



## **The African Growth & Opportunity Act (AGOA) and the Millennium Challenge Act (MCA) Modernization Act (H.R.3445/ S.832)**

**The Issue:** All too often, Congress is challenged to find a solution to something that is broken. However, this bill seeks to enhance transparency and expand programs that are already helping to improve the lives of millions of people.

**The Legislation:** The African Growth & Opportunity Act (AGOA) and the Millennium Challenge Corporation (MCC) have proven track records in spurring economic development across the world. Expanding these programs furthers the U.S. position of international leadership, strengthens our domestic job market and economy, while protecting our national security interests.

### **What does the AGOA and MCA Modernization Act aim to do?**

- The bill would give the MCC the authority to develop a second concurrent compact with countries, provided the compact focuses on regional economic development. This allows developing countries to address deficiencies in communications, transportation, and energy networks.
- The ability to enter into a second compact will be limited to countries that demonstrate progress toward meeting the objectives of the first compact and capacity to handle an additional compact. This failsafe ensures that U.S. taxpayers' funds are protected from fraud, waste and abuse by establishing that only the most qualified countries receive a second compact.
- In addition, the legislation also seeks to “accelerate the impact of AGOA -- which offers duty-free access to the U.S. market for most exports from eligible sub-Saharan African countries -- by requiring the State Department to better promote the program with sub-Saharan African governments and businesses.”

### **Cost**

The Congressional Budget Office (CBO) projected that H.R.3445/ S.832 would cost U.S. taxpayers less than \$500,000 over a four-year period (2018-2022).

### **Other Noteworthy Facts**

- This bill, H.R.3445/ S.832, was introduced in the 115th session by Senators Cardin (D-MD), Isakson (R-GA), and Coons (D-DE).
- The MCC was created in 2004 under the Bush Administration and has gained strong bipartisan support.
- The AGOA Act was enacted into law in 2000 and has since been renewed to 2025. Chairman of the House Foreign Affairs Committee, Ed Royce (R-CA-39) [notes that](#), “stronger U.S.-African private-sector engagement is good for the African people, especially women, and it is good for American builders and producers.”