



MILLENNIUM  
CHALLENGE CORPORATION  
UNITED STATES OF AMERICA

# Fact Sheet

[www.mcc.gov](http://www.mcc.gov)

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

### Country ownership prioritizes agriculture and rural economic development

MCC'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, the MCC portfolio of investments has been on the forefront of addressing food security priorities since MCC's first compact in 2005. MCC's food security investments highlight the importance of strengthening agricultural and rural economies in poor countries and to promote reliable access to sufficient, safe and affordable food.

MCC places high emphasis on country ownership in its development model. MCC's 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 all of the MCC countries prioritized food security related investments during a time when Global Official Development Assistance (ODA) to Agriculture was at a historic low.<sup>1</sup> 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.<sup>2</sup>

#### 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.

### 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 L'Aquila Summit marked a turning point for international efforts to achieve food security worldwide with the G8 committing to mobilize \$22 billion for agriculture and food security. As part of

<sup>1</sup> Source: OECD DAC 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

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

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 has and will continue 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 wellbeing for program beneficiaries. MCC has independent impact evaluations underway for almost 20 agriculture investments to address such questions as impact of our programs on increased productivity and 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 and 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.<sup>3</sup>

### Irrigation

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

In **Moldova**, MCC's \$ 101.8 million Transition to High Value Agriculture Project will rehabilitate up to 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.

<sup>3</sup> For more details on these projects and other examples of food security investments, please visit [www.mcc.gov/foodsecurity](http://www.mcc.gov/foodsecurity)

<sup>4</sup> As of the date of publication, MCC is in the process of reviewing the operational status of the Mali Compact due to a military coup in March 2012. All progress in the Mali Compact described in this paper predates this occurrence. Achievement of some of the forthcoming compact results is at risk due to this situation.

## Property Rights and Land Policy

MCC has a portfolio of approximately \$260 million of investments in improving 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.<sup>5</sup> \$220 million, or 85% 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, allowing them to invest in making it more productive and to 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 Compact 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 \$39.1 million project also aims to formalize three million hectares of rural land.

## Rural Roads, Ports and Post-Harvest Infrastructure

In **Tanzania**, MCC's \$368.8 million rehabilitation of 464 km of the Tunduma-Sumbawanga trunk road—which is located in western Tanzania, a fertile agricultural area—and rural roads on Pemba Island 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**, MCC's \$188.9 million investment in the Port of Cotonou is contributing to economic growth and trade, increasing Benin's Food Security by providing efficiently-run export markets for farmers and reducing post-harvest losses.

In **Ghana**, ten agribusiness centers and three public pack houses were constructed through the \$19.8 million Post-Harvest Activity, 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 over 5,000 additional metric tons of mangos have been exported as a result of these investments.

## Agricultural Finance

As part of the completed Compact with **Honduras**, a \$12.8 million agricultural finance program helped to solve the problems that contributed to farmers' lack of access to capital, by working with input suppliers

<sup>5</sup> For more details about MCC's Property Rights and Land Policy investments, please visit <http://www.mcc.gov/land>.

to help them begin a system of offering credit to farmers that they would repay after harvest, and by offering training to farmers in creating business plans and other entrepreneurial skills. In all, more than 10,800 agricultural loans were disbursed.

## Farmer Training

In **Mozambique**, 8,000 farmers are being trained on effective methods for controlling the spread of Coconut Lethal Yellowing Disease and in planting disease-resistant varieties and other high-value crops as part of the \$18.4 million Farmer Income Support Project.

MCC's compact with **Ghana** included training more than 66,000 farmers in over 1200 farmer based organizations (FBOs) in commercial agriculture. The goal of this \$62.2 million Commercial Training Activity 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**, MCC's Rural Development Project supported 1,635 milk producers with on-farm training and capacity building services to improve the management of livestock. Producers learned better feeding approaches and artificial insemination and other reproductive services to improve milk production. These investments in technology capacity building have resulted in milk of superior quality that sells for a higher price, and greater milk production, especially during the crucial summer season. The \$31.5 million Rural Development Project also trained farmers in drip irrigation and high-value production of improved varieties of plantains.

## Nutrition

The **Indonesia** compact's \$131.5 million Nutrition Project seeks to reduce and prevent low birth weight, childhood stunting, and malnourishment of children in project areas. The project will target up to 7,000 villages in provinces where 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 USD millions)

	Irrigation	Technical Assistance	Agricultural Research	Rural Finance	Land Tenure	Rural Roads/ Other Infrastructure	Total Food Security	Total Compact
<b>Closed Compacts</b>								
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
<b>Active Compacts</b>								
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
<b>Total:</b>	<b>\$958.7</b>	<b>\$374.7</b>	<b>\$20.6</b>	<b>\$148.7</b>	<b>\$220.8</b>	<b>\$2,631.6</b>	<b>\$4,355.1</b>	