

AMENDMENT NO. _____ Calendar No. _____

Purpose: In the nature of a substitute.

IN THE SENATE OF THE UNITED STATES—114th Cong., 2d Sess.

S. 1605

To amend the Millennium Challenge Act of 2003 to authorize concurrent compacts for purposes of regional economic integration and cross-border collaborations, and for other purposes.

Referred to the Committee on _____ and
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT IN THE NATURE OF A SUBSTITUTE intended
to be proposed by Mr. CARDIN (for himself, Mr.
CORKER, and Mr. ISAKSON)

Viz:

1 Strike all after the enacting clause and insert the fol-
2 lowing:

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Millennium Compacts
5 for Regional Economic Integration Act” or the “M-CORE
6 Act”.

7 **SEC. 2. PURPOSE.**

8 The purpose of this Act is to expand the Millennium
9 Challenge Corporation’s ability to develop compacts with
10 countries, particularly in Africa, that promote regional

1 economic integration and cross-border collaborations, and
2 make other changes to the Millennium Challenge Act of
3 2003 to promote the Millennium Challenge Corporation's
4 mission.

5 **SEC. 3. MILLENNIUM CHALLENGE COMPACT.**

6 (a) IN GENERAL.—Section 609 of the Millennium
7 Challenge Act of 2003 (22 U.S.C. 7708) is amended—

8 (1) in subsection (k), by striking the first sen-
9 tence; and

10 (2) by adding after subsection (k) the following
11 new subsection:

12 “(1) CONCURRENT COMPACTS.—An eligible country
13 and the United States that have entered into and have
14 in effect a Compact under this section may enter into and
15 have in effect at the same time not more than one addi-
16 tional Compact in accordance with the requirements of
17 this title if—

18 “(1) one or both of the Compacts are or will be
19 for purposes of regional economic integration, in-
20 creased regional trade, or cross-border collabora-
21 tions; and

22 “(2) the Board determines that the country is
23 making considerable and demonstrable progress in
24 implementing the terms of any existing Compacts
25 and supplementary agreements thereto.”.

1 (b) APPLICABILITY.—The amendments made by sub-
2 section (a) apply with respect to Compacts entered into
3 between the United States and an eligible country under
4 the Millennium Challenge Act of 2003 (22 U.S.C. 7701
5 et seq.) before, on, or after the date of the enactment of
6 this Act.

7 (c) CONFORMING AMENDMENT.—Section
8 613(b)(2)(A) of such Act (22 U.S.C. 7712(b)(2)(A)) is
9 amended by striking “the Compact” and inserting “any
10 Compact”.

11 **SEC. 4. CANDIDACY STATUS.**

12 Section 606(a)(2) of the Millennium Challenge Act
13 of 2003 (22 U.S.C. 7705) is amended—

14 (1) by redesignating subparagraphs (A) and
15 (B) as clauses (i) and (ii), respectively, and moving
16 such clauses, as so redesignated, 2 cms to the right;

17 (2) by striking “FISCAL YEARS.—A country”
18 and inserting the following “FISCAL YEARS.—

19 “(A) IN GENERAL.—”; and

20 (3) by adding at the end the following new sub-
21 paragraph:

22 “(B) TREATMENT OF COUNTRIES WITH
23 PER CAPITA INCOME CHANGES.—A country
24 qualifying for candidate status under this sec-
25 tion with a per capita income that changes in

1 the fiscal year such that the country would be
2 reclassified from a low income country to a
3 lower middle income country or from a lower
4 middle income country to a low income country
5 shall retain its candidacy status in its former
6 income classification for such fiscal year and
7 the two subsequent fiscal years.”.

8 **SEC. 5. CARRYOVER AUTHORITY FOR PRIVATE SECTOR**
9 **MEMBERS OF BOARD OF DIRECTORS.**

10 Section 604(c)(4)(B) of the Millennium Challenge
11 Act of 2003 (22 U.S.C. 7703(c)(4)(B)) is amended—

12 (1) by striking “3 years and may be” and in-
13 serting “3 years, may be”; and

14 (2) by inserting “, and may continue in each
15 appointment to serve until his or her successor is ap-
16 pointed, but in no case more than one year [after
17 such appointment or reappointment]” after “an ad-
18 ditional 2 years”.

19 **SEC. 6. PUBLIC NOTIFICATION OF ENTERING INTO A COM-**
20 **PACT,**

21 Section 610 of the Millennium Challenge Act of 2003
22 (22 U.S.C. 7709(b)) is amended by striking paragraph (2)
23 and inserting the following new paragraph:

24 “(2) shall publish in the Federal Register a no-
25 tice that such detailed summary and the text of the

1 Compact is available on the Internet website of the
2 Corporation and provide the address of the
3 website.”.

4 **SEC. 7. RESTRICTION ON THE USE OF THRESHOLD PRO-**
5 **GRAM FUNDS.**

6 Subsection (d) of section 616 of the Millennium Chal-
7 lenge Act of 2003 (22 U.S.C. 7715) is amended to read
8 as follows:

9 “(d) FUNDING.—

10 “(1) FISCAL YEAR 2004.—Not more than 10
11 percent of the amount appropriated pursuant to the
12 authorization of appropriations under section 619(a)
13 for fiscal year 2004 is authorized to be made avail-
14 able to carry out this section.

15 “(2) RESTRICTION RELATING TO THRESHOLD
16 PROGRAMS.—None of the funds authorized by this
17 Act shall be available for a threshold program in a
18 country that does not qualify as a candidate country
19 under section 606.”.

20 **SEC. 8. ADDITIONAL REPORTING TO THE BOARD AND CON-**
21 **GRESS ON THE TREATMENT OF CIVIL SOCI-**
22 **ETY IN AN ELIGIBLE COUNTRY.**

23 Section 607 of the Millennium Challenge Act of 2003
24 (22 U.S.C. 7706) is amended—

25 (1) in subsection (b)(1)—

1 (A) in subparagraph (D), by striking “;
2 and” and inserting a semicolon;

3 (B) in subparagraph (E), by striking the
4 semicolon at the end and inserting “; and”; and

5 (C) by adding at the end the following new
6 subparagraph:

7 “(F) the quality of the civil society ena-
8 bling environment;”;

9 (2) by redesignating subsections (d) and (e) as
10 subsections (f) and (g), respectively; and

11 (3) by inserting after subsection (e) the fol-
12 lowing new subsection:

13 “(e) REPORTING ON TREATMENT OF CIVIL SOCI-
14 ETY.—Before the Board selects an eligible country for a
15 Compact, the Millennium Challenge Corporation shall pro-
16 vide to the Board information on a country’s treatment
17 of civil society, including classified information when ap-
18 propriate. The information shall include an assessment
19 and analysis of factors such as—

20 “(1) any relevant laws governing the formation
21 or establishment of a civil society organization, par-
22 ticularly laws intended to curb the activities of for-
23 eign civil society organizations;

24 “(2) any relevant laws governing the operations
25 of a civil society organization, particularly those laws

1 seeking to define or otherwise regulate the actions of
2 foreign civil society organizations;

3 “(3) laws relating to the legal status of civil so-
4 ciety organizations, including laws which effectively
5 discriminate against foreign civil society organiza-
6 tions as compared to similarly situated domestic or-
7 ganizations;

8 “(4) laws regulating the freedom of expression
9 and peaceful assembly; and

10 “(5) laws regulating the usage of the Internet
11 generally and by foreign civil society organizations in
12 particular.”.

13 ~~SEC. 3. SUBNATIONAL COMPACTS.~~

14 (a) CANDIDATE COUNTRIES FOR SUBNATIONAL COM-
15 PACTS WITH SIGNIFICANT IDENTIFIABLE POCKETS OF
16 POVERTY.—Section 609 of the Millennium Challenge Act
17 of 2003 (22 U.S.C. 7708), as amended by section 3(a),
18 is further amended by adding at the end the following new
19 subsection:

20 “(m) SUBNATIONAL COMPACTS.—

21 “(1) IN GENERAL.—The United States may
22 enter into subnational compacts designed to benefit
23 populations experiencing extreme poverty within can-
24 didate countries for the purposes of alleviating ex-

1 extreme poverty within an identifiable subnational pop-
2 ulation of a candidate country.

3 “(2) ELIGIBILITY.—A country may qualify for
4 a subnational compact to benefit a population expe-
5 riencing extreme poverty if—

6 “(A) the subnational population is an iden-
7 tifiable group subsisting below the national pov-
8 erty line, as defined as—

9 “(i) living on less than the country’s
10 median household consumption or income
11 per capita per day; or

12 “(ii) if such data is not available, sub-
13 sisting below the global extreme poverty
14 line as established by the World Bank for
15 the previous two years;

16 “(B) the country has demonstrated a com-
17 mitment to improving economic conditions with-
18 in the target subnational population intended to
19 be the beneficiary of the subnational compact;
20 and

21 “(C) the subnational compact is designed
22 to promote economic and income growth among
23 the members of the identified subnational tar-
24 get population.

25 “(3) LIMITATIONS.—

1 “(A) PER COUNTRY.—Notwithstanding
2 paragraphs (1) and (2), the United States may
3 enter into not more than one subnational com-
4 pact in a country at a time.

5 “(B) TOTAL ASSISTANCE.—The total
6 amount of assistance provided under sub-
7 national compacts for a fiscal year may not ex-
8 ceed 25 percent of the total amount of assist-
9 ance provided under section 605 for a fiscal
10 year.”.

11 (b) EXCEPTION FROM LIMITATION ON ASSISTANCE
12 TO LOWER MIDDLE INCOME COUNTRIES.—Section
13 606(b)(2) of the Millennium Challenge Act of 2003 (22
14 U.S.C. 7705(b)(2)) is amended—

15 (1) by striking “LIMITATION.—The total” and
16 inserting the following: “LIMITATION.—

17 “(A) IN GENERAL.—The total”; and

18 (2) by adding at the end the following new sub-
19 paragraph:

20 “(B) EXCEPTION FOR SUBNATIONAL COM-
21 PACTS.—The limitation under subparagraph
22 (A) does not apply to assistance provided under
23 subnational compacts authorized under section
24 609(m) to populations experiencing extreme
25 poverty.”.