International Labour Organization

▶ GB.356/POL/4

Governing Body

356th Session, Geneva, 23 March–2 April 2026

Policy Development Section

POL

Development Cooperation Segment

Date: 26 February 2026
Original: English

Fourth item on the agenda

The ILO's Development Cooperation Strategy for 2026–29

Purpose of the document

This document presents the ILO's Development Cooperation Strategy for the period 2026–29. It sets out a vision for more effective, innovative and agile development cooperation that advances the Organization's core mandate and responds to the needs of the constituents in an era of uncertainty and significant change. The discussion of this document – originally scheduled for the 355th Session (November 2025) of the Governing Body – was postponed to the 356th Session (March–April 2026) to ensure alignment with document GB.356/INS/7 (see the draft decision in paragraph 63).

Relevant strategic objective: All.

Main relevant outcome: All.

Policy implications: Yes.

Legal implications: None.

Financial implications: None.

Follow-up action required: To be determined.

Author unit: Multilateral Partnerships and Development Cooperation Department (PARTNERSHIPS).

Related documents: GB. 356/INS/7; GB.355/INS/7; GB.353/PFA/1; GB.353/PFA/1(Add.1)(Rev.1); ILC.113/FIN; GB.352/PFA/9; GB.340/POL/6.

Background: A challenging environment for development cooperation

1. Development cooperation is an essential complement to the ILO's regular budget resources to deliver the Organization's core mandate worldwide and achieve sustainable outcomes. It encompasses funding and non-funding modalities, including: contributions to the ILO's Regular Budget Supplementary Account (RBSA); bilateral and multilateral contributions to specific activities; domestic funding; South–South and triangular cooperation; United Nations (UN) bilateral, pooled and multi-partner trust funding; and collaboration with international financial institutions (IFIs), private sector and other non-state entities, and local governments. It also includes knowledge partnerships and the secondment of personnel. These modalities increase the ILO's capacity to deliver the decent work priorities agreed on by the ILO's tripartite constituents in Decent Work Country Programmes (DWCPs), regional frameworks and global programmes.

2. The ILO's Development Cooperation Strategy for 2026–29 will support the realization of the ILO's Strategic Plan for 2026–29 and the outcomes of the biennial programmes and budgets for the next four years. Moreover, it responds to the evolving financial and budgetary challenges facing the Organization and contributes to the critical Office reform efforts under way. [1] It will be the last ILO Development Cooperation Strategy to contribute to the achievement of the UN Sustainable Development Goals (SDGs) prior to 2030.

3. This Strategy has been prepared in a complex wider political context characterized by a significant decline in international funding for development. This global decrease has resulted in the reduced availability of regular budget and extrabudgetary resources for the ILO's development cooperation and has increased uncertainty for the coming years. The Organisation for Economic Co-operation and Development (OECD) estimates that official development assistance (ODA) from members of its Development Assistance Committee fell by at least 9 per cent in 2025. [2]

4. Over the past two biennia, earmarked extrabudgetary development cooperation (XBDC) resources available to the Office have declined from an all-time high of US$934 million in 2022–23 to an estimated US$767 million in 2024–25. During the same period, the level of RBSA funds was relatively stable, totalling around US$35 million in 2024–25. The ILO's engagement in joint and UN pooled funding has also been steady over the past three biennia.

5. While the Office has received less funding from some long-standing partners, other forms of partnerships, including South–South and triangular cooperation, domestic trust funds, public–private partnerships and partnerships with IFIs, have strengthened. These partnerships are increasingly strategic for transferring knowledge, encouraging innovative solutions, promoting policy change, increasing the institutional capacity of the ILO's constituents and maximizing the impact of development cooperation on employment outcomes.

[1] See GB.356/INS/7.

[2] Estimates from November 2025 in US dollars (constant 2023 prices). See OECD, "Official development assistance (ODA)".

6. The way development cooperation takes place has also been changing. Governments have tightened scrutiny and oversight in the use of foreign aid. [3] The environment for resource mobilization both globally and at the country level is becoming highly competitive. [4] Ownership by partner countries in the identification of priorities and in the design, implementation, monitoring and sustainability of (technical) assistance has increased. The forms of development cooperation have also evolved, with more inclusive approaches and greater emphasis on collaboration among multiple stakeholders, including through UN global funds and joint programmes, and non-financial collaboration, knowledge transfer, peer learning, public–private partnerships and South–South cooperation.

7. The focus on development finance has also increased. The outcome document of the Fourth International Conference on Financing for Development (the Sevilla Commitment), adopted in 2025, places a strong emphasis on domestic resource mobilization in the context of decreasing foreign aid. [5] Yet, fiscal space remains narrow in many developing countries. The ongoing reform of the international financial architecture should enable multilateral development banks to significantly expand their financing. The Sevilla Commitment mentions South–South and triangular cooperation as a model of development cooperation that is a complement to North–South cooperation and includes a commitment to enhance the impact and visibility of such cooperation.

8. In March 2025, the UN Secretary-General launched the UN80 Initiative to improve internal efficiency, review how mandates are implemented and explore structural realignment across the UN system. His report, *Shifting Paradigms: United to Deliver*, [6] provided concrete proposals and lessons including, among others: the need to review outdated and overlapping mandates to ensure that sufficient resources are allocated to priorities; the importance of transparency and consultations with Member States; and the need to consider the potential of structural consolidation and relocations to address budgetary constraints. It called for renewed efforts to simplify and strengthen incentives for core and pooled funding mechanisms to make them the most attractive choice for UN funding partners. The UN80 Initiative offers the ILO an opportunity to reaffirm its pivotal role within the UN system as the custodian of the Decent Work Agenda and a key contributor to social justice and inclusive growth.

9. In view of these trends, the overall composition of ILO development cooperation will likely shift over the coming four years. The figure below shows approvals by funding source for 2024–25. This Strategy is intended to equip the ILO to adapt successfully to these new realities and seize forthcoming opportunities.

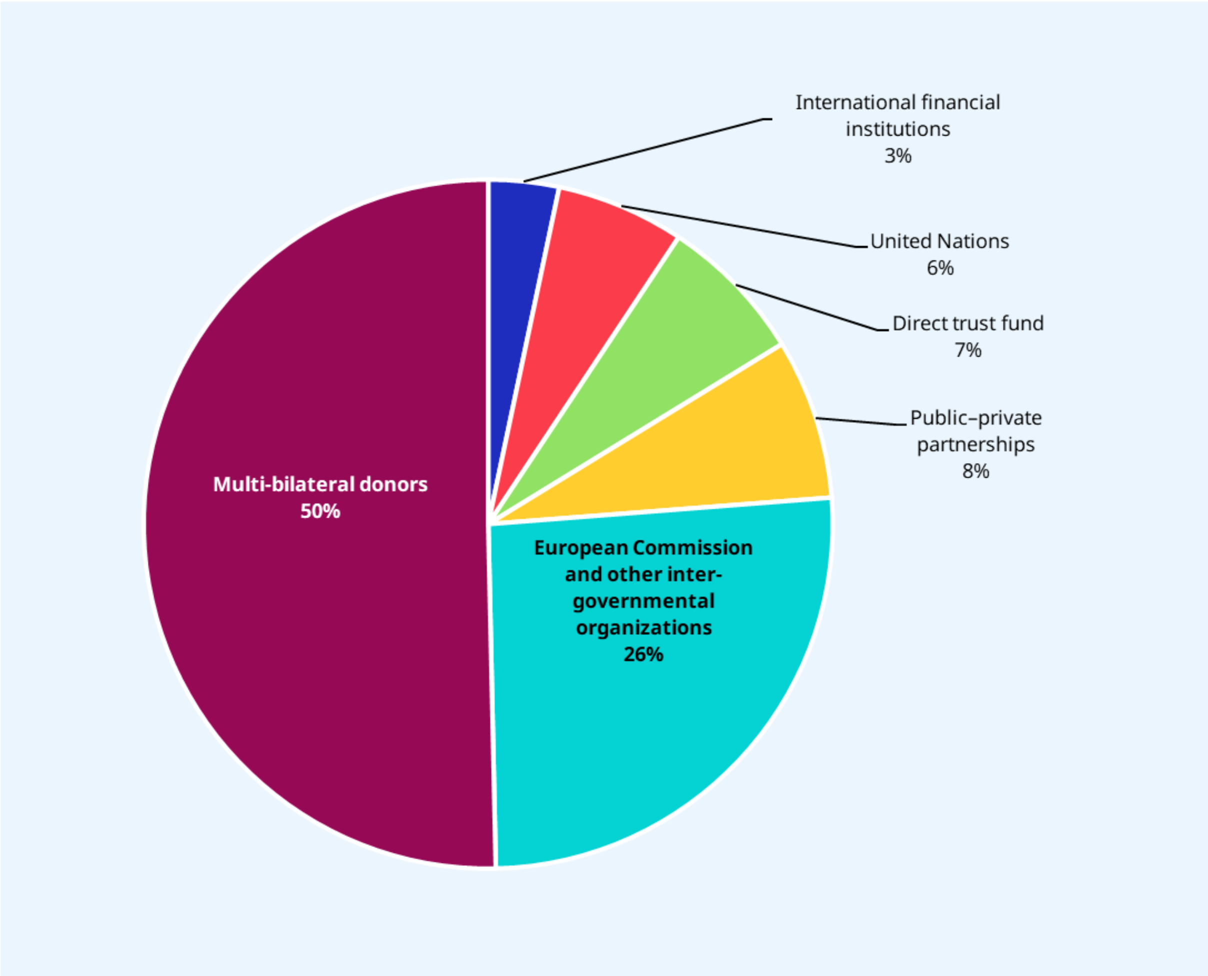
[3] Joint Inspection Unit, *Review of donor-led assessments of United Nations system organizations and other oversight-related requests from donors in the context of funding agreements and the United Nations single audit principle*, JIU/REP/2025/3, 2025.

[4] United Nations, *Funding Compact for the United Nations' Support to the Sustainable Development Goals*, May 2024.

[5] UN General Assembly, resolution 79/323, Sevilla Commitment, A/RES/79/323 (2025).

[6] UN General Assembly, *Shifting paradigms: United to deliver: Report of the Secretary-General*, A/80/392, 2025.

▶ **Figure. Approvals by funding source, 2024–25**



Source: ILO, 2025.

Vision, value proposition and scope

10. The ILO's core mandate, enshrined in the four pillars of the Decent Work Agenda, is particularly relevant to the current context of growing inequalities, economic insecurity and uncertainty, in which many countries are seeking to address social discontent through increased employment, improved livelihoods, equality of opportunity, and enhanced social and labour protection.

11. The Strategy calls for more effective, innovative and agile development cooperation to advance the ILO's core mandate and respond to the evolving needs and priorities of the constituents in the world of work against a backdrop of profound change and significantly reduced resources. It seeks to enhance the ILO's position in a changing multilateral context as a trusted partner for delivering measurable and strategic decent work results and shaping a human-centred future of work.

12. The ILO's value proposition and comparative advantage stem from its normative and standard-setting mandate, its tripartite structure and its technical expertise in strengthening labour systems and institutional capacities to improve long-term employment outcomes and drive meaningful policy change. While seeking to demonstrate *value for money*, ILO development cooperation will always mean *money for values* that are grounded in international labour standards, tripartism and the quest for social justice.

13. To make this vision a reality, the Strategy will pursue three overall objectives. First, partnerships, with both funding and non-funding partners, will be deepened, diversified and leveraged, to advance ILO values, align with the Organization's core mandate, and demonstrate strategic relevance. Second, a shift to a more programmatic approach, based on constituent priorities and aligned with the ILO reform, will ensure a critical mass for action and economies of scale. Third, more effective, efficient and impact-driven development cooperation will be achieved through enhanced design and quality assurance, implementation, monitoring, the sharper prioritization of constituents' needs and shared responsibility for the achievement of results. The pathway to realizing these objectives involves efforts by headquarters departments and the regions and by the tripartite constituents, as owners of the process.

14. Other strategies complement this Strategy and are important elements of the current reform. The ILO's Human Resources Strategy for 2026–29, scheduled for discussion by the Governing Body at its 356th Session (March–April 2026), will include human resources aspects relevant for staff working on development cooperation projects. A new Global Communication Strategy for 2026–29 will ensure that communication and advocacy are sharpened to demonstrate to present and future partners the ILO's comparative advantage in delivering decent work results at the national, regional and global levels. In addition, the ILO's Evaluation Strategy will foster deeper accountability and promote learning and evidence-based insights to guide strategic decisions, improve impact and ensure effectiveness.

15. This Strategy also responds to the high-level independent evaluation of the ILO's Development Cooperation Strategy for 2020–25, which was discussed by the Governing Body at its 352nd Session (October–November 2024). [7] The Governing Body requested the Director-General to take into consideration its recommendations and ensure their appropriate implementation. Based on findings and lessons identified, the evaluation called for the Office to: embrace a whole-of-ILO approach with mutual accountability for results among departments, headquarters and regions; enhance national ownership and tripartite constituent involvement in development cooperation development; and scale up a programmatic approach. It recommended enhancing the effectiveness and efficiency of development cooperation projects with the stronger communication of results and the ILO's comparative advantages. Several of the evaluation's recommendations reinforced those of the 2021 Multilateral Organisation Performance Assessment Network (MOPAN) assessment report, [8] particularly regarding the strengthening of the "One ILO" approach, enhanced accountability and the monitoring of interventions, and the streamlining of business practices. The recommendations of the report of the External Auditor to the Governing Body were also taken into consideration in the preparation of this Strategy. [9]

16. The Strategy builds on previous ILO development cooperation strategies, advancing different dimensions to the next level, while introducing innovative ways to support the constituents through strategic cooperation with relevant funding and non-funding partners. This Strategy

[7] GB.352/PFA/9.

[8] MOPAN, *MOPAN Assessment Report: International Labour Organization (ILO) – 2020 Assessment Cycle*, 2021.

[9] ILO, *Financial report and audited consolidated financial statements for the year ended 31 December 2024 and Report of the External Auditor*, ILC.113/FIN, 2025.

reinforces the ILO's focus on programmatic priorities, the role of the tripartite constituents, communication, knowledge management and participation in UN joint and pooled funding mechanisms. New elements include:

- measures of success and accountability;
- innovations, such as digital tools, across the project cycle;
- a focus on knowledge partnerships;
- streamlined appraisal and approval procedures;
- monitoring and accountability frameworks;
- expanded partnerships with private sector and philanthropic actors;
- reforms to improve efficiency and the engagement of the constituents in all aspects of the project cycle.

17. This Strategy was prepared based on a transparent, collaborative Office-wide process of internal and external interviews, peer reviews, consultations and information sources from a wide range of stakeholders, including the tripartite constituents, key funding partners, headquarters departments, regional and country offices, and development cooperation practitioners.

▶ Objective 1. Diversifying partners and leveraging new forms of partnerships while deepening long-standing partnerships

18. The ILO's Strategic Plan for 2026–29 recognizes that the ILO's impact increasingly depends on its capacity to expand and deepen its strategic partnerships. The ILO's leadership in diverse global partnerships, such as the Global Coalition for Social Justice, the Global Accelerator on Jobs and Social Protection for Just Transitions ("the Global Accelerator") and Alliance 8.7 on combating child labour and forced labour, is an important driver of policy coherence, while the ILO's regional and interregional convening power aligns stakeholders around common agendas and increases the ILO's visibility and influence.

19. The Office will need to adapt to scarcer development resources in the coming years by strengthening quality collaboration with current partners and engaging with new and emerging ones. The outcomes set out below describe how the Office will strategically deepen existing modalities and innovate with newer forms of cooperation. As foreseen in the ILO reform, regional offices and decent work country teams will play an enhanced role in engaging with partners, mobilizing resources, ensuring project delivery and identifying the most promising entry points for ILO partnership frameworks at the country level.

Outcome 1.1 Long-standing partnerships deepened and new opportunities seized

20. Despite the downward trend, ODA will continue to be the most significant source of voluntary funding for ILO programmes and projects. Partners providing ODA remain crucial to the ILO and the Office is committed to investing in these quality partnerships, which are fully aligned with the four principles for effective development cooperation, namely country ownership, focus on results, inclusive partnerships, and transparency and mutual accountability. [10] Policy dialogues and annual stocktaking exercises of the partnerships, where success will be acknowledged, concerns expressed and strategic future opportunities explored, remain essential. The Office will seize new and innovative opportunities with long-standing funding partners in addressing the evolving challenges in the world of work, including with the development financing institutions of ODA partners and the European Commission's Global Gateway.

Outcome 1.2 Extended South–South and triangular cooperation partnerships

21. The ILO's leadership in the multilateral system in promoting South–South and triangular cooperation has been well established since 2012. It includes the mobilization of funding, expertise and experience from emerging partners and the promotion of peer learning, capacity development and knowledge-sharing, the dissemination of good practices, and the transfer of innovative development solutions from the global South.

22. Triangular cooperation leverages the comparative advantages of different partners to enhance the scale and effectiveness of South–South cooperation interventions. It allows for emerging partners to join forces with traditional partners, through "South–South–North" cooperation. At the multilateral level, the expansion of the BRICS group and its financing arm has become a key enabler of inclusive multilateralism, creating new opportunities for South–South and triangular cooperation, as well as for engaging with G77 processes and the Global Partnership Initiative on Effective Triangular Co-operation launched by the OECD.

23. The Strategy seeks to expand these emerging modalities of cooperation as strategic drivers of results, supporting both financially and in kind the ILO's constituents, regional, interregional and city-to-city cooperation, and the implementation of the outcome document of the second High-level United Nations Conference on South–South Cooperation (BAPA+40). [11] South–South and triangular cooperation will be implemented through clear mechanisms, regionally driven platforms and results-oriented key performance indicators that place emphasis on institutional and policy change, country ownership, long-term sustainability and adequate funding.

24. The ILO will strategically engage emerging partners as co-creators of development solutions for advancing its normative mandate and delivering sustainable results. Building on demand articulated through DWCPs, the ILO will leverage the comparative advantages of middle-income countries, regional institutions, development banks and relevant centres of excellence to facilitate peer learning, policy transfer, and the scaling up of proven labour market institutions, social protection systems and social dialogue practices.

Outcome 1.3 Strengthened ILO engagement in UN joint and pooled funding

25. The report *Shifting paradigms: United to deliver* calls for renewed efforts to prioritize core and pooled funding among UN development system entities as set out in the UN Funding Compact, as revised in 2024. A review of pooled funding and a rationalization of the portfolio of pooled funds is taking place in the context of Work Package 18 of the UN80 Initiative Action Plan. The United Nations will seek to make these funding mechanisms the most compelling and cost-

[10] These principles were introduced in the Busan Partnership Agreement for Effective Development Cooperation (2011).

[11] UN General Assembly, resolution 73/291, Buenos Aires outcome document of the second High-level United Nations Conference on South–South Cooperation, A/RES/73/291 (2019).

effective choice for partners through stronger incentives and a simplified architecture directly linked to collective priorities.

26. The ILO's involvement with joint programming and participation in UN multi-partner thematic trust funds – such as the Peacebuilding Fund, the Joint SDG Fund, the Migration Multi-Partner Trust Fund and the Global Disability Fund – demonstrates that these mechanisms can attract key resources to support the ILO's strategic goals. The revised UN Funding Compact encourages UN Member States to channel more unearmarked funding through inter-agency pooled funds in exchange for improved efficiency, transparency and accountability from the UN entities. The ILO has intensified awareness-raising and engagement with funding partners, including emerging partners, in respect of joint and pooled funding opportunities. For example, with the funding rounds of the Joint SDG Fund that support the implementation of the Global Accelerator, the ILO has taken a leadership role in setting the parameters for the selection of projects, thus ensuring the full alignment of projects with the ILO's mandate.

27. The Office will build on positive experiences and good practices to increase joint programming in an evolving UN country coordination context. The ongoing reform's emphasis on the decentralization of technical capacity presents opportunities for increased engagement in joint funding and project management at the country level. The Office will also improve the monitoring and implementation of joint projects through enhanced data management and provide greater visibility for the funding partners through the ILO's Development Cooperation Dashboard and the common budget frameworks of UN country teams.

Outcome 1.4 More targeted and strategic partnerships with international financial institutions

28. Partnerships with IFIs create powerful network effects, connecting these institutions with tripartite constituents while linking the ILO to key economic decision-makers. Many IFIs have prioritized social protection as well as employment and job creation in their strategies, as exemplified by the World Bank Group's recent strategy entitled *Jobs: The Path to Prosperity*. This strategic alignment, based on the complementarity of mandates and comparative advantages, can create important entry points for collaboration, resulting in the more systematic creation of decent jobs through the investment projects of IFIs. Work with the IFIs on their safeguard frameworks has had a multiplier effect that continues to raise the visibility and uptake of decent work principles in their lending operations.

29. The Global Accelerator has also created platforms for increased collaboration. The Multi-Stakeholder Engagement to implement the Global Accelerator and the World Bank Social Protection and Jobs Compass (the M-GA initiative) strengthens these entry points by providing a structured financing and coordination platform that enables joint World Bank–ILO engagement, and as an extension IFI–UN engagement, at the country level.

30. IFIs are increasingly a source of development cooperation funding. Contributions steadily increased, reaching US$26 million in the biennium 2024–25 (3 per cent of total approvals), compared to around US$15 million and US$10 million in 2022–23 and 2020–21, respectively. This included funding from the International Fund for Agricultural Development, the African Development Bank and the World Bank Group. However, these amounts remain modest compared to the contributions of IFIs to other major UN agencies.

31. The ILO will seek to increase funding from IFIs by renewing and operationalizing existing cooperation agreements and, where relevant, concluding new framework arrangements that facilitate resource mobilization, in alignment with the ILO's Strategic Plan and the outcomes of the programme and budget. [12] The Office may also pursue targeted engagement with selected IFIs where there is a clear scope for collaboration and financing.

Outcome 1.5 Diversified partnerships with private sector and other non-state actors[13]

32. Private sector and other non-state actors funding approvals steadily increased from US$38 million in 2020–21 to US$43 million in 2022–23 and to around $58m in 2024–25. The share of these contributions of the total voluntary funding increased from around 5 per cent in 2020–21 to 8 per cent in 2024–25.

33. Building on successful examples within the ILO, the ILO will expand partnerships with the private sector and other non-state actors to leverage complementary experience, expertise, innovation and resources in advancing the Decent Work Agenda. These partnerships advance the ILO's mandate and strategic priorities, foster mutual learning and co-create scalable solutions that promote inclusive and sustainable labour market outcomes. They will be subject to the ILO's due diligence process, and to monitoring and accountability, to ensure results and compliance. Through transparent and accountable collaboration, the ILO and its partners will embed decent work principles across policies, business practices and supply chains, while safeguarding social dialogue and tripartite processes.

34. A targeted engagement approach with foundations and the broader philanthropic sector will be developed and pursued. In addition, capacity-building for ILO staff will be provided to further enhance engagement with potential private sector and other partners.

Outcome 1.6 Increased domestic resources for development cooperation

35. The trend towards the stronger country ownership of development cooperation is reflected in the increased efforts by countries, particularly middle-income countries, to (co-)finance their development through domestic trust funds and other cost-sharing arrangements. This approach allows the ILO to provide technical assistance, strengthen institutional capacities and support knowledge exchanges to help shape macroeconomic policies and public investments, and develop labour law reforms that better contribute to the Decent Work Agenda.

36. Approvals from domestic sources accounted for 7 per cent of total ILO extrabudgetary funding (US$54 million) in 2024–25. While acknowledging the narrowing fiscal space in some countries and the need for rigorous due diligence and oversight, the Office will strive to further increase the share of domestic funding, including financial commitments by governments in new DWCPs, using its experience in areas such as social protection and employment.

[12] For example, the renewal/update of cooperation agreements with the African Development Bank and the European Investment Bank; and more operational framework agreements with the Inter-American Development Bank, the Development Bank of Latin America and the Caribbean, the Asian Development Bank and the European Bank for Reconstruction and Development. Engagement with the New Development Bank, established by BRICS countries, will also be pursued where relevant.

[13] For this Strategy, partnerships with non-state actors refer to companies, foundations, academic and research institutions and other non-state entities that enter into funding agreements with the ILO.

Outcome 1.7 Strengthened knowledge partnerships to support policy coherence

37. Knowledge partnerships are strategic collaborations through which the ILO shares its specialized knowledge in the form of technical tools and tested approaches with external organizations while also benefiting from the expertise and innovations of its partners. These partnerships utilize and scale ILO knowledge resources in broader or different settings, thereby leveraging the ILO's influence and supporting its constituents more effectively. Such partnerships are particularly valuable in contexts where the ILO, due to its structure, resources or operational model, cannot implement large or larger-scale interventions directly. The Office will pursue knowledge partnerships through the development of a more structured and strategic approach designed to expand the reach and amplify the impact of the ILO's values and technical expertise. This approach will focus on enabling other organizations to access, use and adapt ILO-developed knowledge tools. It will also highlight the value of horizontal peer learning and collaboration, notably through South–South collaboration.

38. In addition, in the context of the UN80 Initiative Action Plan, the ILO will further boost its knowledge partnerships within the UN through Work Package 8, which aims to create a structured pathway for agencies, especially specialized agencies, to provide expertise on demand to Member States, UN country teams and between UN system agencies. Such reciprocal exchange will promote innovation and broaden the reach of ILO knowledge and methodologies at the country level.

▶ Objective 2. Strengthening focus on the ILO's programmatic priorities

39. To make the most of available funds, the Office will strengthen its programmatic approach to development cooperation to ensure economies of scale and impact in alignment with the Director-General's reprioritization framework and with a view to focusing on partnerships and alliances with strategic relevance and cost-effectiveness. In 2018, the International Labour Conference confirmed the importance of a long-term, programmatic approach to development cooperation, which was also highlighted in the recommendations of the high-level independent evaluation of the ILO's Development Cooperation Strategy for 2020–25. The evaluation called for a new Development Cooperation Strategy that balances growth, diversification and focus, and encompasses fewer, but better, results. In this regard, the mobilization of voluntary funding will be concentrated on the core mandate of the Organization and the revised priorities defined in the reprioritization exercise, ensuring that the priorities of the ILO's constituents remain at the centre of development cooperation activities. Additional criteria will include strong funding-partner demand, the potential for scale, and the ILO's comparative advantage. This programmatic focus will also facilitate the elaboration of regional and inter-country initiatives to address key priorities, shared labour market challenges and the specific needs of countries at different levels of development.

Outcome 2.1 An enhanced programmatic approach for greater impact and sustainable results

40. The ILO has solid experience with diverse large-scale multi-stakeholder programmes. Examples of these include, among others, flagship programmes such as Better Work, the

Global Accelerator, the Partnership for improving prospects for forcibly displaced persons and host communities (the PROSPECTS partnership), the Partnership for Action on Green Economy (PAGE) and Alliance 8.7. Building on its experience, the ILO will enhance its institutional capacity to promote a more programmatic Office-wide approach to resource mobilization with more sustainable results and a greater impact on people. This approach can take different forms and is not limited to large-scale programmes. The key is programmatic coherence and phased configurations, allowing multiple funding partners to contribute to shared theories of change, results frameworks and learning agendas in different contexts. A tailored approach promotes the diversification of resources and reduces reliance on one funding partner to achieve the envisaged results. Gender equality will continue to be mainstreamed into all ILO interventions as called for the ILO's Strategic Plan 2026–29.

Outcome 2.2 Recommendations of the review of the priority action programmes operationalized

41. The Office is conducting a review of the priority action programmes, which were established, inter alia, to coordinate integrated support to the constituents, strengthen advocacy and communication, and leverage partnerships on priority themes. The action programmes have played an innovative role in positioning the ILO within key policy debates across the multilateral system and in coordinating more effective communication of development cooperation results, with a focus on impact and storytelling on priority themes. The Office will ensure that the lessons, including good practices, identified through the review inform the revised processes and actions foreseen in this Strategy, particularly regarding a programmatic approach to resource mobilization, knowledge partnerships and collaboration with IFIs.

▶ Objective 3. Stepping up effective, efficient, sustainable and impact-driven development cooperation

42. The high-level independent evaluation underscored the need for the Office to improve processes related to development cooperation, notably in the areas of project appraisal and implementation, real-time monitoring, accountability for results and visibility of project performance. It recommended capacity-building for ILO staff with resource mobilization responsibilities to better communicate the ILO's added value to potential funding partners. It also encouraged the Office to develop an improved framework to ensure constituent involvement at all stages of the development cooperation project cycle. The last MOPAN assessment report also highlighted areas for improvement in programme and project design and management practices, while making specific recommendations for enhancing innovation. This objective addresses these gaps and opportunities, while ensuring that learning, innovation and knowledge-sharing contribute to strong project design and implementation.

43. Aligned with the ILO reform, the Office is committed to simplifying procedures, standardizing workflows and reducing bespoke and manual processes through greater automation and digitization to improve both the speed and efficiency of processes that support development cooperation across the globe. The further decentralization of development cooperation projects and resources to the regions foreseen in the ILO reform is an opportunity to enhance regional and national ownership, reinforced through vigorous appraisal, monitoring and accountability. The establishment of a global service centre will have a positive impact on the efficient delivery of development cooperation activities.

44. The ILO review further calls for the reinforcement of performance management to ensure clear accountability both to technical leadership and to country and regional management; the establishment of agile, ad-hoc cross-location teams to deliver global and regional products; and shared work and knowledge digital platforms to facilitate planning, implementation, monitoring and communication.

45. The outcomes under this objective are intended to integrate with and complement the work that is being undertaken through the reform.

Outcome 3.1 Enhanced design and quality assurance

46. The Office will strengthen project design, review and appraisal processes to better reflect the constituents' priorities and the ILO's core mandate and value proposition, and to support a shift from a project-based to a more programmatic approach that focuses on systemic change and long-term results. At the country level, development cooperation interventions will support the operationalization of the priorities of existing DWCPs. These processes will systematically promote peer exchanges and draw on good practices, lessons and evaluation findings from past and ongoing interventions, with the aim of enhancing quality, coherence, agility, accountability and alignment with the reprioritization framework. Greater emphasis will be placed on international labour standards, tripartism and social dialogue, as well as on the consistent mainstreaming of gender equality and disability inclusion using relevant markers.

47. Furthermore, the Office is bringing innovation into its development cooperation projects as part of wider efforts for promoting an innovation culture. Innovative tools, including those powered by artificial intelligence (AI), such as the recently launched i-eval AI Assistant, have been introduced to facilitate the use of lessons, good practices and recommendations to support project design, building on an ILO database of over 1,700 evaluations and 5,000 related documents. As a complementary measure, the Office is also piloting an AI-powered Project Design Assistant tool to strengthen the quality of projects submitted to funding partners, support context-appropriate and realistic planning, and improve efficiencies in the use of staff time.

48. While screening procedures for ILO project development are well established, the appraisal process will be streamlined and reinforced to improve agility and alignment with a more focused, programmatic approach, simplifying requirements for smaller projects while prioritizing larger, multi-year programmes. The appraisal process will also be enhanced to ensure better coordination in the use of regular budget and extrabudgetary resources towards the achievement of more sustainable outcomes.

Outcome 3.2 More effective and timely project delivery for quality results

49. The Office will strengthen its capacity to deliver development cooperation projects effectively, efficiently and on schedule, while continuing to uphold anti-fraud policies and procedures. It is undertaking a business process review to address bottlenecks and improve administrative, financial and procurement systems, making them more agile and responsive to evolving needs, in line with the recommendations of the high-level evaluation and other relevant reviews.

50. Furthermore, through the ILO's Human Resources Strategy for 2026–29, the Office will reinforce existing procedures to expedite the selection and recruitment of development cooperation staff, raise awareness of the current mechanisms and explore the use of appointment eligibility lists. The Office will also seek to identify funding arrangements to bridge gaps across project phases. Induction and training for development cooperation practitioners will be reinforced to support effective project implementation.

Outcome 3.3 Improved monitoring and impact assessment

51. The need for more robust risk management and project monitoring for results to improve project delivery and swiftly address weaknesses in performance was highlighted by both the high-level independent evaluation and the 2021 MOPAN assessment. The Office has made some improvements in this regard, which include developing guidance for allocating resources for monitoring, collecting baseline data, reporting, and conducting tracer studies and evaluability assessments. A new strategic management module of the ILO's Integrated Resource Information System (IRIS) will link development cooperation project outputs to country programme outcomes, facilitating follow-up and increasing the visibility of the contributions of development cooperation interventions to higher level results. However, there is room for improvement and a more coordinated approach to monitoring and accountability, where monitoring and evaluation systems are streamlined, while allowing flexibility for project-specific requirements.

52. Monitoring will be embedded in a whole-of-programme approach to ensure the alignment of development cooperation interventions with DWCPs, where they exist, and to support adaptive learning and the continued improvement of monitoring and evaluation systems in ways that capture system-level and institutional outcomes. The inclusion of theories of change and baseline data, especially for large-scale programmes, will be prioritized. Project-level data collection and monitoring using digital tools will enhance the visibility of progress towards results.

53. Building on lessons from development cooperation programmes and projects, the Office will further strengthen and invest in impact assessments to better demonstrate the social and economic effects, long-term developmental impact and structural changes resulting from ILO interventions. Existing measurement tools developed in-house will be used and further developed to assess both the quantitative and the qualitative aspects of employment for policy interventions and investment operations from both ILO and other development partners.

Outcome 3.4 Strategic communications for social justice and decent work

54. The high-level independent evaluation highlighted the need for the Office to better focus its advocacy and communication efforts towards specific audiences in the context of development cooperation. The ILO's Global Communication Strategy 2026–29 will prioritize demonstrating to existing and potential partners how the ILO's unique expertise and comparative advantage deliver tangible country-level results, creating systemic change that advances decent work and social justice. Context-specific communication on impactful results is critical to ensure that the ILO's value proposition attracts interest in partnerships and development cooperation and strengthens the case for partnering with the ILO.

55. The ILO will leverage storytelling, data visualization and impact narratives to communicate its unique tripartite approach and normative mandate. These stories and impact data will be amplified across digital platforms and at key global events to showcase its added value, credibility and results. Furthermore, all development cooperation projects will include a list of minimum communications requirements, which will vary depending on the size of the project. Job descriptions of ILO specialists will include responsibility for advocacy and communication.

In addition, the Office will seek to further develop joint visibility plans with funding partners around common thematic areas of interest.

Outcome 3.5 Strengthened tripartite constituent ownership and roles in project design, implementation, monitoring and accountability

56. The engagement of governments and of workers' and employers' organizations in the development of DWCPs has been a key principle since their creation, to ground ILO's technical assistance in national ownership and constituent priorities. During the recent reform of the UN development system, the Office, through the Bureau for Employers' Activities and the Bureau for Workers' Activities, and in partnership with the International Organisation of Employers and the International Trade Union Confederation, made progress in ensuring that social partners would have a role in UN planning processes, particularly in the formulation of UN Sustainable Development Cooperation Frameworks, which are linked to the development of DWCPs through shared objectives reflecting national priorities. The high-level independent evaluation recognized progress made in recent years to deepen engagement and build constituent capacity to take part in DWCP development and governance, including through the DWCP steering committee structures and in South–South cooperation. It noted, however, areas for further improvement, including participation in project design, implementation and monitoring.

57. The Office will promote a more participatory and inclusive approach throughout the entire project cycle by strengthening the ownership of the tripartite constituents, facilitating their timely involvement in the co-creation and co-design of development cooperation interventions and supporting their participation in implementation, monitoring and accountability processes. Furthermore, where relevant and to the extent possible, the end beneficiaries impacted by the interventions will be consulted at different stages of the project cycle.

58. This approach will be achieved, among other things, by developing formal mechanisms, guidance and processes to ensure that the decent work priorities of the ILO's constituents are addressed, that the concrete ownership of joint work is institutionalized, and that joint implementation and mutual accountability are established. Additional measures under consideration include further capacity-building, an annual stocktaking exercise and accountability for specific indicators.

▶ Implementation and monitoring

59. An implementation plan and results matrix, including key performance indicators and timelines and setting out accountabilities, will be finalized following the 356th Session (March–April 2026) of the Governing Body to permit alignment with the decisions taken in respect of the ILO reform and the ILO's Human Resources Strategy for 2026–29. [14]

60. A mid-term review of the Strategy will be carried out in 2028.

[14] GB.356/INS/7 and GB.356/PFA/9.

Assumptions and risks

61. The Governing Body's future decisions on reorganization and reprioritization as part of the ILO reform will significantly impact this Strategy. Unforeseen events, staff retrenchment and further budget shortfalls could compromise the achievement of this Strategy's objectives. Major multilateral initiatives, such as the UN80 Initiative, will impact ILO development cooperation, and may require adjustments to the Strategy. Overall, ODA trends will most likely influence the overall funding and direction of the ILO's development cooperation in the coming years.

62. The risks elaborated in the ILO strategic risk register set out in the Programme and Budget for 2026–27 also concern development cooperation, in particular risk 2 on the modification of the constituents' and funding partners' commitment to social justice and decent work; risk 3 on an increase in demand for ILO support beyond available resources; and risk 4 on insufficient ILO management information and data on operations and results. The Office responses to these risks and any further revisions to the risk register will also apply to this Strategy.

Draft decision

63. **The Governing Body endorsed the ILO's Development Cooperation Strategy for 2026–29 as proposed in document GB.356/POL/4 and requested the Director-General to consider its guidance in implementing the Strategy.**