

H.R. 3445: The AGOA and MCA Modernization Act

SECTION-BY-SECTION SUMMARY

Section 1. Short Title and Table of Contents. States that the bill may be cited as the “African Growth and Opportunity Act and Millennium Challenge Act Modernization Act” or “AGOA and MCA Modernization Act” and divides the bill into two corresponding titles.

TITLE I: ENHANCEMENT OF THE AFRICAN GROWTH AND OPPORTUNITY ACT.

Section 101. Statement of Policy. Establishes that it shall be the policy of the United States to support efforts to: (1) improve rule of law, promote free and fair elections, strengthen and expand the private sector, and fight corruption in sub-Saharan Africa; and (2) promote the role of women in social, political, and economic development in sub-Saharan Africa.

Section 102. Activities in Support of Transparency. Requires the President to establish a publicly available Internet website for the collection and sharing of information regarding AGOA, to include information about AGOA benefits in eligible countries, technical assistance available through regional trade hubs, and outcomes of meetings of the United States-Sub-Saharan Africa Trade and Economic Cooperation Forum. U.S. embassies in eligible countries should link to the AGOA website and promote utilization of AGOA benefits.

Section 103. Activities in Support of Trade Capacity Building. Calls upon the President to develop and implement policies to encourage cross-boundary cooperation among eligible sub-Saharan African countries in order to facilitate trade and economic growth. Encourages the President to provide technical assistance and training: (1) for businesses and government officials in eligible countries on how to access benefits under AGOA and other trade preference programs; (2) for African entrepreneurs and trade associations on production strategies, quality standards, formation of cooperatives, market research, and market development; (3) to promote diversification of African products and value-added processing; and (4) to help African businesses and institutions comply with United States counter-terrorism initiatives and policies.

Section 104. Eligible Sub-Saharan Country. Defines the term “eligible sub-Saharan country”.

TITLE II: MODERNIZATION OF THE MILLENNIUM CHALLENGE CORPORATION.

Section 201. Candidacy Status. Amends the Millennium Challenge Act of 2003 (hereinafter cited as the “MCA”) (22 U.S.C. 7705(a)) to redefine and stabilize movement between the “low income” and “lower middle income” candidate country pools, consistent with authorizing language that has been carried in annual appropriations bills since FY2012.

Section 202. Carryover Authority for Private Sector Members of the Board of Directors. Amends the MCA (22 U.S.C. 7703(c)(4)(B)) to clarify that public sector board members may be appointed for a single three-year term and reappointed for a single two-year term, but may extend either of those terms by up to one year if a successor has not yet been appointed and confirmed by the U.S. Senate.

Section 203. Additional Reporting to the Board on the Treatment of Civil Society in an Eligible Country. Amends the MCA (22 U.S.C. 7706) to require MCC to submit to the Board information relating to a potential candidate country's treatment of civil society prior to selecting such country to develop a Compact.

Section 204. Concurrent Compacts under the Millennium Challenge Act of 2003. Amends the MCA (22 U.S.C. 7708) to grant the Millennium Challenge Corporation with the authority to enter into and have in effect up to two Compacts with an eligible country at the same time (i.e. "Concurrent Compacts"), provided that at least one of the Compacts is focused on promoting regional economic integration, increasing regional trade, or facilitating cross-border collaboration. Approval of a Concurrent Compact will be subject to a Board determination that the eligible country is making demonstrable progress in implementing its existing Compact.

Section 205. Public Notification of Entering into a Compact. Amends the MCA (22 U.S.C. 7709) to consolidate and streamline existing notification and consultation requirements, including those carried in annual appropriations bills. Adds an additional requirement for MCC to provide Congress with a "risk management plan" at least 60 days prior to entering into a Concurrent Compact with an eligible country. Reduces administrative costs by allowing MCC to publish a Compact summary, rather than the entire Compact, in the Federal Register.

Section 206. Disclosure. Amends the MCA (22 U.S.C. 7711(a)) to require more timely, public disclosure of quarterly status reports.

Section 207. Restriction on the Use of Assistance Under Section 616. Amends the MCA (22 U.S.C. 7715(d)) to extend a 10 percent limitation on funding for "threshold" programs (i.e. assistance provided to a candidate country to help them become eligible for a full Compact) that was imposed in FY2004. Further amends the MCA to prohibit the provision of assistance to a country in a fiscal year for which that country does not qualify as a candidate country, consistent with a restriction that has been carried in annual appropriations bills since FY2013.

Section 208. Study on Subnational Compacts. Requires the Board, acting through the CEO, to submit to Congress a one-time study that assesses the feasibility of developing compacts at the sub-national level within candidate countries within 180 days of enactment.