

**Suspend the Rules and Pass the Bill, H.R. 3445, with an Amendment**

**(The amendment strikes all after the enacting clause and inserts a new text)**

115<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 3445

To enhance the transparency and accelerate the impact of programs under the African Growth and Opportunity Act and the Millennium Challenge Corporation, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 27, 2017

Mr. ROYCE of California (for himself, Mr. ENGEL, Mr. SMITH of New Jersey, and Ms. BASS) introduced the following bill; which was referred to the Committee on Foreign Affairs

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## A BILL

To enhance the transparency and accelerate the impact of programs under the African Growth and Opportunity Act and the Millennium Challenge Corporation, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “African Growth and  
5 Opportunity Act and Millennium Challenge Act Mod-

1 ernization Act” or the “AGOA and MCA Modernization  
2 Act”.

3 **SEC. 2. TABLE OF CONTENTS.**

4 The table of contents for this Act is as follows:

- Sec. 1. Short title.
- Sec. 2. Table of contents.

TITLE I—ENHANCEMENT OF THE AFRICAN GROWTH AND  
OPPORTUNITY ACT

- Sec. 101. Statement of policy.
- Sec. 102. Definitions.
- Sec. 103. Activities in support of transparency.
- Sec. 104. Activities in support of trade capacity building.

TITLE II—MODERNIZATION OF THE MILLENNIUM CHALLENGE  
CORPORATION

- Sec. 201. Candidacy status.
- Sec. 202. Carryover authority for private-sector members of board of directors.
- Sec. 203. Additional reporting to the board on the treatment of civil society in an eligible country.
- Sec. 204. Concurrent compacts under the Millennium Challenge Act of 2003.
- Sec. 205. Public notification of entering into a compact.
- Sec. 206. Disclosure.
- Sec. 207. Restriction on the use of assistance under section 616.
- Sec. 208. Study on subnational compacts.

5 **TITLE I—ENHANCEMENT OF THE**  
6 **AFRICAN GROWTH AND OP-**  
7 **PORTUNITY ACT**

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

9 It is the policy of the United States to support efforts  
10 to—

- 11 (1) improve the rule of law, promote free and  
12 fair elections, strengthen and expand the private sec-  
13 tor, and fight corruption in sub-Saharan Africa; and

1           (2) promote the role of women in social, polit-  
2           ical, and economic development in sub-Saharan Afri-  
3           ca.

4 **SEC. 102. DEFINITIONS.**

5           In this title—

6           (1) AGOA WEBSITE.—The term “AGOA  
7           Website” means the website established pursuant to  
8           section 102(a).

9           (2) ELIGIBLE SUB-SAHARAN AFRICAN COUN-  
10          TRY.—The term “eligible sub-Saharan African coun-  
11          try” means a country that the President has deter-  
12          mined meets the eligibility requirements set forth in  
13          section 104 of the African Growth and Opportunity  
14          Act (19 U.S.C. 3703).

15 **SEC. 103. ACTIVITIES IN SUPPORT OF TRANSPARENCY.**

16          (a) AGOA WEBSITE.—

17           (1) IN GENERAL.—The President shall establish  
18           a publicly available website for the collection and  
19           dissemination of information regarding the African  
20           Growth and Opportunity Act (19 U.S.C. 3701 et  
21           seq.).

22           (2) CONTENTS.—The President shall publish on  
23           the AGOA Website the information described in  
24           paragraph (1), including—

1 (A) information and technical assistance  
2 provided at United States Agency for Inter-  
3 national Development regional trade hubs; and

4 (B) a link to the websites of United States  
5 embassies located in eligible sub-Saharan Afri-  
6 can countries.

7 (3) ACTIONS BY UNITED STATES EMBASSIES.—

8 The Secretary of State should direct United States  
9 embassies located in eligible sub-Saharan African  
10 countries to—

11 (A) encourage individuals and businesses  
12 in such countries to use the benefits available  
13 under the African Growth and Opportunity Act;  
14 and

15 (B) include a link to the AGOA Website on  
16 the websites of such diplomatic missions.

17 (b) AGOA FORUM.—After each meeting of the  
18 United States–Sub-Saharan Africa Trade and Economic  
19 Cooperation Forum, the President should publish on the  
20 AGOA Website the following:

21 (1) The outcomes of the meeting of the Forum,  
22 including any commitments made by member coun-  
23 tries and the private sector.

24 (2) An assessment of progress made with re-  
25 spect to any commitments made by member coun-

1 tries and the private sector from the previous meet-  
2 ing of the Forum.

3 (c) OTHER INFORMATION.—The President should  
4 disseminate the information required under this section in  
5 a digital format to the public and publish such information  
6 on the AGOA Website.

7 **SEC. 104. ACTIVITIES IN SUPPORT OF TRADE CAPACITY**  
8 **BUILDING.**

9 The President should—

10 (1) develop and implement policies that—

11 (A) encourage and facilitate cross-bound-  
12 ary cooperation among eligible sub-Saharan Af-  
13 rican countries in order to facilitate trade; and

14 (B) encourage the provision of technical  
15 assistance to eligible sub-Saharan African coun-  
16 tries to establish and sustain adequate trade ca-  
17 pacity development;

18 (2) provide specific training for businesses in el-  
19 igible sub-Saharan African countries and govern-  
20 ment trade officials of such countries on accessing  
21 the benefits under the African Growth and Oppor-  
22 tunity Act and other trade preference programs;

23 (3) provide capacity building for African entre-  
24 preneurs and trade associations on production strat-

1 egies, quality standards, formation of cooperatives,  
2 market research, and market development;

3 (4) provide capacity building training to pro-  
4 mote diversification of African products and value-  
5 added processing; and

6 (5) provide capacity building and technical as-  
7 sistance funding for African businesses and institu-  
8 tions to help such businesses and institutions comply  
9 with United States counterterrorism initiatives and  
10 policies.

11 **TITLE II—MODERNIZATION OF**  
12 **THE MILLENNIUM CHAL-**  
13 **LENGE CORPORATION**

14 **SEC. 201. CANDIDACY STATUS.**

15 (a) **LOW INCOME COUNTRIES.**—Section 606(a) of the  
16 Millennium Challenge Act of 2003 (22 U.S.C. 7705(a))  
17 is amended—

18 (1) in paragraph (1)(B), by striking “(3)” and  
19 inserting “(4)”;

20 (2) in paragraph (2)—

21 (A) by amending the paragraph heading to  
22 read as follows: “FISCAL YEARS 2005 THROUGH  
23 2012”; and

1 (B) by striking “fiscal year 2005 or a sub-  
2 sequent fiscal year” and inserting “each of fis-  
3 cal years 2005 through 2012”;

4 (3) by redesignating paragraph (3) as para-  
5 graph (4); and

6 (4) by inserting after paragraph (2) the fol-  
7 lowing:

8 “(3) FISCAL YEAR 2013 AND SUBSEQUENT FIS-  
9 CAL YEARS.—A country shall be a candidate country  
10 for purposes of eligibility for assistance for fiscal  
11 year 2013 or a subsequent fiscal year if the coun-  
12 try—

13 “(A) has a per capita income not greater  
14 than the lower middle income country threshold  
15 established by the International Bank for Re-  
16 construction and Development for such fiscal  
17 year;

18 “(B) is among the 75 countries identified  
19 by the International Bank for Reconstruction  
20 and Development as having the lowest per cap-  
21 ita income; and

22 “(C) meets the requirements under para-  
23 graph (1)(B).”.

1 (b) LOWER MIDDLE INCOME COUNTRIES.—Section  
2 606(b) of the Millennium Challenge Act of 2003 (22  
3 U.S.C. 7705(b)) is amended—

4 (1) in paragraph (1)—

5 (A) by amending the paragraph heading to  
6 read as follows: “FISCAL YEARS 2006 THROUGH  
7 2012”; and

8 (B) in the matter preceding subparagraph  
9 (A), by striking “fiscal year 2006 or a subse-  
10 quent fiscal year” and inserting “fiscal years  
11 2006 through 2012”;

12 (2) by redesignating paragraph (2) as para-  
13 graph (3); and

14 (3) by inserting after paragraph (1) the fol-  
15 lowing:

16 “(2) FISCAL YEAR 2013 AND SUBSEQUENT FIS-  
17 CAL YEARS.—In addition to the countries described  
18 in subsection (a), a country shall be a candidate  
19 country for purposes of eligibility for assistance for  
20 fiscal year 2013 or a subsequent fiscal year if the  
21 country—

22 “(A) has a per capita income not greater  
23 than the lower middle income country threshold  
24 established by the International Bank for Re-



1 construction and Development for the fiscal  
2 year;

3 “(B) is not among the 75 countries identi-  
4 fied by the International Bank for Reconstruc-  
5 tion and Development as having the lowest per  
6 capita income; and

7 “(C) meets the requirements under sub-  
8 section (a)(1)(B).”.

9 (c) RECLASSIFICATION.—Section 606 of the Millen-  
10 nium Challenge Act of 2003 (22 U.S.C. 7705) is amend-  
11 ed—

12 (1) by redesignating subsection (c) as sub-  
13 section (d); and

14 (2) by inserting after subsection (b) the fol-  
15 lowing:

16 “(c) TREATMENT OF COUNTRIES WITH PER CAPITA  
17 INCOME CHANGES.—A country qualifying for candidate  
18 status under this section with a per capita income that  
19 changes during the fiscal year such that the country would  
20 be reclassified from a low income country to a lower mid-  
21 dle income country or from a lower middle income country  
22 to a low income country shall retain its candidacy status  
23 in its former income classification for such fiscal year and  
24 the two subsequent fiscal years.”.

1 **SEC. 202. CARRYOVER AUTHORITY FOR PRIVATE-SECTOR**  
2 **MEMBERS OF BOARD OF DIRECTORS.**

3 Section 604(c)(4)(B) of the Millennium Challenge  
4 Act of 2003 (22 U.S.C. 7703(c)(4)(B)) is amended to read  
5 as follows:

6 “(B) OTHER MEMBERS.—Each member of  
7 the Board described in paragraph (3)(B)—

8 “(i) shall be appointed for a term of  
9 3 years;

10 “(ii) may be reappointed for a term of  
11 an additional 2 years; and

12 “(iii) may continue to serve in each  
13 such appointment until the earlier of—

14 “(I) the date on which his or her  
15 successor is appointed; or

16 “(II) the date that is one year  
17 after the expiration of his or her ap-  
18 pointment or reappointment, as the  
19 case may be.”.

20 **SEC. 203. ADDITIONAL REPORTING TO THE BOARD ON THE**  
21 **TREATMENT OF CIVIL SOCIETY IN AN ELIGI-**  
22 **BLE COUNTRY.**

23 Section 607 of the Millennium Challenge Act of 2003  
24 (22 U.S.C. 7706) is amended—

25 (1) in subsection (a), by adding at the end the  
26 following: “A determination whether a country is eli-

1 gible for a subsequent, non-concurrent Millennium  
2 Challenge Compact shall also be based, to the extent  
3 practicable, on significantly improved performance  
4 across the criteria in subsection (b) that, at a min-  
5 imum, are relevant to the preceding Compact, com-  
6 pared to the country’s performance with respect to  
7 such criteria when selected for such preceding Com-  
8 pact.”

9 (2) in subsection (b)(1)—

10 (A) in subparagraph (D), by striking  
11 “and” at the end;

12 (B) in subparagraph (E), by adding “and”  
13 at the end; and

14 (C) by adding at the end the following:

15 “(F) the quality of the civil society ena-  
16 bling environment;”;

17 (3) by redesignating subsections (d) and (e) as  
18 subsections (e) and (f), respectively; and

19 (4) by inserting after subsection (c) the fol-  
20 lowing:

21 “(d) REPORTING ON TREATMENT OF CIVIL SOCI-  
22 ETY.—For the 7-year period beginning on the date of the  
23 enactment of this subsection, before the Board selects an  
24 eligible country for a Compact under subsection (c), the  
25 Corporation shall provide information to the Board re-

1 guarding the country’s treatment of civil society, including  
2 classified information, as appropriate. The information  
3 shall include an assessment and analysis of factors includ-  
4 ing—

5 “(1) any relevant laws governing the formation  
6 or establishment of a civil society organization, par-  
7 ticularly laws intended to curb the activities of for-  
8 eign civil society organizations;

9 “(2) any relevant laws governing the operations  
10 of a civil society organization, particularly those laws  
11 seeking to define or otherwise regulate the actions of  
12 foreign civil society organizations;

13 “(3) laws relating to the legal status of civil so-  
14 ciety organizations, including laws which effectively  
15 discriminate against foreign civil society organiza-  
16 tions as compared to similarly situated domestic or-  
17 ganizations;

18 “(4) laws regulating the freedom of expression  
19 and peaceful assembly; and

20 “(5) laws regulating the usage of the Internet,  
21 particularly by foreign civil society organizations.”.

22 **SEC. 204. CONCURRENT COMPACTS UNDER THE MILLEN-**  
23 **NIUM CHALLENGE ACT OF 2003.**

24 (a) IN GENERAL.—Section 609 of the Millennium  
25 Challenge Act of 2003 (22 U.S.C. 7708) is amended—

1 (1) by striking the first sentence of subsection  
2 (k);

3 (2) by redesignating subsection (k) (as so  
4 amended) as subsection (l); and

5 (3) by inserting after subsection (j) the fol-  
6 lowing:

7 “(k) CONCURRENT COMPACTS.—An eligible country  
8 that has entered into and has in effect a Compact under  
9 this section may enter into and have in effect at the same  
10 time not more than one additional Compact in accordance  
11 with the requirements of this title if—

12 “(1) one or both of the Compacts are or will be  
13 for purposes of regional economic integration, in-  
14 creased regional trade, or cross-border collabora-  
15 tions; and

16 “(2) the Board determines that the country is  
17 making considerable and demonstrable progress in  
18 implementing the terms of the existing Compact and  
19 supplementary agreements thereto.”.

20 (b) CONFORMING AMENDMENT.—Section  
21 613(b)(2)(A) of such Act (22 U.S.C. 7712(b)(2)(A)) is  
22 amended by striking “the” before “Compact” and insert-  
23 ing “any”.

24 (c) APPLICABILITY.—The amendments made by this  
25 section apply with respect to Compacts entered into be-

1 tween the United States and an eligible country under the  
2 Millennium Challenge Act of 2003 before, on, or after the  
3 date of the enactment of this Act.

4 **SEC. 205. PUBLIC NOTIFICATION OF ENTERING INTO A**  
5 **COMPACT.**

6 Section 610 of the Millennium Challenge Act of 2003  
7 (22 U.S.C. 7709) is amended to read as follows:

8 **“SEC. 610. CONGRESSIONAL AND PUBLIC NOTIFICATION.**

9 “(a) CONGRESSIONAL CONSULTATIONS AND NOTIFI-  
10 CATIONS.—

11 “(1) IN GENERAL.—The Board, acting through  
12 the Chief Executive Officer, shall consult with and  
13 notify the appropriate congressional committees not  
14 later than 15 days before taking any of the actions  
15 described in paragraph (2).

16 “(2) ACTIONS DESCRIBED.—The actions de-  
17 scribed in this paragraph are—

18 “(A) providing assistance for an eligible  
19 country under section 609(g);

20 “(B) commencing negotiations with an eli-  
21 gible country to provide assistance for—

22 “(i) a Compact under section 605; or

23 “(ii) an agreement under section 616;

24 “(C) signing such a Compact or agree-  
25 ment; and

1           “(D) terminating assistance under such a  
2           Compact or agreement.

3           “(3) ECONOMIC JUSTIFICATION.—Any notifica-  
4           tion relating to the intent to negotiate or sign a  
5           Compact shall include a report describing the pro-  
6           jected economic justification for the Compact, in-  
7           cluding, as applicable—

8           “(A) the expected economic rate of return  
9           of the Compact;

10          “(B) a cost-benefit analysis of the Com-  
11          pact;

12          “(C) a description of the impact on bene-  
13          ficiary populations;

14          “(D) the likelihood that the investment will  
15          catalyze private sector investments; and

16          “(E) any other applicable economic factors  
17          that justify each project to be funded under  
18          such a Compact to the extent practicable and  
19          appropriate.

20          “(4) RISK MANAGEMENT PLAN.—Not later than  
21          60 days before signing each concurrent Compact, as  
22          authorized under section 609, the Board, acting  
23          through the Chief Executive Officer, shall consult  
24          with and provide to the appropriate congressional  
25          committees—

1           “(A) an assessment and, as appropriate,  
2           the identification of potential measures to miti-  
3           gate risks, of—

4                   “(i) the countries’ commitment to re-  
5                   gional integration and cross-border co-  
6                   operation and capacity to carry out com-  
7                   mitments;

8                   “(ii) political and policy risks, includ-  
9                   ing risks that could affect country eligi-  
10                  bility;

11                  “(iii) risks associated with realizing  
12                  economic returns;

13                  “(iv) time and completion risks; and

14                  “(v) cost and financial risks; and

15           “(B) an assessment of measures to be  
16           taken to mitigate any identified risks, includ-  
17           ing—

18                   “(i) securing other potential donors to  
19                   finance projects or parts of projects as  
20                   needed; and

21                   “(ii) partnering with regional organi-  
22                   zations to support and oversee effective  
23                   cross-border cooperation.

24           “(b) CONGRESSIONAL AND PUBLIC NOTIFICATION  
25           AFTER ENTERING INTO A COMPACT.—Not later than 10



1 days after entering into a Compact with an eligible coun-  
2 try, the Board, acting through the Chief Executive Officer,  
3 shall—

4 “(1) publish the text of the Compact on the  
5 website of the Corporation;

6 “(2) provide the appropriate congressional com-  
7 mittees with a detailed summary of the Compact  
8 and, upon request, the text of the Compact; and

9 “(3) publish in the Federal Register a detailed  
10 summary of the Compact and a notice of availability  
11 of the text of the Compact on the website of the  
12 Corporation.”.

13 **SEC. 206. DISCLOSURE.**

14 (a) REQUIREMENT FOR TIMELY DISCLOSURE.—Sec-  
15 tion 612(a) of the Millennium Challenge Act of 2003 (22  
16 U.S.C. 7711(a)) is amended—

17 (1) in the subsection heading, by inserting  
18 “TIMELY” before “DISCLOSURE”; and

19 (2) in the matter preceding paragraph (1)—

20 (A) by striking “The Corporation” and in-  
21 serting “Not later than 90 days after the last  
22 day of each fiscal quarter, the Corporation”;  
23 and

24 (B) by striking “on at least a quarterly  
25 basis,”.

1 (b) DISSEMINATION.—Section 612(b) of the Millen-  
2 nium Challenge Act of 2003 (22 U.S.C. 7711(b)) is  
3 amended to read as follows:

4 “(b) DISSEMINATION.—The Board, acting through  
5 the Chief Executive Officer, shall make the information  
6 required to be disclosed under subsection (a) available to  
7 the public—

8 “(1) by publishing it on the website of the Cor-  
9 poration;

10 “(2) by providing notice of the availability of  
11 such information in the Federal Register; and

12 “(3) by any other methods that the Board de-  
13 termines to be appropriate.”.

14 **SEC. 207. RESTRICTION ON THE USE OF ASSISTANCE**  
15 **UNDER SECTION 616.**

16 Section 616(d) of the Millennium Challenge Act of  
17 2003 (22 U.S.C. 7715(d)) is amended to read as follows:

18 “(d) FUNDING.—

19 “(1) LIMITATION.—Not more than 10 percent  
20 of the amounts made available to carry out this Act  
21 for a fiscal year may be made available to carry out  
22 this section.

23 “(2) RESTRICTION RELATING TO ASSIST-  
24 ANCE.—None of the funds authorized to carry out  
25 the purposes of this Act shall be available for assist-

1           ance under this section to a country that does not  
2           qualify as a candidate country under section 606 for  
3           the fiscal year during which such assistance is pro-  
4           vided.”.

5   **SEC. 208. STUDY ON SUBNATIONAL COMPACTS.**

6           (a) IN GENERAL.—Not later than 180 days after the  
7           date of the enactment of this Act, the Board of the Millen-  
8           nium Challenge Corporation, acting through the Chief Ex-  
9           ecutive Officer, shall submit a study to the appropriate  
10          congressional committees that assesses the feasibility and  
11          desirability of developing partnerships at the subnational  
12          level within candidate countries that would be complemen-  
13          tary to, and, as applicable, concurrent with, any Millen-  
14          nium Challenge Corporation national-level or regional in-  
15          vestments.

16          (b) CONTENT.—The study required under subsection  
17          (a) shall examine—

18                 (1) the extent to which targeting investments at  
19                 the subnational level might provide new opportuni-  
20                 ties for reducing poverty through economic growth;

21                 (2) the extent to which traditional approaches  
22                 to defining poverty may not adequately capture the  
23                 nature of poverty within a country;

1           (3) the types of subnational entities that might  
2           be appropriate partners for subnational Millennium  
3           Challenge Corporation compacts;

4           (4) how candidates for subnational partners  
5           might best be identified; and

6           (5) what role each national government should  
7           play in creating or implementing a subnational part-  
8           nership.

9           (c) APPROPRIATE CONGRESSIONAL COMMITTEES.—

10          In this subsection, the term “appropriate congressional  
11          committees” means—

12           (1) the Committee on Foreign Relations of the  
13           Senate;

14           (2) the Committee on Appropriations of the  
15           Senate;

16           (3) the Committee on Foreign Affairs of the  
17           House of Representatives; and

18           (4) the Committee on Appropriations of the  
19           House of Representatives.