

Crowne Plaza, Vientiane, Lao PDR, 27 July 2023



FINAL REVIEW MEETING

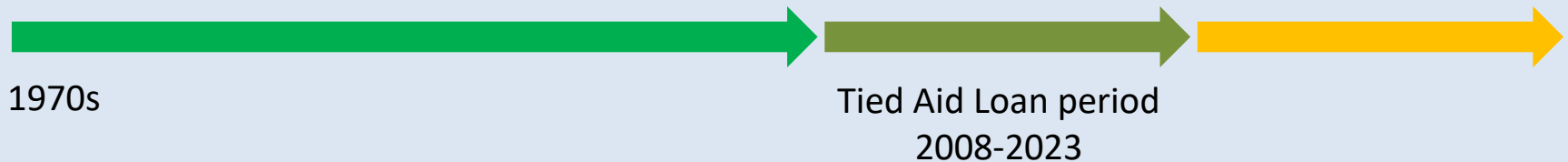
**Future perspectives and sustainability of the
Hungarian TAL programs**

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Long-term cooperation in agriculture development

TIMELINE OF AGRICULTURE COOPERATION



It is a need but also an opportunity to continue cooperation. However, there is a need for strong commitment from government level to institutions and private sector

Cooperation to assist the transition from subsistence farming to commercial agriculture

The Hungarian government, business and institutional partners are **ready to continue** collaboration after the completion of the three tied aid loan projects. We do hope that Lao public and private partners are also ready to collaborate and **explore jointly new opportunities** not to lose the momentum generated by the tied aid loan programs.

Challenges in agriculture and food supply

Food systems around the world face the “triple challenge” of simultaneously meeting the following objectives.

- **Ensuring food security and nutrition** for a growing population;
- **Supporting the livelihoods** of millions of people working in the food supply chain;
- **Doing so in an environmentally sustainable way.**

Moreover, across these three dimensions **food systems should also become more resilient.**

Some specific challenges in agriculture and food supply in the Lao PDR

- **Malnutrition** indicators remain a serious concern (e.g. anaemia among children under five years and women of reproductive age);
- Gradual shift from subsistence to commercial agriculture leads to several **social and environmental impacts**;
- Challenges in the transition to sustainable commercial production: **limited infrastructure; limited technical knowledge; and lack of sufficient extension support**;
- Low productivity and unsustainable agriculture do not offer adequate opportunities for young rural workers, leading to a **shrinking agricultural labour force**;
- The informal structure of the domestic food processing sector, **limited food import controls, and poor sanitary conditions** lead to a high prevalence of unsafe food;
- Poverty and vulnerability among smallholder farmers can intensify with the **threats from climate change events**, such as storms, floods and droughts, as their ability to cope is low.

Challenges in agriculture and food supply in the Lao PDR,

The Agriculture Development Strategy to the year 2025 and Vision to the year 2030 and the **9th Five-Year National Socio-Economic Development Plan (2021-2025)** also identified challenges which, however, expanded and intensified in recent years due to Covid 19 pandemic, increasing effects of climate change and global food, energy and financial crisis.

The economy is projected to grow at 3.9 percent in 2023 and accelerate to an average of 4.3 percent in the medium term, led by a continued recovery in services and exports. **The industrialization and modernization of agriculture has an increasingly important role to ensure economic growth and food security.**

In this situation of the Lao economy, the **sustainability of development projects and the use of results without delay is a particularly important issue.**

Key sustainability criteria of development projects

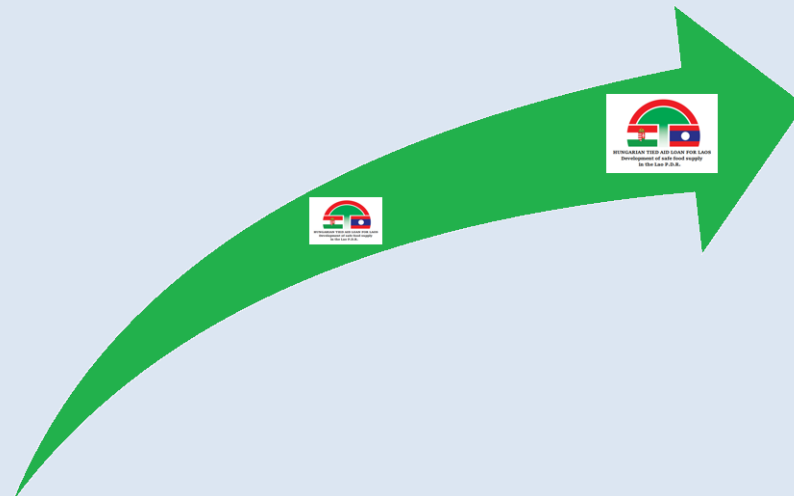
Sustainability is the ability of a development project **to maintain or expand a flow of benefits** at a specified level for a long period after project inputs have ceased.

The established physical **infrastructure is maintained and operated** by participating partners.



Sustainability of the Hungarian agriculture tied aid loan programs for Laos

1. Sustainability considerations during planning phase
2. Sustainability considerations during implementation phase
3. Preparation of actions to facilitate sustainability
4. Conclusions and recommendations



1. Sustainability considerations during planning phase

- Built upon previous results and experiences, as well as professional and personal relations
- Careful planning for setting objectives taking into account real needs and possibilities
- Careful selection of sites and cooperating partners
- Elaboration of realistic work plans and time frames



2. Sustainability considerations during the implementation phase

- Maintain good, constructive, open and honest cooperation between implementing partners (VAA and DLF)
- Maintain good relations with competent ministries and financial institutions in both countries
- Establish good collaboration with public and private partners involved in project activities
- Adaptivity and flexibility to reflect quickly to unexpected circumstances (Covid pandemic, turbulent world economy and its effects on national economies, changes in the staff in government institutions)
- Organising an efficient and constructive Mid-term Review Meeting



3. Preparation of actions to facilitate sustainability

- Dissemination and exploitation actions for stakeholders' group.
- Clearly identify, highlight and communicate the innovation brought by the project, how it benefits the target groups.
- Bringing the project findings to the attention of relevant external stakeholders (official bodies, policy makers, general public, and potential users).



4. Conclusions and recommendations

- Continue dialogue/exchange of information between Hungarian and Lao partners at project management- and project component level
- Maintain and strengthen bilateral (e.g. MATE-NUoL) and multi-lateral (e.g. Lao-Vietnam-Hungary; Lao-Thai-Hungary) institutional collaboration established and strengthened during the projects
- Lao government should assist and support operators of the facilities that were built in the frame of the projects
- Continue and strengthen the traditional aquaculture collaboration and both institutional (MATE HAKI) and business (ADC) levels
- Explore and identify new project activities financed by external donors
- Explore Hungarian business cooperation activities (e.g. export credit, special investment funding) with the assistance of the Hungarian Embassy
- Preparation of a 4th Hungarian agriculture tied aid loan program for a later period

Support the operation of new facilities

„Economies of scale” issue

- Production of special products
- Providing services: training, demonstration
- Involvement in research and innovation (results are adaptable by commercial facilities)

„Start up” business by SMEs

- Government assistance to stabilize operation in the initial stage
- Access to appropriate finance in a later stage
- Access to technical support



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Thank you for your attention!

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Köszönöm!