

Going small on MCC, By Anna Gawel, Devex Newswire, 29 July 2025

Another popular U.S. development agency, the [Millennium Challenge Corporation](#), could meet a very different fate if Trump has his way.

MCC appears to have [survived a 180-day foreign assistance review](#) carried out by the Trump administration, **but half of its programs are on the chopping block.**

In some ways, it's not as bad as feared. Earlier this year, the Department of Government Efficiency sparked fears that the agency — which issues [large-scale grants](#) to countries if they meet a set of good governance indicators — [would be shuttered](#). So the news that the agency will continue to exist is a welcome relief to its supporters.

“Given what’s happened in the foreign aid landscape in the United States, this is **clearly a victory for MCC’s model** and the people who work there,” James Mazzarella, a former senior MCC and national security official, tells Adva. “Even if it is pretty harsh, it’s not as harsh as what other agencies have gone through and it keeps them independent, keeps them engaged in the world, and it allows them to fight poverty for another day.”

But MCC’s clout would be significantly diminished, and that [could boost Chinese hegemony in the global south](#). That’s why critics of Trump’s proposal say gutting so many programs is counterintuitive to his foreign policy aims.

Sen. Jeanne Shaheen, the top Democrat on the Senate Foreign Relations Committee, criticized the administration for seeking to terminate half of MCC’s programs, calling it a **“gift to our adversaries”** that will undermine U.S. partnerships and “cede geopolitical influence to China.”

Read: [Millennium Challenge Corporation will survive, but half its programs won’t](#)

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