



MCC Investments Contribute to Long-Term Food Security

Global food prices are among the most pressing challenges to economic development and poverty reduction in countries around the world. MCC has been actively working with its partner countries to invest in sustainable, market based solutions to food security since 2005. These countries are asking MCC to fund infrastructure and agricultural investments needed for sustainable, market-based solutions to this issue.

MCC responded: beginning with its first compact (grant) in April 2005, MCC has made significant rural and agriculture-related investment obligations, including projects in fifteen of the sixteen compact countries. **All told, MCC has obligated nearly \$2.8 billion to strengthen the agricultural and rural economies in poor countries to promote reliable access to sufficient, safe, and affordable food.**

Country ownership prioritizes agriculture and rural economic development

MCC's model enables countries to identify and request funding for their most critical obstacles to reducing poverty through economic growth. In almost all cases, countries have identified agriculture and the rural economy as among their top priorities for funding via an MCC grant focused on long-term economic development.

Examples of investments in food security among MCC compact countries since 2005

Compact Country	Agriculture and Rural Economic Development Project Investments (Million USD)	Total Compact Funding (Million USD)	% of Compact Devoted to Agriculture /Rural Development
Morocco	\$ 430	\$ 697	62%
El Salvador	\$ 321	\$ 461	70%
Georgia	\$ 259	\$ 295	88%
Tanzania	\$ 244	\$ 698	35%
Ghana	\$ 241	\$ 547	44%
Mali	\$ 235	\$ 461	51%
Mozambique	\$ 233	\$ 507	46%
Armenia	\$ 213	\$ 236	90%
Benin	\$ 206	\$ 307	67%
Nicaragua	\$ 120	\$ 175	69%
Cape Verde	\$ 90	\$ 110	82%
Honduras	\$ 72	\$ 215	33%
Madagascar	\$ 66	\$ 110	60%
Vanuatu	\$ 54	\$ 66	82%
Mongolia	\$ 5.9	\$285	02%

Investments all along the supply chain

Through a diverse portfolio of investments, MCC provides significant support to all aspects of the food production and distribution system, as well as to other aspects of rural economic growth, including transferring agricultural technology, securing land rights and access to rural finance, increasing access to sufficient and safe water, and building rural roads and other farm-to-market infrastructure, such as dry and cold storage facilities. These investments help farmers and rural businesses access productive inputs, such as seeds, water and fertilizers, overcome bottlenecks that hinder the ability to get produce from farm to market, and engage in higher-value production to ultimately bring about rural income growth.

MCC investments in different facets of food security

Project Categories	Agriculture and Rural Development Project Investments (Million USD)
Rural Roads / Other Infrastructure	\$1,497.8
Technical Assistance and Agricultural Technology Transfer	\$476.9
Irrigation and Water Management	\$415.3
Rural Finance	\$211.0
Land/Property Rights	\$160.1
Agricultural Research	\$27.4
Total	\$2,789

Examples of MCC investments in food security:

Making food available to the world's poorest people is a complex, multi-step process. Accordingly, MCC's compacts respond to this challenge through a variety of country-specific approaches.

In some cases, the food security-related projects proposed and implemented by MCC compact countries involve several interventions across multiple links in the **food supply chain**:



In **Ghana**, the \$241.5 million project on Development of Agricultural Productivity and Value-Added is providing farmer and enterprise training, enhancing land tenure security, promoting irrigation development, improving post-harvest handling of agricultural produce, improving credit, and rehabilitating secondary/feeder roads. The Project will directly benefit more than 100,000 farm and rural households. Overall, the Project is projected to increase production of staple crops (such as maize, yams, cassava, cowpeas) by 11% and production of high-value crops (such as pineapple and summer vegetables) by 50%.



In **Honduras**, the \$72.2 million Rural Development Project is composed of farmer training and development, access to credit, farm-to-market roads, and an agricultural public goods facility. To date, 1,021 farmers already have converted 1,116 hectares of land to high-value crops, such as tomatoes and onions, to increase their income. The Project is expected to work with more than 8,000 farmers and roughly quadruple family farm income from converting at least 14,400 hectares to high-value crops.

Irrigation and water management:



In **Mali**, the MCC \$ 234.6 million Alatona project, an investment in irrigation infrastructure, is transforming a stretch of desert into a fertile crescent. The project seeks to develop 14,000 hectares of new irrigated lands, representing an almost 18% increase in “drought-proof” cropland and a 4% increase of the country’s total stock of fully- or partially-irrigated land. The primary crops include rice and vegetables; rice yields are expected to reach 5 tons per hectare, among the highest in Africa.

Rural roads and other infrastructure:



In **Tanzania**, MCC investments of \$243.5 million in the transport and energy sectors will be used to upgrade existing roads and add new power generation. Rehabilitation of the Tunduma-Sumbawanga trunk road located in western Tanzania, a fertile agricultural area, and the Zanzibar Rural Roads Activity on Pemba Island will increase commerce and help connect communities to markets. The Malagarasi Hydropower and Kigoma Distribution Activity will provide reliable power to the western region of Kigoma, attracting new investments to the region and allowing productive activities such as agricultural processing to expand.

Secure access to land rights:



In **Benin**, approximately \$36 million will support land policy development, enable the installation of accessible and efficient public title and mapping services in rural areas and assist rural land holders to record their land rights. This project will contribute to more secure access to land rights and make land access more efficient, reducing the average time to obtain a land title from 12 to 6 months.



In **Mongolia**, the \$5.9 million Peri-Urban Land Leasing Activity will introduce leases to approximately 300 tracts of rangeland to herder groups. Approximately 1,000 households are expected to lease rangelands, and because of this enhanced security of tenure, will invest more of their own resources and increase their incomes by producing more milk and meat products.

Agricultural specialization, reinforcing comparative advantages:



In Morocco, The Fruit Tree Productivity Project (\$300.9 million) will fund the intensification and rehabilitation of approximately 55,000 hectares of olive, fig and almond trees and the expansion of these crops on approximately 120,000 hectares in rain-fed areas. Over 15 million new fruit trees will be planted. Fruit tree yields are projected to increase by 50% for olives and 28% for date palms, benefiting approximately 136,000 farm households

Agricultural sector development: A long-term investment to reduce poverty

Individual rural families and businesses participating in MCC-funded projects will see improvements in the near term, and even larger impacts of these interventions will emerge over the course of the next 10 to 20 years, contributing significantly to MCC partner countries' food security.

MCC investments in food systems are critical to helping the world's poor provide for their families and communities today and in the future. These investments, moreover, will help them face potential future crises with greater capacity and confidence. The development of a more robust and productive agricultural economy will help ensure that MCC compact countries are better able to ensure access to affordable, safe food for the increasing number of citizens who live in urban, rather than rural, areas.

For more information on MCC investments in the agricultural sector that contribute to poverty reduction through economic growth, please visit www.mcc.gov.