



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

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 Solution:** 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 will further the U.S. position of international leadership, strengthen its domestic job market and economy and protect our national security interests. Specifically, the AGOA & MCA Modernization Act:

- **Gives 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.
- Limits the ability to enter into a second compact with countries that do not demonstrate progress toward meeting the objectives of the first compact and capacity to handle an additional compact. This failsafe **ensures that U.S. taxpayers are protected from fraud, waste and abuse** by establishing that only the most qualified countries receive a second compact.
- Seeks to **accelerate the impact of AGOA** 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).

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### **Other Noteworthy Facts**

- The Senate bill was introduced into the Senate by Sens. Ben Cardin (D-MD), Johnny Isakson (R-GA) and Chris Coons (D-DE). The bill passed out of the Senate Foreign Relations Committee on Oct. 17, 2017.
- The bill in the House (H.R.3445) passed unanimously by voice vote on Jan. 17, 2018.
- The [Millennium Challenge Corporation](#) was created in 2004 under the Bush administration and has strong bipartisan support in Congress.
- AGOA was enacted into law in 2000 and has since been renewed until 2025. Chairman of the House Foreign Affairs Committee Ed Royce (R-CA-39) [noted 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.”