

LEGISLATIVE PROPOSAL FOR THE MILLENNIUM  
CHALLENGE ACT OF 2003

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COMMUNICATION

FROM

**THE PRESIDENT OF THE UNITED STATES**

TRANSMITTING

A LEGISLATIVE PROPOSAL TO ESTABLISH THE MILLENNIUM  
CHALLENGE ACCOUNT AND THE MILLENNIUM CHALLENGE  
CORPORATION



FEBRUARY 11, 2003.—Referred jointly to the Committees on International  
Relations, Ways and Means, the Judiciary, Resources, and Government  
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*To the Congress of the United States:*

I am pleased to transmit a legislative proposal to establish the Millennium Challenge Account and the Millennium Challenge Corporation. Also transmitted is a section-by-section analysis.

The Millennium Challenge Account (MCA) represents a new approach to providing and delivering development assistance. This new compact for development breaks with the past by tying increased assistance to performance and creating new accountability for all nations. This proposal implements my commitment to increase current levels of core development assistance by 50 percent over the next 3 years, thus providing an annual increase of \$5 billion by fiscal year 2006. To be eligible for this new assistance, countries must demonstrate commitment to three standards—ruling justly, investing in their people, and encouraging economic freedom. Given this commitment, and the link between financial accountability and development success, special attention will be given to fighting corruption.

The goal of the Millennium Challenge Account initiative is to reduce poverty by significantly increasing economic growth in recipient countries through a variety of targeted investments. The MCA will be administered by a new, small Government corporation, called the Millennium Challenge Corporation, designed to support innovative strategies and to ensure accountability for measurable results. The Corporation will be supervised by a Board of Directors chaired by the Secretary of State and composed of other Cabinet-level officials. The Corporation will be led by a Chief Executive Officer appointed by the President, by and with the advice and consent of the Senate. This proposal provides the Corporation with flexible authorities to optimize program implementation, contracting, and personnel selection while pursuing innovative strategies.

The Millennium Challenge Account initiative recognizes the need for country ownership, financial oversight, and accountability for results to ensure effective assistance. We cannot accept permanent poverty in a world of progress. The MCA will provide people in developing nations the tools they need to seize the opportunities of the global economy. I urge the prompt and favorable consideration of this legislation.

GEORGE W. BUSH.

THE WHITE HOUSE, *February 5, 2003.*



A BILL

To establish the Millennium Challenge Account and the Millennium Challenge Corporation in order to reduce global poverty through increased economic growth by supporting a new compact for global development.

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

**SECTION 1. SHORT TITLE.**

This Act may be cited as the "Millennium Challenge Act of 2003".

**TITLE I--THE MILLENNIUM CHALLENGE ACCOUNT**

**SEC. 101. STATEMENT OF POLICY.**

It is the policy of the United States to reduce global poverty through increased economic growth by supporting a new compact for global development in which increased support is provided by developed countries to those developing countries that are ruling justly, fostering economic freedom, and investing in their citizens.

**SEC. 102. ELIGIBILITY CRITERIA.**

To be eligible for assistance under this Act, a country ("eligible country")--

(1) must suffer from significant poverty;

(2) must have a demonstrated commitment to --

(A) Just and democratic governance, including political pluralism and the rule of law, and respect for human and civil rights of all citizens, protect private property rights, encourage transparency and accountability of governance, and limit corruption;

(B) Economic freedom, including economic policies that encourage citizens and firms to participate in the global product and capital markets,

promote private sector growth, and avoid direct government participation in the economy; and

(C) Investing in its own people, including improving the availability of educational opportunities and health care for all citizens; and

(3) must have entered into a Millennium Challenge Contract, as defined in section 103, with the United States.

**SEC. 103. MILLENNIUM CHALLENGE CONTRACT.**

(a) In General.--A Millennium Challenge Contract, is an agreement between the United States and an eligible country that establishes a multi-year plan of partnership for achieving shared development objectives in furtherance of the purposes of this Act.

(b) Elements.--The Millennium Challenge Contract shall contain--

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

(2) the responsibilities of the eligible country and the United States in the achievement of those objectives;

(3) regular benchmarks to measure progress towards achieving the agreed upon objectives and a description of how the objectives will be sustained once assistance under this Millennium Challenge Contract ends;

(4) a plan and a timeframe that describes how and when those objectives will be met;

(5) the role and contribution of the business community, private and voluntary organizations, and other members of civil society in designing that plan and achieving the objectives;

(6) where appropriate, the contribution of other donors in the achievement of those objectives; and

(7) a plan to ensure financial accountability of funds used to achieve those objectives.

(c) Local Input.--The Millennium Challenge Contract should take into account the perspectives of the rural and urban poor in an eligible country, and should reflect consultation with private and voluntary organizations, and the business community in the country.

(d) Other Donors.--To the maximum extent feasible, activities undertaken to achieve the objectives of the Millennium Challenge Contract should be undertaken in coordination with the assistance activities of other donors.

#### **SEC. 104. MILLENNIUM CHALLENGE ASSISTANCE.**

The President is authorized to provide assistance for eligible countries to support policies and programs that are in furtherance of the purposes of this Act. The goal of the Millennium Challenge Account is to reduce poverty by significantly increasing the economic growth trajectory of recipient countries. This requires an emphasis on investments that raise the productive potential of a country's citizens and firms and help integrate its economy into the global product and capital markets. Key areas of focus for Millennium Challenge Assistance will include:

- (a) Agricultural development;
- (b) Education;

- (c) Enterprise and private sector development;
- (d) Governance;
- (e) Health; and
- (f) Trade and investment capacity building.

**SEC. 105. AUTHORIZATION OF THE MILLENNIUM CHALLENGE ACCOUNT AND AUTHORITIES.**

(a) Authorization of Millennium Challenge Account.

(1) Authorization.--There are authorized to be appropriated to the President to carry out this Act \$1,300,000,000 for fiscal year 2004, and such sums as may be necessary for subsequent fiscal years.

(2) Availability.--Funds appropriated under paragraph (1)--

- (A) may be referred to as the "Millennium Challenge Account";
- (B) are authorized to remain available until expended; and
- (C) are in addition to funds otherwise available for such purposes.

(b) Applicability of Provisions of Law.--

(1) Funds made available to carry out the purposes of this Act may be made available notwithstanding any other provision of law, except the provisions of the Anti-Deficiency Act.

(2) Notwithstanding paragraph (1), a country, including the government of a country, that is ineligible to receive assistance under provisions of law that would prohibit assistance under Part I of the Foreign Assistance Act of 1961 shall not be eligible to receive assistance under this Act. If the President waives the provisions of Part I of the Foreign Assistance Act of 1961, such country could receive assistance under this Act.



(c) Use of Other Funds.--Any funds allocated from funds appropriated to carry out any other Act may be made available, if used in conjunction with funds appropriated to carry out this Act, under the authority and subject to the limitations applicable to funds made available to carry out this Act.

**SEC. 106. EVALUATION AND ACCOUNTABILITY.**

All concluded Millennium Challenge Contracts and performance evaluations of activities under these contracts shall be made available to the public on the Internet, unless the Board makes a specific finding that a performance evaluation or contract should not be posted.

**SEC. 107. GRADUATION.**

The Millennium Challenge Contract will provide funds for limited purposes, projects, and terms.

**TITLE II--THE MILLENNIUM CHALLENGE CORPORATION**

**SEC. 201. ESTABLISHMENT OF THE MILLENNIUM CHALLENGE CORPORATION.**

(a) Establishment of the Millennium Challenge Corporation.--There is hereby established in the executive branch, a corporation to be known as the Millennium Challenge Corporation (hereinafter in this Act referred to as the "Corporation").

(b) Responsibility of the Corporation.--It shall be the responsibility of the Corporation to implement title I of this Act, consistent with the direction of the President.

**SEC. 202. MANAGEMENT OF THE CORPORATION.**

(a) Board of Directors.--The management of the Corporation shall be vested in a board of directors (hereafter in this title referred to as the "Board") composed of the Secretary of State,

who shall Chair, the Secretary of the Treasury, and the Director of the Office of Management and Budget, and may include individuals serving in such positions in an acting capacity.

(b) Functions of the Board.--

(1) The Board shall direct the exercise of all the functions and powers of the Corporation, including the authority to review and approve the eligibility of countries for assistance.

(2) The Board may prescribe, amend, and repeal bylaws, rules, regulations, and procedures governing the manner in which the business of the Corporation may be conducted and in which the powers granted to it by law may be exercised and enjoyed.

(3) Members of the Board shall serve without additional compensation, but may be reimbursed for travel expenses, including per diem, in lieu of subsistence, while engaged in their duties on behalf of the Corporation.

(c) Chief Executive Officer of the Corporation.--

(1) The chief executive officer of the Corporation (hereafter referred to in this title as the "CEO") shall be appointed by the President, by and with the advice and consent of the Senate, and shall exercise the functions and powers vested in the CEO by the President and the Board.

(2) The CEO shall receive compensation at the rate provided for level II of the Executive Schedule under section 5313 of title 5, United States Code.

(d) Functions of, and actions by, the Corporation, Board, CEO, or an officer of the United States under this act are vested in their discretion.

**SEC. 203. FUNCTIONS OF THE CORPORATION.**

In order to carry out programs in furtherance of the purposes and policies of this Act, and in accordance with the provisions of Title I of this Act, the Corporation may make grants for any eligible country, including to any private or public entity, and including for the purpose of providing technical assistance to any such country for the development of the Millennium Challenge Contract and the management, including financial management, and evaluation of programs for which assistance is provided pursuant to this Act.

**SEC. 204. POWERS OF THE CORPORATION.****(a) Powers.--The Corporation--**

- (1) shall have perpetual succession unless dissolved by an Act of Congress;
- (2) may adopt, alter, and use a seal, which shall be judicially noticed;
- (3) may prescribe, amend, and repeal such rules, regulations, and procedures as may be necessary for carrying out the functions of the Corporation;
- (4) may make and perform such contracts, grants, and other agreements with any individual, corporation, or other private or public entity however designated and wherever situated, as may be necessary for carrying out the functions of the Corporation and all Millennium Challenge Contracts;
- (5) may determine and prescribe the manner in which its obligations shall be incurred and its expenses allowed and paid, including expenses for representation not exceeding \$95,000 in any fiscal year;
- (6) may lease, purchase, or otherwise acquire, improve, and use such real property wherever situated, as may be necessary for carrying out the functions of the Corporation;

(7) may accept cash gifts or donations of services or of property (real, personal, or mixed), tangible or intangible, in furtherance of the purposes of this Act;

(8) may use the United States mails in the same manner and on the same conditions as the executive departments of Government;

(9) may, with the consent of any agency of the United States, use the information, services, facilities, and personnel of that agency on a full or partial reimbursement or on a non-reimbursable basis in carrying out the purposes of this Act;

(10) may contract with individuals for personal services, who shall not be considered federal employees for any provision of law administered by the Office of Personnel Management;

(11) hire or obtain passenger motor vehicles; and

(12) shall have such other powers as may be necessary and incident to carrying out this Act.

(b) Principal Office.--

(1) The Corporation shall maintain its principal office in the metropolitan Washington, D.C. area.

(2) The Corporation may establish other offices in any place including places outside the United States, in which the Corporation may carry on all or any of its operations and business.

(c) Positions with Foreign Governments.--When approved by the Corporation, in furtherance of its purposes, employees of the Corporation (including individuals detailed to the Corporation) may accept and hold offices or positions to which no compensation is attached with governments or governmental agencies of foreign countries or international organizations.

(d) Commitment Authority.-- Subject to the provisions of the Anti-Deficiency Act, a contract, grant, or other agreement which entails commitments for the expenditure of funds available under this Act may commit such expenditures for such period of time as is deemed necessary to carrying out this Act.

(e) Contracting Authority.--In furtherance of the purposes of this Act, functions and powers authorized by this Act may be performed without regard to any provision of law regulating the making, performance, amendment, or modification of contracts, grants, and other agreements.

(f) Taxation of the Corporation.--The Corporation, including all its assets and property, shall be exempt from taxation now or hereafter imposed by the United States, or any territory or possession thereof, or by any State, county, municipality, or local taxing authority.

**SEC. 205. PERSONNEL AND ADMINISTRATIVE AUTHORITIES.**

(a) Personnel Authorities.-- Notwithstanding any provision of title 5, United States Code or of the Foreign Service Act of 1980, as amended, the CEO of the Millennium Challenge Corporation may, in regulations prescribed jointly with the Director of the Office of Personnel Management, establish, and from time to time adjust, a human resources management system, including a retirement benefits program.

(1) Any system established under this subsection shall not waive, modify, or otherwise affect, with respect to Civil Service and Foreign Service employees--

(A) the public employment principles of merit and fitness set forth in section 2301 of title 5, including the principles of hiring based on merit, fair treatment without regard to political affiliation or other non-merit considerations,

equal pay for equal work, and protection of employees against reprisal for whistle blowing,

(B) section 2302 (b) of title 5,

(C) chapters 72 and 73 of title 5,

(D) the conflict of interest provisions in title 18, chapter 11 of the United States Code.

(2) The CEO of the Corporation may, without regard to the civil service and foreign service laws and regulations, appoint and terminate personnel as may be necessary to enable the Corporation to perform its duties.

(3) The CEO may fix the compensation of the Corporation personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to the classification of positions and General Schedule pay rates, and without regard to the provisions of chapters 4 and 5 of the Foreign Service Act, relating to the classification of positions and Foreign Service pay rates.

(4) The Corporation may utilize such authority contained in the Foreign Service Act of 1980, as amended, as the Corporation deems appropriate.

(5) The CEO and other personnel who are employees of the Corporation shall be employees under section 2105 of title 5, United States Code, for purposes of chapters 63 (relating to leave), 81 (relating to compensation for work injuries), 85 (relating to unemployment benefits), 87 (relating to life insurance benefits), 89 (relating to health insurance benefits), and 90 (relating to long-term care insurance) of that title. If the CEO chooses not to waive chapters 83 and 84 (relating to retirement benefits) of title 5, or chapter 8 of the Foreign Service Act (relating to Foreign Service retirement systems),

employees of the Corporation shall be eligible for benefits under those chapters as otherwise applicable.

(6) No individual, except for the officers of the Corporation, may be employed by the Corporation for a period in excess of 5 years: *Provided*, That the CEO, under special circumstances, may approve an extension of the length of employment on an individual basis.

(7) Individuals employed by the Corporation, including individuals detailed to or contracted by the Corporation, while performing duties in any country or place outside the United States, and their families shall, if they are not nationals of or permanently resident in such country or place, enjoy the privileges and immunities of at least the administrative and technical staff of the Mission of the United States to such country and shall be subject to 22 U.S.C. 3927 in the same manner as United States Government employees.

(8) The CEO may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals which do not exceed the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of such title.

(b) Detail of Personnel to the Corporation.—

(1) Any Federal Government employee may be detailed to the Corporation on a fully or partially reimbursable or on a nonreimbursable basis, and such detail shall be without interruption or loss of civil service or Foreign Service status or privilege.

(2) Alternatively, an employee serving under a career or career conditional appointment or the equivalent in an agency who transfers to or converts to an

appointment in the Corporation with the consent of the head of the agency is entitled to be returned to the employee's former position or a position of like seniority, status, and pay without grade or pay reduction in the agency if the employee --

(A) is being separated from the Corporation for reasons other than misconduct, neglect of duty, or malfeasance; and (B) applies for return not later than 30 days before the date of the termination of the employment in the Corporation.

(3) An employee of a private sector organization assigned to the Corporation under this section is deemed, during the period of assignment, to be on detail to such agency. Such employee --

(A) may continue to receive pay and benefits from the private sector organization from which he is assigned;

(B) is deemed to be an employee of the Corporation as specified in (a)(5) of this section, for the purposes of chapters 81 and 85 of title 5 U.S.C.;

(C) may not have access to any trade secrets or to any other non-public information which is of commercial value to the private sector organization from which he is assigned, and

(D) is subject to such regulations as the President may prescribe.

Such assignment may be made with or without reimbursement by the Corporation for the pay, or a part thereof, of the employee during the period of assignment, or for any contribution of the private sector organization to its employee benefit system. A private sector organization may not charge the Federal Government, as direct or indirect costs



under a Federal contract, the costs of pay or benefits paid by the organization to an employee assigned to the Corporation.

(c) Allocation of Funds.--

(1) Transfer or Allocation.--The Corporation may allocate or transfer to any agency of the United States Government any part of any funds available for carrying out the purposes of this Act. Such funds shall be available for obligation and expenditure for the purposes for which authorized, in accordance with authority granted in this Act or under authority governing the activities of the agencies of the United States Government to which such funds are allocated or transferred.

(2) Use of Services.--For carrying out the purposes of this Act, the Corporation may utilize the services and facilities of, or procure commodities from, any agency of the United States Government under such terms and conditions as may be agreed to by the head of such agency and the Corporation.

(d) Other Authorities.--Except where inconsistent with the provisions of this Act, the Corporation is authorized to use any of the administrative authorities contained in the State Department Basic Authorities Act of 1956 and the Foreign Assistance Act of 1961.

(e) Government Corporation Control Act.--The Corporation shall be subject to the provisions of the Government Corporation Control Act, title 31, United States Code.

## Millennium Challenge Act of 2003

### Section-by-Section Analysis

#### Section 1. Short Title.

This Act may be cited as the “Millennium Challenge Act of 2003”.

### TITLE I—THE MILLENNIUM CHALLENGE ACCOUNT

#### SEC. 101. Statement of Policy.

Section 101 states the objective of the Millennium Challenge Account, which is to reduce poverty through promoting sustained economic growth in developing countries committed to implementing good policies.

#### SEC. 102. Eligibility Criteria.

Section 102 identifies the criteria by which countries will be eligible to receive Millennium Challenge Account (MCA) assistance funds. MCA assistance will go to:

- Very poor countries. It is currently anticipated that in FY 2004, countries eligible for MCA funds will be those that are currently eligible to borrow from the International Development Association (IDA) and which have per capita incomes below \$1,435 (the historical IDA “cutoff” for aid). In FY 2005, all countries with per capita incomes below \$1,435 will be eligible for MCA assistance. In FY 2006, the list of eligible countries further expands to those with per capita incomes up to \$2,975 (the current World Bank cutoff for lower middle income countries). The per capita income levels will be adjusted on an annual basis.
- Countries with a demonstrated commitment to ruling justly, encouraging economic freedom, and investing in their people. To assess this commitment and identify recipient countries, the MCA will use clear, concrete, and objective criteria. It is the Administration’s intent that in 2004, countries will be selected based on 16 indicators chosen because of the relative quality and objectivity of their data, country coverage, public availability, and correlation with growth and poverty reduction. The specific indicators are listed below with their source noted.

##### Governing Justly:

- Civil Liberties (Freedom House)
- Political Rights (Freedom House)
- Voice and Accountability (World Bank Institute)
- Government Effectiveness (World Bank Institute)
- Rule of Law (World Bank Institute)
- Control of Corruption (World Bank Institute)

Investing in People:

- o Public Primary Education Spending as Percent of Gross Domestic Product (GDP) (World Bank/national sources)
- o Primary Education Completion Rate (World Bank/national sources)
- o Public Expenditures on Health as Percent of GDP (World Bank/national sources)
- o Immunization Rates: DPT (diphtheria, pertussis, tetanus) and Measles (World Bank/UN/national sources)

Promoting Economic Freedom:

- o Country Credit Rating (Institutional Investor Magazine)
  - o Inflation (International Monetary Fund [IMF])
  - o 3-Year Budget Deficit (IMF/national sources)
  - o Trade Policy (Heritage Foundation)
  - o Regulatory Quality (World Bank Institute)
  - o Days to Start a Business (World Bank)
- Countries that have signed a Millennium Challenge Contract with the United States. The terms of this contract are defined in Section 103 below.

**SEC. 103. Millennium Challenge Contract.**

Section 103 specifies the contractual relationship between recipient nations and the United States. Each MCA country will negotiate and sign a Millennium Challenge Contract with the Millennium Challenge Corporation (MCC), established in Title II. To initiate the negotiation, the selected MCA countries will submit country proposals for MCA funds which integrate official interests with those of the private sector and civil society.

The negotiated Millennium Challenge Contracts will include a limited number of clear and measurable objectives, regular benchmarks to measure progress toward achieving the objectives, a plan and a timeframe describing how and when the objectives will be met. Each contract will state the responsibilities of the recipient country and the United States, and describe the role and contributions of non-governmental entities including other donors as appropriate. In addition, all contracts will provide for the financial accountability of MCA funds.

**SEC. 104. Millennium Challenge Assistance.**

Section 104 authorizes the President to provide assistance for activities that contribute to the achievement of the objectives specified in the contract. These activities will drive productivity and economic growth in MCA countries. Areas of focus for the MCA include agricultural development, education, enterprise and private sector promotion, good governance, health, and trade and investment capacity building.

**SEC. 105. Authorization of the Millennium Challenge Account and Authorities.**

Section 105 authorizes appropriations to the President of \$1.3 billion in FY 2004 to carry out the MCA and such sums as may be necessary for subsequent fiscal years. It is anticipated that funding for MCA will reach \$5 billion by FY 2006. MCA funds will be available until expended ("no-year funds"). This availability of funds allows the Corporation to obligate funds in the most productive manner.

Section 105 allows the provision of MCA assistance to countries notwithstanding any other provision of law with the exception of prohibiting MCA assistance to countries that are ineligible to receive assistance under part I of the Foreign Assistance Act of 1961. This provision restricts or prohibits assistance to countries that engage in actions prohibited in part I, including countries that: violate human rights, support trafficking in narcotics or human beings, and contribute to terrorist financing. If the President waives any of these provisions to make a country eligible to receive assistance under part I of the Foreign Assistance Act, then that country also would be eligible to receive MCA assistance. MCA assistance would be subject to the provisions of the Anti-Deficiency Act.

In addition, section 105 makes the authorities and limitations that are applicable to MCA assistance applicable, as well, to any other funds used in conjunction with MCA funds.

**SEC. 106. Evaluation and Accountability.**

Section 106 requires the Millennium Challenge Corporation, established in Title II, to make all concluded Millennium Challenge Contracts and their formal performance evaluations publicly available on the Internet. The public nature of MCA performance information makes the recipient countries and implementers of MCA programs directly accountable to the citizens of MCA countries and United States taxpayers.

**SEC. 107. Graduation.**

Participation in the MCA will be limited according to the terms of the Millennium Challenge Contracts, which will define the purposes, activities and timeframe. MCA assistance will have a clearly defined end date. For example, at the conclusion of the contract period, MCA assistance will end unless participant countries submit a new proposal and renegotiate a new contract with the Corporation. Each contract will also specify the conditions under which the contract will be amended or terminated, including for reasons of poor performance.

**TITLE II—THE MILLENNIUM CHALLENGE CORPORATION****SEC. 201. Establishment of the Millennium Challenge Corporation.**

Section 201 establishes an independent U.S. Government Corporation that will implement the MCA according to provisions of Title I of this Act.

**SEC. 202. Management of the Corporation.**

Section 202 establishes a board of directors for the Corporation that will be chaired by the Secretary of State and include the Secretary of the Treasury, and the Director of the Office of Management and Budget. Individuals serving in these positions in an acting capacity may serve on the Board. The Board will direct the exercise of all functions and powers of the Corporation, and shall make the final decision on the eligibility and selection of MCA countries.

The position of the CEO of the Corporation will be a Senate-confirmed Presidential appointment. The CEO's compensation is fixed at the equivalent of a deputy secretary of a department or level II of the Executive Schedule.

**SEC. 203. Functions of the Corporation.**

Section 203 authorizes the Corporation to make grants to any private or public entity to carry out the Millennium Challenge Contracts, to provide technical assistance to develop or carry out the Contracts, and to provide for the financial management and evaluation of MCA programs.

**SEC. 204. Powers of the Corporation.**

Section 204 provides general powers to the MCC to enable it to conduct business operations. The principal office of the MCC is to be established in the Washington, D.C. metropolitan area. The MCC also has the authority to establish overseas offices as it sees fit. Employees of the MCC, and individuals detailed to the MCC, are provided the authority to hold offices with foreign governments, foreign government agencies, or international organizations, so long as no compensation is paid to such employees or individuals by the foreign entity or international organization. Contracts and other commitments of funds may make commitments for the expenditure of funds for such period of time as the MCC deems necessary. This section also provides discretion to the MCC with regard to the making, performance, amendment, or modification of contracts, grants, and other agreements. Finally, this section provides that the MCC and its assets and property are to be exempt from taxation by the United States or by any State or local taxing authority.

**SEC. 205. Personnel and Administrative Authorities.**

Section 205 authorizes the CEO of the MCC, in coordination with the Director of the Office of Personnel Management, to establish a human resources management system for the Corporation, including a retirement benefits program. However, provisions of title 5 of the United States Code related to anti-discrimination, merit systems principles, whistle blowing, and conflicts of interest, are specifically made applicable to the MCC. Employees of the MCC are considered Federal employees for purposes of leave benefits, workers compensation, unemployment benefits, life insurance, health insurance, and long-term care insurance.

Section 205 also provides the authorities for detailing U.S. government employees and private sector staff to the Corporation. Federal employees have two options for serving in the

Corporation. They may be detailed on a reimbursable or nonreimbursable basis without interruption of their civil service status and privileges. Alternatively, they may resign from their home agency and retain reemployment rights. Private sector organizations may also detail staff to the MCC, while continuing to pay those employees pay and benefits.

The Corporation has the authority to allocate or transfer money to other agencies; use the services and facilities of any U.S. agency under agreed upon terms; and use any of the administrative authorities contained in the State Department Basic Authorities Act of 1956 and the Foreign Assistance Act of 1961.

Section 205 also makes the provisions of the Government Corporation Control Act applicable to the MCC.

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