appropriate international  
18 organizations) to appropriate nongovernmental organiza-  
19 tions in order to assist the Corporation to improve the  
20 quality and accuracy of the criteria that are utilized to  
21 determine a country's eligibility for assistance under title  
22 II.

23 (b) USE OF ASSISTANCE.—Assistance provided under  
24 subsection (a) may be used to facilitate—

1           (1) data collection and research which are di-  
2           rectly related to the eligibility criteria used under  
3           section 203, particularly as the criteria relate to  
4           women and children;

5           (2) the monitoring and evaluation capabilities  
6           of recipients under section 203(f); and

7           (3) the strengthening of the trade index to ac-  
8           cess data on actual trade barriers.

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

12       **TITLE IV—PROVISIONS RELAT-**  
13       **ING TO UNITED STATES ECO-**  
14       **NOMIC ASSISTANCE**

15       **SEC. 401. DEFINITION.**

16          In this title, the term “United States economic assist-  
17          ance” means any bilateral economic assistance, from any  
18          budget functional category, that is provided by any depart-  
19          ment or agency of the United States to a foreign country,  
20          including such assistance that is intended—

21               (1) to assist the development and economic ad-  
22               vancement of friendly foreign countries and peoples,  
23               including assistance provided under title II (relating  
24               to the Millennium Challenge Account);

1           (2) to promote the freedom, aspirations, or sus-  
2           tenance of friendly peoples under oppressive rule by  
3           unfriendly governments;

4           (3) to promote international trade and foreign  
5           direct investment as a means of aiding economic  
6           growth;

7           (4) to save lives and alleviate suffering of for-  
8           eign peoples during or following war, natural dis-  
9           aster, or complex crisis;

10          (5) to assist in recovery and rehabilitation of  
11          countries or peoples following disaster or war;

12          (6) to protect refugees and promote durable so-  
13          lutions to aid refugees;

14          (7) to promote sound environmental practices;

15          (8) to assist in development of democratic insti-  
16          tutions and good governance by the people of foreign  
17          countries;

18          (9) to promote peace and reconciliation or pre-  
19          vention of conflict;

20          (10) to improve the technical capacities of gov-  
21          ernments to reduce production of and demand for il-  
22          licit narcotics; and

23          (11) to otherwise promote through bilateral for-  
24          eign economic assistance the national objectives of  
25          the United States.

1 **SEC. 402. FRAMEWORK FOR ASSISTANCE.**

2 (a) SENSE OF CONGRESS.—It is the sense of Con-  
3 gress that a coherent framework for United States eco-  
4 nomic assistance should be established in accordance with  
5 this section.

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

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

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

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

23 (C) providing assistance to help moderate-  
24 to-poorly performing countries achieve develop-  
25 ment progress in the areas described in part I  
26 of the Foreign Assistance Act of 1961, includ-

1           ing progress toward becoming eligible for assist-  
2           ance under this title, and to promote inter-  
3           national health worldwide, as well as assisting  
4           in the development of country and regional de-  
5           velopment strategies;

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

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

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

1           (3) The Department of State should be respon-  
2           sible for allocating security assistance to support key  
3           foreign policy objectives of the United States and  
4           shall administer assistance in such areas as non-pro-  
5           liferation, anti-terrorism, counter-narcotics, and re-  
6           lief for refugees.

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

1 **SEC. 403. REPORT RELATING TO IMPACT AND EFFECTIVE-**  
2 **NESS OF ASSISTANCE.**

3 (a) REPORT.—Not later than December 31, 2004,  
4 and December 31 of each third year thereafter, the Presi-  
5 dent shall transmit to Congress a report which analyzes,  
6 on a country-by-country basis, the impact and effective-  
7 ness of United States economic assistance furnished under  
8 the framework established in section 402 to each country  
9 during the preceding three fiscal years. The report shall  
10 include the following for each recipient country:

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

20 (A) include a description, quantified to the  
21 extent practicable, of the specific objectives the  
22 United States sought to achieve in providing  
23 economic assistance for that country, and

24 (B) specify the extent to which those objec-  
25 tives were not achieved, with an explanation of  
26 why they were not achieved.

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

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

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

13          (5) Statistical and other information necessary  
14          to evaluate the impact and effectiveness of United  
15          States economic assistance on development in the  
16          country.

17          (6) A comparison of the analysis provided in  
18          the report with relevant analyses by international fi-  
19          nancial institutions, other international organiza-  
20          tions, other donor countries, or nongovernmental or-  
21          ganizations.

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

1           (1) each country in which United States eco-  
2           nomic assistance has been most successful, as indi-  
3           cated by the extent to which the specific objectives  
4           the United States sought to achieve in providing the  
5           assistance for the country, as referred to in sub-  
6           section (a)(1)(A), were achieved; and

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

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

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

1 **DIVISION B—REAUTHORIZATION**  
2 **AND EXPANSION OF THE**  
3 **PEACE CORPS**  
4 **TITLE X—GENERAL PROVISIONS**

5 **SEC. 1001. DEFINITIONS.**

6 In this division:

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

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

14 (3) **HOST COUNTRY.**—The term “host country”  
15 means a country whose government has invited the  
16 Peace Corps to establish a Peace Corps program  
17 within the territory of the country.

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

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

1 **SEC. 1002. FINDINGS.**

2 Congress makes the following findings:

3 (1) The Peace Corps was established in 1961 to  
4 promote world peace and friendship through the  
5 service abroad of volunteers who are United States  
6 citizens. The spirit of service and commitment to  
7 helping others is a fundamental component of de-  
8 moeracy.

9 (2) Since its establishment, more than 168,000  
10 volunteers have served in the Peace Corps in 136  
11 countries throughout the world.

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

19 (4) The Peace Corps has sought to fulfill three  
20 goals—to help people in developing countries meet  
21 basic needs, promote understanding abroad of the  
22 values and ideals of the United States, and promote  
23 an understanding of other peoples by the people of  
24 the United States.

25 (5) After more than 40 years of operation, the  
26 Peace Corps remains the world's premier inter-

1 national service organization dedicated to promoting  
2 grassroots development by working with families and  
3 communities to improve health care for children, ex-  
4 pand agricultural production, teach in schools, fight  
5 infectious diseases, protect the environment, and ini-  
6 tiate small business opportunities.

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

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

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

21 (9) In fiscal year 2003, the Peace Corps is op-  
22 erating with an annual budget of \$295,000,000 in  
23 70 countries, with more than 7,000 Peace Corps vol-  
24 unteers.

1           (10) There is deep misunderstanding and mis-  
2           information in many parts of the world, particularly  
3           in countries with substantial Muslim populations,  
4           with respect to United States values and ideals. A  
5           new or expanded Peace Corps presence in such  
6           places could foster better understanding between the  
7           people of the United States and such countries.

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

13          (12) President George W. Bush has called for  
14          the doubling of the number of Peace Corps volun-  
15          teers in service.

16          (13) Any expansion of the Peace Corps should  
17          not jeopardize the quality of the Peace Corps volun-  
18          teer experience and, therefore, necessitates, among  
19          other things, an appropriate increase in field and  
20          headquarters support staff.

21          (14) In order to ensure that the proposed ex-  
22          pansion of the Peace Corps preserves the integrity of  
23          the program and the security of volunteers, the inte-  
24          grated Planning and Budget System supported by

1 the Office of Planning and Policy Analysis should  
2 continue its focus on strategic planning.

3 (15) A streamlined, bipartisan Peace Corps Na-  
4 tional Advisory Council composed of distinguished  
5 returned Peace Corps volunteers, former Peace  
6 Corps staff, and other individuals with diverse back-  
7 grounds and expertise can be a source of ideas and  
8 suggestions that may be useful to the Director of the  
9 Peace Corps as the Director discharges the duties  
10 and responsibilities as head of the agency.

11 **TITLE XI—AMENDMENTS TO**  
12 **PEACE CORPS ACT; RELATED**  
13 **PROVISIONS**

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

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

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

1 **SEC. 1102. REPORTS AND CONSULTATIONS.**

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

6 **“SEC. 11. ANNUAL REPORTS; CONSULTATIONS ON NEW INI-**  
7 **TIATIVES.**

8 “(a) ANNUAL REPORTS.—The Director shall trans-  
9 mit to Congress, at least once in each fiscal year, a report  
10 on operations under this Act. Each report shall contain  
11 information—

12 “(1) describing efforts undertaken to improve  
13 coordination of activities of the Peace Corps with ac-  
14 tivities of international voluntary service organiza-  
15 tions, such as the United Nations volunteer pro-  
16 gram, and of host country voluntary service organi-  
17 zations, including—

18 “(A) a description of the purpose and  
19 scope of any development project which the  
20 Peace Corps undertook during the preceding  
21 fiscal year as a joint venture with any such  
22 international or host country voluntary service  
23 organizations; and

24 “(B) recommendations for improving co-  
25 ordination of development projects between the

1 Peace Corps and any such international or host  
2 country voluntary service organizations;

3 “(2) describing—

4 “(A) any major new initiatives that the  
5 Peace Corps has under review for the upcoming  
6 fiscal year, and any major initiatives that were  
7 undertaken in the previous fiscal year that were  
8 not included in prior reports to the Congress;

9 “(B) the rationale for undertaking such  
10 new initiatives;

11 “(C) an estimate of the cost of such initia-  
12 tives; and

13 “(D) the impact on the safety of volun-  
14 teers;

15 “(3) describing in detail the Peace Corps plans,  
16 including budgetary plans, to have 14,000 volunteers  
17 in service by 2007 while maintaining the quality of  
18 the volunteer experience, ensuring the safety and se-  
19 curity of all volunteers, and providing for appro-  
20 priate administrative and other support; and

21 “(4) describing standard security procedures for  
22 any country in which the Peace Corps operates pro-  
23 grams or is considering doing so, as well as any spe-  
24 cial security procedures contemplated because of  
25 changed circumstances in specific countries, and as-

1       sessing whether security conditions would be en-  
2       hanced—

3               “(A) by co-locating volunteers with inter-  
4               national or local nongovernmental organiza-  
5               tions; or

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

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

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

20              (1) describing the student loan forgiveness pro-  
21              grams currently available to Peace Corps volunteers  
22              upon completion of their service;

23              (2) comparing such programs with other Gov-  
24              ernment-sponsored student loan forgiveness pro-  
25              grams; and

1           (3) recommending any additional student loan  
2           forgiveness programs which could attract more ap-  
3           plications from low- and middle-income individuals  
4           who are carrying considerable student-loan debt bur-  
5           dens.

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

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

21                 (1) describes the medical screening procedures  
22                 and standards of the Office of Medical Services/  
23                 Screening Unit of the Peace Corps to determine  
24                 whether an applicant for Peace Corps service has  
25                 worldwide clearance, limited clearance, a deferral pe-

1 riod, or is not medically, including psychologically,  
2 qualified to serve in the Peace Corps as a volunteer;

3 (2) describes the procedures and criteria for  
4 matching applicants for Peace Corps service with a  
5 host country to ensure that the applicant, reasonable  
6 accommodations notwithstanding, can complete at  
7 least two years of volunteer service without interrup-  
8 tion to host country national projects due to foresee-  
9 able medical conditions; and

10 (3) with respect to each of fiscal years 2000  
11 through 2002 and the first six months of fiscal year  
12 2003, states the number of—

13 (A) medical screenings conducted;

14 (B) applicants who have received world-  
15 wide clearance, limited clearance, deferral peri-  
16 ods, and medical disqualifications to serve;

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

20 (D) Peace Corps volunteers who have ter-  
21 minated their service early due to medical, in-  
22 cluding psychological, reasons.

1 **SEC. 1103. SPECIAL VOLUNTEER RECRUITMENT AND**  
2 **PLACEMENT FOR CERTAIN COUNTRIES.**

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

6 (1) describes the recruitment strategies to be  
7 employed by the Peace Corps to recruit and train  
8 volunteers with the appropriate language skills and  
9 interest in serving in host countries; and

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

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

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

23 (a) INITIATIVE.—

24 (1) IN GENERAL.—The Director, in cooperation  
25 with international public health experts, such as the  
26 Centers for Disease Control and Prevention, the Na-

1 tional Institutes of Health, the World Health Orga-  
2 nization, the Pan American Health Organization,  
3 and local public health officials, shall expand the  
4 Peace Corps' program of training for Peace Corps  
5 volunteers in the areas of education, prevention, and  
6 treatment of infectious diseases which are prevalent  
7 in host countries in order to ensure that the Peace  
8 Corps increases its contribution to the global cam-  
9 paign against such diseases.

10 (2) ADDITIONAL REQUIREMENT.—Activities for  
11 the education, prevention, and treatment of infec-  
12 tious diseases in host countries by the Peace Corps  
13 shall be undertaken in a manner that is consistent  
14 with activities authorized under sections 104(c),  
15 104A, 104B, and 104C of the Foreign Assistance  
16 Act of 1961.

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

18 (1) IN GENERAL.—The Director should des-  
19 ignate an officer or employee of the Peace Corps  
20 who is located in the United States to coordinate all  
21 HIV/AIDS activities within the Peace Corps. Such  
22 individual may be an individual who is an officer or  
23 employee of the Peace Corps on the date of the en-  
24 actment of this Act.

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

8           (c) DEFINITIONS.—In this section:

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

11          (2) HIV.—The term “HIV” means the human  
12          immunodeficiency virus, the pathogen that causes  
13          AIDS.

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

17          (4) INFECTIOUS DISEASES.—The term “infec-  
18          tious diseases” means HIV/AIDS, tuberculosis, and  
19          malaria.

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

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

24                 (1) in subsection (b)(2)—

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

3 (B) by redesignating subparagraph (D) as  
4 subparagraph (E); and

5 (C) by inserting after subparagraph (C)  
6 the following:

7 “(D) make recommendations for utilizing the  
8 expertise of returned Peace Corps volunteers and  
9 former Peace Corps staff in fulfilling the goals of  
10 the Peace Corps; and”;

11 (2) in subsection (c)(2)—

12 (A) in subparagraph (A)—

13 (i) in the first sentence—

14 (I) by striking “fifteen” and in-  
15 serting “eleven”; and

16 (II) by striking “President, by  
17 and with the advice and consent of  
18 the Senate” and inserting “Director  
19 of the Peace Corps”;

20 (ii) by striking the second sentence  
21 and inserting the following: “Six of the  
22 members shall be former Peace Corps vol-  
23 unteers, at least one of whom shall have  
24 been a former staff member abroad or in  
25 the Washington headquarters, and not

1 more than six shall be members of the  
2 same political party.”;

3 (B) by striking subparagraph (B);

4 (C) by amending subparagraph (D) to read  
5 as follows:

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

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

10 (E) in subparagraph (I), by striking  
11 “President shall nominate” and inserting “Di-  
12 rector shall appoint”; and

13 (F) by redesignating subparagraphs (C),  
14 (D), (E), (F), (G), (H), and (I) as subpara-  
15 graphs (B), (C), (D), (E), (F), (G), and (H),  
16 respectively; and

17 (3) by amending subsection (g) to read as fol-  
18 lows:

19 “(g) CHAIR.—The Director shall designate one of the  
20 voting members of the Council as Chair, who shall serve  
21 in that capacity for a term of two years. The Director may  
22 renew the term of a voting member appointed as Chair  
23 under the preceding sentence.”.

24 **SEC. 1106. READJUSTMENT ALLOWANCES.**

25 The Peace Corps Act is amended—

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

6           (2) in section 6(1) (22 U.S.C. 2505(1)), by  
7 striking “\$125 for each month of satisfactory serv-  
8 ice” and inserting “\$275 for each month of satisfac-  
9 tory service during fiscal year 2004 and \$300 for  
10 each month of satisfactory service thereafter”.

11 **SEC. 1107. PROGRAMS AND PROJECTS OF RETURNED**  
12 **PEACE CORPS VOLUNTEERS AND FORMER**  
13 **STAFF.**

14           (a) PURPOSE.—The purpose of this section is to pro-  
15 vide support for returned Peace Corps volunteers to de-  
16 velop and carry out programs and projects to promote the  
17 objectives of the Peace Corps Act, as set forth in section  
18 2(a) of that Act (22 U.S.C. 2501(a)).

19           (b) GRANTS TO CERTAIN NONPROFIT CORPORA-  
20 TIONS.—

21           (1) GRANT AUTHORITY.—

22           (A) IN GENERAL.—To carry out the pur-  
23 pose of this section, and subject to the avail-  
24 ability of appropriations, the Director may  
25 award grants on a competitive basis to private

1 nonprofit corporations for the purpose of ena-  
2 bling returned Peace Corps volunteers to use  
3 their knowledge and expertise to develop and  
4 carry out the programs and projects described  
5 in paragraph (2).

6 (B) DELEGATION OF AUTHORITY AND  
7 TRANSFER OF FUNDS.—The Director may dele-  
8 gate the authority to award grants under sub-  
9 paragraph (A) and may transfer funds author-  
10 ized under this section subject to the notifica-  
11 tion procedures of section 634A of the Foreign  
12 Assistance Act of 1961 to the Chief Executive  
13 Officer of the Corporation for National and  
14 Community Service (referred to in this section  
15 as the “Corporation”).

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

18 (A) educational programs designed to en-  
19 rich the knowledge and interest of elementary  
20 school and secondary school students in the ge-  
21 ography and cultures of other countries where  
22 the volunteers have served;

23 (B) projects that involve partnerships with  
24 local libraries to enhance community knowledge  
25 about other peoples and countries; and

1           (C) audio-visual projects that utilize mate-  
2           rials collected by the volunteers during their  
3           service that would be of educational value to  
4           communities.

5           (3) ELIGIBILITY FOR GRANTS.—To be eligible  
6           to compete for grants under this section, a nonprofit  
7           corporation shall have a board of directors composed  
8           of returned Peace Corps volunteers and former  
9           Peace Corps staff with a background in community  
10          service, education, or health. If the grants are made  
11          by the Corporation, the nonprofit corporation shall  
12          meet all appropriate Corporation management re-  
13          quirements, as determined by the Corporation.

14          (c) GRANT REQUIREMENTS.—Such grants shall be  
15          made pursuant to a grant agreement between the Peace  
16          Corps or the Corporation and the nonprofit corporation  
17          that requires that—

18                (1) the grant funds will only be used to support  
19                programs and projects described in subsection (a)  
20                pursuant to proposals submitted by returned Peace  
21                Corps volunteers (either individually or cooperatively  
22                with other returned volunteers);

23                (2) the nonprofit corporation will give consider-  
24                ation to funding individual programs or projects by

1 returned Peace Corps volunteers, in amounts of not  
2 more than \$50,000, under this section;

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

7 (4) the nonprofit corporation will not receive  
8 grant funds for programs or projects under this sec-  
9 tion for a third or subsequent year unless the non-  
10 profit corporation makes available, to carry out the  
11 programs or projects during that year, non-Federal  
12 contributions—

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

16 (B) provided directly or through donations  
17 from private entities, in cash or in kind, fairly  
18 evaluated, including plant, equipment, or serv-  
19 ices; and

20 (5) the nonprofit corporation shall manage,  
21 monitor, and submit reports to the Peace Corps or  
22 the Corporation, as the case may be, on each pro-  
23 gram or project for which the nonprofit corporation  
24 receives a grant under this section.

1           (d) STATUS OF THE FUND.—Nothing in this section  
2 shall be construed to make any nonprofit corporation sup-  
3 ported under this section an agency or establishment of  
4 the Federal Government or to make the members of the  
5 board of directors or any officer or employee of such non-  
6 profit corporation an officer or employee of the United  
7 States.

8           (e) FACTORS IN AWARDING GRANTS.—In deter-  
9 mining the number of nonprofit corporations to receive  
10 grants under this section for any fiscal year, the Peace  
11 Corps or the Corporation—

12                 (1) shall take into consideration the need to  
13 minimize overhead costs that direct resources from  
14 the funding of programs and projects; and

15                 (2) shall seek to ensure a broad geographical  
16 distribution of grants for programs and projects  
17 under this section.

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

21           (g) FUNDING.—

22                 (1) IN GENERAL.—There is authorized to be  
23 appropriated to carry out this section up to  
24 \$10,000,000. Such sum shall be in addition to funds

1       made available to the Peace Corps under this divi-  
2       sion.

3               (2) AVAILABILITY.—Amounts appropriated pur-  
4       suant to paragraph (1) are authorized to remain  
5       available until expended.

6       (h) CRISIS CORPS.—

7               (1) STATEMENT OF POLICY.—Congress states  
8       that the Crisis Corps has been an effective tool in  
9       harnessing the skills and talents of returned Peace  
10      Corps volunteers.

11              (2) INCREASE IN NUMBER OF CRISIS CORPS AS-  
12      SIGNMENTS.—The Director, in consultation with the  
13      governments of host countries and appropriate non-  
14      governmental organizations, shall increase the num-  
15      ber of available Crisis Corps assignments for re-  
16      turned Peace Corps volunteers to at least 120 as-  
17      signments in fiscal year 2004, 140 assignments in  
18      fiscal year 2005, 160 assignments in fiscal year  
19      2006, and 165 assignments in fiscal year 2007.

20   **SEC. 1108. DECLARATION OF POLICY.**

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

1 **SEC. 1109. AUTHORIZATION OF APPROPRIATIONS.**

2 Section 3(b)(1) of the Peace Corps Act (22 U.S.C.  
3 2502(b)(1)) is amended by striking “and \$365,000,000  
4 fiscal year 2003” and inserting “\$365,000,000 for fiscal  
5 year 2003, \$366,868,000 for fiscal year 2004,  
6 \$411,800,000 for fiscal year 2005, \$455,930,000 for fis-  
7 cal year 2006, and \$499,400,000 for fiscal year 2007”.

○