

SENATE FOREIGN RELATIONS COMMITTEE MINORITY REPORT | JULY 2025



# THE PRICE OF RETREAT:

America Cedes Global Leadership to China



COMMITTEE ON  
**FOREIGN**  
RELATIONS

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# LETTER OF TRANSMITTAL



COMMITTEE ON  
**FOREIGN**  
RELATIONS

*JULY 14, 2025*

**Dear Reader:** The People’s Republic of China presents the United States with a strategic challenge distinct from any in our nation’s history. The Chinese Communist Party’s leadership is engaged in a long-term strategy to unseat the United States as the world’s leading superpower. To safeguard its core interests—regime survival and national rejuvenation—China has deployed disinformation, political interference, cyberattacks, maritime harassment and economic coercion without provoking open military conflict with the United States.

Over the past six months, the United States has abandoned many of the very tools it has long used to counter Beijing’s tactics. As a result, the United States is undercutting alliances and economic partnerships and weakening its ability to out-compete China.

Many Americans may see the countries and the arenas where the United States and China compete as distant and remote. But the critical minerals corridors of Africa and Southeast Asia, the foreign markets vital for U.S. supply chains and exporters and the information landscapes across Asia and Europe do matter—these are the frontlines of this battle. The outcomes of these contests are deeply connected to the future of life here at home, including the security and prosperity of the American people.

Elected officials across the United States—Democrats and Republicans alike—must work together to ensure the United States remains engaged internationally to protect its national security and economic interests. The United States is well-positioned to succeed in each arena of this competition. We are blessed by decades of investments in a system of alliances, strategic aid, domestic innovation and open trade that have made our country the dominant global superpower it is today. And while grave damage has been done in the opening months of the Trump Administration, it is not too late to act swiftly, on a bipartisan basis, to restore our competitive edge.

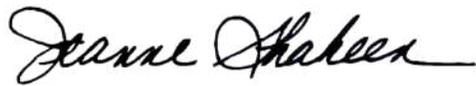
This report takes stock of the early damage done to U.S. competitiveness vis-à-vis China. It does not focus on the domestic or military investments necessary to compete, but rather the U.S. diplomatic and foreign aid components of this competition. You will find in the following pages that recent actions—the chaotic gutting of the U.S. Agency for International Development, a misguided tariff war and efforts to shutter Radio Free Asia, to name a few—have been a gift to Beijing. In private, our allies tell us that Chinese officials are gleeful, characterizing the United States as unreliable. In some cases, China is filling the void we have left behind, buying up now-vacant radio frequencies to broadcast its propaganda to millions. But in many cases, Beijing is doubling down on its own long-term investments—in overseas infrastructure, critical minerals exploitation and exchange programs that bring foreign talent to Chinese universities—all while America withdraws.

America's retreat from the world will have real and lasting consequences for the American people. Chipping away at our alliances makes the United States less secure and risks inviting devastating conflict. Ceding key export markets allows China to box out American workers, manufacturers, and other businesses and allows China to write unfair rules of the road for global trade. And a retreat from the system that we helped build following the Second World War—based on democracy, economic interdependence and American values—means China is increasingly able to set the global agenda at the expense of U.S. interests.

We hope this report serves as a call to action for Members of Congress who understand the magnitude of the challenge we face—and the opportunity we have to rebuild the tools we need to meet it.

Sincerely,

**Senate Committee on Foreign Relations**



**Jeanne Shaheen**  
United States Senator  
*Ranking Member*



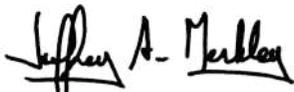
**Chris Coons**  
United States Senator



**Chris Murphy**  
United States Senator



**Tim Kaine**  
United States Senator



**Jeff Merkley**  
United States Senator



**Cory Booker**  
United States Senator



**Brian Schatz**  
United States Senator



**Chris Van Hollen**  
United States Senator



**Tammy Duckworth**  
United States Senator



**Jacky Rosen**  
United States Senator

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# EXECUTIVE SUMMARY

This report documents the early damage done to America’s ability to compete with China in the first six months of the second Trump Administration. Conducted by the Minority Staff of the Senate Foreign Relations Committee, it is based on open source research, official staff travel and meetings with the Administration, foreign government officials, U.S. companies and international non-governmental organizations.

The findings are clear: President Trump’s sweeping and non-strategic cuts to our diplomatic tools and international standing, his trade war against allies and partners, and the gutting of the U.S. Agency for International Development (USAID) and the U.S. Agency for Global Media (USAGM)—among many other actions—have deeply undermined U.S. competitiveness vis-a-vis China. The Administration’s pause and potential termination of Millennium Challenge Corporation (MCC) compacts, the near blanket freeze on Countering the People’s Republic of China Influence Fund (CPIF) and Countering Strategic Competitors (CSC) projects and its arbitrary visa restrictions against top international talent weaken our standing, partnerships and economic edge against China. As America retreats from global leadership under the Trump Administration, China is well-positioned and eager to exploit this moment of American disengagement.

The following are key areas where U.S. global leadership has already been weakened. These broad themes are outlined in greater detail throughout the report. In addition, the Annex contains a detailed but non-exhaustive list of specific programs and activities with a nexus to U.S.-China competition that were either paused, terminated or are unlikely to continue.

- **Shrinking the U.S. International Affairs Budget:** The Trump Administration has proposed cutting America’s total international affairs budget by 84%, including 91% for U.S.-led international narcotics and law enforcement programs, by 90.5% for U.S. contributions to international organizations, by 61% for lifesaving humanitarian assistance and by 93% for U.S. people-to-people exchanges.<sup>1</sup> Meanwhile, China recently proposed an 8.4% increase in its own diplomatic budget for 2025, committed \$500 million to the World Health Organization over the next five years and continues to spend billions on international educational and cultural exchange programs.<sup>2</sup>

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<sup>1</sup> Reductions in U.S. diplomatic resources have been proposed in the name of government savings and deficit reductions. Yet, these cuts are occurring simultaneously as President Trump signed into law a reconciliation package that, according to the Congressional Budget Office, will increase the U.S. federal deficit by \$3.3 trillion over the next decade and inject our military budget with an additional \$113 billion. Furthermore, recently reported State Department estimates indicate that the cost of shutting down the U.S. Agency for International Development will cost more than \$6 billion. In other words, the Administration’s near wholesale divestment in American diplomacy and global leadership, its elimination of international leverage and the damage it has caused to U.S. alliances and partnerships, have not saved Americans a dime. Congressional Budget Office, “Estimated Budgetary Effects of an Amendment in the Nature of a Substitute to H.R. 1, the One Big Beautiful Bill Act, Relative to CBO’s January 2025 Baseline,” June 29, 2025, <https://www.cbo.gov/publication/61534>; Background Briefing on Fiscal Year 2026 Defense Budget,” *Inside Defense*, May 21, 2025, <https://insidedefense.com/insider/house-appropriators-mark-defense-bill-june-13>; U.S. Department of State, Fiscal Year 2026 Congressional Budget Justification, <https://www.state.gov/wp-content/uploads/2025/05/FY-2026-State-CBJ-.pdf>.

<sup>2</sup> This 8.4% increase in the diplomatic budget was approved at the Third Session of the 14<sup>th</sup> National People’s Congress. “Report on China’s Central and Local Budgets,” *The State Council of the People’s Republic of China*, Mar. 13, 2025, [https://english.www.gov.cn/news/202503/13/content\\_WS67d2d817c6d0868f4e8f0c89.html](https://english.www.gov.cn/news/202503/13/content_WS67d2d817c6d0868f4e8f0c89.html). “China to Give \$500 Million to World Health Organization in Next 5 Years, Official Says,” *Reuters*, May 20, 2025. In 2018, China spent more than \$12 billion on “overseas education,” both for Chinese students studying abroad as well as foreign students studying in China; Final Statement of National General Public Budget Expenditure in 2018, *Ministry of Finance of the People’s Republic of China*, July 18, 2019, [https://www.mof.gov.cn/en/data/202011/t20201126\\_3630682.htm?utm](https://www.mof.gov.cn/en/data/202011/t20201126_3630682.htm?utm).

- Eliminating U.S. Tools to Compete:** In the first quarter of 2025, the Trump Administration indiscriminately cut more than 7,400 U.S. foreign aid programs totaling approximately \$80 billion, which included economic assistance, humanitarian and disaster aid, global health programming and energy infrastructure projects to countries all over the world.<sup>3</sup> The Trump Administration also ordered a near-complete pause to Millennium Challenge Corporation (MCC) compacts and has requested to rescind \$1.2 billion worth of prior year MCC funds.<sup>4</sup> As a result of these cuts, China will surpass the United States as the largest bilateral assistance partner for more than 40 countries.<sup>5</sup> Meanwhile, organizations that carry out U.S. foreign assistance programs have raised the alarm that the Department of State will lack the necessary technical expertise, capacity and context for ongoing and future U.S. foreign assistance programs for the foreseeable future.
- Eroding U.S. Alliances and Partnerships:** The Trump Administration has announced new or revised tariff policies more than 50 times since taking office, including 50% steel tariffs against Mexico, Canada, Japan and the European Union.<sup>6</sup> Blanket tariffs are not just wreaking economic havoc at home, they are also eroding longstanding U.S. alliances, including making it even more difficult to increase defense spending to 5% of GDP.<sup>7</sup> In some cases, U.S. tariffs are forcing allies, including European partners, to consider closer economic ties with Beijing, as evidenced by Chinese President Xi Jinping's recent trip to Southeast Asia and the China-Community of Latin American and Caribbean States Forum.<sup>8</sup> Tariffs also have direct consequences for our military readiness and the defense industrial base.<sup>9</sup> Meanwhile, some allies have expressed a desire to seek greater independence from the United States, including NATO allies reconsidering purchasing U.S. F-35 Joint Fighters.<sup>10</sup>

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<sup>3</sup> These figures were drawn in part from Department of State documents submitted to the Senate Foreign Relations Committee; Carmen Paun, "Documents Reveal Scope of Trump's Foreign Aid Cuts," *Politico*, Mar. 26, 2025.

<sup>4</sup> U.S. Department of State, Fiscal Year 2026 Congressional Budget Justification.

<sup>5</sup> Riley Duke, "U.S. Aid Cuts are a Soft Power Surrender to China," *Lowy Institute*, Mar. 18, 2025, <https://www.lowyinstitute.org/the-interpreter/us-aid-cuts-are-soft-power-surrender-china>.

<sup>6</sup> "White House Eased China Tariffs after Warnings of Harm to 'Trump's People'," *The Washington Post*, May 14, 2025.

<sup>7</sup> John Irish, "Aberration to Ask Europe to Spend More on Defence amid Trade War, Macron Says," *Reuters*, June 25, 2025.

<sup>8</sup> Li Mingjiang, et al., "How Southeast Asia Sees Xi Jinping's Regional Push Amid U.S.-China Tensions," *Carnegie Endowment for International Peace*, April 22, 2025; China-CELAC Forum, Accessed June 2025, <http://www.chinacelacforum.org/eng/>.

<sup>9</sup> Paul McLeary, "Trump's Tariffs Threaten U.S. Weapons Production," *Politico*, April 3, 2025; Anna Miskelley, "Trump Tariffs Hammer U.S. Artillery Market Despite Export Dominance," *Defense and Security Monitor*, Apr. 16, 2025, <https://dsm.forecastinternational.com/2025/04/16/trump-tariffs-hammer-u-s-artillery-market-despite-export-dominance/>.

<sup>10</sup> On Friday, March 14, 2025, Canadian Defence Minister Bill Blair said "The prime minister has asked me to go and examine those things and have discussions with other sources, particularly where there may be opportunities to assemble those fighter jets in Canada." Muarry Brewster, "Canada Reconsidering F-35 Purchase Amid Tensions with Washington, Says Minister," *Canadian Broadcasting Corporation News*, Mar. 14, 2025; In March 2025, Portuguese Defense Minister Nuno Melo said "The recent position of the United States, in the context of NATO ... must make us think about the best options, because the predictability of our allies is a greater asset to take into account." Lara Kayali, "Portugal Wobbles on Buying F-35s Because of Trump," *Politico*, Mar. 14, 2025.

- Silencing America's Voice and Losing the Narrative:** While China spends over a billion dollars annually on propaganda and foreign media manipulation, the Trump Administration has eliminated the Department of State's counter-disinformation unit and has attempted to shutter the U.S. Agency for Global Media (USAGM) and its affiliated networks, including Radio Free Asia and Voice of America.<sup>11</sup> The Administration sought to quickly dismantle these networks despite strong bipartisan support, including from then-Senator Marco Rubio, who sponsored legislation emphasizing the importance of Radio Free Asia's work.<sup>12</sup> As a result of the Trump Administration's actions, Radio Free Asia has lost 54 frequencies and millions of users.<sup>13</sup> At the same time, Chinese state-run media outlets have added 80 new radio frequencies and multiple languages to its programming, including in regions where the America's voice has disappeared.<sup>14</sup> To date, the Trump Administration has not offered a viable alternative for the United States to counter Chinese propaganda.
- Damaging America's Reputation as a Global Hub for Talent:** China aims to unseat the United States as the central hub for global talent. However, the Trump Administration's proposals to cut federal government grants for scientific research, its attacks against America's top universities and the crackdowns on international students have laid the groundwork for a brain drain from the United States.<sup>15</sup> According to a March 2025 poll by *Nature*, 75% of U.S.-based scientists stated they were considering leaving as a consequence of the Trump Administration's assault on science.<sup>16</sup> In addition to Europe and Canada, China has jumped at the opportunity to absorb top scientific talent leaving the United States due to the Trump Administration's actions.<sup>17</sup>

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<sup>11</sup> U.S. Department of State, Global Engagement Center Special Report: How the People's Republic of China Seeks to Reshape the Global Information Environment, Sept. 28, 2023, <https://2021-2025.state.gov/gec-special-report-how-the-peoples-republic-of-china-seeks-to-reshape-the-global-information-environment/>.

<sup>12</sup> "Text - S.178 - 116th Congress (2019-2020): UIGHUR Act of 2019." Congress.gov, Library of Congress, Oct. 21, 2020, <https://www.congress.gov/bills/116th-congress/senate-bill/178/text>.

<sup>13</sup> Sarah Ellison and Cate Cadell, "Chinese Propaganda Surges as the U.S. Defunds Radio Free Asia," *The Washington Post*, June 6, 2025.

<sup>14</sup> *Ibid.*

<sup>15</sup> Alexandra Witze, "75% of U.S. Scientists Who Answered Nature Poll Consider Leaving," *Nature*, Mar. 27, 2025, <https://www.nature.com/articles/d41586-025-00938-y>.

<sup>16</sup> *Ibid.*

<sup>17</sup> Andrea Mendes, "France's Safe Place for Science: The New Mobility Among International Researchers," *Jobbatical*, May 31, 2025, <https://www.jobbatical.com/blog/france-safe-place-for-science>; Simone Jacobs, "The Netherlands Launches New Fund to Draw in Top International Scientists," *I Am Expat*, Mar. 24, 2025, <https://www.iamexpat.nl/expat-info/dutch-news/netherlands-launches-new-fund-draw-top-international-scientists>; Alexander Freund, "Dear U.S. Researchers: Welcome to Germany!," *Deutsche Welle*, Mar. 27, 2025, <https://www.dw.com/en/dear-us-researchers-welcome-to-germany/a-72058292>; Juliette Portala and David Matthews, "Europe Scrambles to Help Researchers Escape Trump," *Science Business*, Mar. 20, 2025, <https://sciencebusiness.net/international-news/europe-scrambles-help-researchers-escape-trump>; Pierre Saint-Arnaud, "Quebec Hopes to Recruit Disenchanted American Scientists," *City News*, Mar. 13, 2025, <https://montreal.citynews.ca/2025/03/13/quebec-hopes-to-recruit-american-scientists/>; "HKUST Opens Doors to Harvard Students Amid Global Academic Shifts," *The Hong Kong University of Science and Technology*, May 23, 2025, <https://hkust.edu.hk/news/hkust-opens-doors-harvard-students-amid-global-academic-shifts>.

- **Reducing America’s Diplomatic Footprint:** In January 2025, the Department of State notified Congress of its intent to close at least ten U.S. diplomatic posts, and in April 2025, an internal Department of State memo indicated that the Administration was planning to close seven additional posts along with a reduction of embassy personnel, many in countries where U.S.-China competition is most intense, including the Maldives and Indonesia.<sup>18</sup> Furthermore, the Administration’s hostility towards U.S. diplomats is harming Department of State morale disincentivizing top talent from joining the U.S. Foreign Service.<sup>19</sup> Meanwhile, China is using its diplomatic levers across Global South nations to paint the United States as an unreliable partner.<sup>20</sup>
- **Stepping Away from International Organizations:** The Trump Administration is proposing to halt nearly all U.S. funding to international bodies.<sup>21</sup> Forums like the United Nations have been a leading means through which China has sought to increase its international influence and set standards for technologies of the future. In June 2025, after the Trump Administration signaled its withdrawal of support to international organizations, the International Telecommunications Union selected Shanghai, China to host the World Radio Conference in 2027.<sup>22</sup> Meanwhile, China has pledged an additional \$500 million to the World Health Organization—from which the United States has announced its withdrawal—and is establishing new international organizations like the International Organization for Mediation in Hong Kong.<sup>23</sup> If enacted, the cuts proposed in the Administration’s FY2026 budget request would make China a larger financial contributor than the United States to at least seven United Nations organizations.<sup>24</sup>

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<sup>18</sup> Andrew Desiderio, “State Department to Propose Major Overhaul of U.S. Diplomatic Footprint,” *Puchbowl News*, Apr. 15, 2025; Karoun Demirjian, “State Department Expands Plans for Closing Embassies and Consulates,” *The New York Times*, Apr. 15, 2025.

<sup>19</sup> Adam Taylor, et al., “Morale Craters at State Department as Mass Layoffs Loom,” *The Washington Post*, June 28, 2025.

<sup>20</sup> As just one recent example, the Chinese Ambassador to Kenya tweeted a graphic on June 12, 2025 saying that while America levies tariffs and travel bans and eliminates foreign assistance programs in Africa, China is ready to implement zero-tariff treatment, launch visa facilitation measures, and increase Chinese infrastructure financing in Africa. Ambassador Guo Haiyan, “Who is #Africa’s true friend?” X Post, June 12, 2025. <https://x.com/AmbGuoHaiyan/status/1933878410390216863>.

<sup>21</sup> U.S. Department of State, Fiscal Year 2026 Congressional Budget Justification.

<sup>22</sup> Muntazir Abbas, “China to Host WRC 2027; India; U.S. Fume,” *Economic Times*, June 27, 2025, <https://telecom.economictimes.indiatimes.com/news/policy/china-secures-hosting-rights-for-world-telecommunication-conference-2027-us-and-india-disappointed/122106443>.

<sup>23</sup> “Update: Chinese FM to Attend Convention on Establishment of Int’l Organization for Mediation Signing Ceremony,” *Xinhua*, May 20, 2025, <https://english.news.cn/20250520/2daaa7452d60492a88091f253dcc88aa/c.html>.

<sup>24</sup> These United Nations organizations include: the United Nations Educational, Scientific, and Cultural Organization (UNESCO); the Food and Agriculture Organization (FAO); the World Health Organization (WHO); the World Intellectual Property Organization (WIPO); the World Meteorological Organization (WMO); the International Agency for Research on Cancer (IARC); and the International Fund for Agricultural Development (IFAD).

# CONCLUSION AND RECOMMENDATIONS

While serious damage has been inflicted on U.S. credibility, diplomatic tools and international leadership over the last six months, it is not too late for the executive and legislative branches to work together to swiftly reestablish and robustly fund the tools America needs to compete effectively with China.

There continues to be a bipartisan consensus that China poses the most significant challenge to U.S. global leadership this century. The following are lines of effort the U.S. government should pursue expeditiously to reverse course and place the United States back on its competitive footing.

- **The Administration must work urgently with Congress to rebuild the U.S. government’s capacity to provide robust and appropriate foreign assistance, including humanitarian, food and global health assistance.** The abrupt and chaotic gutting of USAID has handicapped America’s ability to provide critical assistance around the world. Institutional memory, including from implementers, experts and partners, is draining at a rapid pace. As threats and natural disasters inevitably occur in the coming months, the cuts to U.S. foreign aid present a unique window of opportunity for China to expand its international influence through increased programming. The United States must act swiftly to reconstitute these essential capabilities, which have long bolstered U.S. partnerships and nurtured support for the United States across Asia, Africa and Latin America. The United States cannot afford to remain on the sidelines while China is in a better position to respond.
- **Congress should reject the Administration’s proposal to significantly downsize and potentially eliminate the Millennium Challenge Corporation (MCC).** The MCC is consistently cited as a highly transparent U.S. development agency and is a provenly effective tool for countering China’s Belt and Road Initiative.<sup>25</sup> In many instances, MCC’s work has been foundational to the viability and success of Development Finance Corporation (DFC) projects. At a time when both the Administration and Congress are working on legislation to reauthorize and strengthen the DFC with an expanded remit, MCC’s continuation is all the more central to the DFC’s continued growth. Among other activities, MCC compacts have provided partner countries with critical alternatives to Chinese debt traps, such as the MCC’s work to support Indonesia’s ability to finance its own infrastructure investments.<sup>26</sup>

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<sup>25</sup> Charles Kenny, “The Impact of Shuttering the Millennium Challenge Corporation,” *Center for Global Development*, Apr. 24, 2025, <https://www.cgdev.org/blog/impact-shuttering-millennium-challenge-corporation>.

<sup>26</sup> “Where We Work: Indonesia,” *Millennium Challenge Corporation*, Accessed June 2025, <https://www.mcc.gov/where-we-work/country/indonesia/>.

- **The U.S. Intelligence Community should conduct a National Intelligence Estimate (NIE) that examines the impact that U.S. foreign assistance terminations have had on U.S. national security interests.** Such an assessment should include the potential health impacts on the American people of terminating or downsizing U.S. global health programs focused on monitoring and treating dangerous infectious diseases, including HIV/AIDS and tuberculosis. It should also account for impacts these terminations have on our alliances and investigate warnings from U.S. military leaders that China is attempting to replicate U.S. foreign assistance programming across the Global South.<sup>27</sup> The NIE should include specific instances where China has taken advantage of the U.S. reduction in foreign assistance programming.
- **The Administration must swiftly reestablish critical counter-disinformation functions, including by supporting global independent media, in order to counter China’s propaganda overseas.** Each day that passes as the Administration’s attempts to dismantle USAGM and related entities are challenged in the courts, China is expanding the global reach of its propaganda. Some early consequences of seeking to quickly gut USAGM became clear when the Administration abruptly recalled nearly 75 employees of Voice of America’s Persian service in June 2025 to counter Iran’s disinformation against Israel and the United States.<sup>28</sup> Congress should also enact the INFORM Act (S.417), which would establish a Global News Service that makes available fact-based, uncensored China-related news to news organizations, independent journalists and online content creators around the world, while also providing financial support to USAGM entities.
- **Congress should appropriate robust funding for U.S.-led international educational and cultural exchange programming, including the Fulbright program, the Critical Language Scholarship and the Boren Fellowship.** While the Trump Administration proposes to shut down America’s most prestigious international exchange programs, China continues to fund academic scholarships and exchanges for students to study in China. In addition to robust support, the Administration should work with Congress to redesign existing or establish new U.S. international exchange programs tailored to U.S. strategic interests.

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<sup>27</sup> General Michael Langley, Commander of U.S. Africa Command, The Posture of the United States European Command and United States Africa Command in Review of the Defense Authorization Request for Fiscal Year 2026 and the Future Years Defense Program, Hearing before the U.S. Senate Committee on Armed Services, Apr. 3, 2025, at 34, <https://www.africom.mil/document/35810/4325fulltranscriptpdf>.

<sup>28</sup> Ben Johansen, “U.S. Scrambles to Bring Back VOA’s Persian Service Amid Iran-Israel Conflict,” *Politico*, June 13, 2025.

- **Congress must reclaim its role in trade policy and reject the President’s trade war.** Tariffs are not only impacting our relationships with allies and their ability to increase their defense spending, they are also harming U.S. consumers and America’s own defense industrial base. Congress should make clear that the President’s attempts to use the International Emergency Economic Powers Act (IEEPA) to levy tariffs against U.S. allies and partners is an overreach, such as by passing the Protecting Americans from Tax Hikes on Imported Goods Act (S.151).<sup>29</sup> In addition, the Department of Defense should share its analysis of the impact of tariffs on U.S. national security and the defense supply chain. Absent that analysis, the Rand Corporation should conduct a study on how U.S. tariffs impact the defense industrial base.
- **The Administration should maintain strong U.S. engagement at international organizations, including the United Nations, and it should also pay U.S. assessed contributions to the United Nations and UN Peacekeeping efforts.** Doing so will enable the United States to defend U.S. interests, drive meaningful reforms, support our allies and counter China’s expanding influence. The Administration should increase the number of Junior Professional Officer positions available to U.S. citizens to expand the presence of Americans at the United Nations. Congress should enact legislation to permanently establish and robustly fund an office at the Department of State dedicated to ensuring sustained U.S. engagement in international bodies, including by promoting qualified U.S. candidates for elected or appointed senior positions at multilateral institutions and international organizations.
- **Congress should exercise greater congressional oversight over the U.S. diplomatic footprint, with an eye towards China’s growth.** The opening and closing of U.S. diplomatic posts has long been based on internal Department of State decisionmaking. Congress must play a more active role in ensuring that the United States maintains a strategic presence to counter China’s continued diplomatic expansion. This should include requiring a report to Congress that, among other issues, outlines China’s diplomatic presence in the region prior to any proposed closure of a U.S. diplomatic post and whether the intended U.S. closure would put the United States at a disadvantage vis-à-vis China.
- **Congress should enact legislation that enhances U.S. international cooperation to secure critical mineral supply chains.** While the United States should reinstate USAID and MCC projects that are essential to supporting the DFC, along with U.S. Trade and Development Association and Export-Import Bank critical minerals related programming, the United States should equally prioritize international coordination with allies and partners on critical mineral supply chains.

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<sup>29</sup> "All Info - S.151 - 119th Congress (2025-2026): Protecting Americans from Tax Hikes on Imported Goods Act of 2025." Congress.gov, Library of Congress, 17 January 2025, <https://www.congress.gov/bill/119th-congress/senate-bill/151/all-info>.

- The Administration should maintain and strengthen the Australia-United Kingdom-United States (AUKUS) partnership, including by ensuring that it has sufficient authorities, resources and personnel. The AUKUS partnership will remain vital for U.S. and allied shared defense in the Indo-Pacific region. The Administration should maintain strong support for the AUKUS partnership, and Congress should maintain pressure to ensure the initiative's long-term success.
- Congress should enact legislation that requires the Administration to justify any large-scale terminations of personnel at U.S. diplomatic agencies. No Administration should have the ability to arbitrarily reduce America's diplomatic workforce without first taking into account the potential adverse impacts to U.S. national security. Congress should require the executive branch to certify in advance how such a reduction would impact our diplomatic presence and our ability to compete with China.

SECTION ONE

# THE PEOPLE'S REPUBLIC OF CHINA'S GLOBAL AMBITIONS



# The Chinese Communist Party's (CCP) overarching national goal is to achieve what President Xi Jinping describes as the “great rejuvenation of the Chinese nation” by 2049.<sup>30</sup>

This great rejuvenation envisions elevating the People's Republic of China's (PRC) influence by reshaping the international environment in favor of its strategic interests while simultaneously diminishing U.S. influence. In order to achieve its stated goals by 2049, China has made significant investments to out-compete the United States technologically, militarily and economically.<sup>31</sup> Beijing is confident that its strategy is succeeding. As Chinese President Xi Jinping frequently states: “The East is rising, and the West is declining.”<sup>32</sup>

China's strategy includes the Belt and Road Initiative (BRI), which seeks to position China at the center of international trade and geopolitics.<sup>33</sup> By binding other countries' key industries to its own manufacturing capacity, Beijing increasingly poses an existential threat to economies around the world. According to Chinese government data, as of May 2025, 156 countries had signed documents to join the BRI.<sup>34</sup>

CCP leadership has sought to pursue some of the same goals of the BRI through a series of new global initiatives: the Global Development Initiative (GDI), the Global Security Initiative (GSI) and the Global Civilization Initiative (GCI). Their stated goal is “to provide a Chinese solution to reform the global governance system and architecture.”<sup>35</sup> In other words, these three mutually re-enforcing initiatives articulate China's vision for the international order, one in which U.S. global leadership is diminished.

China champions these initiatives in regions where it has identified strategic economic and security interests, particularly Africa, Latin America and the Pacific Islands. China secures priority access to critical minerals, trains local workers to repair and maintain Chinese products, finances commercial infrastructure with the potential of becoming overseas military bases and shapes foreign business environments to be more favorable to Chinese companies.<sup>36</sup> Meanwhile, it invests billions annually to influence the information environment, including by purchasing stakes in foreign media outlets, securing content sharing agreements and sponsoring online influencers.<sup>37</sup> Beijing uses these levers to determine the content that developing country audiences consume, which typically elevate China while disparaging the United States as untrustworthy.<sup>38</sup>

In short, China is pursuing a clear vision for the international order while the Trump Administration seeks to diminish America's engagement globally. This report outlines in detail how the Trump Administration's first six months have gifted China a unique opportunity to assume a larger role in global leadership.

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<sup>30</sup> U.S. Department of Defense, Military and Security Developments Involving the People's Republic of China 2024, <https://media.defense.gov/2024/Dec/18/2003615520/-1/-1/0/MILITARY-AND-SECURITY-DEVELOPMENTS-INVOLVING-THE-PEOPLES-REPUBLIC-OF-CHINA-2024.PDF>.

<sup>31</sup> Ibid.

<sup>32</sup> Beijing's New Narrative of U.S. Decline, *Center for Strategic and International Studies*, Accessed July 2025, <https://open-source.csis.org/features/beijing-narrative-us-decline/>

<sup>33</sup> James McBride, “China's Massive Belt and Road Initiative,” *Council on Foreign Relations*, Accessed June 2025, <https://www.cfr.org/backgrounders/chinas-massive-belt-and-road-initiative>

<sup>34</sup> Belt and Road Portal, Accessed June 2025, <https://www.yidaiyilu.gov.cn/country>

<sup>35</sup> Zhao Ai, “Holding High the Banner of the Three Global Initiatives to Build a Better World,” *Chinese People's Institute of Foreign Affairs*, accessed June 2025, <https://www.cpifa.org/en/cms/book/403>

<sup>36</sup> Niva Yau and Dirk van der Kley, “China's Global Network of Vocational Colleges to Train the World,” *The Diplomat*, Nov., 2021; According to U.S. Department of Defense's 2024 “China Military Power Report,” China has likely sought to establish PLA military logistics facilities in Myanmar, Thailand, Indonesia, Pakistan, Sri Lanka, United Arab Emirates, Cuba, Kenya, Equatorial Guinea, Seychelles, Tanzania, Angola, Nigeria, Namibia, Mozambique, Gabon, Bangladesh, Papua New Guinea, Solomon Islands, and Tajikistan. U.S. Department of Defense, Military and Security Developments Involving the People's Republic of China 2024.

<sup>37</sup> Louisa Lim and Julia Bergin, “Inside China's Audacious Global Propaganda Campaign,” *The Guardian*, Dec. 7, 2018.

<sup>38</sup> U.S. Department of State, Global Engagement Center Special Report: How the People's Republic of China Seeks to Reshape the Global Information Environment, Sept. 28, 2023.

SECTION TWO

# REDUCING THE U.S. DIPLOMATIC TOOLKIT



## While China proposes increasing its diplomatic budget by 8.4% for 2025, the Trump Administration has proposed reducing the U.S. diplomatic budget for 2026 by 84%.<sup>39</sup>

In addition to programming cuts, the Trump Administration has also been vocal about its goal to dramatically shrink the U.S. federal workforce, which extends to diplomatic personnel.<sup>40</sup> Since President Trump took office, there has been a mass exodus of diplomats—the result of expected workforce cuts, announced cuts to programs and repeated overtures by the Administration for people to retire or leave the government.<sup>41</sup> More than 2,000 State Department employees have already left the Department through the Administration’s Deferred Resignation Program.<sup>42</sup> This number does not include an additional 1,800 personnel the Administration has said it plans to terminate.<sup>43</sup> Cuts and deferred resignations have reportedly impacted the Department of State’s Office of the China Coordinator (“China House”), which was established in 2022 to “focus, elevate and integrate the tools of American diplomacy to meet the challenge posed by the People’s Republic of China.”<sup>44</sup> State Department officials have quietly conveyed to Committee staff that China House is currently “bleeding talent.”

In general, these personnel cuts mean that America’s diplomatic force will be stretched even thinner, likely leading to less support for U.S. businesses and travel safety while overseas. For a country that hosts the most multinational corporations, which collectively employ more than 40 million workers around the world, the United States should be maintaining robust support for overseas diplomatic personnel, not reducing it.<sup>45</sup>

Below are just a few examples of how the Trump Administration’s proposals to reduce the U.S. international affairs budget are leaving vacuums for China to exploit.<sup>46</sup>

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<sup>39</sup> “Report on the Execution of the Central and Local Budgets for 2024 and on the Draft Central and Local Budgets for 2025,” *Ministry of Finance of the People’s Republic of China*, Mar. 5, 2025, [https://npcobserver.com/wp-content/uploads/2025/03/2025-MOF-Report\\_NON-FINAL\\_EN.pdf](https://npcobserver.com/wp-content/uploads/2025/03/2025-MOF-Report_NON-FINAL_EN.pdf); U.S. Department of State, Fiscal Year 2026 Congressional Budget Justification.

<sup>40</sup> Adam Taylor, et al., “Rubio Unveils Sweeping Reorganization of State Department,” *The Washington Post*, Apr. 22, 2025.

<sup>41</sup> Eric Katz and David Dimolfetta, “Here’s Where the State Department is Planning its Layoffs and Changes,” *Govexec*, May 29, 2025, <https://www.govexec.com/management/2025/05/Here-s-where-the-state-department-planning-layoffs-and-changes/405681/>

<sup>42</sup> These figures originate from Department of State communications with Senate Foreign Relations Committee staff.

<sup>43</sup> This figure comes from Department of State communications with Senate Foreign Relations Committee staff. Department of State briefers were unable to provide a justification for this specific number apart from meeting a 15% reduction in Department of State personnel. On Tuesday, July 8, the Supreme Court lifted a lower court order that had blocked President Trump’s executive order that seeks to lay off U.S. federal workers. Nina Totenberg, “Supreme Court Allows Trump to Resume Mass Federal Layoffs for Now,” *The New York Times*, Jul 8, 2025.

<sup>44</sup> Nahal Toosi and Phelim Kine, “Biden Launches ‘China House’ to Counter Beijing’s Growing Clout,” *Politico*, Dec. 16, 2022.

<sup>45</sup> Billy Cheung, “What Countries Are Most Multinational Corporations Based in?” *Investopedia*, Dec. 2024; News Release, U.S. Department of Commerce, Bureau of Economic Analysis, “Activities of U.S. Multinational Enterprises, 2022,” Aug. 23, 2024, Accessed June 2025.

<sup>46</sup> This list does not include cuts to other parts of the federal government relevant for U.S.-China competition, including the National Science Foundation, the National Institute for Standards and Technology, the Cybersecurity and Infrastructure Security Agency and others.

- **Eliminates nearly all international narcotics and law enforcement funding:** The Trump Administration’s FY 2026 budget request eliminates nearly 91% of U.S.-led international narcotics and law enforcement funding.<sup>47</sup> Around the same time the Trump Administration announced its retreat from supporting international law enforcement programs, Beijing was pledging to deepen law enforcement and counternarcotics training cooperation throughout Latin America.<sup>48</sup> Beijing’s pledge includes 3,500 government scholarships and 10,000 training opportunities in China, along with “law enforcement training programs tailored to the needs of [Latin American] member states.”<sup>49</sup>
- **Zeroes out U.S. contributions to international multilateral bodies:** The Trump Administration’s FY 2026 budget proposal cuts U.S. contributions to more than 40 international organizations by 90.5%, making China a larger financial contributor to at least seven UN organizations.<sup>50</sup> Meanwhile, in May 2025, Beijing established a new multilateral institution based in Hong Kong and announced significant new investments in existing bodies the United States is now in the process of exiting (see Section 8).
- **Reduces key tools to combat China’s Belt and Road Initiative:** The Trump Administration’s FY 2026 budget request decreases the Millennium Challenge Corporation’s (MCC) budget by 75.9% (from \$930 million to \$254 million) – on top of a proposed \$1.2 billion in rescissions from prior year funds.<sup>51</sup> The MCC, which was proposed by the George W. Bush Administration and established by Congress, has been consistently rated as a highly transparent U.S. development agency and is a critical tool for countering China’s Belt and Road Initiative (see Section 3).<sup>52</sup>
- **Guts critical global health programs:** The Trump Administration’s Fiscal Year 2026 budget request proposes a 62% cut to U.S. global health programs, including HIV/AIDS prevention programs that are critical to end the HIV epidemic by 2030.<sup>53</sup> The Administration has also decided to withdraw U.S. support from the Global Vaccine Alliance (Gavi).<sup>54</sup> If enacted, the proposed cuts would also impact monitoring programs that protect Americans from infectious diseases.<sup>55</sup> Meanwhile, Senate Foreign Relations Committee Minority Staff witnessed in sub-Saharan Africa how Chinese companies, under its Health Silk Road, are forming joint ventures with pharmaceutical companies and offering free travel to China for African medical professionals.

<sup>47</sup> U.S. Department of State, Fiscal Year 2026 Congressional Budget Justification.

<sup>48</sup> Eduardo Baptista, “China Offers Latin America and the Caribbean Billions in Bid to Rival U.S. Influence,” *Reuters*, May 13, 2025.

<sup>49</sup> *Ibid.*

<sup>50</sup> These United Nations organizations include: The United Nations Educational, Scientific, and Cultural Organization (UNESCO); Food and Agriculture Organization (FAO); World Health Organization (WHO); World Intellectual Property Organization (WIPO); World Meteorological Organization (WMO); International Agency for Research on Cancer (IARC); and International Fund for Agricultural Development (IFAD). U.S. Department of State, Fiscal Year 2026 Congressional Budget Justification.

<sup>51</sup> Nick M. Brown, “Millennium Challenge Corporation,” *Congressional Research Service*, Jan. 17 2025, [https://www.congress.gov/crs\\_external\\_products/IF/PDF/IF12850/IF12850.5.pdf](https://www.congress.gov/crs_external_products/IF/PDF/IF12850/IF12850.5.pdf); U.S. Department of State, Fiscal Year 2026 Congressional Budget Justification.

<sup>52</sup> Press Releases, Millennium Challenge Corporation, MCC Tops the World’s Most Transparent Bilateral Development Donor, Again, July 16, 2024, <https://www.mcc.gov/news-and-events/release/release-071624-mcc-ranked-worlds-most-transparent-bilateral-donor/>.

<sup>53</sup> U.S. Department of State, Fiscal Year 2026 Congressional Budget Justification; Carmen Paun, “Documents Reveal Scope of Trump’s Foreign Aid Cuts,” *Politico*, Mar. 26, 2025.

<sup>54</sup> Joshua P. Cohen, “RFK JR. Withdraws U.S. Financial Support for GAVI Vaccine Alliance,” *Forbes*, July 1, 2025.

<sup>55</sup> “Global Health Council Urges Immediate Action to Resume Life-Saving Foreign Assistance Amid Uncertainty,” *Global Health Council*, Jan. 31, 2025.

- Eliminates scholarships for American students to study abroad and for future foreign leaders to study in the United States:** The Trump Administration’s FY 2026 budget request proposes eliminating 93% of all U.S. exchange program funding, including the Fulbright scholarship, which benefits American students and boosts U.S. global leadership.<sup>56</sup> This is despite longstanding success of the programs: more than forty (40) Fulbright alumni have served as Heads of State or Government and more than 335 current or former Chiefs of State or Heads of Government have participated in the State Department’s International Visitor Leadership Program (IVLP).<sup>57</sup> Meanwhile, China is aggressively recruiting top international talent the Trump Administration has pushed away, including through numerous foreign talent recruitment programs that provide wages and living and travel expenses for scientists and researchers.<sup>58</sup>
- Makes drastic cuts to U.S. humanitarian and food assistance:** The Trump Administration’s FY 2026 budget request proposes cutting lifesaving humanitarian assistance by 61%.<sup>59</sup> These cuts would eliminate the procurement and delivery of U.S.-grown food aid.<sup>60</sup> The proposal would also terminate international food assistance programs, including Food for Peace, Food for Progress and the McGovern-Dole Food for Education programs that purchase millions of tons of commodities from American farmers such as wheat, rice, beans and sorghum.<sup>61</sup> Meanwhile, as China continues to develop its own foreign assistance capabilities, it is gaining ground by attempting to recreate U.S. assistance programming.<sup>62</sup>
- Ends Department of State-led funding that supports U.S. military missions overseas:** The Trump Administration has proposed a 92% cut to Peacekeeping Operations (PKO) funds and a 21% cut to International Military Education (IMET) funds.<sup>63</sup> These funds have supported key military infrastructure projects across Africa that benefit U.S. national security and have provided trainings for senior foreign military officials to align more closely with the United States.<sup>64</sup> Meanwhile, China is deepening its security cooperation across the African continent, where it is providing thousands of military training opportunities for African security officials.<sup>65</sup>

<sup>56</sup> U.S. Department of State, Fiscal Year 2026 Congressional Budget Justification.

<sup>57</sup> U.S. Department of State, Bureau of Educational and Cultural Affairs, Fulbright Alumni, Notable Alumni, Heads of State/Government, <https://eca.state.gov/fulbright/fulbright-alumni/notable-fulbrighters/heads-stategovernment>, last visited June 2025. Notable IVLP alumni include: Jacinda Ardern (former Prime Minister of New Zealand), Tony Blair (former Prime Minister of the United Kingdom), Narendra Modi (Prime Minister of India), Margaret Thatcher (former Prime Minister of the United Kingdom), Ma Ying-Jeou (former President of Taiwan) and others. Our Work, *World Chicago*, Accessed June 2025, <https://www.worldchicago.org/professional-programs/international-visitor-leadership-program>.

<sup>58</sup> Vivian Wang, “China Really Wants to Attract Talented Scientists. Trump Just Helped.,” *The New York Times*, June 4, 2025; Center for Security and Emerging Technology, “Chinese Talent Program Tracker,” <https://chinalenttracker.cset.tech/>.

<sup>59</sup> “Draconian Cuts to Diplomacy and International Assistance Are Not How America Wins in The World: Analysis of the Administration’s Fiscal Year 2026 International Affairs Budget Request,” *U.S. Global Leadership Coalition*, June 30, 2025, [https://www.usglc.org/media/2025/06/06.02.25\\_FY26\\_Budget-Analysis-Consolidated.pdf](https://www.usglc.org/media/2025/06/06.02.25_FY26_Budget-Analysis-Consolidated.pdf).

<sup>60</sup> U.S. Department of State, Fiscal Year 2026 Congressional Budget Justification.

<sup>61</sup> *Ibid.*

<sup>62</sup> General Michael Langley, Commander of U.S. Africa Command, The Posture of the United States European Command and United States Africa Command in Review of the Defense Authorization Request for Fiscal Year 2026 and the Future Years Defense Program, Hearing before the U.S. Senate Committee on Armed Services, Apr. 3, 2025, at 34.

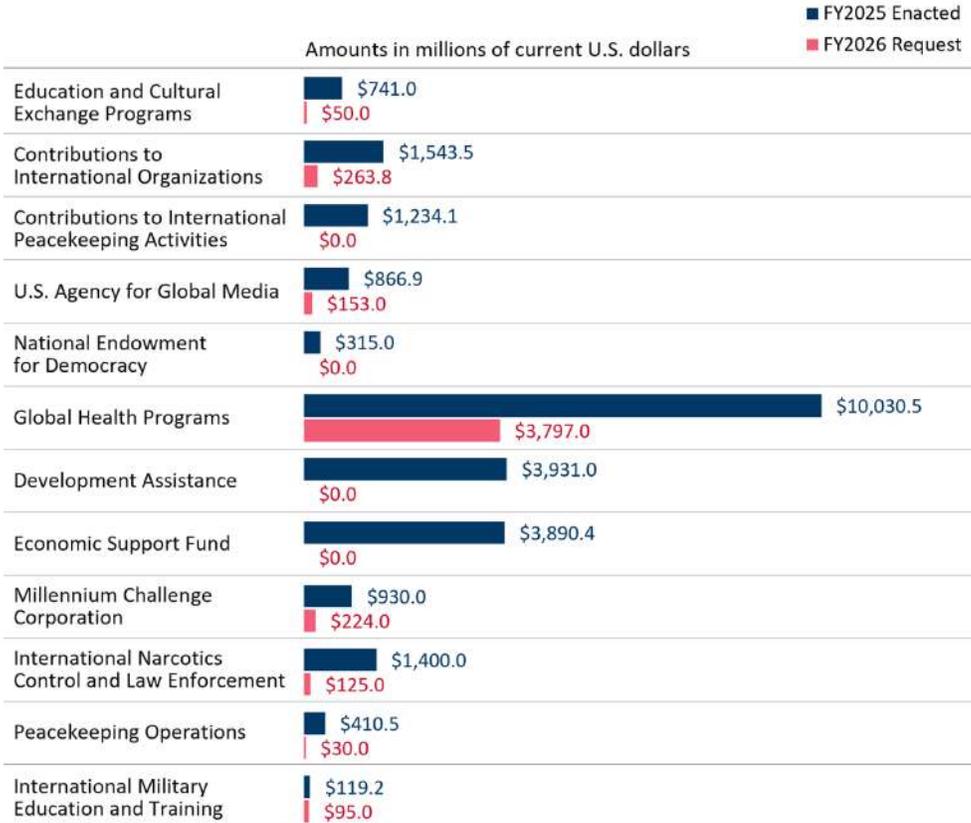
<sup>63</sup> U.S. Department of State, Fiscal Year 2026 Congressional Budget Justification.

<sup>64</sup> Master Sgt. Kayla White, “U.S.-Kenya Partnership Fortified through Joint Engineering Efforts at Camp Simba,” *U.S. Air Force*, Mar. 27, 2025, <https://www.af.mil/News/Article-Display/Article/4137524/us-kenya-partnership-fortified-through-joint-engineering-efforts-at-camp-simba/> Alexis Arieff, “U.S. Assistance for Sub-Saharan Africa: An Overview,” *Congressional Research Service*, Nov. 7, 2023, <https://www.crs.gov/Reports/R46368?source=search>

<sup>65</sup> “Forum on China-Africa Cooperation Beijing Action Plan (2025-2027),” *Ministry of Foreign Affairs of the People’s Republic of China*, Sept. 5, 2024, [https://www.mfa.gov.cn/eng/xw/zyxw/202409/t20240905\\_11485719.html](https://www.mfa.gov.cn/eng/xw/zyxw/202409/t20240905_11485719.html)

## Chart of Proposed Budget Cuts by the Trump Administration for the Fiscal Year 2026 International Affairs Budget

### FY2025 Enacted Funding and FY2026 Budget Request



**Sources:** Created by CRS using information from P.L. 118-47, P.L. 119-4, and State Department, FY2026 Congressional Budget Justification, Department of State, Foreign Operations, and Related Programs.

**Notes:** Funding levels exclude rescissions. Accounts included, and color scheme, were selected by the requester.

SECTION THREE

**CUTTING U.S. FOREIGN  
ASSISTANCE AND  
DEVELOPMENT**



For less than 1% of the discretionary federal budget, U.S. foreign assistance has been a pillar of U.S. diplomacy since the end of World War II.<sup>66</sup>

Foreign assistance has advanced U.S. national interests by creating new markets for U.S. small businesses to sell their products overseas, promoting fairer business environments for American companies, addressing core drivers of conflict before they worsen and fighting infectious disease outbreaks before they reach American shores.

U.S. foreign assistance has also established and sustained strategic U.S. alliances and partnerships, including through greater international alignment on democratic values and human rights. Longstanding bipartisan support from Congress illustrates the broad consensus on the strategic benefits of U.S. foreign aid. Historically, approximately one penny per U.S. taxpayer dollar, or one percent of the discretionary federal budget, has been allocated to foreign assistance each fiscal year.<sup>67</sup> By 2024, some 180 countries and territories had received U.S. assistance, reflecting the broad use of U.S. foreign aid as a strategic policy instrument for advancing U.S. influence and national security globally.<sup>68</sup>

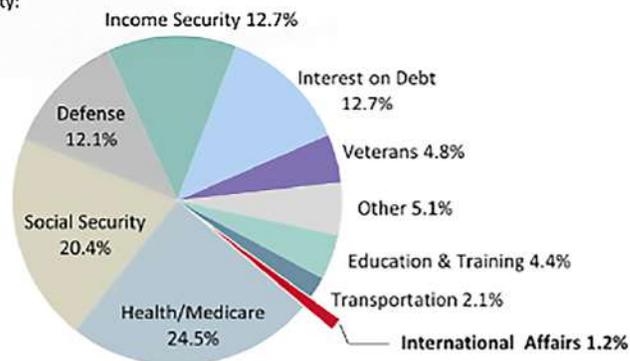
*“If you don’t fund the State Department fully, then I need to buy more ammunition, ultimately.”*

– **Former Secretary of Defense James N. Mattis**, March 15, 2013

Hearing before the Senate Armed Services Committee titled “U.S. Central Command and U.S. Special Operations Command.

### Portion of the U.S. Federal Budget Towards International Affairs

FY2025 budget authority: \$7,631.8 billion (est.)



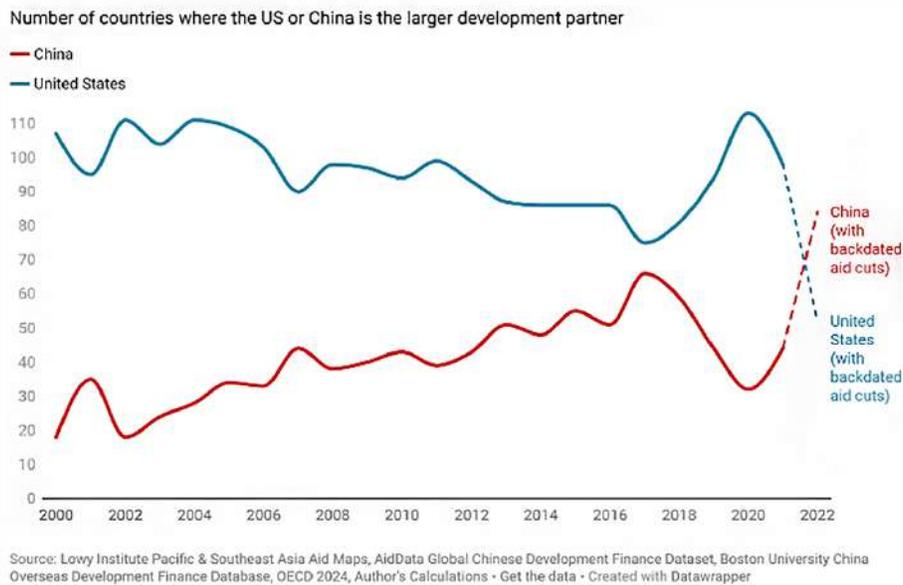
Source: Prepared by the Congressional Research Service using Office of Management and Budget Fiscal Year 2025 Budget Historical Table 5.1

<sup>66</sup> George Ingram, “What Every American Should Know about U.S. Foreign Aid,” Brookings Institution, Oct. 2, 2019, <https://www.brookings.edu/articles/what-every-american-should-know-about-u-s-foreign-aid/>.

<sup>67</sup> Drew DeSilver, “What the Data Says about U.S. Foreign Aid,” Pew Research Center, 6 Feb. 2025, <https://www.pewresearch.org/short-reads/2025/02/06/what-the-data-says-about-us-foreign-aid/>; While the U.S. is the largest international donor in total dollar amounts, it spends just 0.24% of the U.S. Gross National Income (GNI) per capita on foreign assistance, by comparison to Germany (0.82%), Norway (1.1%), Sweden (0.93%) and the United Nations target of 0.7%. Source: USGLC, “U.S. International Assistance: Did You Know?,” Accessed June 2025, <https://www.usglc.org/resources/u-s-international-assistance-did-you-know/>.

<sup>68</sup> Congressional Research Service, U.S. Foreign Assistance, Nov. 1, 2024, <https://www.congress.gov/crs-product/IF10183>.

## Where the United States or China is the Larger Development Partner



In the first quarter of 2025, the United States cut more than 7,400 foreign aid programs totaling approximately \$80 billion in what equates to an unprecedented disarmament of one of the most effective non-military tools for advancing U.S. global interests.<sup>69</sup> As a result, China will surpass the United States as the largest bilateral assistance partner for more than 40 countries.<sup>70</sup> The Trump Administration's actions signal an alarming withdrawal of U.S. engagement in the world at a time when China, Russia and other adversaries are expanding their global reach. Meanwhile, the Trump Administration has failed to articulate an alternative vision of how the United States will counter China in lieu of the influence that the U.S. asserted through foreign assistance. Instead, the Administration has simply eliminated U.S. international reach and leverage, damaged U.S. credibility and cost innocent lives. President Trump was right when he described his own cuts to foreign assistance as "devastating."<sup>71</sup>

"The decisions we make today will create the world of tomorrow. If we remain on this course of abandoning foreign assistance, that world will be run by China and our adversaries."

– **James Gilmore**, Former U.S. Ambassador to the Organization for Security and Cooperation in Europe (OSCE) 2019-2021; Former Republican National Committee Chair, March 2025

<sup>69</sup> Carmen Paun, "Documents Reveal Scope of Trump's Foreign Aid Cuts," *Politico*, Mar. 26, 2025.

<sup>70</sup> Riley Duke, "U.S. Aid Cuts Are a Soft Power Surrender to China," *Lowy Institute*, Mar. 18, 2025, <https://www.lowyinstitute.org/the-interpreter/us-aid-cuts-are-soft-power-surrender-china>.

<sup>71</sup> "Trump Calls His Own Foreign Aid Cuts at USAID 'Devastating'," *Reuters*, May 21, 2025.

## Economic Assistance

U.S. foreign assistance and development programming in regions such as Africa and Latin America have direct impacts on American businesses and U.S. economic interests. Some 450,000 U.S. jobs are linked to U.S.-Africa trade.<sup>72</sup> Latin America also makes up over 15% of U.S. foreign direct investment, facilitated by U.S. foreign assistance that combatted local corruption, addressed opaque regulatory frameworks and builds protections for property rights.<sup>73</sup>

Furthermore, Latin America holds more than half of the world's lithium reserves and at least 35% of copper reserves, including seven of the world's ten most productive copper mines.<sup>74</sup> Africa holds nearly half the world's reserves of cobalt and manganese.<sup>75</sup> These minerals are used to manufacture electric vehicle (EV) batteries and motors, solar panels, wind turbines and defense technologies. As U.S.-China competition intensifies, and as rising global demand for critical minerals further squeezes supply, U.S. foreign assistance and development programming play a key role in securing these supply chains (see Case Study: Sub-Saharan Africa – Lobito Corridor Critical Minerals).

In the last 15 years, China has increased its overseas spending by over 500%, nearly double U.S. economic assistance from entities like the Millennium Challenge Corporation (MCC) and the Development Finance Corporation (DFC) over a comparable period.<sup>76</sup> Chinese investments and financing, particularly in digital infrastructure and extractive sectors like critical minerals, are aimed at establishing long-term dependencies on China and securing China's access to critical minerals and agricultural commodities. Between 2000 and 2021, China supported nearly 18,000 overseas development projects with approximately \$1.5 trillion in funding, which is roughly equivalent to \$68.3 billion spent annually.<sup>77</sup> Beijing's overseas investments and financing in strategic sectors such as industry, mining, energy and transportation have led China to become a world leader in electric vehicle manufacturing, clean energy production and critical mineral excavation and processing.<sup>78</sup>

In contrast to China, which in September 2024 pledged \$50 billion in financing for economic development and infrastructure projects in Africa over the next three years, the Trump Administration is

*"...foreign aid is a very cost-effective way, not only to export [U.S.] values and our example, but to advance our security and economic interests."*

– Senator Marco Rubio, April 2012

Source: "Rubio Discusses Future of U.S. Foreign Policy," YouTube, Apr. 25, 2012, <https://www.youtube.com/watch?v=9Hb31bEa0mg>

<sup>72</sup> Daniel F. Runde, "Beyond 2025: A Renewed Relationship with sub-Saharan Africa," *Center for Strategic and International Studies*, June 12, 2024, <https://www.csis.org/analysis/beyond-2025-renewed-relationship-sub-saharan-africa>

<sup>73</sup> Congressional Research Service, U.S.-Latin America Trade and Investment, Mar. 15, 2024, <https://www.crs.gov/reports/pdf/IF12614/IF12614.pdf>

<sup>74</sup> Brian W. Jaskula, Mineral Commodities Summaries, U.S. Geological Survey, Jan. 2025, <https://pubs.usgs.gov/periodicals/mcs2025/mcs2025-lithium.pdf>; Daniel M. Flanigan, Mineral Commodities Summaries, U.S. Geological Survey, Jan. 2025, <https://pubs.usgs.gov/periodicals/mcs2025/mcs2025-lithium.pdf>

<sup>75</sup> "Critical Minerals: Africa Holds Key to Sustainable Energy Future," *United Nations Trade and Development*, June 5, 2024, <https://unctad.org/news/critical-minerals-africa-holds-key-sustainable-energy-future>

<sup>76</sup> "Constrained Funding for Growing Challenges Threatens America's Ability to Protect National Interests," *U.S. Global Leadership Coalition*, Mar. 13, 2024, <https://www.usglc.org/the-budget/constrained-funding-for-growing-challenges-threatens-americas-ability-to-protect-national-interests/>; Custer, S., et. Al., "Into the Breach: Will China Step Up as the U.S. Retreats from Global Development?," *AidData*, Mar. 2025, [https://docs.aiddata.org/ad4/pdfs/Into\\_the\\_Breach.pdf](https://docs.aiddata.org/ad4/pdfs/Into_the_Breach.pdf).

<sup>77</sup> Ibid.

<sup>78</sup> Ibid.

cancelling programs across the African continent, including the Power Africa initiative that aimed to improve energy security, generate economic growth and reduce poverty affecting over 600 million people in sub-Saharan Africa.<sup>79</sup> The Power Africa initiative leveraged development assistance and private sector investment, often from private U.S. companies, to accelerate more than 160 energy projects across the continent.<sup>80</sup> The elimination of this initiative has reportedly jeopardized over \$26 billion in deals with U.S. companies, which provide support ranging from substation equipment to gas turbines and solar panels.<sup>81</sup>

## CASE STUDY: SUB-SAHARAN AFRICA – LOBITO CORRIDOR CRITICAL MINERALS

One of the central U.S. projects to secure critical mineral supply chains in sub-Saharan Africa is the rehabilitation of the Lobito Corridor, a 1,289 kilometer railway that spans Angola, the Democratic Republic of the Congo and Zambia. Announced under the Biden Administration, this critical infrastructure project not only sought to secure U.S. access to critical minerals (copper and cobalt), it also sought to differentiate the United States from China's extractive practices by providing USAID-led sustainable development initiatives along the Corridor.<sup>82</sup> These activities were envisioned to accompany a \$553 million U.S. Development Finance Corporation (DFC) loan announced in December 2024.<sup>83</sup>



However, the Trump Administration's chaotic gutting of U.S. foreign assistance has disrupted nearly \$20 million worth of USAID-led programming along the Corridor, jeopardizing the project's long-term success.<sup>84</sup> The Trump

<sup>79</sup> "Forum on China-Africa Cooperation Beijing Action Plan (2025-2027)," *Ministry of Foreign Affairs of the People's Republic of China*, Sept. 5, 2024, [https://www.mfa.gov.cn/eng/xw/zyxw/202409/t20240905\\_11485719.html](https://www.mfa.gov.cn/eng/xw/zyxw/202409/t20240905_11485719.html); Nancy Lee, "What We're Losing: Energy, Growth, and Power Africa," *Center for Global Development*, Feb. 25, 2025, <https://www.cgdev.org/blog/what-were-losing-energy-growth-and-power-africa>; "China's Xi Promises \$50 Billion for Africa Over Next Three Years," *Voice of America*, Sept. 5, 2024, <https://www.voanews.com/a/china-s-xi-promises-50-billion-for-africa-over-next-three-years/7772161.html>; Carmen Paun, "Documents Reveal Scope of Trump's Foreign Aid Cuts," *Politico*, Mar. 26, 2025, Award ID: 72067422CA00003, Award ID: 72067423FA00007, Award ID: 72067424T00001, Award ID: AID-OAA-A-15-00054, Award ID: 72067425F00001, Award ID: AID-AFR-IO-16-00001, Award ID: 72067425C00001, Award ID: 72067424C00002, Award ID: 72067424CA00007, Award ID: 72067420T00001.

<sup>80</sup> Chico Harlan, "The U.S. Says Africa Needs Energy. But DOGE Halted a Program to Help," *The Washington Post*, Apr. 14, 2025.

<sup>81</sup> *Ibid.*

<sup>82</sup> FACT SHEET: Partnership for Global Infrastructure and Investment in the Lobito Trans-Africa Corridor, *Biden White House*, Dec. 3, 2024, <https://bidenwhitehouse.archives.gov/briefing-room/statements-releases/2024/12/03/fact-sheet-partnership-for-global-infrastructure-and-investment-in-the-lobito-trans-africa-corridor/>.

<sup>83</sup> U.S. International Development Finance Corporation, "DFC Announces Investments Supporting Development Along Lobito Corridor," Dec. 4, 2024, <https://www.dfc.gov/media/press-releases/dfc-announces-investments-supporting-development-along-lobito-corridor>.

<sup>84</sup> Other investments include as follows: DFC reached a commitment on a \$6 million USAID-sponsored loan portfolio guarantee for an Angolan company to support micro lending targeting the agriculture along the Corridor. USAID had recently launched a \$1.5 million grant from the Power Africa Opportunity Fund to provide energy equipment supporting farming communities along the Corridor. USAID, the Department of State and the U.S. Geological Survey announced a \$2 million technical assistance package to enhance transparency in Angola's mining sector. These represent a select few examples of USAID's important contributions to the broader initiative; FACT SHEET: Partnership for Global Infrastructure and Investment in the Lobito Trans-Africa Corridor, *Biden White House*, Dec. 3, 2024; In March 2025, the Trump Administration terminated a \$58 million award for the Technical Assistance Project for Economic Growth (TAP EG), a global mechanism to strengthen economic institutions and promote market-friendly regulatory environments. TAP EG had been supporting Africell's Afrimoney platform and strengthening regulatory frameworks to ensure that U.S. commercial leadership in Angola's financial technology ecosystem. The project was directly countering China's Digital Silk Road, and one of the primary focuses of the activity was along the Lobito Corridor. "Recipient: International Development Group Advisory Services," *USA Spending*, Accessed July 2025, [https://www.usaspending.gov/award/CONT\\_AWD\\_7200AA22N00006\\_7200\\_47QRAD20D1072\\_4732](https://www.usaspending.gov/award/CONT_AWD_7200AA22N00006_7200_47QRAD20D1072_4732); Carmen Paun, "Documents Reveal Scope of Trump's Foreign Aid Cuts," *Politico*, Mar. 26, 2025, Award ID: 7200AA22N00006.



Administration terminated a \$5 million project with Africell, the only mainstream U.S.-owned mobile network operator in Africa, to develop a secure mobile money and digital finance ecosystem in Angola.<sup>85</sup> Other USAID projects, including support for U.S. Geological Survey mapping and programs addressing local corruption, make large-scale projects like the Lobito Corridor possible. Among U.S. agencies, only USAID has had the capability to provide these programs.

As of July 2025, the DFC has yet to disperse the \$553 million loan commitment, and the Administration’s foreign assistance terminations have caused confusion among public and private investors. If financing is not met by the end of 2025, it is possible that other investors, including Chinese investors, may exploit this moment of uncertainty. Instead of strengthening U.S. engagement in this critical project, the Administration is risking the loss of billions of dollars in critical mineral access for the United States.

Meanwhile, China is aggressively pursuing its own strategic infrastructure projects in the same region for the same ultimate objective – securing access to critical minerals. At the same time the United States signed on to the Lobito Corridor, China announced it would rehabilitate the Tanzania-Zambia Railway (TAZARA).<sup>86</sup> This \$1 billion project would modernize the TAZARA railway and give China a 30-year concession, including full operational management of the railway.<sup>87</sup> The project includes Chinese political training and other soft power initiatives to export the Chinese Communist Party’s authoritarian style of government.<sup>88</sup> Whichever project is successful will dictate whether critical minerals flow towards the Atlantic Ocean and the United States or towards the Indian Ocean and China.

<sup>85</sup> Ibid.

<sup>86</sup> "TAZARA Allocated Funding as Concession Agreement Awaited," *Railway Gazette International*, May 22, 2025, <https://www.railwaygazette.com/infrastructure/tazara-allocated-funding-as-concession-agreement-awaited/68823.article>.

<sup>87</sup> Ibid.

<sup>88</sup> U.S. Mission China, "Fact Sheet: Partnership for Global Infrastructure and Investment in the Lobito Trans-Africa Corridor," *U.S. Embassy and Consulates in China*, Dec. 5, 2024, <https://china.usembassy-china.org.cn/fact-sheet-partnership-for-global-infrastructure-and-investment-in-the-lobito-trans-africa-corridor/>.

## CASE STUDY: SOUTH AFRICA – CRITICAL MINERALS

South Africa is an essential upper-middle-income country whose strategic partnership creates numerous markets for two-way trade and investment. As the largest economy in Africa and the economic hub of the Southern Africa region, U.S.-South Africa relations are critical for U.S.-Africa policy. The United States and China compete in South Africa for critical minerals, iron and steel, which are top imports for both countries.

The Trump Administration's foreign assistance terminations, block on new investments and 30% tariffs on South Africa have made it more difficult to compete with China in South Africa.<sup>89</sup> The Administration's decision to exclude South Africa from the Critical Minerals Consortium in 2025 has also undermined U.S.-South Africa coordination on critical mineral supply chains.

Meanwhile, the Trump Administration's hostility toward South Africa may also impact a significant critical mineral project supported by a \$50 million DFC investment.<sup>90</sup> Known as the "Phalaborwa Rare Earths Processing Project," this project would reportedly enable American businesses to generate nearly 6,000 tons per year of rare earth magnets.<sup>91</sup> However, due to the Administration's current policies toward South Africa, DFC implementers are reportedly hesitant to resume its activities.<sup>92</sup> These policies, together with the termination of U.S. foreign assistance programming, are jeopardizing the project's long-term success.

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<sup>89</sup> World Economic Outlook Database, International Monetary Fund, Accessed June 2025, [https://www.imf.org/en/Publications/WEO/weo-database/2025/april/weo-report?;Regulating Imports with a Reciprocal Tariff to Rectify Trade Practices that Contribute to Large and Persistent Annual United States Goods Trade Deficits](https://www.imf.org/en/Publications/WEO/weo-database/2025/april/weo-report?;Regulating%20Imports%20with%20a%20Reciprocal%20Tariff%20to%20Rectify%20Trade%20Practices%20that%20Contribute%20to%20Large%20and%20Persistent%20Annual%20United%20States%20Goods%20Trade%20Deficits), Executive Order 14257 of Apr. 2, 2025, *Federal Register*, Accessed June 2025, <https://www.federalregister.gov/documents/2025/04/07/2025-06063/regulating-imports-with-a-reciprocal-tariff-to-rectify-trade-practices-that-contribute-to-large-and>.

<sup>90</sup> Yeganeh Torbati, "Trump's Feud with South Africa Could Hinder Hunt for Critical Minerals," *The Washington Post*, Apr. 30, 2025.

<sup>91</sup> *Ibid.*

<sup>92</sup> *Ibid.*

## CASE STUDY: COLOMBIA – COUNTERNARCOTICS AND LAW ENFORCEMENT

Colombia is America’s closest ally in South America, but its ties with China are deepening. In April 2025, the Colombian Foreign Ministry announced Colombia was beginning a process to consider exempting Chinese nationals from visa requirements in order to increase Chinese tourism, business and investment.<sup>93</sup> In May 2025, the Colombian government signed onto China’s Belt and Road Initiative—a move that was unthinkable just a few years ago.<sup>94</sup> Colombia recently signaled its intent to join a Chinese-led multilateral bank and is considering purchasing Chinese J-10C jetfighters.<sup>95</sup> Other recently announced Chinese support in the region includes a RMB 66 billion (\$9 billion USD) credit line for infrastructure investments and increased exchanges to combat transnational crime and counter drug trafficking.<sup>96</sup>

During recent travel to Colombia, Senate Foreign Relations Committee Minority staff witnessed first-hand how foreign assistance cuts have upended U.S.-Colombia bilateral relations, particularly when it comes to law enforcement and counternarcotics cooperation. The U.S.-Colombia Action Plan (referred to as “Plan USCAP”), launched in 2012, has been an investment multiplier for the United States, committing to the Colombians—with U.S. Department of State support—trainings for partner police and militaries throughout Latin America to combat drug trafficking.<sup>97</sup> Colombian Ministry of Defense and Colombian National Police contacts noted that with the U.S. foreign assistance terminations, Colombia was forced to reduce its foreign commissions under Plan USCAP by 70%, with military leadership describing significant losses in training and regional collaboration on transnational crime. Colombian Ministry of Defense contacts further disclosed that the foreign assistance terminations have caused a roughly 50% cut in their counternarcotics programming.

Furthermore, USAID support was critical in turning decades of armed conflict in Colombia into tangible peace building efforts. Since 2001, USAID projects provided a lifeline to communities in rural areas of Colombia where armed groups are still active.<sup>98</sup> USAID implementers outlined to Senate Foreign Relations Committee Minority staff the process by which a \$1.2 billion project portfolio spanning counternarcotics, peace and security and migration disappeared almost overnight. Mayors of war-torn provinces in Colombia emphasized that USAID’s departure left them more vulnerable to the pressures of armed groups and made migration northward more likely for their communities. Actors across the political and ideological spectrum in Colombia noted that USAID’s presence in their provinces was a daily reminder of the benefits of maintaining close relations with the United States. However, many said that they would now be more inclined to allow increased Chinese investment in their communities as trust in the United States sinks.



<sup>93</sup> Josep Freixes, “Colombia to Eliminate Visa Requirement for Chinese Citizens,” *Colombia One*, Apr. 24, 2025, <https://colombiaone.com/2025/04/24/colombia-eliminate-visa-requirement-chinese-citizens/#:~:text=Colombia%20will%20eliminate%20visas%20for,prior%20step%20to%20enter%20Colombia>.

<sup>94</sup> Timothy Jones, “Colombia Signs up to China’s Belt and Road Initiative,” *Deutsche Welle*, May 14, 2025.

<sup>95</sup> “China Offers Its J-10CE Fighter Jet to Colombia,” *www.infodefensa.com*, May 16, 2025, <https://www.infodefensa.com/texto-diario/mostrat/5292265/067-colombia-china-ofrece-colombia-caza-combate-j-10ce>.

<sup>96</sup> “Writing a New Chapter in Building a China-LAC Community with a Shared Future,” *Ministry of Foreign Affairs People’s Republic of China*, May 13, 2025, [https://www.fmprc.gov.cn/eng/xw/zyxw/202505/t20250513\\_11622043.html](https://www.fmprc.gov.cn/eng/xw/zyxw/202505/t20250513_11622043.html).

<sup>97</sup> Joint Press Release on the United States – Colombia Action Plan on Regional Security Cooperation, Apr. 15, 2012, <https://2009-2017.state.gov/r/pa/prs/ps/2012/04/187928.htm>.

<sup>98</sup> Alfie Pannell, “USAID Suspension Shatters Colombia Programs, Endangering FARC Peace Deal,” *Reuters*, Mar. 18, 2025.

## CASE STUDY: CHILE – DISASTER RELIEF AND CRITICAL MINERALS

In April 2025, Senate Foreign Relations Committee Minority Staff traveled to Chile, where USAID implementers underscored the significant blow to U.S. soft power caused by the elimination of USAID.

In 2024, Chile suffered the deadliest forest fires in the country's history.<sup>99</sup> In response to the fires, USAID dispatched a disaster relief team that Chilean officials say was essential to preventing an even greater catastrophe.<sup>100</sup> Local Chileans shared that USAID's work educating local populations and constructing fire-proof barriers prior to this disaster saved countless lives.

In a country where the United States maintains just over 60% approval ratings (the second lowest approval rating in Latin America), while China maintains a uniquely high 64% approval rating (the third highest rate in the region), Chileans have emphasized—in response to the foreign assistance freeze and the dismantling of USAID—that “the only winner here is China.”<sup>101</sup> Chilean government officials further underscored that while the United States has always been Chile's diplomatic partner of choice, they fear that the United States is pushing Chilean leaders to act more “pragmatically” as they consider deepening Chinese trade and investment opportunities. Indeed, Chinese companies today are winning investment bids on “ports, scanners, and infrastructure across the board in Chile.”<sup>102</sup>



Aerial photo of a Chilean community that implemented best practices from USAID on curbing forest fires and therefore was largely unaffected by the historic fires that hit Valparaiso in 2024. USAID had worked with a local NGO to train communities on best practices to stymie forest fire spread.

Meanwhile, a U.S. company, Albemarle, has a lithium site that sits adjacent to a joint venture between the Chilean government and the company SQM, which has a Chinese company as a one-fifth shareholder.<sup>103</sup> Experts emphasized that China was doubling down on its investment in the entire lithium supply chain in Latin America. Chinese company Tsingshan is interested in establishing a lithium battery factory, with a potential investment worth \$233 million.<sup>104</sup>

Experts warn that China's lithium rush is leading to land grabs, water shortages and potentially irreparable environmental damage.<sup>105</sup> American companies like Albemarle have made impressive commitments to invest 3.5% of their profits in local communities and to abide by more stringent environmental standards, and U.S. foreign assistance should support these commitments that have made the United States the partner of choice in Chile and around the world.

Unfortunately, the Trump Administration appears to be going in the opposite direction. In February 2025, the Administration indiscriminately terminated a \$200,000 State Department grant for the Center for International Private Enterprise (CIPE) to improve foreign investment screening in Chile.<sup>106</sup> CIPE's work on critical minerals in Chile has also been disrupted due to funding freezes and delayed disbursements from the National Endowment for Democracy.<sup>107</sup>

<sup>99</sup> Dan Collyns, “‘It Was Total Panic – with Black Smoke, Falling Fireballs and Tongues of Flame’: The Terror of Chile's Wildfires,” *The Guardian*, Feb. 10, 2024.

<sup>100</sup> Joint Statement on the U.S.-Chile High-Level Dialogue, U.S. Embassy in Chile, Oct. 2, 2024, <https://cl.usembassy.gov/joint-statement-on-the-u-s-chile-high-level-dialogue/>.

<sup>101</sup> “Perceptions on Foreign Policy and National Security,” *AthenaLab*, May 26, 2025, Page 12, <https://www.athenalab.org/en/working-papers/2025/05/26/6th-survey-perceptions-on-foreign-policy-and-national-security-athenalab-ipsos/>.

<sup>102</sup> Evan Ellis, “China's Advance in Chile,” *Dialogo Americas*, Dec. 13, 2023, <https://dialogo-americas.com/articles/chinas-advance-in-chile>.

<sup>103</sup> Daina Beth Solomon and Sarah Morland, “China's Tianqi Appeals Chile Ruling on SQM-Codelco Lithium Deal,” *Reuters*, July 27, 2024.

<sup>104</sup> Maria Zuppello, “China's Lithium Expansionist Interests Extend Beyond the Argentina-Bolivia-Chile Triangle,” *Diálogo Américas*, Aug. 12, 2024.

<sup>105</sup> Nicole Greenfieldj, “Lithium Mining is Leaving Chile's Indigenous Communities High and Dry (Literally),” *Natural Resources Defense Council*, Apr. 26, 2022.

<sup>106</sup> “Recipient: Center for Private Enterprise,” *USA Spending*, [https://www.usaspending.gov/award/ASST\\_NON\\_SINLEC24GR5244\\_1900](https://www.usaspending.gov/award/ASST_NON_SINLEC24GR5244_1900).

<sup>107</sup> *Ibid.*

## Humanitarian Assistance

According to the Pew Global Attitudes Project, public opinion of the U.S. abroad has consistently improved following the provision of humanitarian aid in the wake of natural disasters.<sup>108</sup> Global public opinion matters for U.S. national interests—higher favorability ratings can contribute to needing fewer penalties and incentives to persuade other countries to follow America’s lead. In Indonesia, a predominantly Muslim nation, only 15% of Indonesians expressed a favorable opinion of the United States in a poll taken after the start of the Iraq War in 2003. In a follow-on survey in the spring of 2005, just months after the December 2004 tsunami that devastated parts of Indonesia and neighboring countries, roughly 79% said that post-tsunami aid from the United States had improved their impression of America, and positive views of the United States more than doubled.<sup>109</sup> A similar pattern emerged in public opinion polls following U.S. humanitarian aid after earthquakes in Japan and Pakistan.<sup>110</sup> However, since the beginning of the Trump Administration’s global trade war and terminations of foreign assistance, public opinion polls indicate that the United States’ global favorability has sharply declined, while China’s net global favorability has risen.<sup>111</sup>

### CASE STUDY: MYANMAR – EARTHQUAKE RESPONSE

The United States does not just have a moral imperative to save lives – humanitarian assistance offers a clear boon to U.S. standing around the world. However, the unlawful gutting of USAID has crippled America’s capacity to provide disaster relief. Following the March 2025 earthquake in Myanmar, the United States only managed to dispatch a paltry three-person team from the remnants of USAID and then fired those same workers while they were on the ground.<sup>112</sup> In contrast, China sent a 600-person team and committed over \$130 million to the recovery effort.<sup>113</sup> It also widely broadcast its response efforts via social media and its state-run media. This disparate response not only undermines U.S. standing in Myanmar, but also within multilateral institutions leading response efforts and within the international community at large.



<sup>108</sup> Richard Wike, “Does Humanitarian Aid Improve America’s Image?” *Pew Research*, Mar. 6, 2012, <https://www.pewresearch.org/global/2012/03/06/does-humanitarian-aid-improve-americas-image/>.

<sup>109</sup> Richard Wike, “Does Humanitarian Aid Improve America’s Image?,” *Pew Research*, Mar. 6, 2012.

<sup>110</sup> *Ibid.*

<sup>111</sup> Emily Peck, “Exclusive: China’s Global Favorability Rising, Views of the U.S. Turn Negative,” *Axios*, June 2, 2025; Meanwhile, the Department of State’s reorganization proposal would eliminate the Office of Analytic Outreach within the Bureau of Intelligence and Research. The Office’s analysis contributes to the Department’s and the broader U.S. intelligence community’s policy priorities by providing insights into public opinion around the world. <https://www.state.gov/bureaus-offices/secretary-of-state/bureau-of-intelligence-and-research/>

<sup>112</sup> Edward Wong and Hannah Beech, “Trump Administration Fires U.S. Aid Workers in Quake Zone in Myanmar,” *The New York Times*, Apr. 5, 2025.

<sup>113</sup> Mithil Aggarwal et. al., “As Trump Guts Foreign Aid, China and Others Lead Myanmar Earthquake Response,” *National Broadcasting Corporation*, Mar. 31, 2025; “China Pledges \$137 Million for Myanmar Earthquake Relief,” *Reuters*, Apr. 11, 2025.

## Global Health Programming

In addition to humanitarian aid, U.S. foreign assistance has enabled unprecedented advances in global health that protect Americans and strengthen the credibility of the United States. The U.S. President’s Emergency Plan for AIDS Relief (PEPFAR) program, started by President George W. Bush, has saved more than 26 million lives and reversed the spread of HIV/AIDS.<sup>114</sup> U.S. global health programming has also provided malaria prevention and control to over 2.1 billion people since 2000, eradicated smallpox, nearly eliminated polio and supported outbreak responses in more than 44 countries to contain the spread of cholera, measles and Ebola.<sup>115</sup>

The Trump Administration has inexplicably eliminated or significantly curtailed U.S.-led global health programs that work to detect and contain infectious diseases, including the plague, Ebola and drug-resistant tuberculosis (TB). The Trump Administration also eliminated vaccine programs reaching half a billion children in developing countries, which experts estimate will cost 500,000 lives a year globally and increase the prevalence of measles in U.S. communities.<sup>116</sup> Moreover, stop-work orders for foreign assistance programs administering treatments for HIV, TB and other infectious diseases actually increased the likelihood of drug-resistant strains developing as patients in the middle of life-saving treatment stopped receiving medications.<sup>117</sup> In June 2025, there were nearly 900 confirmed cases of measles in the United States, triple the number of cases in 2024.<sup>118</sup> Measles cases in the United States are frequently tied to individuals who caught the disease while traveling abroad.<sup>119</sup>

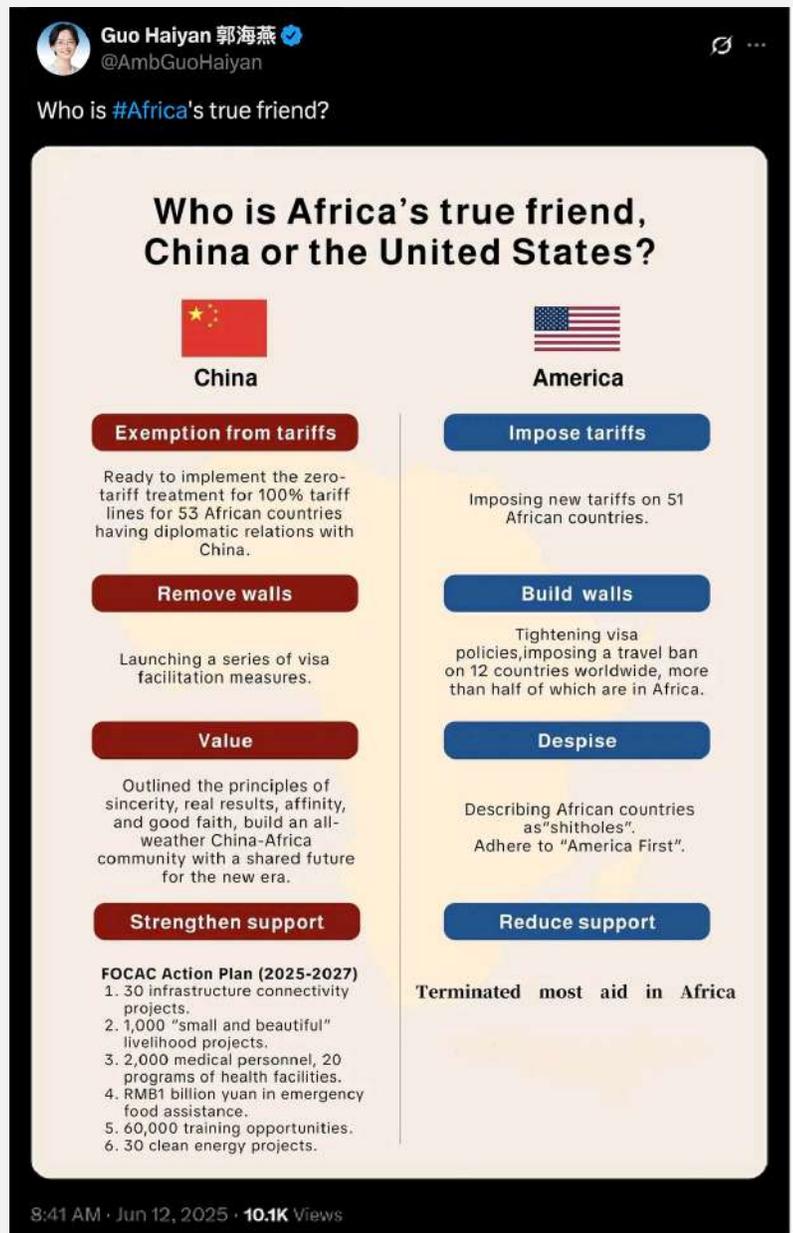
As the U.S. retreats from its traditional leadership on global public health issues, China has actively expanded its influence in international institutions that set global health governance norms and standards (see Section 8). Under its Health Silk Road Initiative (HSR), China is deepening its cooperation with Global South countries in medical and pharmaceutical research, which it uses to increase market share for Chinese biotech and medical supply companies to exert greater control over where countries buy medical supplies and vaccines. For example, during the COVID-19 pandemic, Chinese medical and



<sup>114</sup> U.S. Department of State, The United States President’s Emergency Plan for AIDS Relief, Accessed June 2025, <https://www.state.gov/pepfar/>  
<sup>115</sup> “The Trump Administration’s Foreign Aid Review: Status of the President’s Malaria Initiative (PMI),” *Kaiser Family Foundation*, June 10, 2025, <https://www.kff.org/global-health-policy/fact-sheet/the-trump-administrations-foreign-aid-review-status-of-the-presidents-malaria-initiative-pmi/>; Nellie Bristol, “Smallpox Eradication: A Model for Global Cooperation,” *Center for Strategic and International Studies*, May 17, 2023, <https://www.csis.org/analysis/smallpox-eradication-model-global-cooperation>; U.S. Centers for Disease Control and Preventions, Our Impact, Accessed June 2025, <https://www.cdc.gov/global-health/about/our-impact.html>.  
<sup>116</sup> “Shaheen Hosts Roundtable: The Dangerous Consequences of Funding Cuts to U.S. Global Health Programs,” YouTube, Uploaded by SenatorShaheen, Apr. 1, 2025, <https://www.youtube.com/live/hSw-d8XwKmE>.  
<sup>117</sup> Stephanie Nolen, “Abandoned in the Middle of Clinical Trials, Because of a Trump Order,” *The New York Times*, Feb. 6, 2025.  
<sup>118</sup> Devi Shastri, “North Dakota is 11th U.S. State with a Measles Outbreak. Here’s What to Know,” *Associated Press*, May 8, 2025.  
<sup>119</sup> U.S. Centers for Disease Control and Preventions, Global Measles Outbreaks, Accessed June 2025, <https://www.cdc.gov/global-measles-vaccination/data-research/global-measles-outbreaks/index.html#:~:text=Measles%20anywhere%20is%20a%20threat,United%20States%20continues%20to%20rise>.

pharmaceutical companies created joint vaccine production hubs in countries such as Morocco, the United Arab Emirates, Algeria and Egypt.<sup>120</sup> During official travel to sub-Saharan Africa in April 2025, Senate Foreign Relations Committee Minority Staff witnessed how Chinese pharmaceutical companies have partnered with Nigerian firms to replicate HIV/AIDS treatments the United States no longer provides. These developments are occurring as Nigeria takes steps to block the importation of pharmaceutical drugs from China, citing counterfeit and substandard medicines.<sup>121</sup>

The collapse of U.S. global health programming and the Trump Administration’s decision to withdraw the United States from the World Health Organization will provide opportunities for China to use health diplomacy to develop stronger partnerships across the Global South and in multilateral institutions. Countries formerly aligned with the United States may turn to China to fill the funding and leadership void left by the United States.



X post by the Chinese Ambassador to Kenya, Guo Haiyan, comparing China’s commitments to Africa to the Trump Administration’s terminations and tariff policies.

Source: “Who is Africa’s True Friend...” Posted by @AmbGuoHaiyan, June 12, 2025, <https://x.com/AmbGuoHaiyan/status/1933878410390216863>

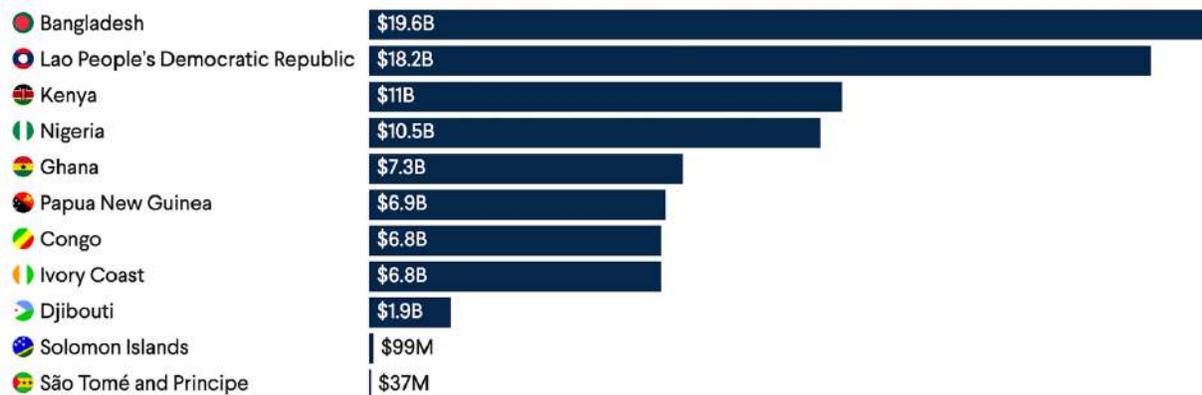
<sup>120</sup> Nadège Rolland, The Health Silk Road: A Branch of China’s Belt and Road Initiative, Page 13, *The National Bureau for Asian Research*, Dec. 4, 2024, <https://www.nbr.org/publication/the-health-silk-road-a-branch-of-chinas-belt-and-road-initiative/>.

<sup>121</sup> Oluwafisayo Ogunwuyi, “NAFDAC Tightens Pharmaceutical Imports from China, India,” *Channels Television*, Apr. 4, 2025, <https://www.channelstv.com/2025/04/04/nafdac-tightens-pharmaceutical-imports-from-china-india/>.

## CASE STUDY: U.S. RETREAT FROM THE GLOBAL VACCINE ALLIANCE (GAVI)

As China increases its share of the global vaccine and biotechnology market under its Health Silk Road Initiative, the Trump Administration has decided to withdraw U.S. support from the Global Vaccine Alliance (Gavi), an initiative that purchases and distributes vaccines around the world.<sup>122</sup> More than 1 billion children have received vaccines through Gavi since its inception in 2000, with the United States as its third largest contributor, providing more than 12% of Gavi’s funding.<sup>123</sup> Gavi’s vaccines range from tetanus, hepatitis and measles-rubella to even Ebola and COVID-19.<sup>124</sup> Major U.S. companies are participants in Gavi, including Merck and Pfizer.<sup>125</sup> A U.S. retreat from Gavi does nothing but cede global biotechnology leadership to China while negatively impacting the health and well-being of underserved populations as well as the international standing of major U.S. pharmaceutical companies. Meanwhile, DOGE has celebrated the cancellation of U.S. contributions to Gavi as a successful “cost-saving measure.”<sup>126</sup>

### Chinese Development Assistance to Gavi Transition Countries, 2000–21



The chart shows the total amount of Chinese development assistance to Gavi transition countries aggregated from 2000 to 2021.

Chart: CFR/Chloe Searchinger • Source: [AidData](#)

Think Global Health

<sup>122</sup> Joshua P. Cohen, “RFK JR. Withdraws U.S. Financial Support for GAVI Vaccine Alliance,” *Forbes*, July 1, 2025.

<sup>123</sup> Global Vaccine Alliance, “Vaccine Alliance reaches more than one billion children,” [gavi.org](https://www.gavi.org/news/media-room/vaccine-alliance-reaches-more-one-billion-children), June 13, 2020, <https://www.gavi.org/news/media-room/vaccine-alliance-reaches-more-one-billion-children>; Prashant Yadav et al., “U.S. Retreat from Gavi Cedes Influence to China’s Vaccine Suppliers,” *Think Global Health*, Apr. 2, 2025, <https://www.thinkglobalhealth.org/article/us-retreat-gavi-cedes-influence-chinas-vaccine-suppliers>.

<sup>124</sup> *Ibid.*

<sup>125</sup> “Merck Reaffirms Commitment to Gavi, the Vaccine Alliance, to Supply Low- and Middle- Income Countries with its HPV Vaccine,” *Merck*, Apr. 25, 2024, <https://www.merck.com/news/merck-reaffirms-commitment-to-gavi-the-vaccine-alliance-to-supply-low-and-middle-income-countries-with-its-hpv-vaccine/>; “The Gavi Alliance: Our Impact on Innovation,” *Pfizer*, Accessed July 1, 2025, <https://www.pfizer.com/about/responsibility/global-impact/the-gavi-alliance>.

<sup>126</sup> Department of Government Efficiency, “Savings,” Accessed June 30, 2025, <https://doge.gov/savings>.

While it is unlikely that China will replicate and replace all U.S. foreign assistance programs, it has taken advantage of the U.S. withdrawal on a case-by-case basis. In a congressional hearing in April 2025, General Michael Langley, the commander of U.S. Africa Command, stated that China is “trying to replicate” specific USAID programs in Africa that the United States has cut, including PEPFAR.<sup>127</sup>

Below are some examples of China’s taking over U.S. terminated programming in Africa (see Annex for a longer, non-exhaustive list of U.S. foreign assistance programs with a nexus to China competition that were either terminated, paused or are unlikely to resume).

- **Nigeria:** In February 2025, the Trump Administration terminated a \$2 million USAID award to UNICEF to support nutrition and water, sanitation and hygiene (WASH) programs in Nigeria.<sup>128</sup> The same month, the Export and Import Bank of China and UNICEF signed an Memorandum of Understanding committing support for the same services in Nigeria.<sup>129</sup> Apart from the UNICEF program, the Trump Administration terminated an additional \$25 million worth of contracts and grants towards WASH services in Nigeria.<sup>130</sup>
- **The Gambia:** In April 2025, the Trump Administration eliminated the USAID-supported Gambia President's Malaria Initiative, which had been delivering malaria control and prevention services.<sup>131</sup> The same month, China, The Gambia Red Cross Society and the International Federation of Red Cross (IFRC) launched a project aimed at reducing malaria in The Gambia.<sup>132</sup>
- **Tanzania:** When the United States cancelled USAID-supported agricultural sustainment programming in Tanzania, impacting more than 60 non-governmental organizations across Tanzania’s agricultural value chain, China announced a joint project with the United Nations International Fund for Agricultural Development that it would provide climate-resilient agricultural assistance.<sup>133</sup>

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<sup>127</sup> General Michael Langley, Commander of U.S. Africa Command, The Posture of the United States European Command and United States Africa Command in Review of the Defense Authorization Request for Fiscal Year 2026 and the Future Years Defense Program, Hearing before the U.S. Senate Committee on Armed Services, Apr. 3, 2025, at 34.

<sup>128</sup> Carmen Paun, “Documents Reveal Scope of Trump’s Foreign Aid Cuts,” *Politico*, Mar. 26, 2025. Award ID: 720BHA24IO00200; “Recipient: UNICEF,” *USA Spending*, Accessed June 2025, [https://www.usaspending.gov/award/ASST\\_NON\\_720BHA24IO00200\\_7200](https://www.usaspending.gov/award/ASST_NON_720BHA24IO00200_7200)

<sup>129</sup> “China EXIM and UNICEF Agree to Support Vulnerable Children in Nigeria with Life-Saving Services,” *United Nations Children's Fund*, Feb. 11, 2025; <https://www.unicef.org/nigeria/press-releases/china-exim-and-unicef-agree-support-vulnerable-children-nigeria-life-saving-services>.

<sup>130</sup> Carmen Paun, “Documents Reveal Scope of Trump’s Foreign Aid Cuts,” *Politico*, Mar. 26, 2025. Award ID: 720BHA23IO00226, Award ID: 72062020CA00010, Award ID: 72062023N00001.

<sup>131</sup> “Funding Opportunity Number: 72068524RFA00016,” *Grants.gov*, USAID The Gambia Malaria Elimination Activity, Accessed June 2025, <https://www.grants.gov/search-results-detail/354910>; Carmen Paun, “Documents Reveal Scope of Trump’s Foreign Aid Cuts,” *Politico*, Mar. 26, 2025, Award ID: 72068525CA00001.

<sup>132</sup> Fatou Sillah, “Gambia Red Cross and China Launch \$2 Million Malaria Elimination Initiative,” *Kerfatou*, Apr. 26, 2025, <https://www.kerfatou.com/gambia-red-cross-and-china-launch-2-million-malaria-elimination-initiative/>.

<sup>133</sup> “Vocational Training Center Built by CNMC Subsidiary Handed Over in Likasi, DR Congo,” *CNMC News*, Apr. 2 2025, <https://www.dyys.com/ysen/NewsCenter%20%20/CompanyUpdates/2025/5/11372265355774263296.html>; Global Development Promotion Center of the China International Development Cooperation Agency, 国家国际发展合作署与联合国国际农业发展基金首次合作实施全球发展和南南合作基金项目, May 22, 2025, <https://gdpc.org.cn/article/4Mt7BKsh7B6>.

## CASE STUDY: SOUTH AFRICA – HIV/AIDS PROGRAMMING

Meanwhile, South Africa accounts for more than 10% of global HIV/AIDS infections, making U.S. programs like PEPFAR crucial to South Africa’s response to preventing and treating HIV/AIDS.<sup>134</sup> The foreign assistance terminations have halted nearly all essential health programs for HIV/AIDS in South Africa, with multiple implementing organizations receiving letters terminating program funding. While visiting South Africa, Senate Foreign Relations Committee Minority staff observed numerous closed health clinics no longer offering PEPFAR-supported services like prevention and treatment to vulnerable populations such as Adolescent Girls and Young Women (AGYW) and people living with HIV (PLHIV) on antiretrovirals.

## Millennium Challenge Corporation (MCC)

The Millennium Challenge Corporation (MCC) was created in January 2004 with strong bipartisan support under the leadership of President George W. Bush to expand U.S. cooperation with countries dedicated to transparent governance and investments in their domestic populations. The MCC has invested nearly \$1.45 billion in U.S. businesses to date while facilitating increased exports for their products.<sup>135</sup>

MCC projects develop friendlier business environments for U.S. companies while pushing back against Chinese influence. The transparency and quality of MCC projects stand in direct contrast to Chinese financed infrastructure projects, which are more opaque and rely heavily on Chinese laborers. MCC projects, on the other hand, work more closely with local governments and contractors to develop local capacity that fosters trust with recipient country counterparts.

For less than \$1 billion a year, the MCC provides time-limited grants to build large-scale infrastructure and secure strategic governmental reforms. In fact, without MCC compact projects, many projects led by the U.S. Development Finance Corporation (DFC) would not be possible, including in countries such as Sierra Leone, where DFC financing was supporting the country’s capacity to import liquified natural gas.<sup>136</sup>

China knows that the MCC challenges its influence in regions around the world. As such, it has attempted to

“...terminating the MCC’s compacts and programs will provide China and other U.S. adversaries diplomatic and economic wins while leaving blighted, half-built infrastructure scarring both the landscape and minds of former U.S. partner countries and their citizens for a generation.”

– **Daniel Runde**, the Center for Strategic and International Studies (CSIS), April 2025

<sup>134</sup> According to UNAIDS, in 2023, South Africa accounted for 150,000 new infections out of a total of 1.3 million infections globally. UNAIDS, Fact Sheet of 2024, Global HIV Statistics, [https://www.unaids.org/sites/default/files/media\\_asset/UNAIDS\\_FactSheet\\_en.pdf](https://www.unaids.org/sites/default/files/media_asset/UNAIDS_FactSheet_en.pdf); UNAIDS, Country Fact Sheet: South Africa, Accessed June 2025, <https://www.unaids.org/en/regionscountries/countries/southafrica>.

<sup>135</sup> Millennium Challenge Corporation, Congressional Budget Justification Fiscal Year 2025, Mar. 2024, <https://www.mcc.gov/resources/doc/cbj-fy2025/>.

<sup>136</sup> “DFC, Sierra Leone Promote Access to Reliable Energy With Up to \$412 Million in Additional Financing and Political Risk Insurance,” *U.S. International Development Finance Corporation*, May 8, 2024, <https://www.dfc.gov/media/press-releases/dfc-sierra-leone-promote-access-reliable-energy-412-million-additional>.

smear the MCC brand. Chinese state media outlet *The Global Times* has accused the MCC of having “strings attached” and that the U.S.-led MCC projects come with ulterior motives.<sup>137</sup>

MCC’s clear effectiveness as a counter Chinese influence tool and promoter of U.S. businesses overseas has not shielded the organization from the Trump Administration. Since January 20, 2025, MCC’s programs have been subject to the Trump Administration’s “Executive Order on Reevaluating and Realigning United State Foreign Aid.” Initially a blanket pause, MCC has received several waivers from the Department of State to continue work in select countries. At the time, MCC had fourteen compacts and six threshold projects in countries such as Zambia, Malawi, Senegal, Mauritania, Kiribati and the Solomon Islands. The pause and uncertainty impact strategic competition as many halted projects have a direct connection to countering Chinese influence. Actions since January have resulted in staffing issues in partner countries and complications with program implementers. Not only has this resulted in a waste of U.S. taxpayer dollars, it also inflicts unnecessary damage to U.S. bilateral relations with countries that face significant economic pressure from China.

We should not be surprised to see China take over abandoned MCC projects, which would result in net losses for American companies. There is precedent for this. Such is the case in Vanuatu, where an MCC-built road in need of repair will likely be completed by a Chinese entity.<sup>138</sup> By pausing and potentially eliminating MCC projects globally, the Trump Administration will have opened the door for China to build infrastructure made possible by U.S. taxpayer dollars.

Lastly, the Trump Administration’s FY2026 budget request seeks to significantly reduce MCC funding by more than 75% (from \$930M to \$224M). The Administration has also called for the cancellation of \$1.2 billion worth of prior year MCC funds.<sup>139</sup> Collectively, this amounts to \$1.9 billion in cuts, which is over twice MCC’s annual budget of \$930 million.<sup>140</sup>

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<sup>137</sup> Hu Yuwei and Lin Xiaoyi, “U.S. Aid Programs Agency MCC Meets Increasing Resistance for Political Interference in Host Countries,” *Global Times*, Oct. 14, 2020, <https://www.globaltimes.cn/page/202010/1203501.shtml>.

<sup>138</sup> Jane Joshua, “Gov’t Commits VT1.8B to Santo and Efate Road Rehabilitation,” *Daily Post*, Mar. 22, 2025, [https://www.dailypost.vu/news/gov-t-commits-vt1-8b-to-santo-and-efate-road-rehabilitation/article\\_ef130d51-2f0d-520e-b79d-f2992a40ed1e.html#:~:text=Santo%20East%20Coast%20Road,-Through%20the%20Ministry&text=This%20major%20infrastructure%20project%2C%20valued,and%20compliance%20with%20safety%20standards](https://www.dailypost.vu/news/gov-t-commits-vt1-8b-to-santo-and-efate-road-rehabilitation/article_ef130d51-2f0d-520e-b79d-f2992a40ed1e.html#:~:text=Santo%20East%20Coast%20Road,-Through%20the%20Ministry&text=This%20major%20infrastructure%20project%2C%20valued,and%20compliance%20with%20safety%20standards).

<sup>139</sup> “The Administration’s Fiscal Year 2026 International Budget Request & Rescissions,” *One Campaign*, Accessed June 2025, <https://www.one.org/us/what-we-do/the-issues/foreign-assistance/the-administrations-fy26-international-budget-request-rescissions/>.

<sup>140</sup> Ibid.

## CASE STUDY: NEPAL – HYDROPOWER

The United States and Nepal finalized a \$500 million MCC compact in 2017.<sup>141</sup> In a country that borders China and is a prime target of Chinese disinformation, it took U.S. officials years of careful diplomacy to secure Nepal's approval of the Compact, including efforts to counter Chinese disinformation.<sup>142</sup> The Nepalese government ultimately signed on and committed nearly \$200 million of its own funding—the largest partner contribution in MCC's history.

The centerpiece of the project is the construction of a 185-mile high-voltage transmission line. The project benefits Nepal and supports the U.S.-India strategic partnership by connecting transmission lines among substation lines at the Nepal-India border.<sup>143</sup>



Source: "Energy from India," *Nepali Times*, May 8, 2025.

While the Trump Administration extended a waiver to the foreign assistance pause for this compact, the initial pause has already delayed the launching, opening, evaluation and signing of bids for significant procurements. Meanwhile, approximately 38% of the funds had already been either expended or committed to contracts by March 2025.<sup>144</sup> The pause and uncertainty have damaged trust at key institutions in Nepal and delayed recruitment at the the project's lead implementing entity. In fact, the pause could also impose debt and other liabilities on Nepalese contractors and the government.

Abandoning this MCC compact mid-project would waste U.S. tax-payer dollars and damage our partnership with a country on the frontlines of U.S.-China competition. One Nepali lawmaker who had originally advocated for the project commented "this is quite shocking...[the United States is] making it easier for our neighboring countries, especially the Chinese, who are enjoying themselves. They will come to our office and say, 'see, this is how America acts.'"<sup>145</sup>

<sup>141</sup> "Millennium Challenge Corporation Official Visits Nepal to Continue Progress on Compact," *Millennium Challenge Corporation*, May 25, 2018, <https://www.mcc.gov/news-and-events/release/release-052518-brooks-visit-nepal/>.

<sup>142</sup> Ramesh Kumar, "China Lobbying Against MCC," *Nepali Times*, Dec. 23, 2021, <https://nepalitimes.com/here-now/china-lobbying-against-mcc>.

<sup>143</sup> "Millennium Challenge Corporation-Nepal Inks \$12 Million Contract for 18 km Cross-Border Electricity Transmission Line," *South Asia Subregional Economic Cooperation*, Aug. 30, 2024, <https://www.sasec.asia/index.php?page=news&nid=1596&url=mcc-nep-inks-cb-transmission-line>.

<sup>144</sup> "Nepal Compact," *Millennium Challenge Corporation*, <https://www.mcc.gov/where-we-work/program/nepal-compact/>.

<sup>145</sup> Bhadra Sharma, et al., "Nepal Took a Risk on a \$500 Million U.S. Grant. It May Now Regret It," *The New York Times*, Feb. 19, 2025.

## CASE STUDY: INDONESIA – INFRASTRUCTURE FINANCING

Indonesia is the most populous country in Southeast Asia, the world’s third-largest democracy, a lead member of the Association of Southeast Asian Nations (ASEAN) and home to the world’s largest reserves of the critical mineral nickel.<sup>146</sup> Located along one of the world’s busiest trade routes, the Strait of Malacca, Indonesia maintains strong ties to both the United States and China—it is the single largest recipient of China’s Belt and Road investments.<sup>147</sup>

A \$649 million MCC compact, signed in 2023, was therefore crucial to competition with China, to improving the country’s investment environment and to bolstering ties with national and local-level leaders.<sup>148</sup> The Trump Administration abruptly paused this crucial compact in January 2025, which led to the cessation of work on \$84 million in pre-construction projects and deprived the United States of a tool to improve an investment environment for American companies. Following consultations with Indonesian counterparts, Senate Foreign Relations Committee Minority Staff also concluded that the pause has damaged America’s standing and credibility with leadership in Jakarta.

While the Trump Administration extended a waiver to the foreign assistance pause for this compact, the initial pause has already delayed the launching, opening, evaluation and signing of bids for significant procurements. Furthermore, the Administration’s Fiscal Year 2026 budget request along with its proposal to cancel \$1.2 billion in prior year MCC funding will likely jeopardize the compact’s long-term success.



Source: Ministry of Finance of the Republic of Indonesia, MCC Compact II Program: Indonesia-US Collaboration to Promote Sustainable Economic Growth, Sept. 4, 2024. <https://www.kemenkeu.go.id/informasi-publik/publikasi/berita-utama/Program-Compact-II-MCC>

<sup>146</sup> Congressional Research Service, U.S.-Indonesia Relations, June 5, 2025, <https://www.crs.gov/Reports/IF10247>.

<sup>147</sup> Ibid; Christoph Wang, “China Belt and Road Initiative (BRI) Investment Report 2024,” *Fudan University Green Finance and Development Center*, Feb. 27, 2025, <https://greenfdc.org/china-belt-and-road-initiative-bri-investment-report-2024/#:~:text=China's%20financing%20and%20investment%20spread,low%20with%20about%20USD212%20million.>

<sup>148</sup> “Where We Work: Indonesia,” *Millennium Challenge Corporation*, Accessed June 2025, <https://www.mcc.gov/where-we-work/country/indonesia/>.

## CASE STUDY: KIRIBATI AND THE SOLOMON ISLANDS – SUSTAINABLE LIVELIHOODS AND CONSERVATION

China has long pursued closer political, economic and security ties to Pacific Island nations.<sup>149</sup> Over the past five years, China has managed to get three nations to flip their diplomatic ties from Taiwan to China, including Kiribati and the Solomon Islands.<sup>150</sup> In order to solidify these ties, China has provided infrastructure development projects, development financing and security assistance to Pacific Island nations.

Before the Trump Administration’s foreign assistance freeze, MCC had been leading a \$29.1 million threshold program focused on employment and education in Kiribati, an island nation that sits in a strategic location in the Pacific Ocean. At the direct request from the Kiribati government, the MCC project, implemented by American companies, supports Kiribati youth’s ability to find job opportunities in nearby U.S. allies like Australia and New Zealand, rather than being pulled into exploitative labor contracts often tied to Chinese entities.

Meanwhile, Chinese diplomats in Kiribati are offering sustainable development grants focused on “income generation and livelihood improvement.”<sup>151</sup> These Chinese grants usually come in the form of multi-million dollar investments in local infrastructure, including transportation.<sup>152</sup>

In the Solomon Islands, Chinese influence has increased significantly in recent years with both countries finalizing new Security and Law



Facebook post from the Chinese Embassy in Kiribati calling for applications to receive funding from the Chinese Embassy to support sustainable development, welfare, livelihood improvement in Kiribati.

Source: “Embassy of The People's Republic of China in Kiribati's Post,” Facebook, Mar. 19, 2024, <https://www.facebook.com/your.ChineseEmbassyinKiribati/posts/mauri-welcome-to-apply-for-the-sustainable-development-fund-of-the-embassy-of-th/728046296181127/>

<sup>149</sup> Congressional Research Service, *The Pacific Islands: Background and Issues for Congress*, Nov. 7, 2024, <https://www.crs.gov/Reports/IF11208?source=search>.

<sup>150</sup> Ibid; Alayna Parlevliet, “Support Threefold: Taiwan’s Diplomatic Allies,” *Center for Strategic and International Studies*, July 17, 2024, <https://www.csis.org/blogs/new-perspectives-asia/support-threefold-taiwans-pacific-island-allies>.

<sup>151</sup> The Sustainable Development Fund of the Embassy of the People’s Republic of China, *China Aid*, 2025, <http://ki.china-embassy.gov.cn/eng/ggl/202503/P020250330585941801479.pdf>.

<sup>152</sup> “Embassy of The People's Republic of China in Kiribati's Post,” Facebook, Mar. 19, 2024, <https://www.facebook.com/your.ChineseEmbassyinKiribati/posts/mauri-welcome-to-apply-for-the-sustainable-development-fund-of-the-embassy-of-th/728046296181127/>.



In March 2025, a team of 50 Solomon Islands security officials completed a two-week training course with the China Police Liaison Team (CPLT).

Source: Moffat Mamu, "CCSI ERG Personnel Successfully Complete Training with CPLT," *Solomon Star*, Mar. 2025, <https://www.solomonstarnews.com/cssi-erg-personnel-successfully-complete-training-with-cplt/>

Enforcement Agreements in 2022 and 2024.<sup>153</sup> For example, the Royal Solomon Island Police Force and a Chinese Police Liaison Team completed training courses in March 2025, including combined training with batons, shields and riot forks.<sup>154</sup> The United States and our allies are concerned that these agreements could lead to the future establishment of a Chinese naval presence in the country. A heightened Chinese military presence in the region could threaten U.S. allies Australia and New Zealand as well as U.S. personnel stationed in Hawaii and Guam.

Solomon Islands local authorities have long struggled with the issue of illegal logging by Chinese logging companies.<sup>155</sup> The MCC had a \$20 million threshold program with the Solomon Islands to support the country's natural resource management. This program supported the Solomon Islands' ability to counter illegal and environmentally damaging Chinese logging practices. By abruptly pausing this threshold program, the Trump Administration is not only damaging its bilateral relations with the Solomon Islands, but also opening the door for more illegally procured lumber to be shipped back to the Chinese market.

<sup>153</sup> Congressional Research Service, *The Pacific Islands: Background and Issues for Congress*, Nov. 7, 2024, <https://www.congress.gov/crs-product/IF11208>.

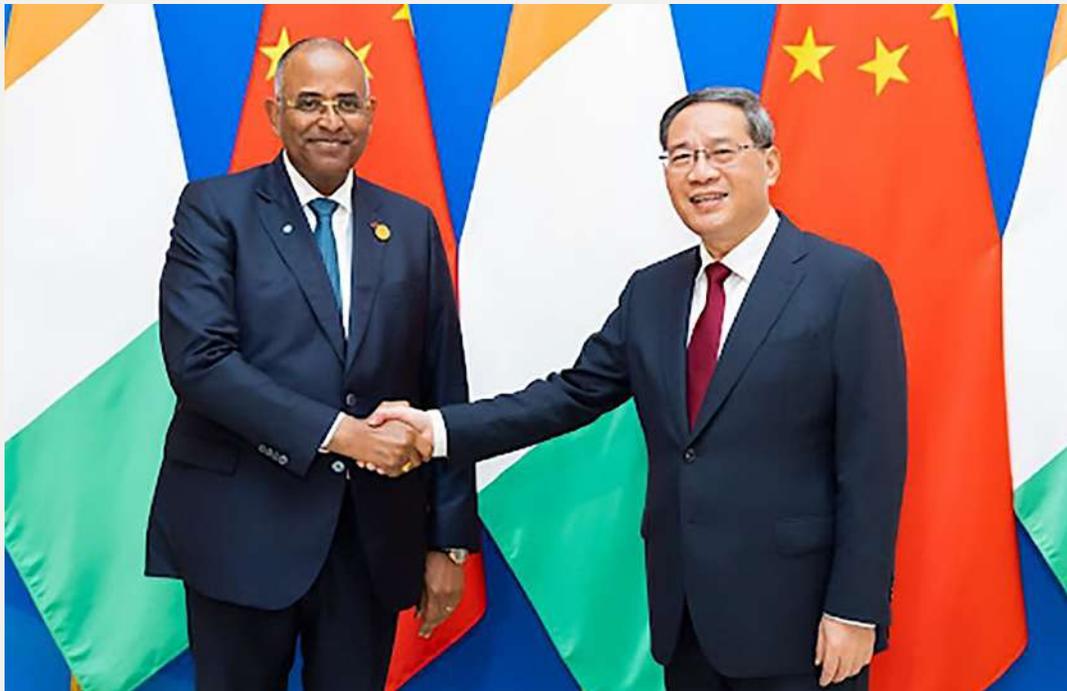
<sup>154</sup> Moffat Mamu, "CCSI ERG Personnel Successfully Complete Training with CPLT," *Solomon Star*, Mar. 2025, <https://www.solomonstarnews.com/cssi-erg-personnel-successfully-complete-training-with-cplt/>; In March 2025, the Trump Administration terminated a \$2 million contract through the Department of State's Bureau of Political and Military Affairs to support Palau and the Solomon Islands on security technical assistance, despite the contract beginning under the first Trump Administration. These U.S.-led programs typically embed U.S.-supported advisors for in-country training for force restructuring, staff planning, maritime security and strategic defense review. The termination occurred after already having spent over \$500,000 on the project. "Contract to Academi Training Center LLC," *USA Spending*, [https://www.usaspending.gov/award/CONT\\_AWD\\_19AQMM19F4554\\_1900\\_19AQMM19D0148\\_1900](https://www.usaspending.gov/award/CONT_AWD_19AQMM19F4554_1900_19AQMM19D0148_1900).

<sup>155</sup> Louise Hunt, "Solomon Islands Environmental Defender Faces Life Sentence for Arson Charge," *Mongabay*, Sept. 18, 2020, <https://news.mongabay.com/2020/09/solomon-islands-environmental-defender-faces-life-sentence-for-arson-charge/>.

## CASE STUDY: CÔTE D'IVOIRE – ENERGY INFRASTRUCTURE

U.S.-Cote d'Ivoire cooperation is critical for counterterrorism operations and regional security on the African continent.<sup>156</sup> U.S. and Ivorian forces conduct military trainings alongside each other, and Ivorian forces come to the United States for military professional trainings.<sup>157</sup> In 2024, U.S. Africa Command (USAFRICOM) confirmed that U.S. Special Forces would relocate from Niger to Cote d'Ivoire.<sup>158</sup> U.S. assistance to Cote d'Ivoire focused on HIV/AIDS care and prevention, along with other humanitarian assistance.<sup>159</sup>

Nevertheless, Chinese influence in Cote d'Ivoire has been expanding. In September 2024, Cote d'Ivoire and China elevated their relationship to a strategic partnership.<sup>160</sup> As of 2021, China had made nearly \$5.1 billion in investments in Côte d'Ivoire, including nearly \$2 billion in energy-related investments.<sup>161</sup> This includes hundreds of millions of China Export-Import Bank credit to upgrade the country's National Power Grid and to construct a national hydropower plant.<sup>162</sup> In a 2021 poll conducted by Afrobar, 77% of the population viewed China favorably compared to 66% for the United States.<sup>163</sup>



Chinese Premier Li Qiang meets with Cote D'Ivoire Prime Minister Patrick Achi, March 31, 2023.

Source: Stephen Ndegwa, "How China-Cote d'Ivoire Relations Have Provided Mutual Support," *China Global Television Network*, Mar. 31, 2023

<sup>156</sup> "AFRICOM STRENGTHENS PARTNERSHIPS WITH CÔTE D'IVOIRE," *U.S. Africa Command*, Apr. 30, 2024, <https://www.africom.mil/article/35459/africom-strengthens-partnerships-with-cote-divoire>.

<sup>157</sup> *Ibid.*

<sup>158</sup> Carla Babb, "VOA EXCLUSIVE: U.S. General Explains U.S. Movements, Partnerships in West Africa," *Voice of America*, Sept. 20, 2024, <https://www.voanews.com/a/general-who-oversaw-us-military-withdrawal-from-niger-explains-us-movements-partnerships-in-west-africa/7791629.html>.

<sup>159</sup> Congressional Research Service, Côte d'Ivoire, Feb. 25, 2025 <https://www.crs.gov/Reports/IF12479?source=search>.

<sup>160</sup> "China and Cote d'Ivoire," *Ministry of Foreign Affairs of the People's Republic of China*, Accessed June 2025, [https://www.fmprc.gov.cn/mfa\\_eng/gjhdq\\_665435/2913\\_665441/2964\\_663934/](https://www.fmprc.gov.cn/mfa_eng/gjhdq_665435/2913_665441/2964_663934/).

<sup>161</sup> "Global Chinese Development Finance," *AidData*, Accessed June 2025, <https://china.aiddata.org/#>.

<sup>162</sup> "Project ID: 59408," *AidData*, Accessed June 2025, <https://china.aiddata.org/projects/59408/>.

"Project ID: 59809," *AidData*, Accessed June 2025, <https://china.aiddata.org/projects/59809/>.

<sup>163</sup> Josephine Appiah-Nyamekye Sanny and Edem Selormey, "Africans Welcome China's Influence but Maintain Democratic Aspirations," *AfroBarometer*, Nov. 15, 2021, [https://www.afrobarometer.org/wp-content/uploads/2022/02/ad489-pap3-africans\\_welcome\\_chinas\\_influence\\_maintain\\_democratic\\_aspirations-afrobarometer\\_dispatch-15nov21.pdf](https://www.afrobarometer.org/wp-content/uploads/2022/02/ad489-pap3-africans_welcome_chinas_influence_maintain_democratic_aspirations-afrobarometer_dispatch-15nov21.pdf).

In September 2024, the United States approved a \$322.5 million MCC regional compact that included Côte d'Ivoire.<sup>164</sup> The regional compact would increase Côte d'Ivoire's energy trade and bolster energy security in West Africa, all while supporting the Ivorian government's efforts to bring electricity to millions currently without access.<sup>165</sup> The compact would increase opportunities for additional U.S. investment, reduce transportation costs for U.S. goods and services and counter Chinese influence in the region. American companies like Cargill, ExxonMobil, Seaboard Corporation and Hershey all stand to benefit directly from the infrastructure improvements underway at the Port of Abidjan facilitated by the Compact. American companies like General Electric are prepared to increase market share in the region through the expanding West African electricity market made possible by the Compact.

In addition to the regional compact, the U.S. was preparing to complete a \$537 million compact project with Côte d'Ivoire, originally signed in 2019 under the first Trump Administration, to improve road infrastructure in Abidjan and to expand job training.<sup>166</sup>

Before the Trump Administration initiated its foreign assistance freeze, the Côte d'Ivoire compact was nearing the end of its major construction projects, including major roads and training centers. While the Trump Administration issued a waiver for the compact to continue, the initial delay has already increased the likelihood that some associated projects will not be completed due to time limitations. This has caused unnecessary expenses for compact implementers and inflicted unnecessary damage to America's reputation as a development partner in Côte d'Ivoire.

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<sup>164</sup> "MCC Board Approves Côte d'Ivoire Regional, Zambia compacts," *Millennium Challenge Corporation*, Sept. 18, 2024, <https://www.mcc.gov/news-and-events/release/release-091824-board-approves-cote-divoire-and-zambia-compacts/>.

<sup>165</sup> "Côte d'Ivoire Regional Compact," *Millennium Challenge Corporation*, Accessed June 2025, <https://www.mcc.gov/where-we-work/program/cote-divoire-regional-compact/>.

<sup>166</sup> Congressional Research Service, Côte d'Ivoire, Feb. 25, 2025, <https://www.crs.gov/Reports/IF12479?source=search>.

SECTION FOUR

**ERODING U.S. ALLIANCES  
AND PARTNERSHIPS**



All NATO allies combined (including the United States), plus the populations of Japan and South Korea, still fall short of equaling the 1.4 billion people of China. The United States cannot counter China's harmful economic practices effectively without coordinating closely with its allies and partners.

The United States is best positioned to challenge China's unfair industrial policies when it can closely coordinate countermeasures with its allies and partners. For example, the U.S. led a 2023 multilateral export controls agreement with Japan and the Netherlands to prevent Chinese firms from accessing advanced chipmaking equipment critical for artificial intelligence used in military applications.<sup>167</sup> In October 2024, the European Union took the significant step of joining the United States and Canada in placing tariffs on Chinese electric vehicle imports.<sup>168</sup>

Yet, the Trump Administration's so-called "reciprocal" tariff policy imposes tariffs on allies and adversaries alike, which severely undermines the United States' ability to build off these examples and coalesce our allies and partners around challenging Beijing. The Trump Administration's Secretary of the Treasury, Scott Bessent, even noted the importance of finalizing trade deals with our allies and then approaching China "in unison."<sup>169</sup> However, despite more than six months in which more than 50 different tariff announcements were made, as of July 2025 the Administration has only negotiated a single trade deal, which will ultimately maintain high tariffs.<sup>170</sup> These actions hamper any American attempts to build a united coalition to counter Beijing and leaves Americans and international partners alike wondering if the future of the global economy will be written by Washington or Beijing.

Lastly, the Trump Administration's tariff policies are causing immediate harm to the U.S. defense industrial base.<sup>171</sup> Tariffs against steel and aluminum have increased lead times for parts and components that are critical for U.S. weapons systems, including the F-16 program, the High Mobility Artillery Rocket Systems (HIMARS) and other systems critical for U.S. military preparedness.<sup>172</sup>

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<sup>167</sup> Gregory Allen and Emily Benson, "Clues to the U.S.-Dutch-Japanese Semiconductor Export Controls Deal Are Hiding in Plain Sight," *Center for International and Strategic Studies*, Mar. 1, 2023, <https://www.csis.org/analysis/clues-us-dutch-japanese-semiconductor-export-controls-deal-are-hiding-plain-sight>.

<sup>168</sup> Philip Blenkinsop, "EU Slaps Tariffs on Chinese EVs, Risking Beijing Backlash," *Reuters*, Oct. 30, 2024.

<sup>169</sup> Daniel Flatley, "Bessent Sees a Deal With Allies, Then Group Approach on China," *Bloomberg*, Apr. 9, 2025.

<sup>170</sup> "White House Eased China Tariffs after Warnings of Harm to 'Trump's People,'" *The Washington Post*, May 14, 2025; Trevor Hunnicutt and Khanh Vu, "Trump Says He Will Put 20% Tariff on Vietnam's Exports," *Reuters*, July 3, 2025.

<sup>171</sup> Paul McLeary, "Trump's Tariffs Threaten U.S. Weapons Production," *Politico*, Apr. 3, 2025; Anna Miskelley, "Trump Tariffs Hammer U.S. Artillery Market Despite Export Dominance," *Defense and Security Monitor*, Apr. 16, 2025.

<sup>172</sup> *Ibid.*

## Pushing America's Allies and Partners Toward China

Meanwhile, the Trump Administration's trade policies are forcing our allies and partners to consider closer economic ties with Beijing. In March 2025, Japan, South Korea and China met for the first time in five years to discuss trade issues and signaled their intent for "speeding up negotiations for a Trilateral Free Trade Agreement."<sup>173</sup> Unsurprisingly, the joint statement came just days ahead of President Trump's April 2, 2025 "Liberation Day" tariffs.<sup>174</sup> In May 2025, finance ministers and central bank heads from Japan, South Korea and the Association of Southeast Asian Nations (ASEAN) joined China in a statement at the annual Asian Development Bank meeting to warn that "escalating trade protectionism weighs on global trade."<sup>175</sup>

China has also courted other U.S. partners, calling for a "coordinated response" against U.S. tariffs.<sup>176</sup> In April 2025, President Xi traveled to Vietnam, Malaysia and Cambodia, where he personally underscored this message. In Vietnam, President Xi urged Hanoi to resist "unilateral bullying," ahead of both countries agreeing to elevate their partnership (both China and the United States are currently "comprehensive strategic partners" for Vietnam, Hanoi's highest designation).<sup>177</sup> In the Pacific Islands, where the United States has invested considerable resources to counter Beijing's growing influence, U.S. tariffs are pushing nations to China. Papua New Guinean Prime Minister James Marape noted that "if the U.S. market becomes more difficult due to this tariff, we will simply redirect our goods to markets where there is mutual respect and no artificial barriers."<sup>178</sup>

Despite European leaders' criticism towards China for its support for Russia's war in Ukraine, the Trump Administration's tariff policies are making it more difficult for them not to reconsider economic rapprochement with Beijing. Following Trump's "Liberation Day" tariffs, China was quick to send trade delegations to several European cities to deepen economic ties including Stockholm, Oslo and Hanover following the Trump Administration's tariff announcements.<sup>179</sup> Most notably, China lifted its sanctions against Members of the European Parliament on April 30, mere weeks after the U.S. tariff announcement.<sup>180</sup> The sanctions, in place since March 2021, were a primary impediment to concluding the EU-China bilateral Comprehensive Agreement on Investment (CAI). Described as "the most ambitious agreement that China has ever concluded with a third country," the CAI would deeply integrate the EU and Chinese economies.<sup>181</sup> Some analysts have even associated the EU's interest in concluding the CAI with China in 2020 with the first Trump Administration's trade war on China.<sup>182</sup> When Beijing upended global supply chains for rare earths in June by limiting export licenses, China announced it would fast-

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<sup>173</sup> Francis Tang, "Japan, South Korea and China Vow to Strengthen Trade Ties Amid Looming U.S. Tariffs," *Japan Times*, Mar. 30, 2025, <https://www.japantimes.co.jp/business/2025/03/30/japan-china-south-korea-trade-ministers/>.

<sup>174</sup> Japanese Prime Minister Shigeru Ishiba doubled down on this language privately, reportedly having sent a letter to President Xi in late April requesting trade negotiations. Mari Kiyohara and Sakura Murakami "Ishiba Pens Letter to Xi as Japan Aims to Avoid Trade Crossfire," *Bloomberg*, Apr. 21, 2025.

<sup>175</sup> Yuka Furubayashi, "ASEAN Joins Japan, China and South Korea in Protectionism Warning," *Nikkei Asia*, May 5, 2025.

<sup>176</sup> "China Urges Japan to Help Fight U.S. Tariffs Together," *Kyodo Reports*, Apr. 22, 2025.

<sup>177</sup> Derek Grossman, "Are America's Indo-Pacific Friends Flirting with China?," *RAND Corporation*, May 5, 2025.

<sup>178</sup> David Williams, "Pacific Nations Perplexed, Worried by Trump Tariffs," *Tioga Publishing*, Apr. 4, 2025, [https://www.tiogapublishing.com/news/nation/pacific-nations-perplexed-worried-by-trump-tariffs/article\\_504ed0fb-b921-5f6a-9fb9-ba7edf332c5e.html](https://www.tiogapublishing.com/news/nation/pacific-nations-perplexed-worried-by-trump-tariffs/article_504ed0fb-b921-5f6a-9fb9-ba7edf332c5e.html).

<sup>179</sup> "China Seeks Reset with EU Amid Donald Trump's Trade War," *The Financial Times*, Apr. 16, 2025.

<sup>180</sup> "China Lifts Sanctions Against MEPs," *European Parliament*, Apr. 30, 2025, <https://www.europarl.europa.eu/news/en/press-room/20250430IPR28167/china-lifts-sanctions-against-meps>.

<sup>181</sup> "Key Elements of the EU-China Comprehensive Agreement on Investment," *European Commission*, Dec. 29, 2020, [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_20\\_2542](https://ec.europa.eu/commission/presscorner/detail/en/ip_20_2542).

<sup>182</sup> Francesca Ghiretti, "As U.S.-China Trade Talks Continue, Europe Needs a Plan to Navigate Uncertainty," *RAND Corporation*, June 13, 2025, <https://www.rand.org/pubs/commentary/2025/06/as-us-china-trade-talks-continue-europe-needs-a-plan.html>.

track approvals for some European companies.<sup>183</sup> At the same time, the European Union and China are exploring ways to replace Europe's tariffs on Chinese electric vehicles with minimum prices.<sup>184</sup>

These recent Chinese overtures are not a coincidence. They all demonstrate a concerted effort on the part of Beijing to take advantage of U.S.-EU trade tensions and deepen their own ties with Brussels. The United States is the European Union's main trading partner with 20% of the bloc's exports going to the United States.<sup>185</sup> But now, Brussels is contending with a 50% tariff on steel and aluminum, 25% tariff on car and car parts and 10% tariff on most other goods.<sup>186</sup> That reality makes it harder for Brussels to ignore Beijing's call.

While the Trump Administration's tariffs are upending longstanding trade relationships, they are also negatively affecting our collective defense. While the Trump Administration demands U.S. allies and partners in the Indo-Pacific to raise their defense spending to 5% of their GDP, the Administration's tariff policies are making it more difficult for U.S. partners to meet these goals.<sup>187</sup> In April 2025, the South Korean government announced a \$8.60 billion special budget to counterbalance the negative economic impacts of U.S. imposed tariffs against key South Korean industries.<sup>188</sup> That figure represents nearly 20% of South Korea's entire 2022 defense budget.<sup>189</sup> Similarly, Japan has unveiled a \$6.2 billion emergency support package to help Japanese industries weather the Trump Administration's tariffs.<sup>190</sup>

Meanwhile, several NATO allies, including Canada and Portugal, have signaled they may reconsider participation in the United States F-35 Joint Strike Fighter program.<sup>191</sup> The Trump Administration's trade policies are casting doubt on the future availability of parts, maintenance, and even pricing, and U.S. partners are reassessing their long-term defense commitments.<sup>192</sup> French President Macron has said that his goal is to persuade EU countries that rely on U.S. weapons to choose European alternatives.<sup>193</sup>

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<sup>183</sup> "China Fast Tracks Rare Earth Export Licenses for European Companies," *The Financial Times*, June 7, 2025.

<sup>184</sup> "EU, China Will Look into Setting Minimum Prices on Electric Vehicles, EU Says," *Reuters*, Apr. 10, 2025.

<sup>185</sup> European Council, Council of the European Union, EU-U.S. Trade: Facts and Figures, Accessed June 2025, <https://www.consilium.europa.eu/en/infographics/eu-us-trade/>.

<sup>186</sup> "EU Dismisses Reports That It Is Ready to Accept Flat 10% U.S. Tariff," *Reuters*, June 16, 2025.

<sup>187</sup> U.S. Department of Defense, "Remarks by Secretary of Defense Pete Hegseth at the 2025 Shangri-La Dialogue in Singapore (As Delivered)," May 31, 2025, <https://www.defense.gov/News/Speeches/Speech/Article/4202494/remarks-by-secretary-of-defense-pete-hegseth-at-the-2025-shangri-la-dialogue-in/>.

<sup>188</sup> "South Korea Proposes \$8.6 Billion Extra Budget to Underpin Growth Amid Tariff Turmoil," *Reuters*, Apr. 17, 2025.

<sup>189</sup> World Bank Group, Military Expenditure Database, Graph: Military expenditure, current USD, South Korea, (Source: Stockholm International Peace Research Institute (SIPRI)), Accessed June 2025, <https://data.worldbank.org/indicator/MS.MIL.XPND.CD?end=2023&locations=KR&start=1960&view=chart>.

<sup>190</sup> "Japan Government to Spend US\$6.2 Billion in Response to U.S. Tariffs," *Asia News Network*, May 28, 2025, <https://asianews.network/japan-government-to-spend-us6-2-billion-in-response-to-u-s-tariffs/>

<sup>191</sup> Jason Ma, "NATO Countries Are Having Second Thoughts about Buying America's F-35 as 'Predictability of Our Allies' is Doubted Amid Trump's Seismic Shifts," *Fortune*, Mar. 15, 2025.

<sup>192</sup> *Ibid.*

<sup>193</sup> Giorgio Leali, "Macron to EU Colleagues: Stop Buying American, Buy European," *Politico*, Mar. 16, 2025.

## CASE STUDY: TARIFFS AND THE DEFENSE INDUSTRIAL BASE

The COVID-19 pandemic already significantly lengthened lead times for specialized components in our defense industrial base, including small, specialized components like those used in jet engines, night vision systems and landing gear. 50% tariffs on steel and aluminum, among other tariff measures, are increasing costs and exacerbating these existing shortages of components.<sup>194</sup>

During a Senate Armed Services Committee hearing on May 15, 2025, Former Deputy Under Secretary of Defense for Industrial Policy Dr. William C. Greenwalt stated that “On tariffs, the issue is down in the third, fourth, and fifth tiers of the industrial base... and increased costs will more than likely drive increased costs throughout the system.”<sup>195</sup> Companies embedded in the U.S. defense industrial base are contending with increased lead times and higher input costs, which subsequently cause higher sales prices and potentially even layoffs.<sup>196</sup>

New Hampshire Ball Bearings (NHBB) is a leading manufacturer of precision bearings and complex bearing assemblies for the aerospace, defense, medical and high technology markets.<sup>197</sup> The company has three manufacturing facilities in the United States and employs over 1,500 people.<sup>198</sup> Ball bearings are vital for nearly any major military platform, including the F-35 program, the F-16 program, High Mobility Artillery Rocket Systems (HIMARS) and more, with the supply chain expanding far beyond NHBB. NHBB’s ball bearings are found in almost every major exportable U.S. platform –Guided Multiple Rocket Launch Systems, Patriot air defense systems, joint-direct attack munitions. NHBB’s production lines have gone from 20 weeks to more than two years, and tariffs only increase costs and uncertainty.

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<sup>194</sup> Paul McLeary, “Trump’s Tariffs Threaten U.S. Weapons Production,” *Politico*, Apr. 3, 2025; Anna Miskelley, “Trump Tariffs Hammer U.S. Artillery Market Despite Export Dominance,” *Defense and Security Monitor*, Apr. 16, 2025.

<sup>195</sup> Dr. William C. Greenwalt, Former Deputy Under Secretary of Defense for Industrial Policy, The Department of Defense Responsibilities Related to Foreign Military Sales System and International Armaments Cooperation, Hearing before the U.S. Senate Committee on Armed Services, May 15, 2025, at 30, <https://www.armed-services.senate.gov/imo/media/doc/5152025fulltranscript.pdf>

<sup>196</sup> *Ibid.*

<sup>197</sup> “A Brief History of New Hampshire Ball Bearings,” *New Hampshire Ball Bearings, Inc.*, Accessed June 2025, <https://www.nhbb.com/index.php/our-company/nhbb-history>

<sup>198</sup> *Ibid.*

## CASE STUDY: AUSTRALIA-UNITED KINGDOM-UNITED STATES (AUKUS) TRILATERAL PARTNERSHIP

In September 2021, the leaders of the United States, Australia and the United Kingdom—three defense treaty allies and Five Eyes intelligence partners—announced the AUKUS partnership, one of the most consequential military and strategic undertakings in a generation.<sup>199</sup> The agreement includes the transfer of conventionally armed, nuclear-powered submarines to Australia, which Congress authorized in December 2023 on a bipartisan basis.<sup>200</sup> As part of the submarine transfer, the Australian government committed to making a \$3 billion investment in the U.S. submarine industrial base, of which the first installment of \$500 million arrived in February 2025.<sup>201</sup>

U.S. adversaries like China fear the growing alignment of U.S. allies under the AUKUS partnership and have consistently criticized AUKUS in its press releases. In fact, just in May 2025, Putin and Xi Jinping jointly condemned AUKUS in a joint statement.<sup>202</sup>

However, in June 2025, reports indicated that the Department of Defense was reviewing whether to scrap the AUKUS agreement.<sup>203</sup> News of the AUKUS review has already been met with positive reactions from Beijing.<sup>204</sup> Abandoning this partnership, or any perceived weakening of America's commitments to it, would only further damage America's reputation, raising more questions among U.S. allies about our reliability and ultimately serving Beijing's interests.

The United States is best positioned to challenge China's unfair trade practices and economic coercion when it is in lockstep with allies and partners – many of whom have also begun to recognize the harm China is inflicting to their economies.<sup>205</sup> Together, Beijing is no match for the U.S. and its allies, and the data backs this up. For instance, a recent analysis published in *Foreign Affairs* demonstrated that firms from the United States and its allies in Europe and Asia control 85% of all high-technology profits in the world, compared to only 6% emanating from China.<sup>206</sup> While a unilateral U.S. economic cutoff of Beijing would cause equal economic damage to the United States and China, China's economic losses would be 5 to 11 times higher if the United States imposed a cutoff in coordination with its allies.<sup>207</sup>

Ultimately, America's strategic advantage over our adversaries is our network of alliances and partnerships. The Trump Administration's tariff policies and their devastating impact on economic partnerships risk undermining this advantage. When these policies push our allies and partners closer to China, we should not be surprised to see Beijing ready to welcome them with open arms.

<sup>199</sup> U.S. Department of Defense, Spotlight: AUKUS: The Trilateral Security Partnership Between Australia, U.K. and U.S., Accessed June 2025, <https://www.defense.gov/Spotlights/AUKUS/>.

<sup>200</sup> "Text - H.R.2670 - 118th Congress (2023-2024): National Defense Authorization Act for Fiscal Year 2024." Congress.gov, Library of Congress, Dec. 22, 2023, <https://www.congress.gov/bill/118th-congress/house-bill/2670/text/pl>.

<sup>201</sup> Kirsty Needham, "Australia Makes \$500 Million AUKUS Payment Ahead of U.S. Defence Secretary Meeting," *Reuters*, Feb. 7, 2025.

<sup>202</sup> The Moscow Kremlin, Joint Statement by the Russian Federation and the People's Republic of China on Global Strategic Stability, May 8, 2025, <http://en.kremlin.ru/supplement/6310>.

<sup>203</sup> Mallory Shelbourne, "Defense Department Conducting Review of AUKUS Security Pact," *U.S. Naval Institute*, June 11, 2025, <https://news.usni.org/2025/06/11/defense-department-conducting-review-of-aukus-security-pact>.

<sup>204</sup> "China Always Opposes Creating Bloc Confrontation, Chinese Foreign Minister Commenting on U.S. Review of AUKUS," *Global Times*, June 12, 2025, <https://www.globaltimes.cn/page/202506/1335967.shtml>.

<sup>205</sup> Alexandra Stevenson, "China Is Unleashing a New Export Shock on the World," *The New York Times*, June 18, 2025.

<sup>206</sup> Stephen Brooks and Ben Vagle, "The Real China Trump Card," *Foreign Affairs*, Feb. 20, 2025.

<sup>207</sup> *Ibid.*

SECTION FIVE

**ABANDONING PUBLIC  
DIPLOMACY AND SURRENDERING  
TO CHINESE PROPAGANDA**



In 2023, the Department of State assessed that China “spends billions of dollars annually on foreign information manipulation efforts,” including censorship.<sup>208</sup> Despite this, the Trump Administration is abandoning longstanding efforts to counter Chinese propaganda.

Experts assess that like China, Russia, too, spends over a billion dollars annually on foreign media manipulation.<sup>209</sup> Meanwhile, the United States in FY2025 spent approximately \$870 million on global independent media and broadcasting.<sup>210</sup> China is in many cases more advanced than the United States in how it engages foreign audiences and across multiple platforms.<sup>211</sup> The Chinese government runs numerous state-owned media outlets for foreign audiences, including China Global Television Network (CGTN), China Daily, China Radio International (CRI), Xinhua and China News Service.<sup>212</sup> It also purchases media outlets in Europe and countries in the Global South and signs content-sharing agreements with foreign outlets to publish Chinese-originated news stories.<sup>213</sup> Beijing uses these outlets to promote its own narratives and to amplify the propaganda of other U.S. adversaries, like Russia.<sup>214</sup>

Since 1999, the U.S. Agency for Global Media (USAGM) has received strong bipartisan support for providing foreign audiences with accurate reporting and tools to access information in environments with limited or no press freedom.<sup>215</sup> These entities (listed below) exist under United States law.<sup>216</sup> USAGM entities support freedom and democracy and counter and debunk Chinese-funded media. They also often uncover cases of public corruption involving Chinese-sponsored development projects under the Belt and Road Initiative.<sup>217</sup> Collectively, USAGM entities reach more than 420 million people weekly in 63 languages in over 100 countries. These include:



- **Radio Free Europe/Radio Liberty (RFE/RL):** Reaches 47.7 million people in 23 countries, including Russia, Belarus, Afghanistan and Iran.<sup>218</sup>

<sup>208</sup> U.S. Department of State, “How the People’s Republic of China Seeks to Reshape the Global Information Environment,” Sept. 28, 2023, Accessed June 2025, <https://2021-2025.state.gov/gec-special-report-how-the-peoples-republic-of-china-seeks-to-reshape-the-global-information-environment/>.

<sup>209</sup> Ilan Berman, “For Russia, Information Is As Valuable As an Army of Tanks,” *American Foreign Policy Council*, Feb. 14, 2023, <https://www.afpc.org/publications/articles/for-russia-information-is-as-valuable-as-an-army-of-tanks>.

<sup>210</sup> Further Consolidated Appropriations Act, 2024, House of Representatives, H.R.2882, 118th Congress, Nov. 15, 2023, <https://www.congress.gov/bill/118th-congress/house-bill/2882/text?s=2&r=1>.

<sup>211</sup> U.S. Department of State, “How the People’s Republic of China Seeks to Reshape the Global Information Environment,” Sept. 28, 2023, Accessed June 2025, <https://2021-2025.state.gov/gec-special-report-how-the-peoples-republic-of-china-seeks-to-reshape-the-global-information-environment/>.

<sup>212</sup> *Ibid.*

<sup>213</sup> *Ibid.*

<sup>214</sup> David Bandurski, “China and Russia are Joining Forces to Spread Disinformation,” *Brookings Institution*, Mar. 11, 2022, <https://www.brookings.edu/articles/china-and-russia-are-joining-forces-to-spread-disinformation/>.

<sup>215</sup> “Mission,” *U.S. Agency for Global Media*, Accessed June 2025, <https://www.usagm.gov/who-we-are/mission/>.

<sup>216</sup> 22 U.S.C. §§ 6201 - 6217.

<sup>217</sup> Qiao Long, “China Plays Down Fears of Debt, Political Risk Linked to Belt And Road,” *Radio Free Asia*, Apr. 26, 2019, <https://www.rfa.org/english/news/china/bri-debt-04262019131125.html>.

<sup>218</sup> “RFE/RL 101,” *Radio Free Europe*, Accessed June 2025, <https://about.rferl.org/about-rfe-rl/rfe-rl-101/>.



- **Radio Free Asia (RFA):** Reaches 60 million people in six countries, including China, North Korea, Vietnam and Myanmar.



- **Middle East Broadcasting Networks (MBN):** Reaches 34.1 million people in 22 countries and territories, including Iraq, Lebanon, Qatar and Syria<sup>219</sup>



- **Office of Cuba Broadcasting (OCB):** Reaches 3.2 million people in Cuba.<sup>220</sup>



- **Voice of America (VOA):** Reaches 354 million people in 49 languages in Africa, East Asia, Latin America and South & Central Asia.<sup>221</sup>



- **Open Technology Fund (OTF):** Provides access to internet firewall circumvention tools for 45 million people, including users in China.<sup>222</sup>

Under the Trump Administration’s March 2025 Executive Order entitled “Continuing the Reduction of the Federal Bureaucracy,” USAGM, reportedly at the direction of Senior Advisor Kari Lake, terminated grant agreements for RFE/RL, RFA, MBN and OTF.<sup>223</sup> This cut off all entities from their congressionally appropriated funds, resulting in major layoffs that significantly reduced, and in some cases eliminated, their capacity to operate.<sup>224</sup>

The Trump Administration’s FY2026 budget request would nearly eliminate USAGM altogether.<sup>225</sup> Even before the Administration’s proposal, the United States was only spending approximately \$870 million annually on the information environment, far below China’s annual levels.<sup>226</sup> By seeking to eliminate many of our traditional public diplomacy tools and leaving Chinese media coverage to proliferate unchecked, the Trump Administration is unilaterally disarming the United States in the battle for hearts and minds of citizens around the world.

Yet the consequences of retreating from the information battlespace are already apparent. In June 2025, after the Trump Administration notified Congress of its intent to reduce USAGM and its federal networks

<sup>219</sup> U.S. Department of State, The Broadcast Board of Governors’ Middle East Broadcasting Networks, Inc.,” Mar. 2010, <https://www.stateoig.gov/report/isp-ib-10-28>.

<sup>220</sup> U.S. Agency for Global Media, “Office of Cuba Broadcasting,” Accessed June 2025, <https://www.usagm.gov/networks/ocb/>.

<sup>221</sup> U.S. Agency for Global Media, “Voice of America,” Accessed June 2025, <https://www.usagm.gov/networks/voa/>.

<sup>222</sup> Open Technology Fund, “Impacts and Outcomes,” Accessed June 2025, <https://www.opentech.fund/impact/impacts-and-outcomes/>.

<sup>223</sup> “Continuing the Reduction of the Federal Bureaucracy,” *Trump White House*, Mar. 14, 2025, <https://www.whitehouse.gov/presidential-actions/2025/03/continuing-the-reduction-of-the-federal-bureaucracy/>; Patsy Widakuswara, et al. v. Kari Lake, in her official capacity as Senior Advisor to the Acting CEO of the U.S. Agency for Global Media, et al., No. 25-5144, District of Columbia Court of Appeals, 2025, <https://media.cadc.uscourts.gov/orders/docs/2025/05/25-5144LDSN5.pdf>.

<sup>224</sup> Max Matza, “Hundreds of Voice of America Reporters Fired as Trump Guts Outlet,” *British Broadcasting Corporation*, June 21, 2025.

<sup>225</sup> Letter from Russell Vought, Director of the Office of Management and Budget to Senator Susan Collins, May 2, 2025, <https://www.whitehouse.gov/wp-content/uploads/2025/05/Fiscal-Year-2026-Discretionary-Budget-Request.pdf>; U.S. Department of State, Fiscal Year 2026 Congressional Budget Justification.

<sup>226</sup> Further Consolidated Appropriations Act, 2024, House of Representatives, H.R.2882, 118th Congress, Nov. 15, 2023, <https://www.congress.gov/bill/118th-congress/house-bill/2882/text?s=2&r=1>.

to their statutory minimum, the Administration abruptly called nearly 75 employees of the entity's Persian service back to the office in order to counter Iranian disinformation against Israel and the United States.<sup>227</sup>

Moreover, several journalists affiliated with USAGM remain in prison around the world for reporting the truth. Radio Free Asia has reported that the family members of six RFA journalists are imprisoned in China, and Chinese authorities have detained family members of RFA Tibetan-service stringers.<sup>228</sup> If USAGM is eliminated, the United States risks abandoning these brave individuals among numerous others. The unjust detention of USAGM journalists by authoritarian governments underscores how effective these outlets are—unfree governments view their truthful reporting as a threat.

However, the Trump Administration may be going further than simply undermining America's long-standing support for independent media overseas. By seeking to formalize content sharing agreements with One America News Network to promote its content through Department of State channels, the Administration appears to be on a dangerous path toward creating its own version of state-run media.<sup>229</sup> If implemented, the United States would move one step closer towards establishing a state-led media apparatus, a direct contrast to long-standing U.S. support for free and independent media.

## **Eliminating U.S. Government Coordination to Counter Chinese Propaganda**

In 2016, the White House created a Global Engagement Center (GEC) under Executive Order 13721 "to create positive, alternative narratives and to diminish the influence of... violent extremists abroad."<sup>230</sup> In order to implement a holistic approach to the GEC's mission, the executive order directed the Department of State's Under Secretary of Public Diplomacy and Public Affairs to chair an interagency group with representatives from the across the U.S. government.<sup>231</sup> Congress, led by Senators Rob Portman (R-Ohio) and Chris Murphy (D-Connecticut), required the GEC to broaden its scope beyond its counterterrorism mission to include counter Chinese and Russian propaganda.<sup>232</sup> As such, the GEC became the leading U.S. government entity singularly focused on countering disinformation and misinformation.

The first Trump Administration initiated grant programs through the GEC to build partnerships with civil society and non-governmental organizations to expose information manipulation by foreign adversaries while highlighting the positive impacts of U.S. foreign assistance abroad.<sup>233</sup> In conducting its work, the

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<sup>227</sup> Ben Johansen, "U.S. Scrambles to Bring Back VOA's Persian Service Amid Iran-Israel Conflict," *Politico*, June 13, 2025.

<sup>228</sup> Scilla Alecci, "Beijing Targeted Friends of U.S.-Based Reporter amid Campaign Against Radio Free Asia, Documents Reveal," *International Consortium of Investigative Journalists*, May 27, 2025; Additional figures originate from Radio Free Asia fact sheets shared with the Senate Committee on Foreign Relations.

<sup>229</sup> David Folkenflik, "Kari Lake Says OAN's Far-Right Coverage will Fuel Voice of America," *National Public Radio*, May 7, 2025, <https://www.npr.org/2025/05/07/nx-s1-5389453/kari-lake-says-oans-far-right-coverage-will-fuel-voice-of-america>.

<sup>230</sup> Office of the Federal Register, National Archives and Records Administration. DCPD-201600149 - Executive Order 13721-Developing an Integrated Global Engagement Center to Support Government-wide Counterterrorism Communications Activities Directed Abroad and Revoking Executive Order 13584. Office of the Federal Register, National Archives and Records Administration, (14 Mar. 2016).

<sup>231</sup> *Ibid.*

<sup>232</sup> Press Release, Senate Passes Major Murphy-Portman Counter-Propaganda Bill as Part of NDAA, Office of Senator Chris Murphy, Dec. 8, 2016, Accessed June 2025, <https://www.murphy.senate.gov/newsroom/press-releases/senate-passes-major-murphy-portman-counter-propaganda-bill-as-part-of-ndaa>.

<sup>233</sup> U.S. Department of State, *Audit of Global Engagement Center Federal Assistance Award Management and Monitoring*, Apr. 2020, [https://www.stateoig.gov/uploads/report/report\\_pdf\\_file/final-report-audit-gec-20-april-2020-5.15.23\\_redacted.pdf](https://www.stateoig.gov/uploads/report/report_pdf_file/final-report-audit-gec-20-april-2020-5.15.23_redacted.pdf).

GEC worked closely with the Department of Defense and the U.S. intelligence community to expose Chinese-launched foreign information operations.<sup>234</sup>

Congressional efforts to reauthorize the GEC in December 2024 were halted by Elon Musk, who issued over a dozen posts on social media labeling the counter-foreign propaganda and disinformation office a “censorship operation.”<sup>235</sup> In April 2025, the Trump Administration notified Congress that it would dissolve the Department of State’s counter-disinformation work entirely.<sup>236</sup> In doing so, the Trump Administration has discarded critical tools to expose Chinese and Russian propaganda in regions where the United States seeks to maintain its influence. To date, the Trump Administration has not offered a viable alternative to recreate this critical capability.

## CASE STUDY: RADIO FREE ASIA – LOST RADIO FREQUENCIES AND COVERAGE

Created by Congress in 1996, Radio Free Asia (RFA) has been one of the most impactful U.S. government-supported tools to challenge Chinese propaganda overseas. RFA’s reporting has challenged anti-American narratives spread by China and other malign actors across the Indo-Pacific. The U.S. intelligence community, Congress, the U.S. military and the Department of State have relied on RFA’s content as a resource for analysis on societies that are otherwise difficult or impossible to penetrate.

The Trump Administration’s attacks against RFA have had immediate consequences for our competition with China. From October 2024 to March 2025, RFA dropped from broadcasting on 60 frequencies down to 6 frequencies for significantly fewer hours.<sup>237</sup> During that same period, China’s state-owned international radio broadcaster, China Radio International (CRI)—a subsidiary of China Media Group, a state-run media conglomerate with direct ties to the CCP’s propaganda arm—added over 80 new frequencies and significantly increased their broadcast hours, notably targeting similar audiences.<sup>238</sup> This includes Chinese, Kazakh, Uyghur, Kyrgyz, Mongolian and Tibetan language broadcasting where traditionally RFA had provided independent reporting.<sup>239</sup> The timing of CRI’s significant uptick in broadcasting suggests that this was a tactical response from Beijing to flood the information space abandoned by the United States.

More recently, on July 1, 2025, RFA was forced to shut down its Cantonese language services as a result of the Trump Administration’s withholding of congressional appropriations.<sup>240</sup> Its closure coincided with the 5-year anniversary of China’s National Security Law, which effectively ended the high degree of autonomy China promised to guarantee Hong Kong after the 1997 handover.<sup>241</sup>



Source: “Radio Free Asia lays off most of its staff amid funding battle with Trump,” *CNN*, Mar. 15, 2025. <https://www.cnn.com/2025/05/02/media/radio-free-asia-lay-offs-amid-trump-funding-battle>

<sup>234</sup> Ibid.

<sup>235</sup> Hadas Gold, et al., “Elon Musk Comes Out Swinging Against Government Spending Package in Early Test of His Political Might,” *Central News Network*, Dec. 18, 2024.

<sup>236</sup> Congressional notification submitted to the Senate Foreign Relations Committee in April 2025.

<sup>237</sup> Sarah Ellison and Cate Cadell, “Chinese Propaganda Surges as the U.S. Defunds Radio Free Asia,” *The Washington Post*, June 6, 2025.

<sup>238</sup> Ibid.

<sup>239</sup> Ibid.

<sup>240</sup> “Radio Free Asia Axes Cantonese Service amid U.S. Funding Cut,” *The Standard*, July 1, 2025, <https://www.thestandard.com.hk/hong-kong-news/article/305787/Radio-Free-Asia-axes-Cantonese-service-amid-US-funding-cut>.

<sup>241</sup> National Legislative Bodies / National Authorities, Joint Declaration of the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the People’s Republic of China on the Question of Hong Kong, 19 December 1984, Accessed July 2, 2025, <https://www.refworld.org/legal/agreements/natlegbod/1984/en/93741>.

## U.S. International Educational and Cultural Exchange Programs

China seeks to build connections with the next generation of world leaders in the hopes of fostering a more favorable view of Beijing. As such, China has expanded its programs over the years to train and recruit foreign talent through journalism and vocational trainings as well as cultural tours. According to China's Ministry of Finance, in 2018 China spent more than \$12 billion on "overseas education," both for Chinese students studying abroad as well as foreign students studying in China.<sup>242</sup> To cite one example of how these programs can shape world views, Ecuador's incoming army head, who spent a year at the Command and Staff military training course in Nanjing, China and maintains a pro-China stance, underscores the payoff of China's educational and cultural exchange programs.<sup>243</sup>

For decades, Department of State Educational and Cultural Affairs (ECA) funding has supported U.S.-led people-to-people exchange programs globally, including the Fulbright Scholarship, the Benjamin A. Gilman International Scholarship, the Young African Leaders Initiative (YALI), the Young Southeast Asian Leaders Initiative (YSEALI), the International Visitor Leadership Program (IVLP) and more.<sup>244</sup>

These programs have provided invaluable overseas experiences to talented American citizens, many of whom go on to contribute to U.S. national security.<sup>245</sup> Since its establishment in 1940, over 335 current or former Chiefs of State or Heads of Government have participated in the State Department's International Visitor Leadership Program (IVLP).<sup>246</sup>

The Trump Administration's FY2026 budget request would eliminate ECA funding by 93%.<sup>247</sup> Instead of offering an alternative to programs it disagrees with, the Trump Administration is choosing to abandon decades of U.S. cultural and educational leadership and cede these opportunities to Beijing.

Even before proposing to hollow-out ECA programming, the Administration's sudden stop work order in February 2025 temporarily left thousands of young American Fulbright recipients stranded overseas

While China competes with the United States to cultivate relationships with the next generation of world leaders, the Trump Administration's FY2026 budget request would **eliminate 93% of U.S.-led people-to-people exchange programs**, including the Fulbright scholarship, the International Visitor Leadership Program (IVLP) and more.

<sup>242</sup> Final Statement of National General Public Budget Expenditure in 2018, Ministry of Finance of the People's Republic of China, July 18, 2019, [https://www.mof.gov.cn/en/data/202011/t20201126\\_3630682.htm?utm](https://www.mof.gov.cn/en/data/202011/t20201126_3630682.htm?utm).

<sup>243</sup> Kevin Puga S., "¿Quién Es Henry Delgado Salvador, Nuevo Comandante del Ejército?", *El Comercio*, Apr. 24, 2025, <https://www.elcomercio.com/actualidad/ecuador/henry-delgado-ejercito-comandante/>.

<sup>244</sup> U.S. Department of State, Bureau for Educational and Cultural Affairs, Impact, Accessed July 2025, <https://eca.state.gov/impact/facts-and-figures/>; In March 2025, the Trump Administration terminated a \$5 million USAID award to support the Young Southeast Asian Leaders Initiative (YSEALI) with a host university in Vietnam. The mission was to strengthen leadership development and networking in Southeast Asia and to build connections with young American leaders; U.S. Embassy and Consulate in Vietnam, What is YSEALI, Accessed June 2025, <https://vn.usembassy.gov/education/yseali-in-vietnam/>; Carmen Paun, "Documents Reveal Scope of Trump's Foreign Aid Cuts," *Politico*, Mar. 26, 2025. Award ID: 72044022CA00004.

<sup>245</sup> *Ibid.*

<sup>246</sup> Notable IVLP alumni include: Jacinda Ardern (former Prime Minister of New Zealand), Tony Blair (former Prime Minister of the United Kingdom), Felipe Calderon (former President of Mexico), Nicolas Sarkozy (former President of France), Narendra Modi (Prime Minister of India), Indira Gandhi (former Prime Minister of India), Margaret Thatcher (former Prime Minister of the United Kingdom), and Ma Ying-Jeou (former President of Taiwan), Willy Brandt (former Chancellor of Germany). "International Visitor Leadership Program (IVLP)," *World Chicago*, Accessed June 2025, <https://www.worldchicago.org/professional-programs/international-visitor-leadership-program>.

<sup>247</sup> U.S. Department of State, Fiscal Year 2026 Congressional Budget Justification.

without their U.S. government spend to cover rent or purchase flights back to the United States.<sup>248</sup> Meanwhile, the abrupt halt in Department of State funding forced U.S. states across the country to cancel IVLP delegation visits, where international professionals were poised to network with U.S. students and local businesses.<sup>249</sup> In June 2025, the entire Fulbright board resigned in protest over what they described as “political interference” by the Trump Administration for abruptly canceling Fulbright awards for nearly 200 Americans preparing to conduct summer studies overseas.<sup>250</sup> According to the Fulbright board’s memo, many of the cancelled research projects were in the sciences, including biology, agriculture and animal studies.

Lastly, by terminating personnel at the Institute of International Education (IIE), the implementing office for international exchange grants, the Trump Administration has also upended research projects for foreign Fulbright recipients studying in the United States.<sup>251</sup> Moving forward, even if the United States were to choose to retain these programs, the Trump Administration has given foreign scholars a reason not to pursue these U.S.-led exchange opportunities.

### **CASE STUDY: FULBRIGHT UNIVERSITY VIETNAM**

The Department of State’s Bureau for Educational and Cultural Affairs plays a significant role in funding Fulbright University Vietnam. Launched by President Trump and the Vietnamese prime minister in 2017, Fulbright University Vietnam serves as a beacon of American soft power in the Indo-Pacific. Many Vietnamese officials have attended the program, which, by educating Vietnam’s best and brightest, Fulbright is helping to ensure that Vietnam’s future business and political leaders look to the United States, not China, for partnership.

Because China is threatened by what Fulbright University Vietnam represents, the university is a target of Chinese propaganda and disinformation, even as recently as August 2024.<sup>252</sup> Meanwhile, China is offering scholarships, trying to attract Vietnamese citizens to receive an education in China rather than in the United States or at Fulbright University, Vietnam’s American-style independent university.<sup>253</sup>

In March 2025, the Trump Administration terminated a \$25 million grant to Fulbright University Vietnam.<sup>254</sup> According to individuals close to Fulbright University Vietnam’s programming, all USAID and other U.S. government contracts eliminated by the Trump Administration will likely not be returned, and there is little hope for the university to receive prior year it is owed. As of June 2025, the school has begun cost-saving measures to keep the doors open in the hopes that U.S. government funding resumes. Meanwhile, by requesting to eliminate ECA funding in FY2026, the Trump Administration is imperiling Fulbright University Vietnam’s future success. Cutting this support will damage trust in the United States, give up our position as a partner of choice to many Vietnamese students, and provide opportunities for increased Chinese influence in Vietnam.

<sup>248</sup> “Ongoing Funding Freeze of ECA Programs at Department of State,” *NAFSA: Association of International Educators*, Accessed June 2025, <https://www.nafsa.org/ECAFundingFreeze>.

<sup>249</sup> Hillary Borrud, “A State Department Program Brought International Visitors to Oregon. Trump’s Funding Freeze Brought it to a Halt,” *Oregon Live*, Mar. 19, 2025, <https://www.oregonlive.com/politics/2025/03/a-state-department-program-brought-international-visitors-to-oregon-trumps-funding-freeze-brought-it-to-a-halt.html>.

<sup>250</sup> Edward Wong, “Fulbright Board Resigns After Accusing Trump Aides of Political Interference,” *The New York Times*, June 11, 2025.

<sup>251</sup> Johanna Alonso, “Fulbrighters in Flux,” Mar. 27, 2025, <https://www.insidehighered.com/news/global/international-students-us/2025/03/27/fulbright-scholars-face-uncertainty-about-visas>.

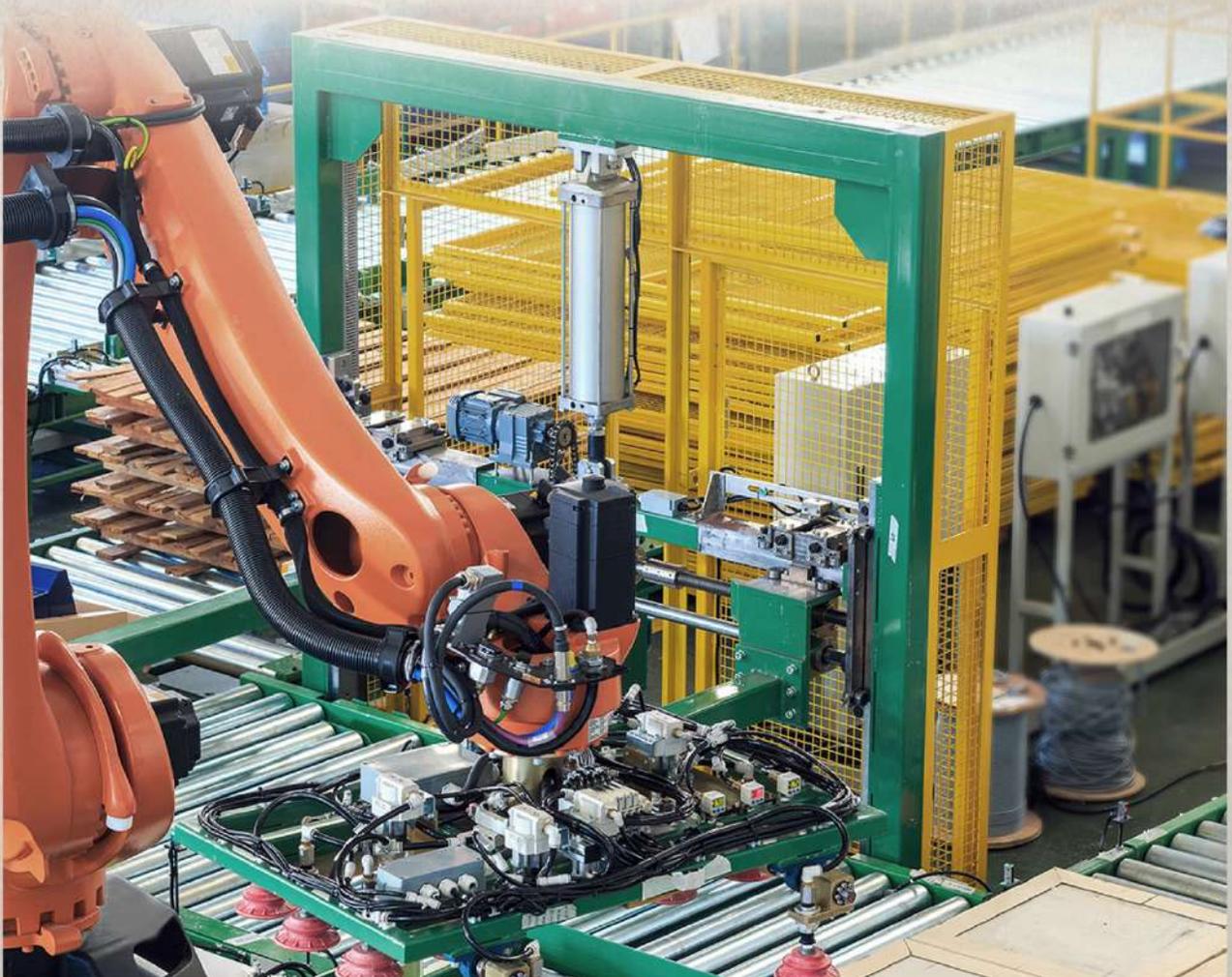
<sup>252</sup> Fulbright University Vietnam. “A statement regarding recent disinformation...” Facebook, Aug. 14, 2024, <https://www.facebook.com/FulbrightUniVN/posts/pfbid02PktVSkAmGmgzcU9vRB4TJu8DTzVC3wR8MkDtx8x5cGVNDFrhGR6oahKf3cyye9I>

<sup>253</sup> “Project ID: 88642 – Chinese Government Provides Chinese Government Scholarships to 79 Vietnamese Students in 2019,” *AidData*, Accessed June 2025, <https://china.aiddata.org/projects/88642/>.

<sup>254</sup> Carmen Paun, “Documents Reveal Scope of Trump’s Foreign Aid Cuts,” *Politico*, Mar. 26, 2025. 72044021CA00004.

SECTION SIX

# HARMING U.S. RESEARCH AND INNOVATION



Whichever nation leads in the sciences and technologies of the future, such as artificial intelligence, quantum science and autonomous vehicles and robotics, will dominate the 21st century economy.

A critical feature of U.S.-China competition centers on attracting the world's top talent in the fields of science, technology, engineering and math (STEM). Fortunately for the United States, this has long been one of our great strategic advantages. Much of our technological success can be traced back to contributions from international students who pursued advanced studies at American universities. Between 2010 and 2019, international students comprised 42% of STEM PhD graduates in the United States, the majority of whom chose to stay and create tech start-ups and pursue additional research opportunities.<sup>255</sup> Underscoring the importance of foreign talent for U.S. innovation is the fact that nearly 60% of the top artificial intelligence companies in the United States were founded by immigrants who came on student visas.<sup>256</sup>

The STEM talent gap between the United States and China has been narrowing for years. In 2021, the National Security Commission on Artificial Intelligence stated that “for the first time in our lifetime, the United States risks losing the competition for talent on the scientific frontiers” and that in order to counter this trend, we must “cultivate more potential talent at home and recruit and retain more existing talent from abroad.”<sup>257</sup> That same year, Chinese President Xi Jinping made clear in a seminal speech that China aims to unseat the United States as the central hub for global talent.<sup>258</sup> In an effort both to cultivate its own homegrown STEM capacity and to lure foreign scientists, China has scaled up its investments in domestic STEM research and expanded its foreign talent recruitment programs.<sup>259</sup> There are signs that China's investments are paying off. According to an April 2025 report by the Hoover Institute, over half of the team from the now famous Chinese AI firm DeepSeek never left China for studies or work.<sup>260</sup>

“Because of these significant cuts to the [National Science Foundation], the [National Institutes of Health], and perhaps other research funding agencies, there will be irreparable and probably permanent harm to the U.S. science research and innovation system.”

– **Rob Atkinson**, President, Information Technology and Innovation Foundation

<sup>255</sup> Jack Corrigan et. al., “China is Fast Outpacing U.S. STEM PhD Growth,” *Georgetown Center for Strategic and Emerging Technology*, <https://cset.georgetown.edu/wp-content/uploads/China-is-Fast-Outpacing-U.S.-STEM-PhD-Growth.pdf>.

<sup>256</sup> Jeremy Neufeld and Lindsay Milliken, “Most of America's Top AI Companies Were Founded by Immigrants,” *Institute for Progress*, Apr. 16, 2025, <https://ifp.org/most-of-americas-top-ai-companies-were-founded-by-immigrants/>.

<sup>257</sup> Safra Catz et. al., “Final Report,” *National Security Commission on Artificial Intelligence*, Mar. 21, 2021, [https://www.globalsecurity.org/military/library/report/2021/nscai-final\\_report\\_execsum\\_20210301.pdf](https://www.globalsecurity.org/military/library/report/2021/nscai-final_report_execsum_20210301.pdf).

<sup>258</sup> “习近平出席中央人才工作会议并发表重要讲话,” *Xinhua*, Sept. 28, 2021, [https://www.gov.cn/xinwen/2021-09/28/content\\_5639868.htm](https://www.gov.cn/xinwen/2021-09/28/content_5639868.htm).

<sup>259</sup> China provides government-sponsored incentives such as signing bonuses, housing assistance and requirements for employers to assist the spouses of recruited talent with finding employment opportunities. Examples of such programs include the “Thousand Talents Program,” “China's Thousand Young Talents Program,” “Thousand Foreign Experts Program,” among others. Feyisayo Oyolola and Jack Malde, “Immigration and U.S. Competition with China,” *Bipartisan Policy Center*, Apr. 24, 2024, <https://bipartisanpolicy.org/blog/immigration-and-u-s-competition-with-china/>.

<sup>260</sup> Polly Nash, “Data: Trump's Student Visa Terminations in Numbers,” *The Pie*, Apr. 24, 2025, <https://thepienews.com/data-trumps-student-visa-revocations-in-numbers/>.

Meanwhile, the Trump Administrations budget cuts to U.S. federal science and research agencies, its crackdowns on international students and the attacks against top U.S. universities have severely damaged America’s reputation as the world’s leading destination for global talent. If sustained over the long-term, these actions could cause an irreparable setback in our competition with China in technological innovation.

## Damaging America’s Reputation as a Global Talent Hub

Since January 2025, the Trump Administration has revoked or terminated the status of student visas for over 1,800 international students from more than 270 U.S. colleges and universities and terminated 4,736 Student and Exchange Visitor Information System (SEVIS) records.<sup>261</sup> Moreover, the Trump Administration has gone so far as to revoke Harvard University’s ability to enroll international students.<sup>262</sup> As one Columbia University law professor stated, “there is a palpable sense of fear among international students on campus.”<sup>263</sup> Since March 2025, the Trump Administration has not responded to at least nine briefing requests from the Senate Foreign Relations Committee Minority Staff on its international student visa revocation policies, including Secretary Rubio’s announcement that the State Department would “aggressively revoke Chinese student visas.”<sup>264</sup> While U.S. officials continue to warn U.S. and international students about the risks of pursuing their studies in China due to the arbitrary enforcement of local laws and exit bans, the Administration has given China and other competitors ammunition to issue the same warnings about studying in the United States.<sup>265</sup>



<sup>261</sup> “Foreign Students Sue Trump Officials Over Revoked Visas as 1,000 Affected,” *The Guardian*, Apr. 17, 2025; Letter from the Senate Judiciary Committee to Kristi Noem, Secretary of Homeland Security, Marco Rubio, Secretary of State, Todd Lyons, Acting Director of U.S. Immigration and Customs Enforcement, Apr. 28, 2025, <https://www.judiciary.senate.gov/imo/media/doc/Student%20Visa%20Letter.pdf>.

<sup>262</sup> Nate Raymond and Ted Hesson, “Trump Administration Blocks Harvard from Enrolling Foreign Students, Threatens Broader Crackdown,” *Reuters*, May 23, 2025.

<sup>263</sup> Liam Knox, “‘Palpable Fear’ Hangs Over International Students,” *Inside Higher Ed*, Mar. 18, 2025, <https://www.insidehighered.com/news/global/international-students-us/2025/03/18/international-students-navigate-escalating-threats>.

<sup>264</sup> U.S. Department of State, Press Statement, New Visa Policies Put America First, Not China, May 28, 2025, <https://www.state.gov/releases/office-of-the-spokesperson/2025/05/new-visa-policies-put-america-first-not-china/>.

<sup>265</sup> U.S. Department of State, “China Travel Advisory,” Accessed June 2025, <https://travel.state.gov/content/travel/en/traveladvisories/traveladvisories/china-travel-advisory.html>.

Meanwhile, the Trump Administration’s FY2026 budget request proposes a 66% funding cut for the National Science Foundation (NSF) along with comparable budget cuts at the National Institutes of Health (NIH).<sup>266</sup> Both institutions provide research grants to over 2,500 universities, medical schools and other research organizations.<sup>267</sup> Neal Lane, who led the NSF in the 1990s, has stated that these types of cuts could “kill American science and boost China and other nations into global science leadership positions.”<sup>268</sup> By significantly downsizing these agencies, the Trump Administration has given American and foreign researchers reason to believe that the United States no longer values scientific discovery.<sup>269</sup> The traditional allure of conducting research at U.S. institutions is fading within the eyes of foreign talent by the day.

Reports indicate that disaffected scientists from the U.S. government are actively seeking opportunities outside the United States. According to a March 2025 poll conducted by *Nature*, 75% of respondents said they were considering leaving the United States as a consequence of the Administration’s assault on scientific research.<sup>270</sup> In response to the same survey, approximately 80% of postgraduate researchers were considering leaving the United States along with 75% percent of doctoral students.<sup>271</sup>

At the same time, other nations are actively recruiting U.S. top talent seeking these opportunities abroad.<sup>272</sup> Science ministers from EU countries are advocating for the European Commission to bring in U.S. researchers,

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X post from “Top Biomedical Science” illustrating outreach from China’s Silicon Valley, Shenzhen to encourage laid off U.S. scientists to bring their talent to Shenzhen.

Source: Top Biomedical Science (@imedverse), “Offer from...” X, Feb. 18, 2025, <https://x.com/imedverse/status/1891880532251914430>

<sup>266</sup> Eric Berger, “White House Budget Proposal Could Shatter the National Science Foundation,” *Ars Technica*, Feb. 6, 2025, <https://arstechnica.com/science/2025/02/white-house-budget-proposal-could-shatter-the-national-science-foundation/>; Dan Diamond and Dan Keating, “Trump Promised Scientific Breakthroughs. Researchers Say He’s Breaking Science,” *The Washington Post*, Mar. 28, 2025.

<sup>267</sup> Ibid.

<sup>268</sup> Ibid.

<sup>269</sup> Kim Zetter, “National Science Foundation Fires 168 Workers as Federal Purge Continues,” *WIRED*, Feb. 18, 2025, <https://www.wired.com/story/national-science-foundation-february-2025-firings/>.

<sup>270</sup> Alexandra Witze, “75% of U.S. Scientists Who Answered Nature Poll Consider Leaving,” *Nature*, 27 Mar. 2025, <https://www.nature.com/articles/d41586-025-00938-y>.

<sup>271</sup> Ibid.

<sup>272</sup> Andreia Mendes, “France’s Safe Place for Science: The New Mobility Among International Researchers,” *Jobbatical*, May 31, 2025, <https://www.jobbatical.com/blog/france-safe-place-for-science>; Simone Jacobs, “The Netherlands Launches New Fund to Draw in Top International Scientists,” *I Am Expat*, Mar. 24, 2025, <https://www.iamexpat.nl/expat-info/dutch-news/netherlands-launches-new-fund-draw-top-international-scientists>; Alexander Freund, “Dear U.S. Researchers: Welcome to Germany!” *Deutsche Welle*, Mar. 27, 2025; Juliette Portala and David Matthews, “Europe Scrambles to Help Researchers Escape Trump,” *Science Business*, Mar. 20, 2025, <https://sciencebusiness.net/international-news/europe-scrambles-help-researchers-escape-trump>; Pierre Saint-Arnaud, “Quebec Hopes to Recruit Disenchanted American Scientists,” *City News*, Mar. 13, 2025, <https://montreal.citynews.ca/2025/03/13/quebec-hopes-to-recruit-american-scientists/>.

and on May 4, the European Union pledged half a billion euros in incentives to attract U.S. scientists and researchers to Europe.<sup>273</sup>

Even more concerning is the fact that China itself has begun actively recruiting disillusioned American scientists. As soon as layoffs began across the federal government, China launched ad campaigns on social media platforms, job boards and international publications, inviting these individuals to bring their talent to China.<sup>274</sup> Reports even indicated that China was attempting to target security clearance holders who worked on key technologies like artificial intelligence.<sup>275</sup>

## CASE STUDY: CHIPS AND SCIENCE ACT

The President's public calls for the repeal of the bipartisan CHIPS and Science Act, one of largest U.S. investments in domestic manufacturing and innovation in decades, does nothing but serve China's interests.

Recognizing the growing threat of Chinese total dominance in advanced manufacturing capacity, Congress enacted the CHIPS and Science Act to revitalize the U.S. domestic capacity to manufacture advanced semiconductors.<sup>276</sup> To date, nearly \$36 billion in CHIPS funding had been allocated to chip-manufacturers, and 90 new projects across 28 states have been announced thus far.<sup>277</sup> Many investments facilitated by the CHIPS Act include companies from close U.S. allies and partners including South Korea and Taiwan.<sup>278</sup> Through the \$500 million International Technology Security and Investment (ITSI) fund established by CHIPS, the Department of State has rerouted semiconductor supply chains away from China and instead through U.S. allies and partners such as Costa Rica, the Philippines and Indonesia.<sup>279</sup>

On March 7, 2025, the same day President Trump delivered his State of the Union address in which he called for the repeal of the \$52 billion CHIPS and Science Act, China unveiled a \$138 billion public-private partnership fund to build technological self-reliance in semiconductors, artificial intelligence and quantum technology.<sup>280</sup> The fund seeks to make significant investments in Chinese start-up companies innovating in these sectors.<sup>281</sup>

<sup>273</sup> Juliette Portala and David Matthews, "Europe Scrambles to Help Researchers Escape Trump," *Science Business*, Mar. 20, 2025; Elizabeth Pineau and Dominique Vidalon, "Europe Pledges Half a Billion Euros to Lure Scientists as Trump Battles Universities," *Reuters*, May 5, 2025.

<sup>274</sup> Tim Bajarin, "America's Loss is China's Gain: Beijing is Recruiting Fired U.S. Scientists," *Fast Company*, Apr. 14, 2025, <https://www.fastcompany.com/91314182/china-recruiting-fired-us-scientists>

<sup>275</sup> *Ibid.*

<sup>276</sup> "H.R.4346 - 117th Congress (2021-2022): CHIPS and Science Act." *Congress.gov*, Library of Congress, Aug. 9 2022, <https://www.congress.gov/bills/117/congress/house-bill/4346>.

<sup>277</sup> Matt Kelly et. al., "Lead or Lag: the U.S. Imperative in the Global Chip Race," *Association Connecting Electronics Industries*, May 2025, <https://emails.ipc.org/links/IPC-global-CHIPS25.pdf>.

<sup>278</sup> David Shepardson, "U.S. Finalizes \$6.6 Billion Chips Award for TSMC ahead of Trump Return," *Reuters*, Nov. 15, 2024.

David Shepardson, "U.S. Finalizes \$458 Million Award to SK Hynix for U.S. Chips Packaging Facility," *Reuters*, Dec. 19, 2024.

<sup>279</sup> U.S. Department of State, "The U.S. Department of State International Technology Security and Innovation Fund," Accessed June 2025, <https://www.state.gov/the-u-s-department-of-state-international-technology-security-and-innovation-fund/>.

<sup>280</sup> "China to Set up National Venture Capital Guidance Fund, State Planner Says," *Reuters*, Mar. 6, 2025.

<sup>281</sup> *Ibid.*

**SECTION SEVEN**

**REDUCING AMERICA'S  
DIPLOMATIC FOOTPRINT**



## If the Trump Administration follows through with its proposed closures of U.S. embassies and consulates, the United States would have fewer overseas posts than China.

Countries have diplomatic posts to protect their citizens abroad, promote their economic and security interests and respond to global crises. As such, the scale of a country's overseas presence is a measure of its influence overseas.

The United States and China have the world's largest overseas diplomatic presence. In 2011, the United States had 23 diplomatic posts more than Beijing, but by 2019 China overtook the United States.<sup>282</sup> As of December 2024, United States leads China by one post (279:278).<sup>283</sup> Nevertheless, China is ahead in Africa, East Asia, the Pacific Islands and Central Asia.<sup>284</sup> Before the second Trump Administration, the Department of State made strong efforts to open new diplomatic posts in the Pacific Islands and the eastern Caribbean region where China's influence has expanded in recent years.<sup>285</sup>

In January 2025, the Department of State notified Congress of its intent to close at least ten (10) U.S. diplomatic posts, and in April 2025, an internal Department of State memo indicated that the Administration was planning to close seven additional posts along with a reduction of embassy personnel.<sup>286</sup> Six of the proposed embassy closures are in Africa, where China already leads the U.S. (60:56). If the Trump Administration follows through with these proposals, the United States will drop to 262 posts, firmly outpaced by China's 278.<sup>287</sup>

Reassessing our global footprint is necessary to remain efficient, but it should not sacrifice U.S. national security interests. As a consequence of its shrinking operating budget over the years, the Department of State is often forced to make difficult decisions about our overseas missions. However, some of the proposed cuts by the Trump Administration likely would not result in any meaningful cost savings and, instead, add more burdens and costs to the nearest U.S. mission.<sup>288</sup>

During official travel in May 2025, Senate Foreign Relations Committee Minority Staff learned that China may be planning to expand its diplomatic presence in the same locations in Europe where the Trump Administration is proposing closures. For example, China may be seeking to establish additional consulates in France, where it already maintains over 17 Confucius Institutes.<sup>289</sup>

In addition, China at any given time has more working diplomats than the United States, and this is before Secretary Rubio's proposed cuts to the Foreign Service have gone into effect. For example, across Africa, where China maintains approximately 60 diplomatic posts, the United States currently has fewer than 30 Ambassadors representing U.S. interests.<sup>290</sup> As the Trump administration seeks to further reduce the U.S. Department of State by an additional 1,800 personnel through reductions in workforce and a cut

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<sup>282</sup> "Global Diplomacy Index," *Lowy Institute*, Accessed June 2025, [https://globaldiplomacyindex.lowyinstitute.org/key\\_findings#superpowers-neck-and-neck](https://globaldiplomacyindex.lowyinstitute.org/key_findings#superpowers-neck-and-neck).

<sup>283</sup> See Table 1. Diplomatic Posture: United States Versus China.

<sup>284</sup> *Ibid.*

<sup>285</sup> Matthew Lee, "U.S. Eyes Massive Ramp-Up in Diplomatic Personnel and Spending at New Pacific Island Embassies," *Associated Press*, July 13, 2023; U.S. Department of State, Fact Sheet: Vice President Harris Announces New Initiatives to Strengthen U.S.-Caribbean Partnership," June 9, 2023, <https://tt.usembassy.gov/fact-sheet-vice-president-harris-announces-new-initiatives-to-strengthen-u-s-caribbean-partnership/>.

<sup>286</sup> Andrew Desiderio, "State Department to Propose Major Overhaul of U.S. Diplomatic Footprint," *Punchbowl News*, Apr. 15, 2025.

<sup>287</sup> Jennifer Hansler, "Trump Administration Looking at Closing Nearly 30 Overseas Embassies and Consulates," *Central News Network*, Apr. 15, 2025.

<sup>288</sup> Cory Smith, "Proposed State Department Cuts Could Have 'Devastating Effects' for U.S. Global Leadership," *The National Desk*, Apr. 3, 2025; Edward Wong and Mark Mazzetti, "State Department Plans to Close Diplomatic Missions and Fire Employees Overseas," *The New York Times*, Mar. 6, 2025.

<sup>289</sup> "Institut Confucius," *Institut Confucius*, Accessed July 2025, <https://www.institutconfucius.fr/fr>

<sup>290</sup> "China Beats United States to Top 2024 Global Diplomacy Index," *Lowy Institute*, Feb. 25, 2024, <https://www.lowyinstitute.org/china-beats-united-states-top-2024-global-diplomacy-index>.

of almost half the Department of State’s budget, America’s ability to compete with China will be further diminished.<sup>291</sup>



**Table 1. Diplomatic Posture: United States Versus China**

Metric	United States	China
Overseas posts (As of December 2024)	279 posts, including 175 embassies, 88 consulates/consulates general, and missions to international and regional organizations	278 posts, including 175 embassies and 91 consulates/consulates general, and missions to international and regional organizations
Diplomats	December 2024: 14,246 Foreign Service Employees (9,578 Foreign Service and Civil Service Employees overseas)	October 2018 (most recent available): 6,239 diplomats
Department of Commerce Foreign Commercial Service Foreign Service personnel	225	N/A
Number of citizens employed in UN system (2023 figures)	5,670 (4.3% of total UN staff, including 2,415 in the UN secretariat)	1,647 (1.2% of total UN staff, including 636 in the UN Secretariat)
Number of citizens heading any of 15 UN Specialized Agencies (As of April 2025)	2 (The World Bank Group, International Organization for Migration)	1 (Food and Agriculture Organization)
Number of countries with official diplomatic relations	191	184

**Source:** U.S. Department of State (State Department), Bureau of Global Talent Management, “GTM Fact Sheet: Facts about Our Most Valuable Asset – Our People,” December 31, 2024; and American Foreign Service Association, “Foreign Commercial Service.” PRC data - Ministry of Foreign Affairs of China, “Overseas Posts,” accessed April 1, 2025; State Council Information Office of China, “Equality, Development and Sharing: Progress of Women’s Cause in 70 Years Since New China’s Founding,” government white paper, September 20, 2019; and Ministry of Foreign Affairs of China, “China’s Foreign Affairs (2022),” World Affairs Press, 2023 (see attached). UN data - UN System Chief Executives Board for Coordination, “Human Resources Statistics,” December 31, 2023.

**Notes:** China’s Ministry of Foreign Affairs lists China Consulate in Houston, which the Trump Administration ordered to close in July 2020, among China’s active consulates. The Foreign Ministry site also lists ten closed consulates/consulates general. In March 2023, the China ordered central government organs to cut domestic staffs by 5%. “Overseas organs,” which presumably includes embassies, were exempted. Source: Central People’s Government of China, “CPC Central Committee and State Council Publish ‘Reform Plan for Party and State Institutions,’” 2023.

<sup>291</sup> This figure comes from State Department communications with Senate Foreign Relations Committee staff as well as a State Department Congressional Notification submitted on May 29, 2025; On Tuesday, July 8, the Supreme Court lifted a lower court order that had blocked President Trump’s executive order that seeks to lay off U.S. federal workers. Nina Totenberg, “Supreme Court Allows Trump to Resume Mass Federal Layoffs for Now,” *The New York Times*, Jul 8. 2025.

SECTION EIGHT

# CEDING INTERNATIONAL BODIES TO CHINA



Strong U.S. engagement in multilateral bodies like the United Nations allows the United States to influence votes and voices among member states to align with U.S. national security interests, including defending key allies and partners such as Israel and Taiwan.

China sees international institutions as a means for achieving its global ambitions. As such, China is determined to expand its influence and leadership in each of these bodies. Beijing places Chinese citizens in key positions at the United Nations (UN), works to prevent Taiwan from meaningful participation in UN organizations, shapes language in UN documents and co-opts UN leadership to legitimize Chinese global strategies like the Belt and Road Initiative.<sup>292</sup> Over the past decade, China became the second largest financial contributor to the UN's regular and peacekeeping budgets and the largest troop-contributor to UN peacekeeping operations among the UN Security Council's five permanent member states.<sup>293</sup>

China has also rapidly increased its personnel footprint at the United Nations, including Junior Professional Officers and paid interns.<sup>294</sup> The number of Chinese nationals employed by the UN doubled from 2009 to 2023, reaching 1,647 in 2023.<sup>295</sup> When China held the Secretary General position for the International Telecommunications Union (ITU), it used its influence to push an authoritarian model of tech governance, including by having the ITU adopt dozens of standards proposals that were then adopted by developing countries.<sup>296</sup>

China is also establishing new international bodies to sidestep American leadership. In May 2025, China announced an International Organization for Mediation (IOMed) to be headquartered in Hong Kong.<sup>297</sup> High-level representatives from approximately 60 countries and 20 international organizations, including the United Nations (UN), attended the signing ceremony.<sup>298</sup> China noted that the body "is reflective of the tradition of amity and harmony which is valued in the East." The new so-called "IOMed" is intended to serve as the first intergovernmental legal organization for resolving international disputes through mediation, the core purpose being "safeguarding the UN Charter."<sup>299</sup>

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<sup>292</sup> Austin Hardman and Daniel Runde, "Great Power Competition in the Multilateral System," *Center for Strategic and International Studies*, Oct. 2024, <https://www.csis.org/analysis/great-power-competition-multilateral-system>; China has used its influence in United Nations bodies to promote and expand its Belt and Road Initiative. It has done this by establishing specific funds, such as the Peace and Development Trust Fund, to "support the UN's work," but in reality, has been used to advance the priorities of the China's Belt and Road Initiative. Claudia Rosett, "Buying Power: How China Co-opts the UN," *The Hudson Institute*, Dec. 9, 2020; <https://www.hudson.org/foreign-policy/buying-power-how-china-co-opts-the-un>; Jessica Drun and Bonnie Glaser, "The Distortion of UN Resolution 2758 and Limits on Taiwan's Access to the United Nations," *German Marshall Fund*, Mar. 24, 2022, <https://www.gmfus.org/news/distortion-un-resolution-2758-and-limits-taiwans-access-united-nations>.

<sup>293</sup> Ibid.; "UN Budget, Explained," *Better World Campaign*, Mar. 2025, <https://betterworldcampaign.org/wp-content/uploads/2025/03/UN-Explained-2025-Budget.pdf>

<sup>294</sup> Austin Hardman and Daniel Runde, "Great Power Competition in the Multilateral System," *Center for Strategic and International Studies*, Oct. 2024.

<sup>295</sup> "UN Budget, Explained," *Better World Campaign*, Mar. 2025.

<sup>296</sup> Ibid.

<sup>297</sup> "Update: Chinese FM to Attend Convention on Establishment of Int'l Organization for Mediation Signing Ceremony," *Xinhua*, May 20, 2025, <https://english.news.cn/20250520/2daaa7452d60492a88091f253dcc88aa/c.html>

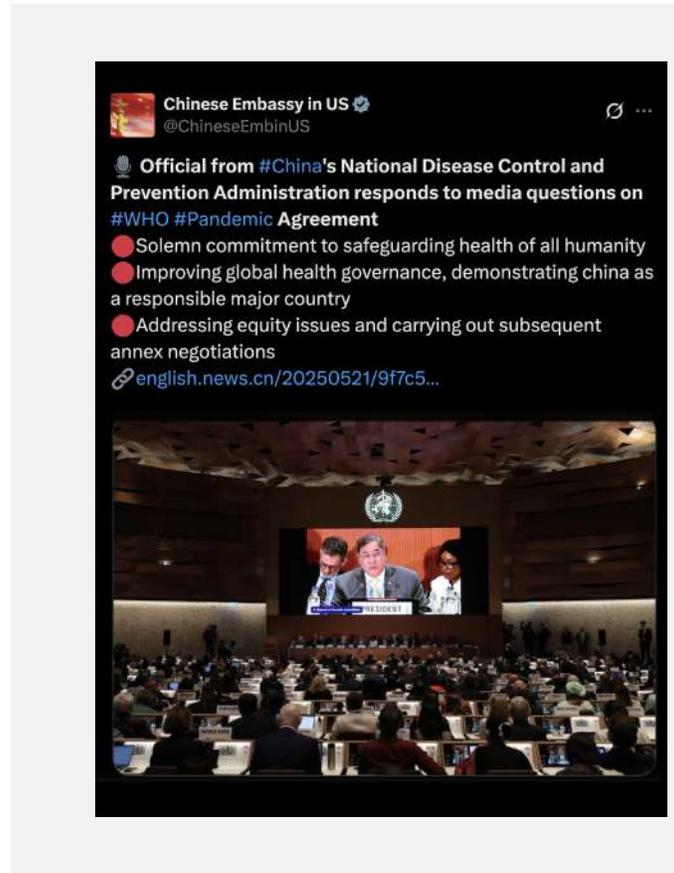
<sup>298</sup> Ibid.

<sup>299</sup> Ibid.

## Actions That Have Diminished United States Leadership in International Bodies

While the Trump Administration attacks international institutions that the United States helped establish after World War II, it has not offered alternatives to preserve U.S. global leadership in these bodies. Rather, recent actions, including proposed actions, have weakened U.S. leadership at the same time as China expands its engagement. During Senate Foreign Relations Committee Staff travel to Geneva and Rome in May 2025, officials from various international standards-setting technical agencies informed staff that China has already offered to host international conferences cost-free, in addition to offering to replace laid off U.S. personnel in these bodies. The following is a list of the Administration’s actions to date that have diminished U.S. global leadership and ceded international bodies to China:

- **Withdrawing from the World Health Organization (WHO).** In addition to losing access to information and early warning systems for future global health emergencies, the U.S. withdrawal from the WHO in January 2025 paves the way for China to play a larger role in global health governance.<sup>300</sup> While the United States sat out of this year’s World Health Assembly (WHA), China sent its largest delegation ever of over 180 individuals, where it announced that it would increase its funding to the WHO by \$500 million over the next five years.<sup>301</sup> As a consequence of the U.S. withdrawal, the United States was not a signatory to the first ever “Pandemic Response Agreement,” to which China and the rest of the world are now a signatory.<sup>302</sup>



<sup>300</sup> “Withdrawing The United States From The World Health Organization,” *Trump White House*, Jan. 20, 2025,

<https://www.whitehouse.gov/presidential-actions/2025/01/withdrawing-the-united-states-from-the-worldhealth-organization/>

<sup>301</sup> Elaine Ruth Fletcher, “BREAKING – U.S. Health Secretary Robert F Kennedy Jr Extends Olive Branch to WHO – With Strings Attached,” *Health Policy Watch*, May 20, 2025, <https://healthpolicy-watch.news/breaking-rfk-jr-extends-olive-branch-to-who-with-caveats-attached/>

<sup>302</sup> “World Health Assembly Adopts Historic Pandemic Agreement to Make the World More Equitable and Safer from Future Pandemics,” *World Health Organization*, May 20, 2025, <https://www.who.int/news/item/20-05-2025-world-health-assembly-adopts-historic-pandemic-agreement-to-make-the-world-more-equitable-and-safer-from-future-pandemics>.

- **Proposed to cut funding in half for U.S. Junior Professional Officers (JPOs) in the United Nation system.** JPOs are part of a premier UN program through which governments place young professionals in the UN system.<sup>303</sup> The Trump Administration’s budget cuts would reduce U.S. JPOs from 134 funded positions to 55.<sup>304</sup> Meanwhile, Senate Foreign Relations Committee Minority staff learned on official staff travel in May 2025 that in the first half of this year, the Trump Administration cancelled U.S. government secondments and did not move forward on Junior Professional Officers for organizations like the International Telecommunication Union, World Meteorological Organization and the World Intellectual Property Organization. Senate Foreign Relations Committee Minority staff learned that China is already offering to increase their JPOs at UN agencies where the Trump Administration intends to cut positions.
- **Withdrew the United States from the United Nations Human Rights Council (UNHRC) and terminated the Office of the U.S. Representative to the Council.**<sup>305</sup> China consistently blocks UNHRC efforts to criticize Beijing’s human rights violations while it promotes its own interpretation of “human rights.”<sup>306</sup> As former U.S. Ambassador to the UN Human Rights Council, Michele Taylor, stated: “Our understanding is that human rights belong to individuals, and China would really like to see that norm changing...I think it’s very dangerous.”<sup>307</sup> Without an American presence on the UNHCR, China’s version of human rights will be left unchecked.
- **Issued a 90-Day Review of U.S. Membership in the UN Education, Scientific and Cultural Organization (UNESCO).**<sup>308</sup> The Trump Administration has signaled its interest to withdraw from UNESCO, just as the first Trump Administration did in 2018.<sup>309</sup> During America’s absence from UNESCO between 2018 and 2023, China became the largest financial contributor and advanced its Belt and Road Initiative.<sup>310</sup> After rejoining in 2023, the United States was able to counter China’s influence, including by redirecting UNESCO’s digital learning programming away from Chinese control. Withdrawing the United States from UNESCO at this time would give China an opening to advance global tech and AI standards conducive to Chinese companies and products.<sup>311</sup>

<sup>303</sup> Department of Economic and Social Affairs, United Nations, “About the UN JPO Programme,” Accessed June 2025, <https://jpo.desa.un.org/about>

<sup>304</sup> This figure comes from briefings from the Department of State to Senate Foreign Relations Committee staff.

<sup>305</sup> “Withdrawing The United States From And Ending Funding To Certain United Nations Organizations And Reviewing United States Support To All International Organizations,” *Trump White House*, Feb. 4, 2025.

<sup>306</sup> Ted Piccone, “China’s Long Game on Human Rights at The United Nations,” *Brookings Institution*, Sept. 2018, <https://www.brookings.edu/articles/chinas-long-game-on-human-rights-at-the-united-nations/>.

<sup>307</sup> Emma Farge, “Trump should be active on UN rights body to counter China, U.S. envoy says,” *Reuters*, Dec. 18, 2024.

<sup>308</sup> “Withdrawing the United States from and Ending Funding to Certain United Nations Organizations and Reviewing United States Support to All International Organizations,” *Trump White House*, Feb. 4, 2025.

<sup>309</sup> U.S. Department of State, The United States Withdraws From UNESCO, Oct. 12, 2017, <https://2017-2021.state.gov/the-united-states-withdraws-from-unesco/>.

<sup>310</sup> Jordi Hannum, “Before Defunding the UN, Don’t Forget UNESCO’s Cautionary Tale,” *The Hill*, June 4, 2024.

<sup>311</sup> *Ibid.*

- **Announced a 180-day review of all U.S. memberships to international organizations.**<sup>312</sup> The Trump Administration’s review suggests that the United States could withdraw from technical UN agencies responsible for establishing international norms and standards related to artificial intelligence, intellectual property, data exchanges for global weather forecasting and other critical issues, which U.S. government and private sector actors heavily rely on. A U.S. withdrawal from these organizations would provide more room for China to shape international standards at the expense of American interests.
- **Proposed to eliminate nearly all U.S. contributions to international bodies.** On May 30, 2025, the Trump Administration released its FY2026 budget request, which seeks to eliminate 90.5% of funds for nearly all U.S. contributions to international organizations.<sup>313</sup> If enacted, it would mean the United States would cease paying its assessed contributions to the UN regular budget and UN peacekeeping operations, making China the largest financial contributor to both.<sup>314</sup>

## **CASE STUDY: INTERNATIONAL TELECOMMUNICATIONS UNION – WORLD RADIO CONFERENCE 2027**

The International Telecommunications Union (ITU) is a strategically significant, technical United Nations agency that promotes the shared global use of the radio spectrum, assists in developing worldwide technical standards, including those related to artificial intelligence, and works to improve information and communications technology (ICT) infrastructure in the developing world.<sup>315</sup> Last year, the Department of State led a successful campaign to elect Doreen Bogden-Martin, an American, as ITU Secretary General. Having American leadership within the ITU is vital for promoting U.S. and like-minded partner interests in the information and communications technology sector.

The ITU hosts conferences, such as the World Radio Conference (ITU-WRC), at which member states reach decisions that influence how the world governs global radio frequencies, low-orbit satellites and 5G technology.<sup>316</sup> ITU-WRC decisions impact how the U.S. private sector can innovate, impacts U.S. defense networks and determines standards that influence aviation and maritime safety.

In June 2025, the Department of State informed Senate Foreign Relations Committee Minority Staff that the ITU Council had selected Shanghai, China as the host location for the 2027 World Radio Conference, despite the United States pushing for a different location.<sup>317</sup> As host of the 2027 ITU-WRC, China will shape the conference’s speakers and agenda in a manner that advances its economic interests. Furthermore, as host, ITU-WRC participants will perceive China as the global leader of the telecommunications sector, and it will be more difficult for the United States to build a consensus around positions that benefit U.S. interests. Given China’s history of electronic espionage, having Shanghai as the host location would grant China control over sensitive negotiations at risk of compromise.

<sup>312</sup> “Withdrawing the United States from and Ending Funding to Certain United Nations Organizations and Reviewing United States Support to All International Organizations,” *Trump White House*, Feb. 4, 2025.

<sup>313</sup> *Ibid.*

<sup>314</sup> U.S. Department of State, Fiscal Year 2026 Congressional Budget Justification.

<sup>315</sup> International Telecommunication Union, “About International Telecommunication Union (ITU),” Accessed July 2, 2025, <https://www.itu.int/en/about/Pages/default.aspx>.

<sup>316</sup> George V. John and Gerry Oberst, “International Radio Regulations Refresh: 2023 Edition,” *Hogan Lovells*, Jan. 10, 2024, <https://www.hoganlovells.com/en/publications/international-radio-regulations-refresh-2023-edition>.

<sup>317</sup> Muntazir Abbas, “China to Host WRC 2027; India; U.S. Fume,” *Economic Times*, June 27, 2025, <https://telecom.economicstimes.indiatimes.com/news/policy/china-secures-hosting-rights-for-world-telecommunication-conference-2027-us-and-india-disappointed/122106443>.

# ANNEX: Regional Examples of U.S. Foreign Assistance Pause and Termination Impacts

The following is a non-exhaustive list of programs that have been paused or terminated by the Administration. Due to a general lack of transparency and engagement during the foreign assistance review, identifying which programs are suspended, which are cancelled and which may be reinstated remains challenging.<sup>318</sup>

Regardless of whether programs contained in this list received approval to continue, the Administration's illegal and chaotic gutting of the U.S. Agency for International Development and its abrupt halt of other forms of U.S. foreign assistance will have lasting impacts on our ability to continue programming. Furthermore, this list does not include the programs that the Office of Management and Budget may decide to terminate upon conclusion of the Administration's foreign assistance review.

## EAST AND SOUTHEAST ASIA

As the Trump Administration upended U.S. foreign assistance and development programming, President Xi Jinping embarked on a Southeast Asia tour to meet with leaders in Vietnam, Cambodia and Malaysia.<sup>319</sup> In Vietnam, the two countries reached agreements to build new railroad connections, and China agreed to open its market to more Vietnamese agricultural products in the wake of U.S. tariffs.<sup>320</sup> In Cambodia, China signed 37 cooperation agreements spanning key sectors including energy, education, infrastructure, trade, connectivity and tourism.<sup>321</sup> In Malaysia, both countries established government technical and subnational diplomacy and manufacturing exchanges.<sup>322</sup> They also announced the establishment of joint research and development platforms along with efforts to collaborate in vaccine development.<sup>323</sup>

Meanwhile, the following programs in East and Southeast Asia were either terminated or paused by the Trump Administration:

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<sup>318</sup> Despite multiple requests from the Senate Foreign Relations Committee Minority staff, the Administration would not provide detailed information about the status of U.S. foreign assistance programs, citing the ongoing foreign assistance review by the Trump Administration's Office of Management and Budget.

<sup>319</sup> Li Mingjiang et al., "How Southeast Asia Sees Xi Jinping's Regional Push Amid U.S.-China Tensions," *Carnegie Endowment for International Peace*, Apr. 22, 2025.

<sup>320</sup> *Ibid.*

<sup>321</sup> *Ibid.*

<sup>322</sup> "Joint Statement Between the People's Republic of China and Malaysia on Building a High-level Strategic China-Malaysia Community with a Shared Future," *Ministry of Foreign Affairs of the People's Republic of China*, Apr. 17, 2025, [https://www.fmprc.gov.cn/eng/zy/gb/202504/t20250417\\_11595814.html](https://www.fmprc.gov.cn/eng/zy/gb/202504/t20250417_11595814.html).

<sup>323</sup> *Ibid.*

- **Bangladesh – Feed the Future:** In March 2025, the Trump Administration terminated a \$37 million USAID to support a “Feed the Future Bangladesh Rice and Diversified Crops” program, which was helping local farming households secure greater quantities of affordable rice.<sup>324</sup> In June 2025, the Chinese International Development and Cooperation Agency contributed enough funding for the World Food Program’s livesaving food assistance program to supply 2,100 metric tons of rice, pulses, and cooking oil to Rohingya refugees in Bangladesh.<sup>325</sup> In accepting the contribution, WFP’s Country Director Dom Scalpelli said, “We hope this contribution marks not only continued engagement, but a deepening of China’s role in responding to this ongoing crisis.”<sup>326</sup>
- **Cambodia – Demining Efforts:** The United States has historically funded roughly 30% of ongoing demining efforts in Cambodia from the Vietnam War era.<sup>327</sup> In March 2025, after the Trump Administration suspended U.S. contributions, China pledged \$4.4 million in additional funding to the Cambodian Mine Action Centre, surpassing last year’s U.S. contributions.<sup>328</sup>
- **Cambodia – HIV/AIDS Prevention:** The Joint United Nations Programme on HIV/AIDS (UNAIDS) has an agreement with China to fund specific HIV-related activities and is applying for a grant to support Cambodia in the final phase of eliminating and validating the elimination of mother-to-child transmission (eMTCT) of HIV.<sup>329</sup> USAID previously supported Cambodia’s National Center for HIV/AIDS, Dermatology and Sexually Transmitted Infections (NCHADS) with data management and analysis related to eMTCT.<sup>330</sup> Meanwhile, the Global Fund, previously supported by the United States, has cut \$6 million from NCHADS’s HIV budget for the remainder of the calendar year.<sup>331</sup> Cambodia is now seeking alternative funding to address the shortfall, and China will likely emerge as the replacement.<sup>332</sup>

<sup>324</sup> Carmen Paun, “Documents Reveal Scope of Trump’s Foreign Aid Cuts,” *Politico*, Mar. 26, 2025, Award ID: 72038818CA00005; “Recipient: ABT Global LLC,” *USA Spending*, Accessed July 2025, [https://www.usaspending.gov/award/ASST\\_NON\\_72038818CA00005\\_7200](https://www.usaspending.gov/award/ASST_NON_72038818CA00005_7200); “Feed the Future Bangladesh Rice and Diversified Crops Activity,” *ACDI VOCA*, Accessed July 2025, <https://www.acdivoca.org/projects/bangladesh-rice-and-diversified-crops-activity/>.

<sup>325</sup> *Ibid.*

<sup>326</sup> *Ibid.*

<sup>327</sup> Niem Cheng, “Demining Authorities: Cambodia Does Not Receive Direct Aid from USAID for Mine Clearance,” *Phnom Penh Post*, Feb. 7, 2025, <https://www.phnompenhpost.com/national/demining-authorities-cambodia-does-not-receive-direct-aid-from-usaid-for-mine-clearance->

<sup>328</sup> RFA Khmer, “Beijing Announces \$4.4 Million in Funding for Landmine Clearance in Cambodia,” *Radio Free Asia*, Feb. 10, 2025, <https://www.rfa.org/english/cambodia/2025/02/10/cambodia-china-mine-clearance-grant/>.

<sup>329</sup> “Cambodian Parasitology, Entomology and Malaria \-control officials visit China CDC,” *Chinese Center for Disease Control and Prevention*, Dec. 25, 2023, [https://en.chinacdc.cn/intl\\_cooperation/gallery/202312/t20231231\\_271744.html](https://en.chinacdc.cn/intl_cooperation/gallery/202312/t20231231_271744.html).

<sup>330</sup> U.S. Agency for International Development, Office of the Inspector General, “Incomplete Evaluations and Cut in Funding From Another Donor Could Impede USAID/Cambodia’s HIV/AIDS Efforts,” Apr. 6, 2018, <https://oig.usaid.gov/sites/default/files/2018-06/5-442-18-002-p.pdf>.

<sup>331</sup> Yatt Malai, “Cambodia Steps Up with \$100,000 for UNAIDS While Urging for More Global Support,” *KiriPost*, <https://kiripost.com/stories/cambodia-steps-up-with-100000-for-unais-while-urging-for-more-global-support>.

<sup>332</sup> *Ibid.*

- **Cambodia – Childhood Literacy and Nutrition Programs:** In March 2025, the Trump Administration eliminated two U.S.-supported aid projects aimed at promoting childhood literacy and improving nutrition for children under five in Cambodia.<sup>333</sup> Subsequently, China’s foreign assistance agency announced funding through UNICEF for comparable child education and nutrition programs.<sup>334</sup>
- **Indonesia – Academic Exchanges with U.S. Universities:** In March 2025, the Trump Administration terminated a \$5 million USAID award that had previously helped the Indonesian International Education Foundation (IIEF) secure \$26 million in 2024 to send Indonesians to American universities.<sup>335</sup> The first Trump Administration had supported this activity in 2020.<sup>336</sup> Before its contract termination in March 2025, IIEF was confident it could substantially grow the pipeline of Indonesian students sent to the United States. As a result of the Trump Administration’s foreign assistance freeze, 42 Indonesian scholars had their scholarship plans abruptly disrupted, including a student planning to pursue a doctorate at the University of Rhode Island.<sup>337</sup> Meanwhile, China aggressively recruits Indonesian students to its universities through its “Study in China” initiative, contributing to more than 10,000 Indonesians who study in China each year.<sup>338</sup>
- **Indonesia – Marine Conservation:** In March 2025, the Trump Administration terminated USAID-supported marine conservation programs in Indonesia through the Coral Triangle Initiative.<sup>339</sup> Soon after, Indonesia’s fisheries ministry began seeking alternative funding sources to sustain conservation efforts. In May 2025, China and Indonesia reached agreements on marine conservation initiatives, including the establishment of a vocational university focused on research-based marine and fisheries education, scientific exchanges, scholarship and internship opportunities, along with joint research.<sup>340</sup>

<sup>333</sup> Ian Marlow and Philip Hejiman, “China Swoops in to Replace Asian USAID Efforts Axed by Trump,” *Bloomberg*, Mar. 25, 2025. Carmen Paun, “Documents Reveal Scope of Trump’s Foreign Aid Cuts,” *Politico*, Mar. 26, 2025. Award ID: 72049219CA00008.

<sup>334</sup> “Cambodia, China and UNICEF Partner to Strengthen Education, Health and Hygiene for Cambodia’s Most Vulnerable Children,” *United Nations Children’s Fund*, Mar. 5, 2025, <https://www.unicef.org/cambodia/press-releases/cambodia-china-and-unicef-partner-strengthen-education-health-and-hygiene-cambodias>.

<sup>335</sup> Carmen Paun, “Documents Reveal Scope of Trump’s Foreign Aid Cuts,” *Politico*, Mar. 26, 2025. Award ID: 72049721C00002.

<sup>336</sup> “Purchase Order: 72049720P00018,” Awarding Agency: U.S. Agency for International Development, USASpending.org, Accessed June 2025, [https://www.usaspending.gov/award/CONT\\_AWD\\_72049720P00018\\_7200\\_-NONE\\_-NONE-](https://www.usaspending.gov/award/CONT_AWD_72049720P00018_7200_-NONE_-NONE-)

<sup>337</sup> Y Prayogo, “9 Dosen Demo di Kemendikti, Buntut Mandeknya Beasiswa Pendidikan Indonesia, Ada Apa Sih?” *Kaldera News*, May 26, 2025, <https://www.kalderanews.com/2025/05/26/9-dosen-demo-di-kemendikti-buntut-mandeknya-beasiswa-pendidikan-indonesia-ada-apa-sih/>.

<sup>338</sup> Azis Anwar Fahrodin, “China’s Educational Soft Power is Seeing Results in Indonesia,” *The Diplomat*, Aug. 18, 2023.

<sup>339</sup> Ibid; Basten Gokkon, “Bagaimana Nasib Program Konservasi Kelautan di Indonesia Setelah Dana USAID Dibekukan?” *Mongabay*, Mar. 19, 2025, <https://mongabay.co.id/2025/03/19/bagaimana-nasib-program-konservasi-kelautan-di-indonesia-setelah-dana-usaid-dibekukan/>.

<sup>340</sup> “Indonesia, China Foster Collaboration in Marine HR Development,” *Antara*, May 31, 2025, <https://en.antaranews.com/news/357229/indonesia-china-foster-collaboration-in-marine-hr-development>.

- **Mongolia – Energy Governance and Disaster Risk Management:** In May 2025, the Trump Administration cancelled energy governance and disaster risk management programs in Mongolia.<sup>341</sup> Later that same month, China’s International Development Cooperation Agency launched its own climate change adaptation and clean energy development project in Mongolia in partnership with the International Federation of the Red Cross.<sup>342</sup>
- **Mongolia – Water Security:** Signed in July 2018 under the first Trump Administration, this \$350 million MCC compact with Mongolia sought to address water scarcity in Mongolia’s capital Ulaanbaatar.<sup>343</sup> The project envisioned constructing new groundwater wells and a state-of-the-art plant for purifying drinking water. While the compact received an exemption to the Trump Administration’s foreign assistance freeze in March 2025, delays have already incurred unnecessary costs.<sup>344</sup> Mongolian embassy officials reported that “if the project is not completed by the United States, the Mongolian government will not have enough funds to complete the project on their own and will need to seek out other partners,” implying they would need to rely on China.<sup>345</sup>
- **Nepal – Hydroelectric Power:** The Trump Administration is discontinuing a \$500 million MCC compact with Nepal to assist in building out Nepal’s energy infrastructure.<sup>346</sup> Nepal faces significant pressure from China and terminating this key agreement pushes Nepal closer into Beijing’s arms. See further details under Case Study: Nepal – Hydropower.
- **Philippines – Countering Chinese Disinformation:** Due to the Administration’s decision to end Global Engagement Center functions at the Department of State, the Department likely is no longer pursuing Countering PRC Influence Fund support for counter Chinese disinformation work in the Philippines, which included capacity building for Philippines stakeholders to identify and react to Chinese propaganda and gray-zone activities in the South China Sea.<sup>347</sup>

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<sup>341</sup> Carmen Paun, “Documents Reveal Scope of Trump’s Foreign Aid Cuts,” *Politico*, Mar. 26, 2025. Award ID: 72043822F00001; Award ID: 720BHA22GR00144; U.S. Embassy in Mongolia, “USAID Continues Assistance to Protect Communities from Natural Disasters, Nov. 21, 2022, <https://mn.usembassy.gov/pr-112122/>; U.S. Embassy in Mongolia, “USAID Launches New Energy Governance Program in Mongolia,” May 17, 2022. <https://mn.usembassy.gov/pr-051222/>.

<sup>342</sup> 全球发展和南南合作基金 - 蒙古气候变化适应性支持项目启动,” *China International Development Cooperation Agency*, May 28, 2025, <https://gdpc.org.cn/article/4Mt7F6bWPDT>.

<sup>343</sup> Monica Weller, “How Dismantling the U.S. Millennium Challenge Corporation Will Undermine Mongolia,” *The Diplomat*, May 29, 2025.

<sup>344</sup> The Millennium Challenge Corporation informed Senate Foreign Relations Committee staff during a June 2025 briefing that the foreign aid freeze and pause on MCC projects generated additional expenses due to delays in contracting.

<sup>345</sup> Monica Weller, “How Dismantling the U.S. Millennium Challenge Corporation Will Undermine Mongolia,” *The Diplomat*, May 29, 2025.

<sup>346</sup> “Millennium Challenge Corporation Official Visits Nepal to Continue Progress on Compact,” *Millennium Challenge Corporation*, May 25, 2018, <https://www.mcc.gov/news-and-events/release/release-052518-brooks-visit-nepal/>.

<sup>347</sup> U.S. Department of State Congressional Notification to the Senate Foreign Relations Committee.

- Philippines – Disaster Relief:** In March 2025, the Trump Administration terminated United States disaster relief aid (including through U.S. contributions to the International Organization for Migration), affecting the Philippines’ ability to respond to natural disasters and provide quality education for disaster response.<sup>348</sup> As such, if United States support is requested, it is currently unclear which U.S. government agency has the capacity or authority to respond when the next typhoon strikes (the World Risk Index ranks the Philippines as the most vulnerable country globally to extreme natural events). An American failure to respond, particularly if China offers support, would be significant. During official travel to the Philippines in April 2025, Senate Foreign Relations Committee Minority staff met with local humanitarian aid implementers who noted they had been approached by Chinese emergency response agencies regarding funding shortfalls. Furthermore, USAID disaster relief capabilities in the Philippines were a key component for expanding U.S. Enhanced Defense Cooperation Agreement (EDCA) sites in 2023 in order to justify the EDCA expansion to skeptical, local communities.
- Philippines – Maritime Domain Awareness:** The Philippines Coast Guard relies heavily on U.S. international narcotics and law enforcement (INCLE) funding to conduct maritime patrols in the South China Sea where it faces increasing gray-zone operations pressure from China. Over half of United States INCLE funding through Counter PRC Influence Funds (CPIF) for maritime security cooperation with the Philippines remain paused by the foreign assistance review.<sup>349</sup> Some of these funds are set to expire in September 2025.<sup>350</sup> During this time, the Chinese Coast Guard claimed sovereign control over a disputed landmass in the South China Sea claimed by the Philippines, highlighting the importance of maintaining robust U.S. maritime domain awareness support for the Philippines.<sup>351</sup>
- Philippines – Semiconductor Supply Chains:** As part of a global effort by the Department of State to reroute semiconductor supply chains, U.S. funds provided by the bipartisan CHIPS and Science Act were strengthening Filipino workforce capacity for the assembly, packaging and testing phase of semiconductor development, a segment of the supply chain that China currently leads.<sup>352</sup> Trump Administration officials have not committed to continuing International Technology Security Initiative (ITSI) programs under the CHIPS and Science Act, and repealing the CHIPS Act would halt these efforts altogether.

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<sup>348</sup> Carmen Paun, “Documents Reveal Scope of Trump’s Foreign Aid Cuts,” *Politico*, Mar. 26, 2025. Award ID: 720BHA24GR00242; Award ID: 72049225GR00001; Award ID: 72049223F00001; Award ID: 720BHA22GR00314; Award ID: 720BHA24I000213; Award ID: 72049225GR00002; Award ID: 72049225I000003.

<sup>349</sup> U.S. Department of State briefings to U.S. Senate Foreign Relations Committee staff.

<sup>350</sup> *Ibid.*

<sup>351</sup> “China Seizes Disputed Reef in the South China Sea,” *The Financial Times*, Apr. 26, 2025.

<sup>352</sup> “Recipient: University of Arizona,” *USA Spending*, Accessed June 2025, [https://www.usaspending.gov/award/ASST\\_NON\\_SAQMIP24CA0028\\_1900](https://www.usaspending.gov/award/ASST_NON_SAQMIP24CA0028_1900).

- **Philippines – Open Radio Access Networks:** In March 2025, the Trump Administration terminated a \$33 million USAID project that was helping develop Open Radio Access Network (O-RAN) in the Philippines.<sup>353</sup> These terminations have a direct impact on the O-RAN Academy, a public-private partnership effort in the Philippines to provide telecommunications training for the Southeast Asian workforce. The partnership worked to establish a safe, secure and reliable telecommunications network and to facilitate testing, research and development for private sector actors. China’s Huawei has been a significant player in the Philippines’ telecommunications infrastructure, particularly in 5G network development.<sup>354</sup> Shutting down this U.S.-supported partnership is a step back in efforts to promote alternatives to Huawei in the Philippines and the rest of Southeast Asia.
- **Southeast Asia – Cyber Scams:** The Trump Administration terminated two Department of State awards to improve the capability of law enforcement in member states of the Association of Southeast Asian Nations (ASEAN) to counter cyber-enabled scams and related money laundering practices.<sup>355</sup> In 2024, the Federal Bureau of Investigation (FBI) reported \$13.7 billion in losses for Americans across the country due to cyber-enabled fraud—a 66 percent increase from 2023—much of which the FBI has traced back to countries in Southeast Asia.<sup>356</sup> Furthermore, investigative reporting by *The Washington Post* has linked criminal syndicates behind cyber scam operations in Southeast Asia to China. These criminal actors also spread Chinese government propaganda, promote unification with Taiwan and have brokered projects for the Belt and Road Initiative.<sup>357</sup>
- **Tibet – Support for Tibetan Society:** In March 2025, the Trump Administration terminated approximately \$40 million in support for ethnic Tibetans in exile, including \$2 million to promote education among Tibetan children.<sup>358</sup> USAID has also supported Tibet’s government in exile’s ability to push back against China’s propaganda. The Chinese government has led a decades long crackdown on independent voices inside and outside of Tibet. As recently as June 2025, IBM reported that Chinese affiliated actors were leading a hacking campaign to spy against Tibetan groups in the lead up to the Dalai Lama’s 90th birthday on July 6.<sup>359</sup>

<sup>353</sup> John Garrity, “Updates on USAID’s Open RAN Initiatives in the Philippines,” *U.S. Agency for International Development*, Mar. 20, 2024, <https://www.unescap.org/sites/default/d8files/event-documents/Open%20RAN%20in%20the%20Philippines%20and%20Region%20-%20USAID%20BEACON%20-%20for%20distribution.pdf>; Carmen Paun, “Documents Reveal Scope of Trump’s Foreign Aid Cuts,” *Politico*, Mar. 26, 2025. Award ID: 72049221C00002.

<sup>354</sup> Bea Cupin, “In Manila, How China Set up an Influence, Espionage Network,” *Rappler*, Aug. 10, 2024, <https://www.rappler.com/newsbreak/investigative/how-china-set-up-influence-espionage-network-manila/>.

<sup>355</sup> “Recipient: United Nations Office on Drugs and Crime,” *USA Spending*, Accessed June 2025, [https://www.usaspending.gov/award/ASST\\_NON\\_SINLEC24LA0211\\_1900](https://www.usaspending.gov/award/ASST_NON_SINLEC24LA0211_1900); “Recipient: United Nations Office on Drugs and Crime,” *USA Spending*, Accessed June 2025, [https://www.usaspending.gov/award/ASST\\_NON\\_SINLEC22LA0360\\_1900](https://www.usaspending.gov/award/ASST_NON_SINLEC22LA0360_1900).

<sup>356</sup> “FBI Releases Annual Internet Crime Report,” *Federal Bureau of Investigation*, Apr. 23, 2025, <https://www.fbi.gov/news/press-releases/fbi-releases-annual-internet-crime-report>; “The FBI’s Operation Level Up Takes a Proactive Approach Against Crypto Scams,” *Federal Bureau of Investigation*, Mar. 6, 2025, <https://www.fbi.gov/contact-us/field-offices/miami/news/the-fbis-operation-level-up-takes-a-proactive-approach-against-crypto-scams>.

<sup>357</sup> “Chinese Organized Crime Front Serves Beijing’s Interests, Investigation Shows,” *The Washington Post*, June 24, 2025.

<sup>358</sup> Carmen Paun, “Documents Reveal Scope of Trump’s Foreign Aid Cuts,” *Politico*, Mar. 26, 2025. Award ID: 72038624P00019, Award ID: 72038624CA00006, Award ID: 7200AA21LA00004, Award ID: 72038621CA00006, Award ID: 72048624CA00001, Award ID: 72038623CA00006, Award ID: 72038623CA00005, Award ID: 72038624FA00003, Award ID: 72038624FA00004, Award ID: 72038624FA00006.

<sup>359</sup> Golo Muehr, “Hive0154 aka Mustang Panda Shifts Focus on Tibetan Community to Deploy Pubload Backdoor,” *International Business Machines*, June 23, 2025, <https://www.ibm.com/think/x-force/hive0154-mustang-panda-shifts-focus-tibetan-community-deploy-pubload-backdoor>.

## AFRICA

At the 2024 Forum on China-Africa Cooperation, China announced it would establish an alliance of Chinese and African hospitals that includes joint medical centers to elevate China-Africa health cooperation.<sup>360</sup> Beijing announced that it would provide training for 100 African medical professionals and support the development and operation of Africa's Centres for Disease Control and Prevention headquarters and its sub-regional centers.<sup>361</sup> China will also provide Africa with approximately \$840 million in military grant support to strengthen African armed forces, train 6,000 African military personnel and invite 500 African military officers to undergo training in China.<sup>362</sup> Beijing will also train 1,000 police enforcement officers across the continent.<sup>363</sup> Lastly, Beijing will provide "Chinese language plus vocational skills" education in Africa, roll out Chinese-language workshops and train African personnel with Chinese language proficiency and vocational skills.<sup>364</sup>

Meanwhile, the following programs in Africa were either terminated or paused by the Trump Administration:

- **Africa – Power Africa:** In March 2025, the Trump Administration terminated at least \$80 million worth of programs under the "Power Africa" initiative.<sup>365</sup> The Power Africa initiative leveraged development assistance and private sector investment, often from private U.S. companies, to accelerate more than 160 energy projects across the continent.<sup>366</sup> The elimination of this initiative has reportedly jeopardized over \$26 billion in deals with U.S. companies, which provide support ranging from substation equipment to gas turbines and solar panels.<sup>367</sup> Meanwhile, in September 2024, China pledged \$50 billion in financing for economic development and infrastructure projects in Africa over the next three years.

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<sup>360</sup> "Forum on China-Africa Cooperation Beijing Action Plan (2025-2027)," *Ministry of Foreign Affairs of the People's Republic of China*, Sept. 5, 2024, [https://www.mfa.gov.cn/eng/xw/zyxw/202409/t20240905\\_11485719.html](https://www.mfa.gov.cn/eng/xw/zyxw/202409/t20240905_11485719.html).

<sup>361</sup> *Ibid.*

<sup>362</sup> *Ibid.*

<sup>363</sup> *Ibid.*

<sup>364</sup> *Ibid.*

<sup>365</sup> Carmen Paun, "Documents Reveal Scope of Trump's Foreign Aid Cuts," *Politico*, Mar. 26, 2025, Award ID: 72067422CA00003, Award ID: 72067423FA00007, Award ID: 72067424T00001, Award ID: AID-OAA-A-15-00054, Award ID: 72067425F00001, Award ID: AID-AFR-IO-16-00001, Award ID: 72067425C00001, Award ID: 72067424C00002, Award ID: 72067424CA00007, Award ID: 72067420T00001;

<sup>366</sup> Chico Harlan, "The U.S. says Africa needs energy. But DOGE halted a program to help," *The Washington Post*, Apr. 14, 2025; Nancy Lee, "What We're Losing: Energy, Growth, and Power Africa," *Center for Global Development*, Feb. 25, 2025, <https://www.cgdev.org/blog/what-were-losing-energy-growth-and-power-africa>; "China's Xi Promises \$50 Billion for Africa Over Next Three Years," *Voice of America*, Sept. 5, 2024, <https://www.voanews.com/a/china-s-xi-promises-50-billion-for-africa-over-next-three-years/7772161.html>.

<sup>367</sup> *Ibid.*

- **Angola – Cyber Defense Training:** Prior to the Trump Administration’s stop work order, the Department of State was providing just over \$1 million to support cyber defense training for leaders within the Angolan Armed Forces.<sup>368</sup> The Department of State briefed Senate Foreign Relations Committee Minority Staff in June 2025 that the Administration’s foreign assistance freeze has halted this work, it is unclear whether the project will continue. Meanwhile, Angola is deepening its security cooperation with China, with Angolan President João Lourenço recently approving a \$36 million deal to acquire military equipment from the China National Aero-Technology Import and Export Corporation (CATIC).<sup>369</sup>
- **Angola – Telecommunications and Financial Technology:** In March 2025, the Trump Administration terminated a \$5 million USAID project supporting Africell, the only mainstream U.S.-owned mobile network operator in Africa, to develop a secure mobile money and digital finance ecosystem in Angola as part of the broader Lobito Corridor initiative (see Case Study: Sub-Saharan Africa – Lobito Corridor Critical Minerals).<sup>370</sup> Meanwhile, China continues to promote its own expertise in financial technology across Africa.<sup>371</sup>
- **Benin – Regional Transportation:** Signed in December 2022, a \$202 million MCC regional compact would widen and rehabilitate approximately 74 kilometers of roads in Benin and improve road maintenance.<sup>372</sup> It would also improve operations in the transport sector by strengthening the Beninese government’s oversight of trucks and freight vehicles and by professionalizing truck driver training.<sup>373</sup> Benin committed \$204 million to the initiative, making it the first time that a partner provided more funding than MCC for a project.<sup>374</sup> In June 2025, MCC informed the Senate Foreign Relations Committee that this compact remains paused by the Administration’s foreign assistance review. Meanwhile, Beijing remains committed to large scale infrastructure projects in Benin, including the \$4 billion Benin-Niger railway project announced in 2018.<sup>375</sup>

<sup>368</sup> Emmanuel Chilamphuma, “U.S. and Angola Have Expanded Defense Ties,” *Further Africa*, Dec. 5, 2024, <https://furtherafrica.com/2024/12/05/u-s-and-angola-have-expanded-their-defence-ties/>.

<sup>369</sup> Emmanuel Chilamphuma, “Angola Secures \$36 Million USD Deal with China for Military Equipment,” *Further Africa*, Mar. 5, 2025, <https://furtherafrica.com/2025/03/05/angola-secures-us36m-deal-with-china-for-military-equipment/>.

<sup>370</sup> About Us, Africell, Accessed June 2025, <https://www.africell.com/about-mobile-network/>; “Recipient: International Development Group Advisory Services, LLC,” *USA Spending*, Accessed June 2025,

[https://www.usaspending.gov/award/CONT\\_AWD\\_7200AA22N00006\\_7200\\_47QRAD20D1072\\_4732](https://www.usaspending.gov/award/CONT_AWD_7200AA22N00006_7200_47QRAD20D1072_4732); Carmen Paun, “Documents Reveal Scope of Trump’s Foreign Aid Cuts,” *Politico*, Mar. 26, 2025, Award ID: 7200AA22N00006.

<sup>371</sup> Aaron MC Nicholas, “China’s Fintech Footprint in Africa,” *The Wire China*, May 12, 2024, <https://www.thewirechina.com/2024/05/12/chinas-fintech-footprint-in-africa-african-fintech-investments-opay/>.

<sup>372</sup> “Benin Regional Transportation Compact,” *Millennium Challenge Corporation*, Accessed June 2025, <https://www.mcc.gov/where-we-work/program/benin-regional-transport-compact/>.

<sup>373</sup> *Ibid.*

<sup>374</sup> *Ibid.*

<sup>375</sup> Caleb Mills & Birgen Brimine, “The Benin Model: China’s Africa Strategy in Action,” *Geopolitical Monitor*, Oct. 25, 2024, <https://www.geopoliticalmonitor.com/the-benin-model-chinas-africa-strategy-in-action/>.

- **Botswana – Public Diplomacy:** According to an affidavit submitted by the President of the American Foreign Service Association, which was informed by cables from U.S. diplomatic posts, the U.S. mission in Botswana has lost “its most potent interagency partner in the fight against Chinese media influence in Botswana” with the gutting of the U.S. Agency for Global Media (USAGM).<sup>376</sup> Without USAGM programming, Russia’s Sputnik and China’s Xinhua News Agency “will be the primary sources of re-distributed international news wire content in Botswana, including those that broadly shape narratives about the United States.”<sup>377</sup>
- **Democratic Republic of the Congo – Peacekeeping Operations:** In March 2025, the Trump Administration terminated a \$1 million award to provide a U.S.-supported advisor to the Democratic Republic of the Congo through Peacekeeping Operations funds.<sup>378</sup> As of June 2025, it is unclear whether this award will proceed. Meanwhile, China continues to export military equipment to the Democratic Republic of the Congo, and Chinese manufactured arms have reportedly fallen into the hands of regional extremist groups such as M23, sometimes due to Chinese criminal syndicates involvement.<sup>379</sup>
- **Djibouti – Countering Strategic Competitors Project:** Prior to the Trump Administration’s foreign assistance freeze, the Department of State was funding a \$27 million project through Countering Strategic Competitors funds in Djibouti to establish a Maryama Training Center to support the training of forces participating in counterterrorism operations in Djibouti.<sup>380</sup> The Maryama Training Center has educated and improved information sharing and coordination with Djiboutian counterparts on rule of law and the protection of civilians and human rights. In June 2025, Department of State officials informed Senate Foreign Relations Committee Minority Staff that the Trump Administration’s stop work order incurred \$600,000 in unnecessary expenses due to delays in programming, and that it is unclear whether this program will continue. Furthermore, in March 2025, the Trump Administration terminated a \$500,000 award to support a maritime maintenance and logistics advisor in Djibouti.<sup>381</sup> Meanwhile, China opened its first overseas military base in Djibouti in 2017 and continues to expand its military cooperation across the continent.<sup>382</sup>

<sup>376</sup> Thomas Yazdgerdi, Affidavit, United States District Court for the District of Columbia, dated April 16, 2025, in *Widakuswara, et al. v. Lake*, at 4. <https://afsa.org/sites/default/files/declaration-case-1-25-cv-01015-rcl-2025-04-16.pdf>.

<sup>377</sup> *Ibid.*

<sup>378</sup> “Contract to Culmen International, LLC,” *USA Spending*, Accessed July 2, 2025, [https://www.usaspending.gov/award/CONT\\_AWD\\_19AQMM21F4225\\_1900\\_19AQMM19D0151\\_1900](https://www.usaspending.gov/award/CONT_AWD_19AQMM21F4225_1900_19AQMM19D0151_1900).

<sup>379</sup> Adam Rousselle, “PRC-Manufactured Weapons Abound Among African Militant Groups,” *The Jamestown Foundation*, Nov. 1, 2024, <https://jamestown.org/program/prc-manufactured-weapons-abound-among-african-militant-groups/>.

<sup>380</sup> U.S. Embassy Djibouti, “Strengthening Security Together: Insights from the Annual BCAP Conference,” Nov. 16, 2023, <https://dj.usembassy.gov/strengthening-security-together-insights-from-the-annual-bcap-conference/>.

<sup>381</sup> “Contract Recipient: Sincerus Global Solutions Inc.” *USA Spending*, Accessed June 2025, [https://www.usaspending.gov/award/CONT\\_AWD\\_19AQMM23F2651\\_1900\\_19AQMM19D0152\\_1900](https://www.usaspending.gov/award/CONT_AWD_19AQMM23F2651_1900_19AQMM19D0152_1900).

<sup>382</sup> Paul Nantulya, “The Growing Militarization of China’s Africa Policy,” *Africa Center*, <https://africacenter.org/spotlight/militarization-china-africa-policy/>.

- **Gabon – Port Security and Maritime Domain Awareness:** In June 2025, the Department of State informed Senate Foreign Relations Committee staff that the Trump Administration had frozen over half of the Department of State’s Counter PRC Influence Fund activities in Gabon, including \$1 million to improve Gabon port security and \$4 million to enhance maritime domain awareness. A portion of this funding countered illegal, unreported and unregulated fishing, in which China is complicit in the region.<sup>383</sup>
- **Ghana – Maritime Security:** In March 2025, the Trump Administration terminated a \$6.6 million award in Peacekeeping Operations funds to strengthen the Ghanaian Navy’s ability to enforce its maritime sovereignty.<sup>384</sup> Ghana has historically struggled with Chinese illegal fishing within Ghana’s territorial waters, and U.S. support has assisted Ghana in combatting these activities.<sup>385</sup>
- **Kenya – Manda Bay Runway Project:** In July 2024, the Department of State awarded \$10 million in Peacekeeping Operations funding to upgrade the 10,000 foot Manda Bay runway near Camp Siba, capable of supporting Northrop F-5 and Boeing C-17 operations.<sup>386</sup> In June 2015, Department of State briefed Senate Foreign Relations Committee Minority staff that the Trump Administration’s foreign assistance freeze resulted in approximately \$42,000 in unnecessary incurred costs in delays. As of June 2025, it is unclear whether this project will move forward; the Trump Administration’s FY2026 budget request reduces the Department of State’s Peacekeeping Operations funding by 93%.<sup>387</sup> Meanwhile, Kenya and China have deepened their security cooperation over the decades, with the share of Kenya’s military equipment imported from China increasing from practically zero to 50% in 2018.<sup>388</sup>

<sup>383</sup> Ryan Loomis & Heidi Holz, *PRC Vessels Engaging in Illegal Fishing in Gabon*, Center For Naval Analysis, Dec. 2021.

<https://www.cna.org/reports/2021/12/prc-vessels-engaging-in-illegal-fishing-in-gabon>.

<sup>384</sup> “Contract to Sincerus Global Solutions Inc.” *USA Spending*, Accessed July 2, 2025, [https://www.usaspending.gov/award/CONT\\_AWD\\_19AQMM23F3309\\_1900\\_SAQMMA17D0079\\_1900](https://www.usaspending.gov/award/CONT_AWD_19AQMM23F3309_1900_SAQMMA17D0079_1900); Sincerus’ Post, LinkedIn, 2024, [https://www.linkedin.com/posts/sincerus-global-solutions\\_newaward-activity-7124796535619362816-pcuq](https://www.linkedin.com/posts/sincerus-global-solutions_newaward-activity-7124796535619362816-pcuq).

<sup>385</sup> “Ghana Suspends Licenses of Chinese Trawlers over Illegal Fishing,” *Africa Defense Forum*, May 13, 2025, <https://adf-magazine.com/2025/05/ghana-suspends-licenses-of-chinese-trawlers-over-illegal-fishing/>; U.S. Department of State, U.S. Efforts to Combat Illegal Fishing and Associated Labor Abuses, Dec. 13, 2024, <https://2021-2025.state.gov/u-s-efforts-to-combat-illegal-fishing-and-associated-labor-abuses/>.

<sup>386</sup> Master Sgt. Kayla White, “U.S.-Kenya Partnership Fortified through Joint Engineering Efforts at Camp Simba,” *U.S. Air Force*, Mar. 27, 2025, <https://www.af.mil/News/Article-Display/Article/4137524/us-kenya-partnership-fortified-through-joint-engineering-efforts-at-camp-simba/>. U.S. Department of State, Fiscal Year 2026 Congressional Budget Justification.

<sup>388</sup> Paul Nantulya, “The Growing Militarization of China’s Africa Policy,” *Africa Center*, <https://africacenter.org/spotlight/militarization-china-africa-policy/>.

- **Kenya – Urban Mobility:** Signed in September 2023 and in force since May 2024, this \$60 million MCC threshold program would address limited connectivity in urban areas in Kenya by spurring private sector financing required for Nairobi’s BRT system.<sup>389</sup> The project will build internal capacity for project planning and plan, design and construct access to rail stations.<sup>390</sup> In June 2025, MCC informed the Senate Foreign Relations Committee that this threshold program remains paused by the Administration’s foreign assistance review. In April 2025, China and Kenya upgraded ties amid the “turbulent international situation” and announced plans to deepen cooperation in infrastructure connectivity.<sup>391</sup>
- **Kenya – Peacekeeping Operations:** In March 2025, the Trump Administration terminated a \$2.5 million award in Peacekeeping Operations funding to a Texas-based firm providing aviation advisory support to Kenya.<sup>392</sup> As of June 2025, it is unclear whether this activity will continue, and the Trump Administration’s FY2026 budget request reduces the Department of State’s Peacekeeping Operations funding by 93%.<sup>393</sup> Meanwhile, China is providing training to 400 Kenyan security officials on an annual basis.<sup>394</sup>
- **Lesotho – Emergency Food Aid:** In March 2025, the UN World Food Program was forced to close its southern Africa bureau amid the Trump Administration’s foreign assistance terminations.<sup>395</sup> USAID had been providing food assistance cash distributions to vulnerable populations in Lesotho impacted by the El Niño drought.<sup>396</sup> The same month, China delivered a consignment of 810 tons of rice and wheat, valued at \$1.4 million, to the government of Lesotho.<sup>397</sup>

<sup>389</sup> “MCC, Kenya Launch \$60 Million Threshold Program During U.S. State Visit,” *Millennium Challenge Corporation*, May 23, 2024, <https://www.mcc.gov/news-and-events/release/release-052324-kenya-threshold-program-launch/>.

<sup>390</sup> *Ibid.*

<sup>391</sup> Press Release, Ministry of Foreign Affairs of the People’s Republic of China, Joint Statement Between the People’s Republic of China and the Republic of Kenya on Creating an Inspiring Example in the All-Weather China-Africa Community with a Shared Future for the New Era, Apr. 24, 2025, [https://www.mfa.gov.cn/eng/zy/gb/202504/t20250424\\_11603292.html](https://www.mfa.gov.cn/eng/zy/gb/202504/t20250424_11603292.html).

<sup>392</sup> “Contract to Crisis Response Co. LLC,” *USA Spending*, Accessed July 2, 2025, [https://www.usaspending.gov/award/CONT\\_AWD\\_19AQMM21F3757\\_1900\\_SAQMMA17D0054\\_1900](https://www.usaspending.gov/award/CONT_AWD_19AQMM21F3757_1900_SAQMMA17D0054_1900).

<sup>393</sup> U.S. Department of State, Fiscal Year 2026 Congressional Budget Justification.

<sup>394</sup> Paul Nantulya, “China’s ‘Military Political Work’ and Professional Military Education in Africa,” *Africa Center for Strategic Studies*, Oct. 30, 2023, <https://africacenter.org/spotlight/china-pla-military-political-work-pme-africa/>.

<sup>395</sup> Nellie Peyton, “United Nations Food Agency Shuts Southern Africa Bureau During Drought, Citing Low Funding,” *Reuters*, Mar. 3, 2025.

<sup>396</sup> Tlali Tleketle, “World Vision Lesotho Distributes Cash Assistance to 343 Food-Insecure Households through the USAID Funded Emergency Food Assistance Project – Lesotho,” *World Vision Lesotho*, Dec. 23, 2024, <https://www.wvi.org/stories/lesotho/world-vision-lesotho-distributes-cash-assistance-343-food-insecure-households>.

<sup>397</sup> Seithati Motsoeneng, “China Donates Grains Worth M26 Million to Help Alleviate Food Crisis in Lesotho,” *Sunday Express*, Mar. 10, 2025, <https://sundayexpress.co.ls/china-donates-grains-worth-m26-million-to-help-alleviate-food-crisis-in-lesotho>.

- **Lesotho – Health and Horticulture:** Signed in May 2022 and in force since March 2024, a \$300 million MCC compact helped provide greater access to healthcare, create business development opportunities and invest in high-value crop production in Lesotho.<sup>398</sup> In June 2025, MCC informed the Senate Foreign Relations Committee that this compact remains paused by the Trump Administration’s foreign assistance review. Meanwhile, in May 2025, China sent its 19<sup>th</sup> medical team to Lesotho through its China-Lesotho Pairing-up Medical Aid Project, through which it will build the first intensive care unit in a public hospital in Lesotho.<sup>399</sup>
- **Malawi – Transportation and Land:** Signed in September 2022 and in force since May 2024, this \$350 million MCC compact would improve road conditions and encourage transparent business environments in Malawi.<sup>400</sup> The American Catalyst Facility for Development Project seeks to facilitate DFC investment in Malawi to catalyze private investment.<sup>401</sup> The compact also seeks to develop a well-functioning property tax system.<sup>402</sup> In June 2025, MCC informed the Senate Foreign Relations Committee that this compact has been paused by the Administration’s foreign assistance review. In 2015, China provided \$45 million to construct Malawi’s main highway and recently announced a \$80 million investment to construct a new judicial complex in the capital Lilongwe.<sup>403</sup>
- **Mauritania – Energy Development:** Signed in January 2025, a \$27 million MCC threshold program would improve electricity services and address vulnerabilities to environmental hazards in Mauritania.<sup>404</sup> This includes improving power sector planning, grid operations and electricity regulation.<sup>405</sup> In June, 2025, MCC informed the Senate Foreign Relations Committee that this threshold remains paused by the Trump Administration’s foreign assistance review. Meanwhile, in March 2025, Chinese companies won contracts issued by Mauritanian energy companies to construct power plants, which Mauritanian authorities have described as key to their national energy strategy.<sup>406</sup>

<sup>398</sup> “Lesotho Health and Horticulture Compact,” *Millennium Challenge Corporation*, Accessed June 2025, <https://www.mcc.gov/where-we-work/program/lesotho-health-and-horticulture-compact/>.

<sup>399</sup> “Full Script of Chinese Ambassador to Lesotho Yang Xiaokun’s Interview with LTV,” *Ministry of Foreign Affairs of the People’s Republic of China*, Apr. 3, 2025, [https://www.mfa.gov.cn/eng/xw/zwbdt/202504/t20250418\\_11596535.html](https://www.mfa.gov.cn/eng/xw/zwbdt/202504/t20250418_11596535.html).

<sup>400</sup> “Malawi Transport and Land Compact,” *Millennium Challenge Corporation*, Accessed June 2025, <https://www.mcc.gov/where-we-work/program/malawi-transport-land-compact/>.

<sup>401</sup> *Ibid.*

<sup>402</sup> *Ibid.*

<sup>403</sup> “Project ID: 57499,” *AidData*, Accessed June 2025, <https://china.aiddata.org/projects/57499/>; Otiato Opali, “Malawi and China Sign \$80m Agreement to Construct Judicial Complex,” *China Daily*, Apr. 23, 2025, <https://www.chinadaily.com.cn/a/202504/23/WS6808a7f8a3104d9fd3821195.html>.

<sup>404</sup> “Mauritania Threshold Program,” *Millennium Challenge Corporation*, Accessed June 2025, <https://www.mcc.gov/where-we-work/program/mauritania-threshold-program/>.

<sup>405</sup> *Ibid.*

<sup>406</sup> Sinomach, News, “CNEEC Wins Bid for Mauritania’s 60MW Dual-Fuel Power Plant Project,” Mar. 13, 2025, [https://www.sinomach.com.cn/en/MediaCenter/News/202503/t20250313\\_539220.html](https://www.sinomach.com.cn/en/MediaCenter/News/202503/t20250313_539220.html).

- Nigeria – Public Diplomacy:** According to an affidavit submitted by the President of the American Foreign Service Association, which was informed by cables from U.S. diplomatic posts, the U.S. Agency for Global Media had built “a network of 40 affiliate radio and TV stations across Nigeria” with content reaching 19 million Nigerians.<sup>407</sup> Meanwhile, Voice of America (VOA) Hausa had been used to reach 16.9 million weekly listeners out of approximately 60 million Hausa speakers in West Africa.<sup>408</sup> VOA coverage countered narratives of U.S. competitors, while providing access to credible Islamic voices of opposition to terrorism. Ten Northern Nigerian civil society organizations wrote to U.S. Ambassador Mills saying, “VOA Hausa is a beacon of hope and a source of credible information” for millions of Nigerians and Africans across the continent.”<sup>409</sup> Meanwhile, Beijing’s China Global Television Network and Russia’s RT maintain strong Hausa-language coverage, which they use to influence public opinion in West Africa.<sup>410</sup>
- Nigeria – Water, Sanitation and Hygiene (WASH) Services:** In February 2025, the Trump Administration terminated a \$2 million USAID award to UNICEF to support nutrition and water, sanitation and hygiene (WASH) programs in Nigeria.<sup>411</sup> The same month, the Export and Import Bank of China and UNICEF signed an Memorandum of Understanding committing support for the same services in Nigeria.<sup>412</sup> Apart from the UNICEF program, the Trump Administration terminated an additional \$25 million worth of U.S. supported WASH services in Nigeria.<sup>413</sup>
- Rwanda – Clean Energy Infrastructure:** The Trump Administration terminated a three year, \$1.5 million USAID program to transition Rwanda’s transportation system to electric buses.<sup>414</sup> The termination coincides with Kigali’s clear requests for clean energy investments from foreign partners.<sup>415</sup> Meanwhile, China, through its companies Sinohydro and Tailing Electric Vehicle, opened an electric vehicle plant in 2022 near Kigali and is currently constructing a hydroelectric power station to power tens of thousands of Rwandan homes.<sup>416</sup>

<sup>407</sup> Thomas Yazdgerdi, Affidavit, United States District Court for the District of Columbia, dated Apr. 16, 2025, in *Widakuswara, et al. v. Lake*, at 4. <https://afsa.org/sites/default/files/declaration-case-1-25-cv-01015-rcf-2025-04-16.pdf>.

<sup>408</sup> *Ibid.*; Hausa is a widely spoken language in West and Central Africa.

<sup>409</sup> *Ibid.*

<sup>410</sup> Digital Forensic Research Lab, “In Sub-Saharan Africa, China Embraces Russian Messaging against Ukraine,” *Atlantic Council*, June 12, 2024, <https://dfriab.org/2024/06/12/china-russia-sub-saharan-africa/>.

<sup>411</sup> Carmen Paun, “Documents Reveal Scope of Trump’s Foreign Aid Cuts,” *Politico*, Mar. 26, 2025. Award ID: 720BHA24I000200; “Recipient: UNICEF,” *USA Spending*, Accessed June 2025, [https://www.usaspending.gov/award/ASST\\_NON\\_720BHA24I000200\\_7200](https://www.usaspending.gov/award/ASST_NON_720BHA24I000200_7200).

<sup>412</sup> “China EXIM and UNICEF Agree to Support Vulnerable Children in Nigeria with Life-Saving Services,” *United Nations Children’s Fund*, Feb. 11, 2025, <https://www.unicef.org/nigeria/press-releases/china-exim-and-unicef-agree-support-vulnerable-children-nigeria-life-saving-services>.

<sup>413</sup> Carmen Paun, “Documents Reveal Scope of Trump’s Foreign Aid Cuts,” *Politico*, Mar. 26, 2025. Award ID: 720BHA23I000226, Award ID: 72062020CA00010, Award ID: 72062023N00001.

<sup>414</sup> Carmen Paun, “Documents Reveal Scope of Trump’s Foreign Aid Cuts,” *Politico*, Mar. 26, 2025, Award ID: 7200AA23FA00017; “BasiGo Flags Off First Electric Buses in Kigali,” *BasiGo*, Dec. 11, 2024; <https://www.basi-go.com/in-the-news/basigo-flags-off-first-electric-buses-in-kigali>.

<sup>415</sup> Ma Jingjing and Zhang Yiyi, “Rwanda Seeks Closer Cooperation with China in Infrastructure, Emerging Industries: Ambassador,” *Global Times*, June 20, 2024, <https://www.globaltimes.cn/page/202406/1314519.shtml>.

<sup>416</sup> Denys Bedarride, “Rwanda Has Installed a New Electric Vehicle Assembly Plant, Built by the Chinese Company ‘Tailing Electric Vehicle,’” *EcomNews Afrique*, Jan. 31, 2022, <https://ecomnewsafrique.com/en/2022/01/31/rwanda-has-installed-a-new-electric-vehicle-assembly-plant-built-by-the-chinese-company-tailing-electric-vehicle/>; Hudson Kuteesa, “Rwanda’s China-Financed Nyabarongo II Dam Halfway Done,” *All Africa*, June 26, 2025, <https://allafrica.com/stories/202506260203.html>.

- **Senegal – Water, Sanitation, and Hygiene (WASH):** In March 2025, the Trump Administration terminated a 5-year, \$28 million USAID program to increase access to WASH services in Senegal and reach universal access to water and sanitation by 2030.<sup>417</sup> In April 2025, China announced a partnership between Chinese company Sinohydro and the Senegalese Sovereign Fund for Strategic Investment (FONSIS) to build Senegal’s first “water highway.”<sup>418</sup> China continues to support other, smaller-scale WASH programs in Senegal.<sup>419</sup>
- **Senegal – Young African Leadership Initiative Regional Leadership Center:** In March 2025, the Trump Administration terminated a \$17 million USAID award for a Young African Leaders Initiative Center in Senegal that seeks to develop the future leaders of Africa from 25 African countries.<sup>420</sup>
- **Sierra Leone – Energy Infrastructure:** Signed in September 2024, a \$480 million MCC compact would address the lack of affordable and reliable electricity in Sierra Leone, including upgrades to the distribution network and the creation of new connections.<sup>421</sup> The project includes the development of a new transmission corridor. In June 2025, MCC informed the Senate Foreign Relations Committee that this compact remains paused by the Trump Administration’s foreign assistance review. China has contributed to Sierra Leone’s energy infrastructure in the past, including the construction of at least three hydropower plants.<sup>422</sup> In March 2025, the Chinese Ambassador to Sierra Leone met with Sierra Leone’s Ministry of Energy to offer its further assistance in developing the country’s energy infrastructure.<sup>423</sup>
- **Tanzania – Agricultural Development:** In March 2025, the Trump Administration terminated at least \$8 million in USAID-supported agricultural sustainment programming, impacting over 60 non-governmental organizations across Tanzania’s agricultural value chain.<sup>424</sup> In May 2025, China announced a joint project with the United Nations International Fund for Agricultural Development that seeks to provide climate-resilient agricultural assistance in Tanzania.<sup>425</sup>

<sup>417</sup> Carmen Paun, “Documents Reveal Scope of Trump’s Foreign Aid Cuts,” *Politico*, Mar. 26, 2025. Award ID: 72068524C00001; Kagaye, “Cooperation/Access to Water for All in Senegal: USAID Launches Gire and Wash-Services Projects,” *Senegalese News*, Jan. 19, 2025; <https://www.seneneews.com/en/senegal/cooperation-access-to-water-for-all-in-senegal-usaid-launches-gire-and-wash-service222s-projects-6077.html#>.

<sup>418</sup> Aly Diouf, “Meeting a Vital Need: Chinese Company Sinohydro Selected to Build Senegal’s First ‘Water Highway,’” *Chinafrica*, Apr. 17, 2025,

<sup>419</sup> Huaxia, “Senegal’s PM Launches Phase II of Rural Water Supply Project,” *Xinhua*, Feb. 4, 2025, <https://english.news.cn/africa/20250204/3a9adeead3a8411e828238cc13805409/c.html#:~:text=DAKAR%2C%20Feb.,partnership%22%20betwee%20Senegal%20and%20China>.

<sup>420</sup> “Le Centre Régional de Leadership (CRL) YALI DAKAR,” Accessed June 2025, <https://yaliфриquedelouest.org/#892da538-0125-4787-a294-fea331486758>; “Recipient: Centre Africain D’Etude Supérieures En Gestion,” *USA Spending*, Accessed June 2025, [https://www.usaspending.gov/award/ASST\\_NON\\_AID685A1600001\\_072](https://www.usaspending.gov/award/ASST_NON_AID685A1600001_072).

<sup>421</sup> “Sierra Leone Compact,” *Millennium Challenge Corporation*, Accessed June 2025, <https://www.mcc.gov/where-we-work/program/sierra-leone-compact/>

<sup>422</sup> “Project ID: 22211,” *AidData*, Accessed June 2025, <https://china.aiddata.org/projects/22211/>.

<sup>423</sup> “China Reaffirms Commitment to Advancing Sierra Leone’s Energy Sector,” *Sierraloading*, Mar. 28, 2025 <https://sierraloading.sl/local/china-reaffirms-support-for-sierra-leone-energy-sector/>

<sup>424</sup> Carmen Paun, “Documents Reveal Scope of Trump’s Foreign Aid Cuts,” *Politico*, Mar. 26, 2025. Award ID: 72062122F00002, Award ID: 72062122F00002, Award ID: 72062123LA00001, Award ID: 72062119LA00001; Press Release, U.S. Embassy Dar Es Salaam, U.S. Launches Five-Year Project to Cut Post-Harvest Food Loss in Tanzania, Sept. 26, 2024, <https://tz.usembassy.gov/u-s-launches-five-year-project-to-cut-post-harvest-food-loss-in-tanzania/>; Gadiosa Lamtey, “USAID Funding Halt Puts Tanzania NGOs, Agriculture at Risk,” Jan. 8, 2025, <https://www.thecitizen.co.tz/tanzania/news/national/usaid-funding-halt-puts-tanzania-ngos-agriculture-at-risk-4904180#>.

<sup>425</sup> “国家国际发展合作署与联合国国际农业发展基金首次合作实施全球发展和南南合作基金项目,” *China International Development Cooperation Agency*, May 22, 2025, <https://gdpc.org.cn/article/4Mt7BKsH7B6>

- **The Gambia – Global Health:** In April 2025, the Trump Administration eliminated the \$13 million USAID-supported Gambia President's Malaria Initiative that delivered high-impact malaria control and prevention services in line with The Gambia's National Malaria Control Strategy.<sup>426</sup> The same month, China, The Gambia Red Cross Society and the International Federation of Red Cross launched a project aimed at reducing malaria in The Gambia.<sup>427</sup>
- **The Gambia – Transportation:** In December 2024, MCC selected The Gambia as eligible to develop a compact based in part on its performance under its \$25 million threshold program.<sup>428</sup> The compact would address economic underutilization of the Gambia River for transport and tourism and low enrollment and poor quality of education.<sup>429</sup> In a June 2025 briefing, MCC informed the Senate Foreign Relations Committee staff that development plans for this compact have been placed on hold due to the Trump Administration's foreign assistance review. Meanwhile, China continues to build infrastructure around The Gambia River, including announcements in August 2024 that they would construct two bridges to boost transportation.<sup>430</sup>
- **Togo – Peacekeeping Operations:** In March 2025, the Trump Administration terminated a \$1.6 million award in Peacekeeping Operations funding to support the Global Peacekeeping Operations Initiative (GPOI) in Togo.<sup>431</sup> Meanwhile, Togo is seeking to enhance its military cooperation with China as evidenced by recent engagements at the September 2024 Forum on China-Africa Cooperation.<sup>432</sup>
- **Uganda – Food Aid:** The Trump Administration's foreign assistance terminations disrupted the World Food Program's provision of food aid in Uganda.<sup>433</sup> In March 2025, in coordination with the World Food Program, China donated \$2 million in rice to Uganda to help feed vulnerable communities in Karamoja and school-going children.<sup>434</sup>

<sup>426</sup> Carmen Paun, "Documents Reveal Scope of Trump's Foreign Aid Cuts," *Politico*, Mar. 26, 2025. Award ID: 72068525CA00001.

<sup>427</sup> Fatou Sillah, "Gambia Red Cross and China Launch \$2 Million Malaria Elimination Initiative," *Kerrfatou*, Apr. 26, 2025, <https://www.kerrfatou.com/gambia-red-cross-and-china-launch-2-million-malaria-elimination-initiative/>.

<sup>428</sup> "The Gambia Proposed Compact," *Millennium Challenge Corporation*, Accessed June 2025, <https://www.mcc.gov/where-we-work/program/the-gambia-proposed-compact/>; "The Gambia Threshold Program," *Millennium Challenge Corporation*, Accessed June 2025, <https://www.mcc.gov/where-we-work/program/gambia-threshold-program/>.

<sup>429</sup> *Ibid.*

<sup>430</sup> Abdur Rahman Alfa Shaban, "Gambia Plans to Construct 2 Key Bridges with Chinese Expertise," *africanews*, Aug. 2013, <https://www.africanews.com/2018/07/21/gambia-plans-to-construct-2-key-bridges-with-chinese-expertise/>.

<sup>431</sup> "Contract to Sincerus Global Solutions Inc." *USA Spending*, Accessed July 2, 2025, [https://www.usaspending.gov/award/CONT\\_AWD\\_19AQMM24C0109\\_1900\\_-NONE\\_-NONE-](https://www.usaspending.gov/award/CONT_AWD_19AQMM24C0109_1900_-NONE_-NONE-).

<sup>432</sup> "Togo Seeks to Military Ties with China During FOCAC," *Togo First: Invest in Togo*, Sept. 9, 2024, <https://www.togofirst.com/en/security/0909-14742-togo-seeks-to-military-ties-with-china-during-focac>.

<sup>433</sup> Samuel Okiror, "Trump's Aid Cuts Blamed as Food Rations Stopped for a Million Refugees in Uganda," *The Guardian*, May 8, 2025.

<sup>434</sup> "China Donates Rice to Northeastern Uganda to Alleviate Food Shortage," *Xinhua*, June 16, 2025, <https://english.news.cn/africa/20250327/990f039d3b07406f9b451499fde98ccb/c.html>.

- **Zambia – HIV/AIDS:** In March 2025, the Trump Administration terminated a three and five year \$37 million USAID grant in HIV/AIDS programming in Zambia.<sup>435</sup> In May 2025, the Chinese Embassy in Zambia’s Deputy Chief of Mission Wang Sheng said that China was ready to help Zambia fight HIV/AIDS in the wake of America’s withdrawal, including by donating 500,000 rapid HIV testing kits to Lusaka Province.<sup>436</sup> Wang confirmed that several meetings will follow to discuss China’s continued partnership with Zambia on this issue.<sup>437</sup>
- **Zimbabwe – Malaria and Tuberculosis Prevention:** In March 2025, the Trump Administration terminated a \$2.5 million USAID program supporting malaria and tuberculosis prevention research at Africa University in Zimbabwe along with a \$2.5 million program supporting the Union Zimbabwe Trust’s tuberculosis prevention activities.<sup>438</sup> As a result of the sudden termination, Africa University experienced an immediate \$1.2 million impact, and 30 employees suddenly could no longer be paid.<sup>439</sup> Meanwhile, China remains committed to malaria-related programming in Zimbabwe and across sub-Saharan Africa.<sup>440</sup>

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<sup>435</sup> Carmen Paun, “Documents Reveal Scope of Trump’s Foreign Aid Cuts,” *Politico*, Mar. 26, 2025. Award ID: 72061122FA00001, Award ID: 72061120CA00009, Award ID: 72061120CA00008.

<sup>436</sup> Elizabeth Mabenga, “China Says It’s Ready to Help Zambia Fight HIV after U.S. Aid Cut,” *Diggers: Ear to the Ground*, May 16, 2025, <https://diggers.news/local/2025/05/16/china-says-its-ready-to-help-zambia-fight-hiv-after-us-aid-cut/>.

<sup>437</sup> *Ibid.*

<sup>438</sup> Carmen Paun, “Documents Reveal Scope of Trump’s Foreign Aid Cuts,” *Politico*, Mar. 26, 2025. Award ID: 72061321FA00002, Award ID: 72061324CA00001, Award ID: 72061324CA00002.

<sup>439</sup> Jim Patterson, “USAID Freeze Strikes Africa University,” *United Methodist News*, Feb. 10, 2025, <https://www.umnews.org/en/news/usaid-freeze-strikes-africa-university>.

<sup>440</sup> Odhiambo, Julius Nyerere et al. “China’s Hidden Role in Malaria Control and Elimination in Africa.” *BMJ Global Health* vol. 8,12 e013349. Dec. 18, 2023.

## PACIFIC ISLANDS

In May 2025, amid the Trump Administration’s foreign assistance terminations, China hosted 11 Pacific Island nations at the third China–Pacific Island Countries Foreign Ministers’ Meeting in Xiamen, Fujian Province.<sup>441</sup> Key deliverables from Beijing to the Pacific Island country participants included \$2 million for climate cooperation, 200 local development projects and mechanisms for disaster management and maritime cooperation, scholarships for educational and medical exchanges, agricultural and fisheries cooperation and other training opportunities.<sup>442</sup> Beijing also announced a regional tourism promotion campaign, support for cultural events and think tank and media collaborations.<sup>443</sup>

Meanwhile, the following programs in the Pacific Islands were either terminated or paused by the Trump Administration:

- **Pacific Islands – “Climate Finance Activity”:** Pacific Island leaders consistently cite climate change as their most pressing national security threat.<sup>444</sup> Despite this, the Trump Administration terminated a \$45 million initiative dubbed the “Climate Finance Activity,” which aimed to strengthen Pacific Island countries’ capacity to access and manage climate financing and mobilize private sector funds.<sup>445</sup> On May 25, China announced that it will allocate \$2 million for the further expansion of cooperation with the Pacific Islands in such areas as clean energy, agriculture, fisheries, low-carbon infrastructure, low-carbon tourism and disaster prevention and mitigation, to help Pacific Islands countries respond to climate change.<sup>446</sup>
- **Pacific Islands – Digital Connectivity Projects:** In March 2025, the Trump Administration terminated projects aimed at improving digital connectivity in Pacific Island countries, including programs to enhance internet access and cybersecurity.<sup>447</sup> The Trump Administration’s aid freeze also stalled USAID contributions to the Palau Submarine Cable Branch System project, which includes U.S. company involvement.<sup>448</sup> China has long sought to promote its own telecommunications solutions, such as China’s Huawei, in the Pacific Islands. In 2022, China provided a loan to the Solomon Islands of \$66 million for a Huawei Mobile Towers project and a \$20 million loan to Samoa for its National Broadband Highway fiber-optic network.<sup>449</sup>

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<sup>441</sup> “List of Measures for China to Implement the Consensus of the Third China-Pacific Island Countries Foreign Ministers’ Meeting,” *Ministry of Foreign Affairs of the People’s Republic of China*, May 28, 2025, [https://www.mfa.gov.cn/eng/wjzbhd/202505/t20250528\\_11635736.html](https://www.mfa.gov.cn/eng/wjzbhd/202505/t20250528_11635736.html)

<sup>442</sup> *Ibid.*

<sup>443</sup> *Ibid.*

<sup>444</sup> “Release: Climate Change Remains the Single Greatest Threat for Pacific—New Pacific Security Report,” *Pacific Islands Forum*, Feb. 7, 2023, <https://forumsec.org/publications/release-climate-change-remains-single-greatest-threat-pacific-new-pacific-security>.

<sup>445</sup> Carmen Paun, “Documents Reveal Scope of Trump’s Foreign Aid Cuts,” *Politico*, Mar. 26, 2025. Award ID: 72049224T00001, Award ID: 72049224C00002.

<sup>446</sup> Kathryn Paik and John Augé, “China Courts the Pacific: Key Takeaways from the 2025 China–Pacific Island Countries Foreign Ministers’ Meeting,” *Center for Strategic and International Studies*, June 3, 2025, <https://www.csis.org/analysis/china-courts-pacific-key-takeaways-2025-china-pacific-island-countries-foreign-ministers>.

<sup>447</sup> Carmen Paun, “Documents Reveal Scope of Trump’s Foreign Aid Cuts,” *Politico*, Mar. 26, 2025. Award ID: 72049223C00001.

<sup>448</sup> U.S. Department of State, “Fact Sheet: The United States Partners with Australia and Japan to Expand Reliable and Secure Digital Connectivity in Palau,” Oct. 2020, Accessed June 2025, <https://2017-2021.state.gov/the-united-states-partners-with-australia-and-japan-to-expand-reliable-and-secure-digital-connectivity-in-palau/>

<sup>449</sup> Georgina Kekea, “Solomon Islands Secures \$100 Million China Loan to Build Huawei Mobile Towers in Historic Step,” *The Guardian*, Aug. 18, 2022; “Project ID: 37695,” *AidData*, Accessed June 2025, <https://china.aiddata.org/projects/37695/>.

- **Pacific Islands – Disaster Preparedness:** USAID provided over \$13 million for disaster preparedness in countries like Papua New Guinea, Fiji, the Solomon Islands, Vanuatu and Tonga.<sup>450</sup> The cessation of these programs undermines the region's ability to respond to natural disasters. Moreover, without a change in authorities, U.S. Indo-Pacific Command likely will not be able to respond to any disasters, effectively taking the United States out of the disaster response ecosystem. Meanwhile, China recently established the China-Pacific Island Countries Center for Disaster Risk Reduction and Cooperation and pledged and additional \$2 million on climate cooperation projects.<sup>451</sup>
- **Pacific Islands – Pacific American Fund (PAF):** In March 2025, the Trump Administration terminated a five-year, \$35 million initiative launched in 2020 to support local development projects across Pacific Island nations in cooperation with Taiwan's development arm, TaiwanICDF.<sup>452</sup> The Fund supports projects focused on disaster resilience, market-based enterprise development, biodiversity and sustainable natural resource management and health care.<sup>453</sup> On May 25, China announced it would implement 200 "small and beautiful" livelihood programs in the Pacific Islands region within the year.<sup>454</sup> This is the same model as the small local development grants provided by USAID through the Pacific American Fund.
- **Pacific Islands – Pacific Humanitarian Warehouse:** The Trump Administration's gutting of USAID has likely upended U.S. support to a program that pre-positioned warehouses in 14 Pacific Island countries and Timor-Leste.<sup>455</sup> This Pacific-led initiative included donations from Australia, New Zealand, Germany and France.<sup>456</sup> America's absence will be noted by fellow donor partners as well as Pacific Island countries as the Pacific Community (SPC) is the lead for this initiative. This could leave a leadership gap in humanitarian matters in the Pacific Islands that could potentially be filled by China, which is eager to expand its engagement.<sup>457</sup>

<sup>450</sup> Terence Wood, "What Will U.S. Aid Cuts Mean for the Pacific?" *Devpolicy.org*, Feb. 7, 2025, <https://devpolicy.org/what-will-us-aid-cuts-mean-for-the-pacific/>.

<sup>451</sup> "List of Measures for China to Implement the Consensus of the Third China-Pacific Island Countries Foreign Ministers' Meeting," *Ministry of Foreign Affairs of the People's Republic of China*, May 28, 2025; "Special Envoy for Pacific Island Countries Affairs of the Chinese Government Qian Bo Attends the Launching Ceremony of the China-Pacific Island Countries Center for Disaster Risk Reduction and Cooperation," *Ministry of Foreign Affairs of the People's Republic of China*, Feb. 23, 2023, [https://www.fmprc.gov.cn/eng/wjwb/zzjg\\_663340/bmdyys\\_664814/xwlb\\_664816/202302/t20230227\\_11032109.html](https://www.fmprc.gov.cn/eng/wjwb/zzjg_663340/bmdyys_664814/xwlb_664816/202302/t20230227_11032109.html).

<sup>452</sup> Carmen Paun, "Documents Reveal Scope of Trump's Foreign Aid Cuts," *Politico*, Mar. 26, 2025. Award ID: 72049220C000004; "U.S.-Taiwan Cooperation on International Development and Humanitarian Assistance," *American Institute in Taiwan*, Nov. 4, 2022, <https://www.ait.org.tw/us-taiwan-cooperation-on-international-development-and-humanitarian-assistance/>

<sup>453</sup> "USAID Pacific American Fund," Accessed June 2025, [https://assets.ctfassets.net/431cqw7mefvo/1jCwLxvt3q8wOJ8wLlgMyR/8e72f2fb8a0f6262b3169a0f87d71e7e/USAID\\_Pacific\\_American\\_Fund\\_Fact\\_Sheet\\_2020-11\\_A4\\_.pdf](https://assets.ctfassets.net/431cqw7mefvo/1jCwLxvt3q8wOJ8wLlgMyR/8e72f2fb8a0f6262b3169a0f87d71e7e/USAID_Pacific_American_Fund_Fact_Sheet_2020-11_A4_.pdf)

<sup>454</sup> "List of Measures for China to Implement the Consensus of the Third China-Pacific Island Countries Foreign Ministers' Meeting," *Ministry of Foreign Affairs of the People's Republic of China*, May 28, 2025.

<sup>455</sup> "Pacific Humanitarian Warehousing Program," *Geosciences, Energy and Maritime Division*, Accessed July, 2025, <https://gem.spc.int/projects/pacific-humanitarian-warehousing-program>

<sup>456</sup> *Ibid.*

<sup>457</sup> "List of Measures for China to Implement the Consensus of the Third China-Pacific Island Countries Foreign Ministers' Meeting," *Ministry of Foreign Affairs of the People's Republic of China*, May 28, 2025.

- **Papua New Guinea – Biodiversity Conservation:** In March 2025, the Trump Administration terminated USAID biodiversity programming in Papua New Guinea.<sup>458</sup> USAID was investing more than \$42 million in biodiversity projects in Papua New Guinea to protect the world’s third largest rainforest, including by working directly with traditional clan landowners in five provinces covering more than 360,000 hectares of land.<sup>459</sup> This work was critical to pushing back on China’s illegal logging and exploitation of Papua New Guinea’s forests.<sup>460</sup> By abruptly terminating these conservation efforts, the Trump Administration has likely damaged America’s reputation as a reliable bilateral partner to the Papua New Guinea government.<sup>461</sup>
- **Papua New Guinea – HIV/AIDS:** USAID-funded initiatives providing HIV treatment and prevention services in Papua New Guinea have been halted.<sup>462</sup> The Pacific Islands were the center of strong competition between the U.S. and China regarding COVID vaccines and supplies.<sup>463</sup> China provided the Sinopharm vaccine, medical supplies such as ventilators and masks and medical support funding to most countries in the Pacific. Chances are likely that China will seek to replace previously U.S.-led HIV/AIDS programming.<sup>464</sup>
- **Papua New Guinea – Papua New Guinea Electrification Partnership (PEP):** The U.S. contribution to this strategically vital multilateral effort, also involving Australia, Japan and New Zealand, to expand energy access in Papua New Guinea has been terminated, affecting energy infrastructure development and our credibility with partners and the Papua New Guinea government.<sup>465</sup> Meanwhile, China has invested substantially in Papua New Guinea, including a \$414 million Port Moresby Infrastructure Development, a \$1.3 billion loan supporting the liquefied natural gas sector and the acquisition of the Frieda River Mining Project.<sup>466</sup>

<sup>458</sup> Carmen Paun, “Documents Reveal Scope of Trump’s Foreign Aid Cuts,” *Politico*, Mar. 26, 2025. Award ID: 72049222CA00003. “USAID Promotes Sustainable Landscapes Opportunities for PNG through Launch of New US\$16 Million (K56 Million),” *U.S. Embassy to Papua New Guinea*, Accessed June 2025, <https://pg.usembassy.gov/usa-id-promotes-sustainable-landscapes-opportunities-for-png-through-launch-of-new-us16-million-k56-million-project/>.

<sup>459</sup> Press Release, U.S. Embassy to Papua New Guinea, USAID Promotes Sustainable Landscapes Opportunities for PNG through Launch of New US\$16 Million (K56 Million), Accessed June 2025, <https://pg.usembassy.gov/usa-id-promotes-sustainable-landscapes-opportunities-for-png-through-launch-of-new-us16-million-k56-million-project/>.

<sup>460</sup> Shimali Chauhan, “Papua New Guinea’s Rainforests in Danger; Illegal Logging Crises Fuel Human Rights Abuses and Threaten Biodiversity,” *DowntoEarth*, Nov. 3, 2024, <https://www.downtoearth.org.in/wildlife-biodiversity/papua-new-guineas-rainforests-in-danger-illegal-logging-crises-fuel-human-rights-abuses-and-threaten-biodiversity>.

<sup>461</sup> Carmen Paun, “Documents Reveal Scope of Trump’s Foreign Aid Cuts,” *Politico*, Mar. 26, 2025. Award ID: 72049222CA00003.

<sup>462</sup> Carmen Paun, “Documents Reveal Scope of Trump’s Foreign Aid Cuts,” *Politico*, Mar. 26, 2025. Award ID: 72049218CA00008.

<sup>463</sup> Ville Sinkkonen and Anu Ruokamo, “Vaccines as Contentious Connectivity in the Indo-Pacific,” *Finnish Institute of International Affairs*, October 2022, [https://www.fiia.fi/wp-content/uploads/2022/10/wp129\\_vaccines-as-contentious-connectivity-in-the-indo-pacific.pdf](https://www.fiia.fi/wp-content/uploads/2022/10/wp129_vaccines-as-contentious-connectivity-in-the-indo-pacific.pdf).

<sup>464</sup> Huileng Tan, “Experts Warned USAID’s Gutting Would Give China Room to Replace the U.S. Now, it’s Happening,” *Business Insider*, Mar. 27, 2025, <https://www.businessinsider.com/china-replace-usaid-shutdown-humanitarian-aid-funding-development-assistance-2025-3>.

<sup>465</sup> Press Release, U.S. Embassy to Papua New Guinea, U.S. Government Delivers on PNG Electrification Partnership Promise, Jan. 20, 2021. <https://pg.usembassy.gov/u-s-government-delivers-on-png-electrification-partnership-promise/>; “Recipient: Research Triangle Institute,” *USA Spending*, Accessed July 2, 2025, [https://www.usaspending.gov/award/CONT\\_AWD\\_72049221C00001\\_7200\\_-NONE\\_-NONE-](https://www.usaspending.gov/award/CONT_AWD_72049221C00001_7200_-NONE_-NONE-).

<sup>466</sup> “Envy in Papua New Guinea as Chinese Money Pours In,” *France24*, May 21, 2023, <https://www.france24.com/en/live-news/20230521-envy-in-papua-new-guinea-as-chinese-money-pours-in>; “Project ID: 39326,” *AidData*, Accessed June 2025, <https://china.aiddata.org/projects/39326/>; John Cannon, “Proposed Copper and Gold Mine Threatens the World’s ‘Second Amazon’ in PNG,” *Mongabay*, June 13, 2022, <https://news.mongabay.com/2022/06/proposed-copper-and-gold-mine-threatens-the-worlds-second-amazon-in-png/>.

- **Pacific Islands – Promoting Just, Engaged, Civic-Minded and Transparent (PROJECT) Governance:** The Trump Administration’s suspension of USAID funding has disrupted a \$35 million U.S.-led initiative in the Pacific Islands focused on strengthening sound, just and responsive governance by promoting electoral integrity, independent media, human rights and rule of law.<sup>467</sup> Meanwhile, China continues to make inroads into governance support in the Pacific Islands, including legislative exchanges between China and Fiji.<sup>468</sup> The Trump Administration terminated USAID programming that was building these types of partnerships with the Fiji government, including supporting Fiji’s Elections Office to conduct Fiji’s first municipal elections in over 20 years.<sup>469</sup>
- **Timor-Leste – Water Infrastructure:** Signed in July 2022, this \$420 million MCC compact sought to improve water, sanitation and education in Timor-Leste by reducing disease-causing pathogens in groundwater through infrastructure investment and the creation of the country’s first centralized wastewater treatment system.<sup>470</sup> The compact also intended to establish a Center of Excellence as a training and professional certification center for current and future secondary school teachers and school leaders in Timor-Leste. In June 2025, MCC informed the Senate Foreign Relations Committee that this compact remains paused by the Trump Administration’s foreign assistance review. Meanwhile, China and Timor-Leste signed a memorandum of partnership for water purification cooperation where the Prime Minister expressed an interest in learning how to replicate China’s water conservation system.<sup>471</sup>

## LATIN AMERICA AND THE CARIBBEAN

In May 2025, amid the Trump Administration’s foreign assistance freeze, Beijing hosted the China-Latin America and the Caribbean Forum (China-CELAC).<sup>472</sup> In addition to Colombia joining its Belt and Road Initiative, China announced it would provide a RMB 66 billion (\$9 billion USD) credit line and additional infrastructure investments to the region. China also committed to coordinate with Latin American countries on combatting transnational crime and counter drug trafficking.<sup>473</sup> Over the next three years, China will provide 3,500 government scholarships, 10,000 training opportunities in China, 500 international Chinese Language Teachers Scholarships, 300 training opportunities for poverty reduction professionals and 1,000 funded placements through the Chinese bridge program.<sup>474</sup>

<sup>467</sup> Carmen Paun, “Documents Reveal Scope of Trump’s Foreign Aid Cuts,” *Politico*, Mar. 26, 2025. Award ID: 72049221CA00002.

<sup>468</sup> Kathryn Paik and John Augé, “China Courts the Pacific: Key Takeaways from the 2025 China–Pacific Island Countries Foreign Ministers’ Meeting,” *Center for Strategic and International Studies*, June 3, 2025, <https://www.csis.org/analysis/china-courts-pacific-key-takeaways-2025-china-pacific-island-countries-foreign-ministers>; “Zhao Leji Holds Talks with Speaker of the Parliament of Fiji Filimone Jitoko,” *Ministry of Foreign Affairs of the People’s Republic of China*, Mar. 21, 2025, [https://www.fmprc.gov.cn/eng/wjrb/zjzg\\_663340/bmdyzs\\_664814/xwlb\\_664816/202503/t20250324\\_11580850.html](https://www.fmprc.gov.cn/eng/wjrb/zjzg_663340/bmdyzs_664814/xwlb_664816/202503/t20250324_11580850.html).

<sup>469</sup> Peceli Naviticoko, “USAID Aims to Increase Women’s Participation in Election,” *FBC News*, Aug. 16, 2023, <https://www.fbcnews.com.fj/news/usaid-aims-to-increase-womens-participation-in-election/>.

<sup>470</sup> “Timor-Leste Compact,” *Millennium Challenge Corporation*, Accessed June 2025, <https://www.mcc.gov/where-we-work/program/timor-leste-compact/>.

<sup>471</sup> Forum for Economic and Trade Co-operation Between China and Portuguese-speaking Countries (Macao), “China Health Care Foundation Signs Partnership Documents with East Timor,” July 23, 2024, [https://www.forumchinapl.org.mo/en/economic\\_trade/view/8170](https://www.forumchinapl.org.mo/en/economic_trade/view/8170); Jose Belarmino de Sa, “Timor-Lest Wants to Learn Chinese Water Conservation System,” *Agência Noticiosa de Timor-Leste*, May 23, 2024, <https://en.tatoli.tl/2024/05/23/timor-leste-wants-to-learn-chinese-water-conservation-system/20/>.

<sup>472</sup> China-CELAC Forum, Accessed June 2025, <http://www.chinacelacforum.org/eng/>.

<sup>473</sup> Writing a New Chapter in Building a China-LAC Community with a Shared Future, *Ministry of Foreign Affairs People’s Republic of China*, May 13, 2025, [https://www.fmprc.gov.cn/eng/xw/zyxw/202505/t20250513\\_11622043.html](https://www.fmprc.gov.cn/eng/xw/zyxw/202505/t20250513_11622043.html).

<sup>474</sup> *Ibid.*

Meanwhile, the following programs in Latin America and the Caribbean were either terminated or paused by the Trump Administration:

- **Belize – Energy Development:** Signed in September 2024, this \$125 million MCC compact addresses high electricity costs by providing technical support for solar power projects, modernizing the electric grid and facilitating new power purchase agreements with independent producers.<sup>475</sup> In June 2025 MCC informed the Senate Foreign Relations Committee that the Compact’s entry into force remains paused by the Trump Administration’s foreign assistance review. Belize is one of Taiwan’s last remaining diplomatic allies in the Western Hemisphere.<sup>476</sup> By jeopardizing this MCC compact, the Administration is potentially opening the aperture for increased Chinese pressure against Belize to recognize Beijing over Taipei.
- **Chile – Foreign Investment Screening:** In February 2025, the Trump Administration terminated a \$200,000 Department of State grant to the Center for International Private Enterprise to enhance Chile’s investment screening regulations.<sup>477</sup> Meanwhile, Chinese companies are actively seeking to buy up lithium reserve sites in Chile.<sup>478</sup>
- **Colombia – Critical Minerals:** The Trump Administration terminated a \$25 million program that leveraged local and international expertise to strengthen mining supply chains, alternative livelihood supply chains, environmental processes and regulatory and enforcement efforts in Colombia.<sup>479</sup> The program worked with gold, silver, platinum and critical mineral mines regularly exploited by Chinese-backed mining interests.<sup>480</sup>
- **Colombia – Energy Development:** The Trump Administration terminated a USAID project called “Energy for Peace” in Colombia that supported the planning, building, operation and transfer of sustainable solar energy projects in conflict-affected communities.<sup>481</sup> USAID was also working with the Colombian government to diversify energy generation and develop transparent power procurement policies. Meanwhile, China is investing heavily in Colombia’s energy sector, including the Hidroituango project.<sup>482</sup>

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<sup>475</sup> “Belize Compact,” *Millennium Challenge Corporation*, Accessed June 2025, <https://www.mcc.gov/where-we-work/program/belize-compact/>

<sup>476</sup> Evan Ellis, “PRC Influence and the Status of Taiwan’s Diplomatic Allies in the Western Hemisphere,” *Center for Strategic and International Studies*, Mar. 26, 2025.

<sup>477</sup> “Recipient: Center for Private Enterprise,” *USA Spending*, [https://www.usaspending.gov/award/ASST\\_NON\\_SINLEC24GR5244\\_1900](https://www.usaspending.gov/award/ASST_NON_SINLEC24GR5244_1900).

<sup>478</sup> Maria Zuppello, “China’s Lithium Expansionist Interests Extend Beyond the Argentina-Bolivia-Chile Triangle,” *Diálogo Américas*, Aug. 12, 2024, <https://dialogo-americas.com/articles/chinas-lithium-expansionist-interests-extend-beyond-the-argentina-bolivia-chile-triangle/>.

<sup>479</sup> Carmen Paun, “Documents Reveal Scope of Trump’s Foreign Aid Cuts,” *Politico*, Mar. 26, 2025, Award ID: 72051423C00001.

<sup>480</sup> Jennifer Scotland, “Gold Rush: Organised Crime in Transition Mineral Supply Chains,” *Rusi*, May 12, 2025, <https://www.rusi.org/explore-our-research/publications/commentary/gold-rush-organised-crime-transition-mineral-supply-chains>.

<sup>481</sup> Carmen Paun, “Documents Reveal Scope of Trump’s Foreign Aid Cuts,” *Politico*, Mar. 26, 2025, Award ID: 72051424FA00002; Natalie Alm, “Energy for Peace: Blended Finance for Clean Energy and Economic Development in Colombia,” *Medium*, Aug. 27, 2024, <https://medium.com/usaid-invest/energy-for-peace-blended-finance-for-clean-energy-and-economic-development-in-colombia-285f99866bb9>.

<sup>482</sup> Josep Freixes, “Chinese-Colombian Consortium Wins Bid to Complete the Hidroituango Mega Dam,” *Colombia One*, Oct. 12, 2013, <https://colombiaone.com/2023/10/12/chinese-colombian-consortium-hidroituango/>.

- **Dominican Republic – Energy Sector:** The Trump Administration terminated USAID support for energy sector reform in the Dominican Republic. The program promoted self-reliance in 13 Caribbean countries by bolstering the performance of energy systems, focusing on increasing renewable power generation and enhancing the ability of electricity systems to withstand shocks.<sup>483</sup> Meanwhile, China already has a history of deepening energy sector investments in the Dominican Republic.<sup>484</sup>
- **Ecuador – Cybersecurity:** In March 2025, the Trump Administration terminated USAID support for cybersecurity capacity building training in Ecuador under ProICT. The program trained Ecuador’s cyber response team and provided recommendations to launch Ecuador’s Ministry of Telecom’s (MINTEL) digital transformation strategy. Chinese companies, notably Huawei and ZTE, support the vast majority of Ecuador’s digital and telecommunications infrastructure.<sup>485</sup> Ecuador has been the target of Chinese cyber attacks, including in August 2023, when Ecuador’s national election agency claimed that cyberattacks from China disrupted online voting in their elections.<sup>486</sup> Terminating this programming only serves to disincentivize Ecuador to partner with the United States on telecommunications and cyber infrastructure in the future.
- **Guyana and Suriname – Government Transparency:** The Trump Administration terminated a USAID project called “INVEST Transaction Advisory Services” to develop transparent and accountable government practices for public infrastructure and mining and service procurement, which includes legal and financial analysis.
- **Latin America – Economic and Trade Ties:** The Trump Administration terminated USAID’s \$250 million “Catalyze Blended Capital Investment Platform,” which facilitated Latin American entrepreneurs’ access to blended capital, skills, networks and investments to grow businesses and create jobs.<sup>487</sup> This 8-year program was initiated in 2019 under the first Trump Administration.<sup>488</sup>
- **Latin America – Independent Media:** The Trump Administration terminated a \$6.5 million cooperative agreement with various Latin American countries for a project called “Communities Resilient to Disinformation, Building Local Engagement” (CREDIBLE), which built youth digital literacy so that individuals could discern between facts and propaganda perpetuated by actors like China.<sup>489</sup>

<sup>483</sup> Evan Ellis, “The Evolution of Chinese Engagement with the Dominican Republic,” *Center for Strategic and International Studies*, Oct. 31, 2023, <https://www.csis.org/analysis/evolution-chinese-engagement-dominican-republic#>.

<sup>484</sup> *Ibid.*

<sup>485</sup> “Ecuador Country Commercial Guide,” *International Trade Administration*, Accessed July 3, 2025, <https://www.trade.gov/country-commercial-guides/ecuador-telecommunications>.

<sup>486</sup> “Ecuador Hit by Earthquake and Cyberattacks amid Presidential Election,” *CBS News*, Aug. 21, 2023.

<sup>487</sup> “USAID CATALYZE: Twelve 2024 Highlights Across Twelve Activities,” *Medium*, Dec. 17, 2024, <https://catalyze-comms.medium.com/usaid-catalyze-twelve-2024-highlights-across-twelve-activities-e17be8682d16>; Carmen Paun, “Documents Reveal Scope of Trump’s Foreign Aid Cuts,” *Politico*, Mar. 26, 2025, Award ID: 7200AA19C00080.

<sup>488</sup> Palladium Group, “Mobilizing \$2 Billion in Private Capital: USAID Awards CATALYZE Contract to Palladium,” Nov. 4, 2019, <https://thepalladiumgroupusa.com/news/Mobilizing-2-Billion-in-Private-Capital-USAID-Awards-CATALYZE-Contract-to-Palladium>.

<sup>489</sup> Carmen Paun, “Documents Reveal Scope of Trump’s Foreign Aid Cuts,” *Politico*, Mar. 26, 2025.

- **Latin America – Investigative Journalism:** The Trump Administration terminated a \$6 million USAID project in Latin America that empowered independent journalists and media outlets to identify and uncover corruption, propaganda narratives and financial crimes that obscure corruption, with specific training on Chinese tactics.<sup>490</sup> Opaque, predatory Chinese investments often crowd out U.S. companies and generate unsustainable debt for Latin American countries.
- **Panama – Pharmaceutical Supply Chains:** The Trump Administration terminated a \$160 million USAID program called “Promoting the Quality of Medicines Plus (PQM+),” which supported regulatory reform aimed at enabling Panama’s development as a pharmaceutical and medical supply manufacturing and distribution hub. The effort also inculcated international norms that enable U.S. private sector partnership.<sup>491</sup> Meanwhile, China has continued to expand its vaccine diplomacy in Latin America through its Health Silk Road.<sup>492</sup>
- **Peru and Ecuador – Illegal, Unreported and Unregulated (IUU) Fishing:** In March 2025, the Trump Administration terminated a \$5.7 million award to build Peru and Ecuador’s capacity to push back against Chinese IUU fishing.<sup>493</sup> The project also sought to enable anti-IUU investigative journalism to target wider illegal operations. China operates the world’s largest deep-water fishing fleet whose ships exploit fish stocks, destroying marine ecosystems and undercutting local economies. The west coast of South America has seen hundreds of Chinese ships fishing near protected marine reserves.
- **Peru – Government Procurement:** Despite widespread evidence of Chinese-fueled corruption in Peru’s public procurement system, the Trump Administration terminated a \$3.5 million program to strengthen Peru’s public procurement policies.<sup>494</sup> USAID had been maintaining a partnership with the Department of Commerce’s Commercial Law Development Program to strengthen Peru’s Ministry of Economic and Finance’s procurement practices.<sup>495</sup> These programs push back against opaque and potentially corrupt infrastructure deals from China.<sup>496</sup>

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<sup>490</sup> Ibid.

<sup>491</sup> Ibid.

<sup>492</sup> Seth O’Varrell, “Sinovac Expands in LatAm Despite China Viasco,” *fDi Intelligence*, June 22, 2022, updated June 27, 2023, <https://www.fdiintelligence.com/content/341cf7e8-6da0-5c71-8966-05ebacac0271>.

<sup>493</sup> Carmen Paun, “Documents Reveal Scope of Trump’s Foreign Aid Cuts,” *Politico*, Mar. 26, 2025, Award ID: 72052722CA00003.

<sup>494</sup> Carmen Paun, “Documents Reveal Scope of Trump’s Foreign Aid Cuts,” *Politico*, Mar. 26, 2025, Award ID: 72052720T00002.

<sup>495</sup> U.S. Mission Lima, “Fact Sheet: Advancing the United States – Peru Partnership,” Nov. 15, 2024, <https://pe.usembassy.gov/fact-sheet-advancing-the-united-states-peru-partnership/#>.

<sup>496</sup> Sabina Nicholls, “China’s Dangerous Play in Peru – PART III,” *Diálogo Américas*, Mar. 3, 2025. <https://dialogo-americas.com/articles/chinas-dangerous-play-in-peru-part-iii/>.