



# SUCCESS STORY

## MCC's Integrated Development Approach Has Produced Results in Honduras

MCC's compact with Honduras takes an integrated approach, linking investments in transportation and agricultural development. To enhance the long-term impact of these investments, and to improve the country's continued potential for growth, MCC and Honduras worked on complementary policy reforms. The results that MCC and its partners in Honduras have achieved, and will continue to be seen in the months and years to come, range from project results and policy reform milestones during the life of the compact, to projected increases in beneficiary incomes that will be measured by impact evaluations after the compact expires.

This story captures the integrated nature of MCC's investments in Honduras, and the results those investments have yielded, from the perspective of one individual, José Ordóñez. While each beneficiary's experience is different, Mr. Ordóñez's story offers a good example of how MCC investments in Honduras have worked. As the compact with Honduras closes out, MCC has planned impact evaluations to independently measure the increase in household income for farmers like Mr. Ordóñez across Honduras.

Here is how José Ordóñez's story helps to illustrate the broader story of the Honduras compact:



José Ordóñez lives in Comayagua with his wife and three children. He used to grow maize, which he sold at the local market, and hardly earned enough money to support his family.

Three years ago, Mr. Ordóñez started to receive technical assistance from the compact's *Rural Development Project*. He received training in good agricultural practices and the production of high-value horticulture, including how to use technologies like drip irrigation and how to adhere to regulations related to horticulture production. Through this training, he learned how to diversify his production and now grows higher-earning crops, like papaya, that are in greater demand.

Mr. Ordóñez is one of the 7,460 farmers participating in the compact program who produce high-value crops in response to demand in local and regional markets for fruits and vegetables such as melons, squash, bell peppers, and lettuce.

These crops sell at higher prices than the maize he used to grow, and the training also has taught him how to increase his yields. The training program Mr. Ordóñez participated in also works to link farmers and buyers to foster long-term commercial relationships. Mr. Ordóñez now earns more income and can better provide for his family.



Of the 7,460 farmers who have received training more than 1,300 have sold and continue selling their products to exporters, and more than 6,800 have sold and continue selling to local buyers through links established by the market expansion component of the activity.

In total, more than 15,000 links between growers and buyers have been established, resulting in sales of a variety of fruits and vegetables. These links represent solid, strong partnerships between program-assisted farmers and local and international buyers, and these partnerships are intended to continue beyond the life of the Compact. More than 6,000 of the 7,460 farmers who have been trained through the MCC program are earning at least \$2,000 per hectare – a key program benchmark that demonstrates that farmers have been successful in adopting improved agricultural practices.

## Mr. Ordóñez has used his earnings to make improvements to his home, and can provide his children with greater opportunities.

In order for farmers like Mr. Ordóñez to get their products to market, MCC's compact is also improving approximately 500 kilometers of rural roads as well as 175 kilometers of the CA-5 highway and nearby secondary roads throughout Honduras.

To date, the program has rehabilitated over 560 kilometers of these roads. Many of the improved roads will help improve access to the vital CA-5 corridor that runs between Tegucigalpa and Puerto Cortés, the principal port in Central America. Mr. Ordóñez can now get his papayas to market quicker because he lives along a recently improved rural road that connects to an improved secondary road that, in turn, connects to the CA-5 highway.



Road construction and rehabilitations have employed over 4,000 people.

To ensure the sustainability of these roads, MCC supported the Honduran government's efforts to develop legislation to empower *Fondo Vial*, the national roads maintenance authority, to better address road maintenance issues by becoming the responsible entity for weight control.

As part of the MCC compact, the government progressively increased its own road maintenance budget from \$37 million in 2005 to \$64 million in 2010, recognizing the importance of protecting the investments made in the national road network.



José Ordóñez, farmers like him, and business owners along the rehabilitated roads are reporting that MCC's investments have improved their livelihoods.

MCC understands that many factors can influence these outcomes. As part of MCC's commitment to measure results accurately, upcoming impact evaluations will assess the full extent of the impacts that can be attributed to MCC's investments, including actual increases in household income.

MCC's investments, combined with complementary policy reforms, are expected to bring benefits beyond the life of the

compact programs. Over the next 20 years, MCC's investment in Honduras is expected to benefit more than 1.7 million people and increase incomes by \$240 million. These projected results show that U.S. development assistance can make a sustained difference in the lives of millions of poor people around the world.

Visit [www.mcc.gov](http://www.mcc.gov) to learn more and follow the Honduras compact story, progress, results, and impact evaluations.