

114TH CONGRESS
1ST SESSION

S. 1605

To amend the Millennium Challenge Act of 2003 to authorize concurrent compacts for purposes of regional economic integration and cross-border collaborations, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 18, 2015

Mr. CARDIN (for himself, Mr. FLAKE, Mr. COONS, and Mr. ISAKSON) introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

A BILL

To amend the Millennium Challenge Act of 2003 to authorize concurrent compacts for purposes of regional economic integration and cross-border collaborations, 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 “Millennium Compacts
5 for Regional Economic Integration Act” or the “M-CORE
6 Act”.

7 **SEC. 2. FINDINGS.**

8 Congress makes the following findings:

1 (1) Over the last 50 years, economies around
2 the world have experienced significant and sustained
3 growth that has been fueled by support to regional
4 infrastructure and integrated trade agreements.

5 (2) Unfortunately, many countries and their
6 economies are isolated and will require greater sup-
7 port to benefit from regional integration of markets,
8 infrastructure, and trade promotion-type policies.

9 (3) By connecting isolated economies around
10 the world, there exists the potential to increase in-
11 vestment opportunities and support market-based
12 growth.

13 (4) Developing countries, international organi-
14 zations, and regional economic bodies have increas-
15 ingly realized that key drivers to economic growth
16 must involve greater cross-border collaboration and
17 regional economic integration.

18 (5) The Millennium Challenge Corporation
19 (MCC) plays a unique role in economic development
20 throughout the world and pursues its mission of re-
21 ducing poverty through economic growth by making
22 time-bound grant investments through data selec-
23 tivity, country ownership, and a focus on results.

24 (6) The MCC's compacts have increased access
25 to reliable power, built highway corridors, and im-

1 proved business climates, thereby promoting eco-
2 nomic growth and cross-border engagement within
3 MCC partner countries.

4 (7) The MCC's extensive analysis has concluded
5 that a regional approach to poverty reduction, under
6 the right circumstances, can present opportunities to
7 take advantage of higher rates of return on invest-
8 ment and larger scale reductions in poverty.

9 (8) This increased flexibility would promote eco-
10 nomic growth and cross-border engagement between
11 and among countries, creating larger and more com-
12 patible markets and enabling the United States pri-
13 vate sector to compete more effectively and partner
14 with the host-country private sectors.

15 (9) The MCC is developing new partnerships in
16 Asia, including implementation of current compacts
17 in Indonesia and the Philippines, new compacts for
18 Mongolia and the Philippines, and MCC's first-ever
19 compact engagement in South Asia.

20 (10) In Central America, the MCC's work in
21 road infrastructure could potentially have had an
22 even greater impact had the roads connected across
23 borders.

24 (11) In Africa, neighboring countries could col-
25 laborate on a regional power pool, connect land

1 locked countries to transport, or address other pol-
2 icy, institutional, and logistical issues that hamper
3 trade.

4 (12) To make a coordinated regional investment
5 across several countries work, the Board of Direc-
6 tors of the MCC would need to select a block of
7 countries at the same time to coordinate project de-
8 velopment and compact signings, which is unreal-
9 istic, or be able to enter into a concurrent compact
10 with one of those countries, for which it currently
11 lacks authority.

12 **SEC. 3. PURPOSE.**

13 The purpose of this Act is to expand the Millennium
14 Challenge Corporation’s ability to develop compacts with
15 countries, particularly in Africa, that promote regional
16 economic integration and cross-border collaborations.

17 **SEC. 4. MILLENNIUM CHALLENGE COMPACT.**

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

20 (1) in subsection (k), by striking the first sen-
21 tence; and

22 (2) by adding after subsection (k) the following
23 new subsection:

24 “(l) CONCURRENT COMPACTS.—An eligible country
25 and the United States that have entered into and have

1 in effect a Compact under this section may enter into and
2 have in effect at the same time not more than one addi-
3 tional Compact in accordance with the requirements of
4 this title if—

5 “(1) one or both of the Compacts are or will be
6 for purposes of regional economic integration, in-
7 creased regional trade, or cross-border collabora-
8 tions; and

9 “(2) the Board determines that the country is
10 making considerable and demonstrable progress in
11 implementing the terms of any existing Compacts
12 and supplementary agreements thereto.”.

13 (b) APPLICABILITY.—The amendments made by sub-
14 section (a) apply with respect to Compacts entered into
15 between the United States and an eligible country under
16 the Millennium Challenge Act of 2003 (22 U.S.C. 7701
17 et seq.) before, on, or after the date of the enactment of
18 this Act.

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

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