

MCC on Chopping Block. By Helen Murphy, *Devex Newswire*, 24 Apr 2025

The Millennium Challenge Corporation — long seen as a bipartisan darling — may be the next U.S. foreign aid agency [to fall under President Donald Trump's ax](#).

Staff got a blunt email on Tuesday: “There will soon be **a significant reduction in the number of MCC's programs** and relatedly the agency's staff.” The note cited guidance from the Department of Government Efficiency, or DOGE — the same group behind the shuttering of [USAID](#).

Though no hard numbers were shared, the message rattled [MCC's](#) roughly 300 staffers, who've been **offered early retirement or a deferred resignation** deal that lets them stay on paid leave until Sept. 30 — or sooner if they choose.

It's not a done deal, one employee tells Devex, but staff are not expecting a last-minute reprieve. Staff were informed yesterday that **all contracts are being canceled** starting today. Some projects will get a few months to wrap up; others — especially those not yet off the ground — will be axed immediately. Senior leadership, said to be caught off guard, reportedly fought to save the agency, but were told **MCC simply didn't align with Trump's foreign policy**.

The agency, created under former President George W. Bush and known for rigorous grant standards and a scorecard-based eligibility system, has disbursed nearly \$17 billion to 47 countries over the past two decades. With an annual budget around \$900 million, it's been a quiet workhorse — one that also **doubled as a tool to counter China's influence**.

Scoop: [Elon Musk's DOGE takes aim at Millennium Challenge Corporation](#)

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Own goal

If the reports are true, and the Trump administration really is about to shutter MCC, let's just say the development world is not taking it quietly.

“Pretty much the only bit of the US government funding public sector infrastructure in developing countries,” Charles Kenny of the Center for Global Development reminds everyone, pointing out MCC has been doing the kind of work that China's Belt and Road

initiative does — “only with grants rather than loans.” And it’s bipartisan. Though, as Kenny adds dryly: “The USAID experience so far suggests that might not be worth as much as you would think!”

The ONE Campaign expressed alarm at the possible closure.

“To abruptly eliminate its programming would be self-defeating,” says ONE’s Elizabeth Hoffman. “MCC brings an innovative and entrepreneurial approach to development assistance that holds governments accountable and effectively counters malign foreign influences like China.”

Liz Schroyer of the nonprofit U.S. Global Leadership Coalition pulls no punches: “China, Russia, and our other rivals are jumping with joy.”