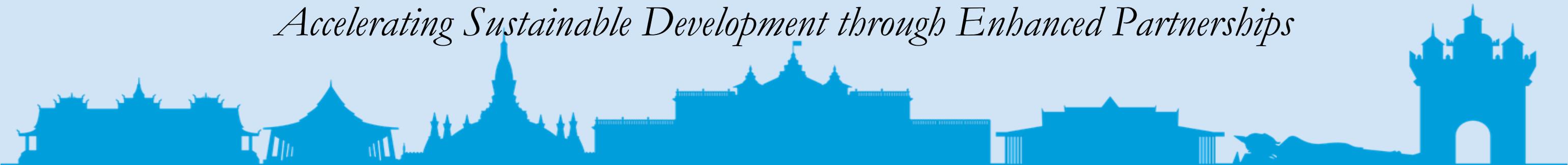


Vientiane Declaration on Partnership for Effective Development Cooperation (2026-2035)

Accelerating Sustainable Development through Enhanced Partnerships



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Overall Structure and Framework

0 Preamble & Context

1 Reflects on two decades of partnership evolution and current challenges facing Lao PDR at this transformative moment.

Six Key Principles

Guides development cooperation from 2026-2035, building on lessons learned while adapting to new realities.

Coordination Architecture

Enhanced mechanisms including reformed Round Table Process and strengthened sector working groups.

Implementation Framework

Results-based monitoring, quarterly reviews, and systematic knowledge management systems.



Core Contents of VD III

1. Country Ownership & Leadership

Strengthening domestic resource mobilization and managing LDC graduation transition with enhanced public financial management systems.

2. Quality Partnerships

Deepening partnership quality through structured private sector engagement, enhanced civil society environment, and regional cooperation frameworks.

3. Results-Based Implementation

Evidence-based policy making with digital M&E systems, climate-sensitive frameworks, and outcome-focused monitoring.

4. Transparency & Accountability

Digital transparency systems, comprehensive accountability mechanisms, and strengthened anti-corruption frameworks with real-time reporting.

5. Predictability & Harmonization

Medium-term financing frameworks, climate finance integration, and systematic harmonization through common procedures and integrated planning.

6. Capacity Development

Building climate resilience capabilities, digital transformation competencies, and institutional resilience for sustainable development.



Evolution of Partnership in Lao PDR

VD I - 2006-2015: Aid Effectiveness

First Vientiane Declaration focused on aid effectiveness, establishing basic coordination mechanisms and donor dialogue through the Round Table Process.

1

VD III - 2026-2035: Enhanced Cooperation

Third Declaration emphasizes quality partnerships, results-based implementation, and comprehensive coordination of diverse financing sources.

3

VD II - 2016-2025: Partnership Focus

Second Declaration broadened vision to embrace inclusive partnerships, diverse cooperation forms, and multi-stakeholder engagement beyond traditional donors.

2



Key Differences from VD II

New Focus Areas

- LDC graduation management and transition planning
- Climate finance integration across all sectors
- Digital transformation and modernization
- Regional partnership frameworks and cross-border cooperation
- Comprehensive development financing beyond traditional ODA

Enhanced Mechanisms

- Results-driven Round Table Process with action orientation
- Digital transparency systems and real-time reporting
- Evidence-based policy making with advanced analytics
- Institutional resilience building for complex challenges
- Medium-term financing frameworks for predictability



What Remains Consistent

Round Table Process

Continues as the primary platform for development dialogue, though enhanced with results-based management and action-driven approach.

Sector Working Groups

Maintained as technical coordination mechanisms but reformed with clearer result frameworks and stronger integration between policy levels.

Core Principles Foundation

Six fundamental principles remain but evolved to address new challenges while maintaining commitment to country ownership and partnership.

Multi-stakeholder Approach

Continued emphasis on inclusive partnerships involving government, development partners, civil society, private sector, and academia.



1 **Strengthening Country Systems**

Enhancing institutional capacity and domestic capabilities for sustainable development management.

2 **Enhancing Predictability**

Improving transparency and predictability of development cooperation for better planning and implementation.

3 **Promoting Inclusive Partnerships**

Engaging all development stakeholders including civil society, private sector, and communities.

4 **Supporting Evidence-Based Planning**

Improving data systems and monitoring frameworks for informed decision-making.

5 **Advancing Resource Mobilization**

Strengthening domestic resource mobilization for sustainable development financing.

Five Core Commitments



Comprehensive Development Financing Framework

Traditional ODA

Bilateral and multilateral assistance, technical cooperation, grant-based support for social sectors and vulnerable populations.

Emerging Partners

South-South cooperation, triangular arrangements, regional mechanisms, climate and environmental funds.

Private Sector

Foreign direct investment, public-private partnerships, blended finance mechanisms, private sector development initiatives.

Domestic Resources

Tax revenue enhancement, non-tax streams, public debt management, state-owned enterprise contributions.

Alternative Finance

Green bonds, digital finance, impact investment, sustainable development bonds for innovative funding.



Implementation and Monitoring Framework



Quarterly Reviews

Regular progress monitoring against agreed objectives with timely identification and resolution of implementation challenges.



Knowledge Management

Systematic documentation and sharing of best practices, implementation challenges, and lessons learned to build adaptive coordination systems.



Annual Assessments

Comprehensive analysis of achievements and obstacles with evidence-based recommendations for improvement.



Evidence-Based Decisions

Advanced analytics and digital M&E systems supporting continuous improvement and strategic policy adjustments.



Mid-term Evaluations

Strategic adjustments based on implementation experience and changing development landscape requirements.



Summary of key recommendations for the revision of the VDIII



Result-Oriented Partnerships

Emphasize sustainable and resilient development through strengthened cooperation, enhanced domestic resource mobilization, and meaningful stakeholder engagement across all



Human Capital Development

Prioritize investments in early childhood development and education to improve health and educational outcomes, building foundational capacity for long-term institutional resilience.



Integrated Financing

Framework
Shift from aid-driven approaches to comprehensive financing that includes domestic and international sources, emphasizing the Integrated National Financing Framework (INFF) aligned with 9th and 10th NSEDPs.



Implementation and Coordination Mechanisms

Enhanced Stakeholder Engagement

Utilize hybrid meetings and digital platforms for better coordination and secure data-sharing among partners, ensuring inclusive participation across all stakeholder groups.

Robust Monitoring & Evaluation

Implement results-based indicators with adequate resourcing and interoperability between systems like ODA-MIS and the Ministry of Finance's new Financial Management Information System.

Reform Round Table Process

Reset the RTP to establish institutional links with overall development financing management beyond aid. Clarify mandates for Sector Working Groups to support NSEDP effectively.

Streamline Approval Processes

Advocate for quicker, more efficient administrative procedures to manage ODA flows, learning from successful practices in countries like Vietnam.

Transform Coordination Architecture

Reorganize Sector Working Groups to reflect ministerial changes and evolving priorities, while addressing provincial resource concerns.

Transparency, Accountability, and Innovation



Transparency & Accountability

Include references to anti-corruption and anti-money laundering measures. Guarantee public access to information beyond digital platforms and add accountability to transparency commitments.



Digital Transformation

Integrate digital transformation initiatives to modernize processes and enhance effectiveness. Establish clear institutional homes for knowledge management to ensure continuity.

The VD III revision should allow development partners flexibility to sign after the high-level Round Table Meeting, considering legal clearance requirements from their headquarters. This approach ensures comprehensive buy-in while maintaining momentum for implementation.



Inclusive Engagement

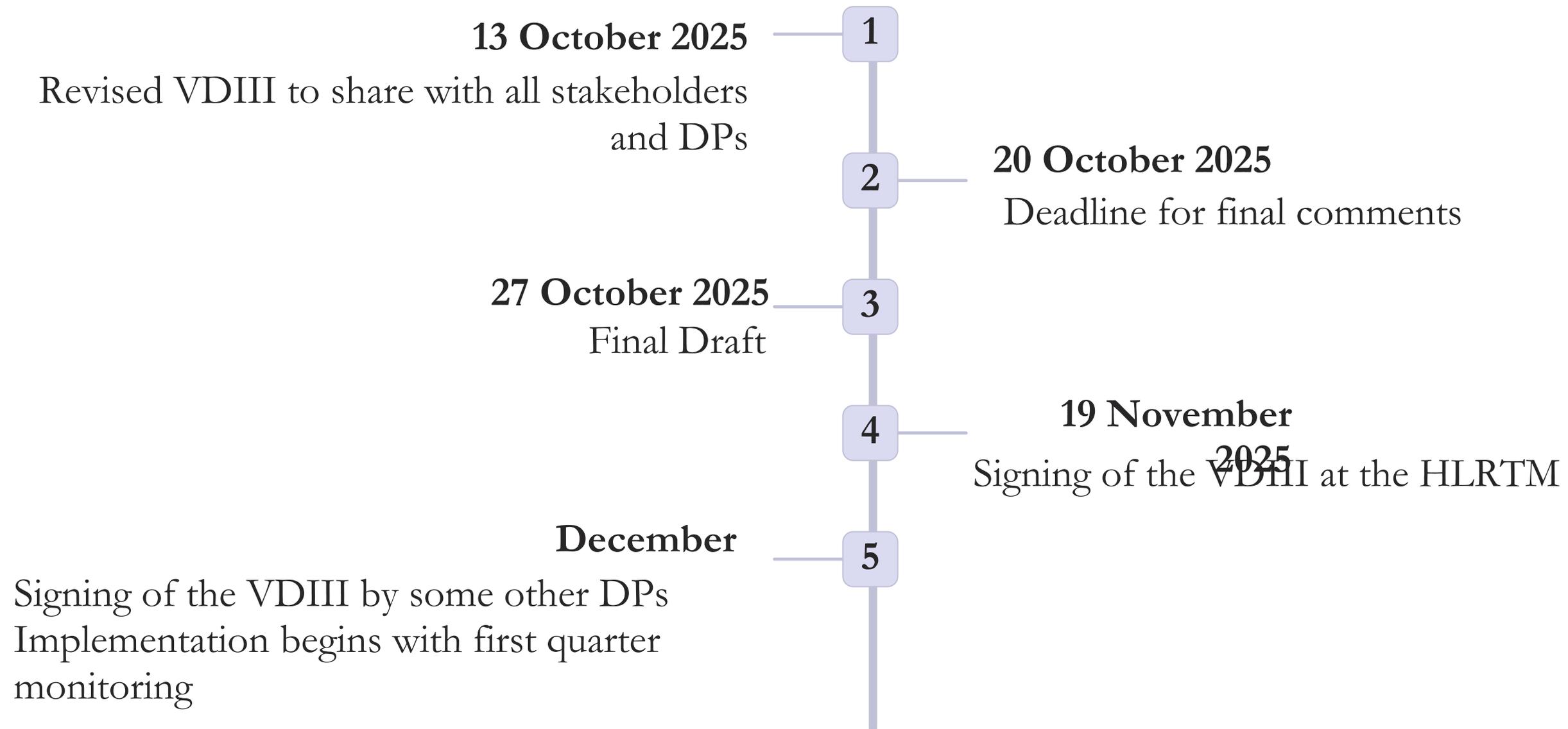
Ensure formal representation and meaningful engagement of Civil Society Organizations and the private sector in development cooperation frameworks with clear participation mechanisms.



Realistic Results Framework

Develop deliverable, outcome-oriented frameworks integrated across all SWGs to reduce duplication. Incorporate findings from recent GPEDC monitoring rounds to address contextual challenges.

Next Steps



VD II (2016-2025) Signing at the HL RTM 2015



His Excellency Mr. Saleumxay Kommasith
Vice Minister of Foreign Affairs

Ms. Kaarina Immonen
UN Resident Coordinator
UNDP Resident Representative

H.E. Mr. Craig Chittick
First Assistant Secretary
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H.E. Mr. Phil Calvert
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Ms. Shannon Austin
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H.E. Ms. Belinda Mariano Ante
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Plenipotentiary of the Philippines

H.E. Mr. Lodoidamba Galbadrakh
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H.E. Mr. Mikhail V Baranov
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Ambassador Extraordinary and
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America

Kob Chai Lai Lai - Thank You Very Much

