



MILLENNIUM
CHALLENGE CORPORATION
UNITED STATES OF AMERICA

Fact Sheet

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Fact Sheet: MCC Investments Contribute to Long-Term Food Security

Country ownership prioritizes agriculture and rural economic development

The Millennium Challenge Corporation's partner countries recognize that global food security can be among the most pressing challenges to economic development and poverty reduction. With its partner countries in the lead, MCC's investments have been on the forefront of addressing food security priorities since MCC signed its first compact in 2005. MCC's food security investments highlight the importance of strengthening agricultural and rural economies in poor countries and promoting reliable access to sufficient, safe and affordable food.

MCC places high emphasis on country ownership. Partner countries, informed by economic analysis and in consultation with civil society and the private sector, develop compact programs to address countries' most significant barriers to economic growth and poverty reduction. When given the opportunity to set the priorities, almost each partner country prioritized food security-related investments during a time when global official development assistance (ODA) to agriculture was at a historic low.¹ To date, MCC has obligated more than \$4.4 billion to strengthen agricultural and rural economies in poor countries and to address the many sources of food insecurity.²

USG focus on food security builds on MCC experience

Responding to spikes in food prices and increasing concern about levels of food insecurity around the world, the 2009 G-8 summit in L'Aquila, Italy, marked a turning point for international efforts to achieve food security worldwide. The governments of eight of the world's largest economies committed to

MCC Food Security Statistics

- 21 of 25 signed compacts include food security-related investments.
- \$4.4 billion—more than half of MCC's obligated investments—are related to improving food security.
- 60 percent of MCC's food security portfolio supports rural infrastructure like roads, ports and storage facilities.
- 20 percent of MCC's food security investments fund irrigation projects.
- 65 percent of MCC's food security portfolio is in 11 African countries.

¹ The Organisation for Economic Co-operation and Development's Development Assistance Committee estimates that agriculture ODA reached a low of less than \$4 billion in the early 2000s, down from its mid-1980s peak of \$23 billion.

² Figures in this document are accurate as of March 31, 2012 and include only compacts which have Entered into Force (EIF). The Indonesia Compact has been signed but has not yet entered into force, at which point the funds will be considered obligated. Disbursements against these obligations total \$2.2 billion, about 50 percent of total obligations.

mobilizing \$22 billion for agriculture and food security. As part of the U.S. Government contribution to this global effort, President Obama launched the Feed the Future (FTF) initiative in 2010, declaring the commitment of the United States to sustainably reduce hunger and poverty through increased agricultural development and nutrition programs. MCC continues to actively support the development and implementation of FTF at various stages in the process, leveraging nearly seven years of implementation of agriculture and food security-related investments and sharing experiences and lessons learned on measuring results and accountability.

Results

It is anticipated that MCC's food security investments will result in 250,000 hectares under new or improved irrigation, 227,000 farmers trained, \$71 million of agricultural or rural loans disbursed, 3,200 enterprises assisted, nearly 6 million hectares of formalized land rights, and 3,500 kilometers of rural roads completed. As these results come in, MCC is committed to learning and being held accountable for how well these program outputs translate into increased incomes and well-being for program beneficiaries. MCC has independent impact evaluations underway for almost 20 agriculture investments address issues such as the impact of our programs on increased productivity, investment in high-value agriculture and ultimately on rural household incomes. In addition, MCC is managing many other impact evaluations related to food security investments in land and roads. The results of these evaluations will inform MCC (and hopefully Feed the Future) program planning in future food security and agriculture investments. It is anticipated that MCC's first impact evaluation results will be from agriculture projects in Honduras, Nicaragua, Armenia, and Ghana. They should be public in fall 2012.

MCC addresses the many sources of food insecurity

There is no one-size-fits-all approach to improving food security. Each compact's food security investments target specific weak links in agricultural value chains and thus vary widely by country. Below are examples of the types of MCC investments addressing food security.³

Irrigation

In **Mali**, the \$210 million Alatona Irrigation Project increased the conveyance capacity of the main system and developed newly irrigated lands, ultimately providing improved access to water to more than 110,000 hectares of farmland. In addition to constructing irrigation infrastructure, the project introduced innovative agricultural, land tenure and water management practices through intensive training.⁴

In **Moldova**, the \$101.8 million Transition to High Value Agriculture Project will rehabilitate as many as 11 irrigation systems covering 15,000 hectares and provide technical assistance and build capacity to support legal transfer of management and operations of MCC-rehabilitated systems from the government to water-user associations.

³ For more details on these projects and other examples of food security investments, please visit www.mcc.gov/foodsecurity

⁴ In May 2012, the MCC Board of Directors approved termination of the Mali Compact due to an undemocratic change in government.

Property Rights and Land Policy

MCC has a portfolio of approximately \$260 million of investments to improve property rights and land policy, which will strengthen property rights, support transparent procedures for land allocation and promote accessibility and accountability of land administration agencies.⁵ About 85 percent of these investments contribute to food security by reducing barriers to investment by small and large-scale producers in MCC's partner countries across agricultural value chains. Examples include:

In **Senegal, Burkina Faso** and **Mali**, land allocation and titling activities accompany investments in irrigated agriculture, ensuring that farmers will have secure rights to the newly irrigated land and allowing them to invest in making land more productive and take responsibility for managing resources wisely. More than 10,000 hectares of land in these irrigated perimeters will be formalized with titles or other certificates issued.

In **Mozambique**, the \$39.1 million Land Tenure Project supports capacity building for cadastral services in the four northern provinces and a reconfiguration of the national Land Information Management System. MCC funds provide equipment and technology for the cadastral offices; training of provincial, district and municipal cadastral employees; and technical assistance to cadastral offices implementing new technology and streamlined procedures. The project also aims to formalize 3 million hectares of rural land.

Rural Roads, Ports and Post-Harvest Infrastructure

In **Tanzania**, the \$368.8 million Transport Sector Project is funding rehabilitation of 464 kilometers of the Tunduma-Sumbawanga trunk road—located in western Tanzania, a fertile agricultural area—and rural roads on Pemba Island that will increase commerce and help connect communities to markets. This project also includes rehabilitation of the airport runway on Mafia Island, which will facilitate access to markets and increased trade.

In **Benin**, the \$188.9 million Access to Markets Project modernized the Port of Cotonou, contributing to economic growth and trade and increasing Benin's food security by providing efficiently run export markets for farmers and reducing post-harvest losses.

In **Ghana**, the \$19.8 million Post-Harvest Activity funded construction of 10 agribusiness centers and three public packhouses, providing the missing link between farmers and markets by reducing post-harvest losses and preparing produce for export. More than 15,000 additional metric tons of pineapple and more than 5,000 additional metric tons of mangos have been exported as a result of these investments.

⁵ For more details about MCC's property rights and land policy investments, please visit <http://www.mcc.gov/land>.

Agricultural Finance

In **Honduras**, a \$12.8 million agricultural finance program helped solve the problems that contributed to farmers' lack of access to capital by working with input suppliers to help them create a system of offering credit to farmers that they would repay after harvest. The program also helped farmers create business plans and learn other entrepreneurial skills. More than 10,800 agricultural loans were disbursed.

Farmer Training

In **Mozambique**, the \$18.4 million Farmer Income Support Project is training 8,000 farmers on effective methods for controlling the spread of coconut lethal yellowing disease and in planting disease-resistant varieties and other high-value crops.

In **Ghana**, the \$62.2 million Commercial Training Activity helped train more than 66,000 farmers in more than 1,200 farmer-based organizations in commercial agriculture. The goal was to make Ghanaian agriculture more productive, including boosting the production of high-value exports like pineapple, mango and Bird's Eye chili pepper.

In **Nicaragua**, the \$31.5 million Rural Development Project supported 1,635 milk producers with on-farm training and capacity building to improve the management of livestock. Producers learned better feeding approaches, artificial insemination and other reproductive services to improve milk production. These investments building have resulted in superior-quality milk that sells for a higher price, as well as greater milk production—especially during the crucial summer season. The project also trained farmers in drip irrigation and high-value production of improved varieties of plantains.

Nutrition

In **Indonesia**, the \$131.5 million Nutrition Project will seek to reduce and prevent low birth weight, childhood stunting and malnourishment of children in project areas. The project will target as many as 7,000 villages in provinces where the rates of stunting and low birth weight in infants and children up to two years old are higher than national averages.

Food Security Investments by Compact (in millions)

	Irrigation	Technical Assistance	Agricultural Research	Rural Finance	Land Tenure	Rural Roads/ Other Infrastructure	Total Food Security	Total Compact
Closed Compacts								
Madagascar		\$13.9		\$23.7	\$29.6		\$67.1	\$84.4
Honduras	\$23.7	\$8	\$3.7	\$12.8		\$20.1	\$68.3	\$205
Cape Verde	\$8.7	\$2.7		\$0.6		\$82.6	\$94.6	\$110.1
Georgia	\$20			\$32		\$214.4	\$266.4	\$395.3
Vanuatu						\$58.3	\$58.3	\$65.7
Nicaragua	\$0.7	\$30.9			\$7.2	\$57.7	\$96.4	\$112
Armenia	\$152.2					\$9.1	\$161.3	\$177.7
Benin					\$32.2	\$188.9	\$221	\$307.3
Ghana	\$23.2	\$62.2		\$23.6	\$4.1	\$90.4	\$203.5	\$547
Active Compacts								
El Salvador		\$55.9		\$12.3		\$269.2	\$337.4	\$460.9
Mali	\$162.6					\$47.5	\$210.1	\$460.8
Morocco	\$153	\$178.1	\$14.5	\$43.7		\$126.8	\$516.1	\$697.5
Mozambique		\$16	\$2.4		\$39.1	\$176.3	\$233.8	\$506.9
Mongolia					\$27.2		\$27.2	\$284.9
Tanzania						\$368.8	\$368.8	\$692.1
Burkina Faso	\$141.9				\$59.9	\$194.1	\$396	\$480.9
Namibia		\$7.1			\$21.6	\$19.1	\$47.8	\$304.4
Senegal	\$169.8					\$324.6	\$494.5	\$540
Moldova	\$101.8					\$132.8	\$234.6	\$262
Philippines	\$1					\$250.7	\$251.6	\$432.8
Total:	\$958.7	\$374.7	\$20.6	\$148.7	\$220.8	\$2,631.6	\$4,355.1	