

the Board shall select those eligible countries with respect to which the United States will initially seek to enter into a Millennium Challenge Compact pursuant to section 7708 of this title.

**(2) Factors**

In selecting eligible countries under paragraph (1), the Board shall consider the following factors:

(A) The extent to which the country clearly meets or exceeds the eligibility criteria.

(B) The opportunity to reduce poverty and generate economic growth in the country.

(C) The availability of amounts to carry out this chapter.

**(d) Establishment of criteria and methodology**

The criteria and methodology submitted by the Board to Congress and published in the Federal Register under section 7707(b)(2) of this title with respect to a fiscal year shall remain fixed for purposes of eligibility determinations for such year.

**(e) Annual modification of criteria and methodology**

As appropriate, the Board, acting through the Chief Executive Officer, shall review the eligibility criteria and methodology and modify such criteria and methodology in subsequent years consistent with section 7707(b) of this title.

(Pub. L. 108–199, div. D, title VI, §607, Jan. 23, 2004, 118 Stat. 216; Pub. L. 110–161, div. J, title VI, §699I(a), Dec. 26, 2007, 121 Stat. 2372.)

REFERENCES IN TEXT

This chapter, referred to in subsec. (c)(2)(C), was in the original “this title”, meaning title VI of Pub. L. 108–199, div. D, Jan. 23, 2004, 118 Stat. 211, which is classified generally to this chapter. For complete classification of this title to the Code, see Short Title note set out under section 7701 of this title and Tables.

AMENDMENTS

2007—Subsec. (b)(2)(B). Pub. L. 110–161, §699I(a)(1), struck out “and the sustainable management of natural resources” after “growth”.

Subsec. (b)(3)(C). Pub. L. 110–161, §699I(a)(2), added subpar. (C).

**§ 7707. Congressional and public notification of candidate countries, eligibility criteria, and eligible countries**

**(a) Identification of candidate countries**

Not later than 90 days prior to the date on which the Board determines eligible countries under section 7706 of this title for a fiscal year, the Chief Executive Officer—

(1) shall prepare and submit to the appropriate congressional committees a report that contains a list of all candidate countries identified under section 7705 of this title, and all countries that would be candidate countries if the countries met the requirement contained in section 7705(a)(1)(B) of this title, for the fiscal year; and

(2) shall publish in the Federal Register the information contained in the report described in paragraph (1).

**(b) Identification of eligibility criteria and methodology**

Not later than 60 days prior to the date on which the Board determines eligible countries

under section 7706 of this title for a fiscal year, the Chief Executive Officer—

(1) shall prepare and submit to the appropriate congressional committees a report that contains a list of the criteria and methodology described in subsections (a) and (b) of section 7706 of this title that will be used to determine eligibility for each candidate country identified under subsection (a);

(2) shall publish in the Federal Register the information contained in the report described in paragraph (1); and

(3) may conduct one or more public hearings on the eligibility criteria and methodology.

**(c) Public comment and congressional consultation**

**(1) Public comment**

The Chief Executive Officer shall, for the 30-day period beginning on the date of publication in the Federal Register of the information contained in the report described in subsection (b)(1), accept public comment and consider such comment for purposes of determining eligible countries under section 7706 of this title.

**(2) Congressional consultation**

The Chief Executive Officer shall consult with the appropriate congressional committees on the extent to which the candidate countries meet the criteria described in section 7706(b) of this title.

**(d) Identification of eligible countries**

Not later than 5 days after the date on which the Board determines eligible countries under section 7706 of this title for a fiscal year, the Chief Executive Officer—

(1) shall prepare and submit to the appropriate congressional committees a report that contains a list of all such eligible countries, an identification of those countries on such list with respect to which the Board will seek to enter into a Compact under section 7708 of this title, and a justification for such eligibility determination and selection for Compact negotiation; and

(2) shall publish in the Federal Register the information contained in the report described in paragraph (1).

(Pub. L. 108–199, div. D, title VI, §608, Jan. 23, 2004, 118 Stat. 217.)

**§ 7708. Millennium Challenge Compact**

**(a) Compact**

The Board, acting through the Chief Executive Officer of the Corporation, may provide assistance for an eligible country only if the country enters into an agreement with the United States, to be known as a “Millennium Challenge Compact”, that establishes a multi-year plan for achieving shared development objectives in furtherance of the purposes of this chapter.

**(b) Elements**

**(1) In general**

The Compact should take into account the national development strategy of the eligible country and shall contain—

(A) the specific objectives that the country and the United States expect to achieve during the term of the Compact;

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

(C) regular benchmarks to measure, where appropriate, progress toward achieving such objectives;

(D) an identification of the intended beneficiaries, disaggregated by income level, gender, and age, to the maximum extent practicable;

(E) a multi-year financial plan, including the estimated amount of contributions by the Corporation and the country and proposed mechanisms to implement the plan and provide oversight, that describes how the requirements of subparagraphs (A) through (D) will be met, including identifying the role of civil society in the achievement of such requirements;

(F) where appropriate, a description of the current and potential participation of other donors in the achievement of such objectives;

(G) a plan to ensure appropriate fiscal accountability for the use of assistance provided under section 7704 of this title;

(H) where appropriate, a process or processes for consideration of solicited proposals under the Compact as well as a process for consideration of unsolicited proposals by the Corporation and national, regional, or local units of government;

(I) a requirement that open, fair, and competitive procedures are used in a transparent manner in the administration of grants or cooperative agreements or the procurement of goods and services for the accomplishment of objectives under the Compact;

(J) the strategy of the eligible country to sustain progress made toward achieving such objectives after expiration of the Compact; and

(K) a description of the role of the United States Agency for International Development in any design, implementation, and monitoring of programs and activities funded under the Compact.

## **(2) Lower middle income countries**

In addition to the elements described in subparagraphs (A) through (K) of paragraph (1), with respect to a lower middle income country described in section 7705(b) of this title, the Compact shall identify a contribution, as appropriate, from the country relative to its national budget, taking into account the prevailing economic conditions, toward meeting the objectives of the Compact. Any such contribution should be in addition to government spending allocated for such purposes in the country's budget for the year immediately preceding the establishment of the Compact and should continue for the duration of the Compact.

## **(3) Definition**

In this subsection, the term “national development strategy” means any strategy to achieve market-driven economic growth and eliminate extreme poverty that has been developed by the government of the country in consultation with a wide variety of civic par-

ticipation, including nongovernmental organizations, private and voluntary organizations, academia, women's and student organizations, local trade and labor unions, and the business community.

## **(c) Additional provision relating to prohibition on taxation**

In addition to the elements described in subsection (c), each Compact shall contain a provision that states that assistance provided by the United States under the Compact shall be exempt from taxation by the government of the eligible country.

## **(d) Local input**

In entering into a Compact, the United States shall seek to ensure that the government of an eligible country—

(1) takes into account the local-level perspectives of the rural and urban poor, including women, in the eligible country; and

(2) consults with private and voluntary organizations, the business community, and other donors in the eligible country.

## **(e) Consultation**

During any discussions with a country for the purpose of entering into a Compact with the country, officials of the Corporation participating in such discussions shall, at a minimum, consult with appropriate officials of the United States Agency for International Development, particularly with those officials responsible for the appropriate region or country on development issues related to the Compact.

## **(f) Coordination with other donors**

To the maximum extent feasible, activities undertaken to achieve the objectives of the Compact shall be undertaken in coordination with the assistance activities of other donors.

## **(g) Assistance for development of compact**

Notwithstanding subsection (a), the Chief Executive Officer may enter into contracts or make grants for any eligible country for the purpose of facilitating the development and implementation of the Compact between the United States and the country.

## **(h) Requirement for approval by the Board**

Each Compact shall be approved by the Board before the United States enters into the Compact.

## **(i) Increase or extension of assistance under a Compact**

Not later than 15 days after making a determination to increase or extend assistance under a Compact with an eligible country, the Board, acting through the Chief Executive Officer—

(1) shall prepare and transmit to the appropriate congressional committees a written report and justification that contains a detailed summary of the proposed increase in or extension of assistance under the Compact and a copy of the full text of the amendment to the Compact; and

(2) shall publish a detailed summary, full text, and justification of the proposed increase in or extension of assistance under the Compact in the Federal Register and on the Internet website of the Corporation.

**(j) Duration of Compact**

The duration of a Compact shall not exceed 5 years.

**(k) Subsequent Compacts**

An eligible country and the United States may enter into and have in effect only one Compact at any given time under this section. An eligible country and the United States may enter into one or more subsequent Compacts in accordance with the requirements of this chapter after the expiration of the existing Compact.

(Pub. L. 108–199, div. D, title VI, §609, Jan. 23, 2004, 118 Stat. 218.)

## REFERENCES IN TEXT

This chapter, referred to in subsecs. (a) and (k), was in the original “this title”, meaning title VI of Pub. L. 108–199, div. D, Jan. 23, 2004, 118 Stat. 211, which is classified generally to this chapter. For complete classification of this title to the Code, see Short Title note set out under section 7701 of this title and Tables.

**§ 7709. Congressional and public notification of Compact****(a) Congressional consultation prior to Compact negotiations**

Not later than 15 days prior to the start of negotiations of a Compact with an eligible country, the Board, acting through the Chief Executive Officer—

- (1) shall consult with the appropriate congressional committees with respect to the proposed Compact negotiation; and
- (2) shall identify the objectives and mechanisms to be used for the negotiation of the Compact.

**(b) Congressional and public notification after entering into a Compact**

Not later than 10 days after entering into a Compact with an eligible country, the Board, acting through the Chief Executive Officer—

- (1) shall provide notification of the Compact to the appropriate congressional committees, including a detailed summary of the Compact and a copy of the text of the Compact; and
- (2) shall publish such detailed summary and the text of the Compact in the Federal Register and on the Internet website of the Corporation.

(Pub. L. 108–199, div. D, title VI, §610, Jan. 23, 2004, 118 Stat. 220.)

**§ 7710. Suspension and termination of assistance****(a) Suspension and termination of assistance**

After consultation with the Board, the Chief Executive Officer may suspend or terminate assistance in whole or in part for a country or entity under section 7704 of this title if the Chief Executive Officer determines that—

- (1) the country or entity is engaged in activities which are contrary to the national security interests of the United States;
- (2) the country or entity has engaged in a pattern of actions inconsistent with the criteria used to determine the eligibility of the country or entity, as the case may be; or
- (3) the country or entity has failed to adhere to its responsibilities under the Compact.

**(b) Reinstatement**

The Chief Executive Officer may reinstate assistance for a country or entity under section 7704 of this title only if the Chief Executive Officer determines that the country or entity has demonstrated a commitment to correcting each condition for which assistance was suspended or terminated under subsection (a).

**(c) Congressional notification**

Not later than 3 days after the date on which the Chief Executive Officer suspends or terminates assistance under subsection (a) for a country or entity, or reinstates assistance under subsection (b) for a country or entity, the Chief Executive Officer shall submit to the appropriate congressional committees a report that contains the determination of the Chief Executive Officer under subsection (a) or subsection (b), as the case may be.

**(d) Rule of construction**

The authority to suspend or terminate assistance under this section includes the authority to suspend or terminate obligations and sub-obligations.

(Pub. L. 108–199, div. D, title VI, §611, Jan. 23, 2004, 118 Stat. 220.)

**§ 7711. Disclosure****(a) Requirement for disclosure**

The Corporation shall make available to the public on at least a quarterly basis, the following information:

- (1) For assistance provided under section 7704 of this title—
  - (A) the name of each entity to which assistance is provided;
  - (B) the amount of assistance provided to the entity; and
  - (C) a description of the program or project, including—
    - (i) a description of whether the program or project was solicited or unsolicited; and
    - (ii) a detailed description of the objectives and measures for results of the program or project.

- (2) For funds allocated or transferred under section 7718(b) of this title—

- (A) the name of each United States Government agency to which such funds are transferred or allocated;
- (B) the amount of funds transferred or allocated to such agency; and
- (C) a description of the program or project to be carried out by such agency with such funds.

**(b) Dissemination**

The information required to be disclosed under subsection (a) shall be made available to the public by means of publication in the Federal Register and on the Internet website of the Corporation, as well as by any other methods that the Board determines appropriate.

(Pub. L. 108–199, div. D, title VI, §612, Jan. 23, 2004, 118 Stat. 221.)

**§ 7712. Annual report****(a) Report**

Not later than March 31, 2005, and each March 31 thereafter, the President shall submit to Con-