

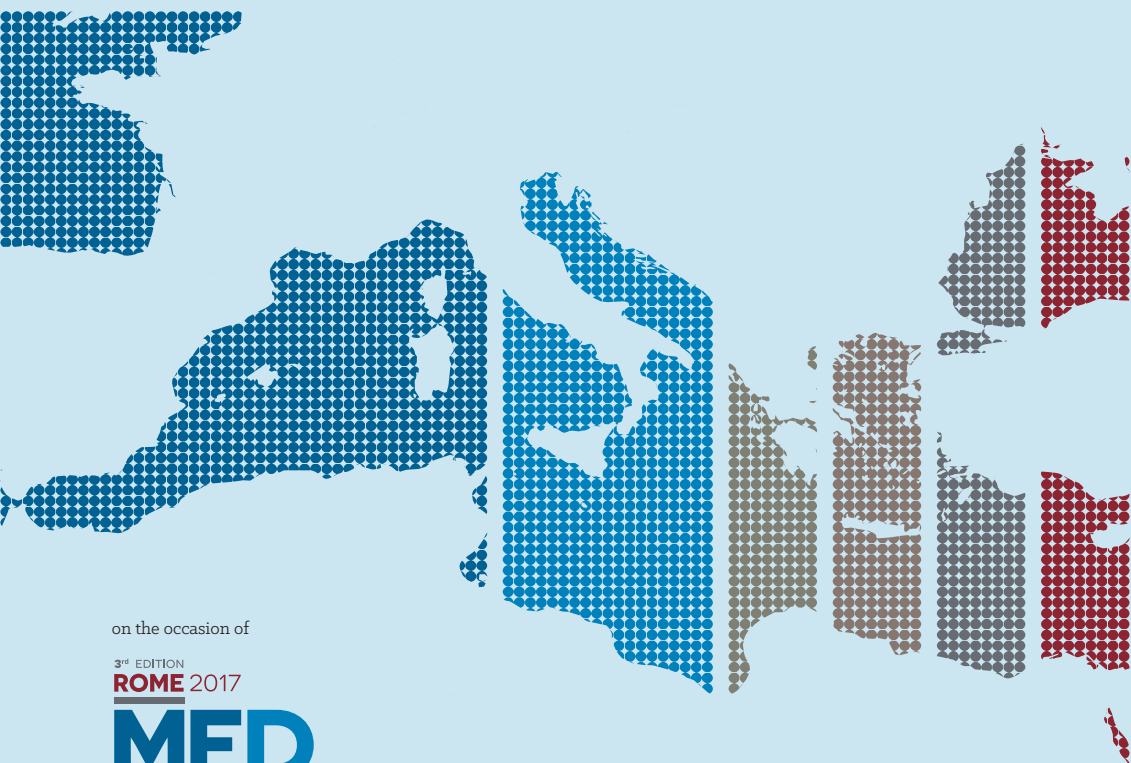


Farnesina

Ministry of Foreign Affairs
and International Cooperation

THE ITALIAN STRATEGY IN THE MEDITERRANEAN

STABILISING THE CRISES AND BUILDING A POSITIVE AGENDA FOR THE REGION



on the occasion of

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ROME 2017

MED

MEDITERRANEAN DIALOGUES

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Foreword



The Mediterranean is a sea that at times may be difficult to fully comprehend. It is a small sea, almost the size of a large lake when seen on a globe, but where much of our global security is at stake. In the following pages, Italy, a country that understands the “language” of the Mediterranean better than most, proposes a “dictionary” to appreciate its significance for peace, growth and prosperity in our region and in the world.

There are many challenges in the Mediterranean today, beginning with the migration crisis that deeply affects the stability of its shores. Setting aside any rhetoric, our two shores are geographically close and culturally attune, but remain too far apart both politically and economically. The promotion of human rights and investments, the intensification of trade as well as scientific and technological exchanges, the protection of the most vulnerable populations, the defence of religious freedom, and the fight against radicalisation and terrorism, are the elements that can fill that imaginary stretch and help build a diplomatic bridge to bring the north and the south of the Mediterranean closer together.

The MED Dialogues provide an important forum to conceive and design, together with all the Mediterranean countries and our closest global partners, that bridge that will bring us closer and that will teach us how to become more fluent in the extraordinary “language” of the Mediterranean. A sea that for millennia has given the world marvellous civilisations: from the Phoenicians, who invented the modern alphabet and opened trade routes, to the Greeks, who gave us the word “democracy”, to the Jews, the masters of a profound spirituality, as well as the Arabs, who developed modern sciences and mathematics, to the Romans, who brought about the first “globalisation”, to the peoples of contemporary Europe, who were inspired by the Mediterranean in the construction of the greatest experiment of peace and prosperity that the world has ever known: the European Union.

At a time of great changes for the European Union, in order to be once again an important protagonist in the world, our Union must be aware, today more than ever, that its destiny is written in the Mediterranean. Its waters are troubled by numerous challenges, but there are just as many opportunities that we all have to grasp and build upon to ensure our growth and our security.

Angelino Alfano

*Minister of Foreign Affairs
and International Cooperation*

Introduction

The new strategic centrality of the Mediterranean for Italy and Europe

The Mediterranean is today a “geopolitical paradox”: it has become more fragmented and – at the same time – more interconnected. On the one hand, it is ravaged by virulent crises, hegemonic competition, ideological and sectarian clashes. On the other, it is a platform for the economic, energy and infrastructural connectivity between Europe, Africa and Asia.

In the last decades, the region has gone through a deep transformation. The concept of Mediterranean has gradually “expanded”. The Sea has taken possession of a larger chunk of land. The scope of its challenges – from terrorism to migrant flows – has gone beyond its northern and southern shores to involve the Middle East, the Persian Gulf, the Balkans and the strip of land which, from western Africa, crosses the Sahel and stretches all the way to the Gulf of Aden.

While expanding, this new “Mediterranean space” also started to break. It has split along new confessional fissures, new areas of political influences, and new theatres of civil wars. In many countries of the region, the military intervention in Iraq in 2003, the legacy of the “Arab Springs”, and the establishment of Daesh have called into question the very pillars of the concept of “sovereignty” – central State, borders, peoples – and have undermined the spatial order defined by the Sykes-Picot Agreement more than one century ago. The historical agreement on the nuclear programme of Iran, the hegemonic ambitions of the powers in the area, the different strategic priorities of the US Administrations, and the downward trend of oil prices have added new variables to an already very complex and unstable regional equation. It is in this context that the challenge emerging from the forthcoming defeat of Daesh shall be placed.

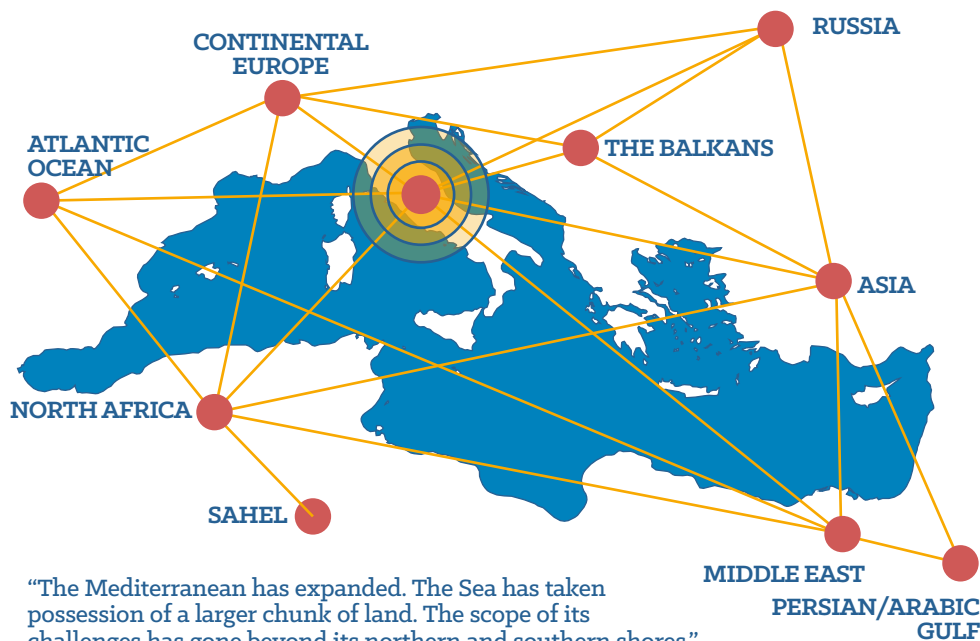
In a “wider”, yet more fragmented, Mediterranean area, non-state players – militias, jihadist groups, tribes, city-states, criminal organisations, networks of traffickers of human beings – have gained power, filling the gaps of governmental authority and weakening all forms of cultural and religious pluralism. Amidst the resulting regional chaos, international protagonists like Russia have come back to the fore, and forces that push towards autonomy and independence, such as the Kurds, have been revived. The Mediterranean has thus become a multipolar region, where the centres of power have multiplied and political agendas – starting from Teheran, Riyadh, Ankara and Cairo – are increasingly in competition. In this scenario, Israel too continues to play a significant role.

While both “widening” and “splitting” at the same time, the Mediterranean has



The Mediterranean has acquired a new global centrality in the 21st century

■ ■ A MORE FRAGMENTED AND MORE CONNECTED MEDITERRANEAN SPACE



acquired a new global centrality in the 21st century. Suffice it to think of the connection between security in the Mediterranean and security in Europe; the terrorist attacks that Daesh has "inspired" in many cities in the world; the impact that the migration flows crossing the eastern and, more importantly, central Mediterranean have on Europe; the devastating Syrian conflict; the humanitarian tragedy caused by the crisis in Yemen; what is at stake in the stabilisation of Libya; the difficulties in promoting a reconciliation in Iraq; the serious risks that hide in the deadlock of both the older crisis – the Israeli-Palestinian conflict – and the more recent one – the confrontation between Qatar, on the one hand, and Saudi Arabia, the United Arab Emirates, Egypt and Bahrain on the other.

In addition to security-related issues, the current Mediterranean area has also acquired new strategic relevance as a platform for global connection. The doubling of the Suez Canal, the effects of the expansion of the Panama Canal, the discovery of new energy resources in its eastern waters, and the project for a new "Silk Road" launched by Beijing make the Mediterranean a crucial area where infrastructures, transport and logistic networks intersect. Its growing economic system accounts for 30% of the world oil trade, and 20% of the maritime traffic. Its market relies on 500 million consumers, its GDP has grown at an yearly rate of 4.4% in the last twenty years, and it can boast 450 ports and terminals, 400 UNESCO heritage sites, 236 marine protected areas and one third of the world tourism. These are significant figures, which seem to indicate a reversal of the historical trend of marginalisation of the Mediterranean, to the advantage of the Atlantic first, and the Pacific later. China – now the most important foreign investor in the Arab countries – has confirmed



The strategic centrality of the Mediterranean also lies in its being a "microcosm" of global challenges

this evolution by choosing to open its first naval base abroad in Djibouti, and to take control of the Greek Port of Piraeus through COSCO.

The strategic centrality of the Mediterranean also lies in its being a “microcosm” of global challenges. It is the place where all the dilemmas of the contemporary world concentrate and reach their extremes: the relationship between State and society, individual and community, politics and religion, inclusion and exclusion, identity and modernity, reason and faith, security and democracy. It is also the region where cross-cutting issues that require a global approach overlap, with important geopolitical implications: migration flows, demographic pressures, sustainable development, water scarcity, desertification, urbanisation, food insecurity. Let's just mention here that the population of North Africa is estimated to grow by 58% by 2050, and in 2040, 19 of the 33 countries worst hit by water stress will be in the MENA region.

Mare nostrum is once again at the centre of the world history and its dynamics.

The geopolitical paradox of the region – the combination of “fragmentation” and “connection”, “chaos” and “centrality” – has also created a strong interdependence



The geopolitical paradox of the region – the combination of “fragmentation” and “connection”, “chaos” and “centrality” – has also created a strong interdependence between Europe, the Mediterranean and Africa

■ ■ AN EXPANDING ECONOMIC SYSTEM



30%
of world's oil trade
goes through the
Mediterranean



1/3
of world's tourism



500 million
of consumers



4.4%
average annual
GDP growth rate
in the last 20 years



450
Ports and
terminals



400
UNESCO World
Heritage Site
and 236 marine
protected areas

between Europe, the Mediterranean and Africa. It is mainly along this two-way route, which goes from north to south and from south to north, that the future of the old continent is at stake, for the security and prosperity of all.

In Europe, however, some still struggle with the realisation of the actual scope of this challenge. They stubbornly believe that the instability of the Mediterranean is a temporary emergency or, at best, a matter for coastal countries alone. They will be proven wrong. The terrorist threat and the exploitation of the illicit migration flows reaching our borders are two problems that involve us all. And they cannot be solved with autarchic recipes or by building walls. Both undermine the values that gave rise to the European Union. Both call into question our cultural identity and our political and social cohesion. Both urge Europe to govern challenges, rather than endure them. This is why the Mediterranean – with its crises and opportunities – must become the new historical mission of the European Union: its strategic priority, a place of choice and vision. After all, as Aldo Moro had already warned: *“No one is asked to choose between being in Europe or being in the Mediterranean, as all of Europe is in the Mediterranean”*.

Ignoring this truth is a symptom of strategic blindness. Being aware of it is the prerequisite for Europe to become a global player, which can contribute to the definition of a new regional order where the Mediterranean has a real prospect of security and development.



ALDO MORO

No one is asked to choose between being in Europe or being in the Mediterranean, as all of Europe is in the Mediterranean

ITALY'S DICTIONARY

ENGAGEMENT

The Mare Nostrum cannot become a Mare Nullius, the place of western reluctance.

OWNERSHIP

The time for solutions dictated from the outside is over. They would not work.

CO-DEVELOPMENT

The interdependence of the Mediterranean requires joint economic development, at the intra-regional level and between the north and south.

INCLUSIVENESS

The method that diplomacy should follow to open opportunities for convergence and peace

OPPORTUNITIES

Logistics and energy could be drivers of development for the entire region.

OF THE MEDITERRANEAN

PARTNERSHIP

A new pact between Europe, the Mediterranean and Africa to go beyond the concept of crisis management and obtain long lasting results.

ORDER

The reconstruction of a gradually growing trust between the key regional stakeholders, based on shared principles of coexistence and cooperation.

RESILIENCE

A long-term commitment to make sure that these countries become less fragile.

RIGHTS

Stability will inevitably have to rely on a concept of State-nation whose relationship with civil society has been newly legitimised, reconciling the traditional dilemma between security and rights.

CULTURE

It is only through dialogue that the Mediterranean, once again, will be a “crossroads of cultures”.

“ Sharing a common vocabulary in the Mediterranean is important to understand each other and have a dialogue. This is true today as it was centuries ago, when the “Sabir” language was spoken at the harbours, on ships and for trade: a lingua franca made mainly of Italian, Spanish, Arabic and Turkish words. ”

The Mediterranean of the 21st century – wider, more fragmented and more interconnected – requires updated interpretative tools to be analysed. In particular, it needs an increasingly integrated approach that can bring together the many crises and challenges of the region; emphasize the growing geopolitical interactions between the Maghreb, the Near East, the Persian Gulf and the Sahel; make the most of the great potential of the entire Mediterranean Basin; and put every choice on its future in the context of a strategy for sustainable development. Italy has long been engaged towards this goal, and is always ready to work for the stability of the Mediterranean countries, but staying true to its principles and values.

In the name of these values we will continue to ask that full light be shed on the murder of Giulio Regeni, the young Italian researcher who was brutally tortured and killed in Egypt in January 2016. We will continue to work with determination to make sure that the executors and instigators of this crime are prosecuted, and truth and justice can soon be obtained.

The guidelines for our “integrated approach” to the region can be illustrated with the help of some key words that build a sort of Italian “Dictionary of the Mediterranean”.



ENGAGEMENT

In order to controvert the historical determinism which seems to doom the Mediterranean to a state of permanent conflict, it is important to rely on the constant, long-term engagement of the international community. This is the reason why Italy has included the challenges of the Mediterranean region among the priorities of its presidency of the G-7; of its action in the context of the EU, NATO and OSCE; and of its activities as a non-permanent member of the Security Council of the United Nations. However, keeping the global attention on the Mediterranean high is not an easy task. Now that the time of great military missions is over, the international community is still searching for the “right measure” of its engagement in the region. It must deal with a certain reluctance for new international responsibilities. This is the result of sovereignism, but also of the mistakes made in Iraq and Libya, and of the inadequacy that has emerged in the complexity of the Syrian crisis. However, we cannot let fatalism prevail when it comes to such a central issue as the Mediterranean. A higher level of international caution cannot translate into disengagement. The *Mare Nostrum* cannot become a *Mare Nullius*, the place of western reluctance.



OWNERSHIP

The experience of recent years suggests that ensuring peace and stability in the Mediterranean is first and foremost the responsibility of the regional powers. The ownership of the local actors is a “maieutic process” that is as complicated as it is essential. The time for solutions dictated from the outside is over. They would not work. The United States, individual European countries or Russia – or China in the future – can no longer be the ones who define the new balance of the Middle East, or who ensure the security of the region by themselves. The international community, though, still plays a relevant role in encouraging the regional powers to share their collective responsibility in a spirit of cooperation, rather than competition or conflict. The challenge is to build, in the Mediterranean too, a multilateralism that embraces a “win-win” approach and is not the victim of a “zero-sum game”.



INCLUSIVENESS

The recent history of the Mediterranean has taught us that there are no unilateral (political or military) solutions to stabilise the region. What we need, instead, is a laborious work of “strategic patience”, based on dialogue, cooperation and inclusiveness. The complexity of the Mediterranean requires shared and long-term solutions, involving all the stakeholders. Inclusiveness is the key word for a real settlement of the crises in Syria, Iraq, Libya or Yemen. It is the method that diplomacy should follow to open opportunities for convergence and peace in the relationships between states, and in their domestic dynamics. The concept of inclusiveness also suggests that military actions, especially in the Mediterranean, are never decisive by themselves, even when they are necessary, such as in the fight against Daesh. A multidimensional strategy including all the different traditions, cultures, ethnic groups and religions will be necessary to create sustainable stability in the areas that have been liberated from the jihadists. To stabilise Syria, it will take an inclusive political transition that involves all the national components.



OPPORTUNITIES

Despite the effects of old and new disruptive forces, the Mediterranean should not be associated only to conflicts and divisions. It is also a social and economic space that offers multiple opportunities. For this reason, Italy insists on the need to build a positive agenda for the region: a goal that the Euro-Mediterranean partnership should increasingly strive towards. Our exports to the countries in the Mediterranean area already account to 9.8% of all Italian exports. If we also include the Gulf countries, the Italian total trade with the region is worth about €70 billion. Interesting prospects exist for the coming years, such as the opportunities offered by the Blue economy; the plans for economic diversification pursued by some Gulf countries; or the public investment programmes and measures to attract investments that many governments in the area are implementing. Two sectors in particular – logistics and energy – could be drivers of development for the entire region.



CO-DEVELOPMENT

It is fundamental that the Mediterranean countries globalise their economies, and at the same time integrate them at the regional level. At the moment, intra-regional trade accounts only for 3% of the total trade. The interdependence of the Mediterranean – also in terms of energy and infrastructures – requires a logic of joint economic development, at the intra-regional level and between the north and south. All the relevant stakeholders must be involved in this effort: the EU, the IFI, the Gulf countries, the United States, China, Russia, private operators and investors. What is needed is a strong acceleration of exchanges, involving the Maghreb, the Near East and the Gulf, as well as the Balkans and the Black Sea, and taps the economic development of some African countries. This higher integration should also help to tackle some common stress factors, such as demographic pressure and climate change.



PARTNERSHIP

Epochal, global and structural. These are the characteristics of the migration flows that we are currently witnessing. In recent years, about 650,000 migrants have reached Italy, mainly from African countries and after crossing the central Mediterranean. To face a challenge of this scale, Italy has decided to combine solidarity and security, trying to build a double partnership. First, between European countries, so that the EU can prove it is up to the task, giving a single, supportive answer - which it has not managed to do yet. Secondly, between Europe and the countries of origin and transit of these migration flows. Cooperation with the latter is essential to help them to better control their borders; dismantle the networks of human traffickers, replacing their “business model” with development projects; and identify effective policies for the return of migrants who have left their homes. The partnerships launched with Libya, Niger, Chad and Tunisia have already produced important outcomes, and illicit migration flows to Italy have significantly dropped in recent months. To further strengthen the effectiveness of this cooperation, it must be placed within the context of a more general partnership for sustainable development between Europe, the Mediterranean and Africa. We will go beyond the concept of crisis management and obtain long lasting results only if we face together the root causes of migration flows: economic imbalances, wars, violations of human rights, climate change and demographic growth. The challenge is of epochal importance, if we think that the African population will double by 2050, reaching 2.5 billion people.



CULTURE

Italy believes that culture is the “fourth pillar” of sustainable development, along with economic growth, social inclusion and ecological balance. We firmly believe that, in the long term, it is only through dialogue that the Mediterranean, once again, will be a “crossroads of cultures”. A pluriverse of peoples, languages and religions, where cultures do not clash but communicate, acknowledging, respecting and enriching each other. Jihadism and extremism try to “kill” the symbolic uniqueness of the Mediterranean, shaped by the Jewish, Christian, Greek-Latin and Arab-Islamic tradition. In other words, they try to deny the value of a cultural and spiritual space where the three Religions of the Book meet. As an instrument for inclusion and connection, culture, instead, is a valuable starting point to rebuild a shared identity, especially in the Mediterranean countries that are currently gripped by civil wars or the nihilism of Daesh. In this respect, it is essential to safeguard the Mediterranean cultural heritage, and promote dialogue and political, ethnic and religious pluralism.



RIGHTS

Giving priority to culture also means supporting inclusive national States, which implement social and educational systems centred on the universal value of the human being, regardless of faith or ethnic origin. In the long run, security doctrines alone will not be enough to ensure the stability of the Mediterranean, which will inevitably have to rely on a concept of State-nation whose relationship with civil society has been newly legitimised, and that can reconcile the traditional dilemma between security and rights. Italy is at work with a “diplomacy of rights” in the re-

gion. This is why we defend the prerogatives of minorities, especially if persecuted. This is why we insist to guarantee that migrants and refugees are treated with dignity, even in a complex country like Libya. And this is why we believe that the role of women and the safeguard of their rights is of paramount importance to ensure the security and development of the Mediterranean.



RESILIENCE

Managing the existing crises in the Mediterranean is fundamental, not least to avoid the emergence of new ones. We must therefore cooperate to consolidate the resilience of the regional countries. For Europe, working on resilience is a long-term commitment to make sure that these States become less fragile. Resilience means “good governance” and efficient, transparent public institutions which can ensure the provision of fundamental services - starting from education and healthcare. It means creating new opportunities, and pursuing inclusive growth, to address the root causes of social and economic problems. This will also help to reduce the risks of radicalisation, especially among the young, in a region where 50% of the population is younger than 25. In short, investing in resilience means consolidating the “national contract” of the countries in the area, and expanding the spaces of civil society.



ORDER

The military defeat of Daesh in Mosul and Raqqa was a turning point towards the disappearance of the “territorial” dimension of the self-proclaimed “Caliphate”, and has revived the debate on the need to rebuild a regional order. But any realistic reflection on the issue must be placed in a gradual and long-term perspective. Both because it should stem from the political will of the local stakeholders, and because it would hardly take off without moving towards the solution of the most virulent crises. It is true that such an objective now seems to be almost unattainable, but it is equally evident that the post-Daesh governance phase will require the reconstruction of a gradually growing trust between the key regional players, based on shared principles of coexistence and cooperation. From this point of view, the trust-building experience that resulted in the Helsinki Final Act in 1975 could provide some inspiration for the Mediterranean. Not so much as a model to export, but as a method and process of dialogue. Talking about methods, it might be worth clarifying another important point: any new regional order cannot be the result of the redefinition of national borders. This shortcut would only lead to more conflicts and new fragmentation. The real challenge, however daunting and complex it may be, is to adapt the governance systems of the states that already exist – Syria, Iraq or Libya – to make them more inclusive and decentralised, involving and giving responsibility to the various local communities.

THE CONTENTS OF ITALY'S ENGAGEMENT IN THE MEDITERRANEAN

The Mediterranean is the Sea among lands.
As David Abulafia reminds us, it is the Sea with many names: “Mare Nostrum” for the Romans, “White Sea” for the Turkish, “Great Sea” for the Jewish, “Middle Sea” for the Germans, “Big Green” for the ancient Egyptians. For the Arabs, it is the “Middle White Sea”. A multitude of definitions which shows the complex history of the place where Europe, Africa and Asia meet.
Italy is aware of such complexity and has always approached the region with great respect, as demonstrated by the contents of the activities and policies it is implementing in multiple sectors: security; migration; economy; energy; culture and science; development cooperation.

1

SECURITY

Italy's contribution to security in the Mediterranean is based on an "integrated approach" that brings together the many existing challenges and places our activities within the context of a strategy for the region's "sustainable development". This global view focuses on "human security" and includes political solutions, as well as humanitarian aid, civil reconstruction, institutional consolidation and economic development. Our engagement translates into a multitude of activities, such as: management of the regional crises; fight against Daesh and radicalisation; actions within the UN, EU, NATO and OSCE to make sure that their agenda focuses on the Mediterranean; participation in international stabilisation missions; training programmes.

■ ■ THE SYRIAN CRISIS



There cannot be reconciliation without accountability for the serious violations of international humanitarian law and human rights; a dialogue with Russia is essential.



\$400 MILLION

2016-18 funds aimed at humanitarian and development activities around the Syrian crisis

The Syrian conflict is a top priority in Italy's foreign and security policy. We are members of the International Syria Support Group (ISSG), and actively contribute to the works of the Geneva Task Forces on humanitarian access and the cessation of hostilities (despite all the well-known limits to their action). Italy has had a consistent position on Syria for many years, in the belief that: (a) a sustainable military solution is not possible; (b) an inclusive political solution must be pursued, therefore supporting the efforts of the UN Special Envoy Staffan de Mistura for a credible and realistic transition, in line with Res. 2254 of the Security Council; (c) there cannot be reconciliation without accountability for the serious violations of international humanitarian law and human rights; (d) a dialogue with Russia is essential, as a lasting political solution to the Syrian conflict necessarily involves also Moscow. This position, inspired by the values of dialogue and realism, was promoted at the G7 meetings in Lucca and Taormina, as well as in the meetings of the so-called "like-minded" countries.

In addition to the political action, we have earmarked \$400 million for the dramatic Syrian crisis, aimed at humanitarian and development activities (in the years 2016-2018), for projects that will also be implemented in the countries receiving Syrian refugees, especially Jordan and Lebanon.

■ ■ THE FIGHT AGAINST DAESH AND RADICALISATION

Italy is one of the founding members of the Global Coalition Against Daesh. In line with the multidimensional structure of the Coalition, we are involved in various sectors: (a) military training; (b) training of police forces; (c) stabilisation of liberated areas; (d) counter-financing; (e) the response to the threat of "For-



eign Terrorist Fighters". In Iraq, Italy's contribution at the moment accounts for about 1380 military units. In the field of military training, Italy has a prominent role. The Italian forces of the Erbil and Musil Task Forces have trained more than 14,000 Iraqi military units, including about 9,200 Peshmerga. About 400-500 Italian trainers are on average in Iraq. Moreover, our special forces have already trained over 7,000 units of the Iraqi elite forces. Italy also has the leading role in training the Iraqi police forces to be deployed in the areas that have been freed from Daesh, a key factor to ensure stabilisation and the return of refugees and displaced persons. Over 11,500 units of the local and federal police have been trained by the Carabinieri in Iraq. In addition, Italy has been one of the first contributing country to the Funding Facility for Immediate Stabilization (FFIS) in Iraq, allocating so far €9.4 million.

Another strategically significant contribution of Italy to Iraq's stability is the commitment to repair the Mosul Dam, with the help of the Trevi group and the work of around 500 Italian soldiers who protect the site.

As for the stabilisation of the Syrian areas that have been liberated from Daesh by the Coalition, in addition to channelling funds for humanitarian and "early recovery" activities, Italy – in close coordination with the United States – promoted an informal meeting on the future of Raqqa, held at the Italian Ministry for Foreign Affairs on the eve of the liberation of the city. Several Syrian representatives from the province of Raqqa participated in the event.

In the field of counter-terrorist financing, Italy, together with the United States and Saudi Arabia, is co-chairing since 2015 the "Counter-ISIL Finance Group – CIFG", which works to identify and neutralize Daesh's local and international sources of funding.



PEACE BETWEEN ISRAELIS AND PALESTINIANS IS STILL FAR OFF

Next year, 25 years will have passed since the Oslo Accords, when the process which was meant to implement the principle of the "two-state solution" was launched, creating a prospect of peace between Israelis and Palestinians. However, this process has long been in a worrying state of deadlock. The trust between the involved parties has reached minimum levels, while dangerous developments multiply: settlements and demolitions on one side, and incitement to violence on the other. The international community, which has made huge political and financial investments in the Peace Process over the years, often seems resigned. However, Italy does not give in to the idea that the "two states for two peoples" vision is nothing but a wild dream, and continues to work to make sure that the issue remains a priority in the international agenda. Inertia has a cost, including the risk that the political conflict takes

on a religious connotation. For this reason, it is essential to relaunch a negotiation process between the parties as soon as possible. In this context, our guiding points remain two: the right-duty of Israel to exist and live safely; and the support to the creation of the future State of Palestine. The ultimate goal is the creation of two States that can coexist, recognise each other and cooperate to ensure peace, security and prosperity for their citizens. The need to keep on investing in this issue as a priority is not only the result of the moral obligation we feel towards the Israeli and the Palestinians. It also stems from the awareness that peace would have positive repercussions on the stabilisation of the Middle East as a whole. In other words, it would be the first step to materialise Simon Peres's vision of a vital, interconnected region, driven by the enthusiasm of the young and the opportunities offered by innovation.

■ ■ IRAQ: THE ITALIAN CONTRIBUTION

Rome is one of the founding members of the Global Coalition Against Daesh



1,380
Italian troops contribution in 2017

400/500
Italian trainers on average

> 14,000
Iraqi troops trained
— including **9,200** Peshmerga



7,000
Iraqi elite force troops trained

11,500
local and federal police trained by the Carabinieri



€9.4 million
Italian contribution for the "Funding Facility for Immediate Stabilization" (FFIS)

As for the fight against the threat of "Foreign Terrorist Fighters", Italy has always been at the forefront of strengthening the exchange of information and international cooperation in all the relevant organisations (anti-Daesh Coalition, European Union, G7, etc.). This action is part of a strategy to combat and prevent terrorism, violent extremism and radicalisation, which should increasingly involve civil society, local communities and the private sector, alongside institutional actors.

■ ■ ITALY, THE UN AND THE MEDITERRANEAN



22 MISSIONS

Italy has taken part to 22 UN peacekeeping mission over the years

Italy's role in the Mediterranean is also highlighted by its continuous effort in the UN peacekeeping missions. We are present in Lebanon (UNIFIL), Cyprus (UNFICYP) and the Balkans (UNMIK). Italy is the first contributor of troops among western countries. Over the years, it has taken part in 22 peace missions. In 2017, as a non-permanent member of the Security Council, we can contribute in an even more forceful way to the consolidation of the peacekeeping effort. In the strategic revision of the mandates of individual missions, Italy puts special emphasis on: (a) the role of women in peace initiatives; (b) the environmental impact of the operations; (c) the safeguard of the cultural heritage. In this context, it is also worth mentioning the prominent role played by the Centre of Excellence for Stability Police Units in Vicenza (COESPU) in training the police forces of the countries involved in peace missions.



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Italy takes part to the UNIFIL mission in Lebanon
Stato Maggiore della Difesa, Ufficio Pubblica Informazione

■ ■ THE UNIFIL MISSION IN LEBANON AND SUPPORT TO THE LAF

Italy participates in UNIFIL with around 1,100 units, and currently holds the Command of the Mission's Sector West. UNIFIL was re-launched in 2006 with Res. 1701 to monitor the end of the hostilities between Israel and Lebanon, and to support the Lebanese armed forces (LAF) deployed in the south of the country. The mission is also responsible for the tripartite mechanism which ensures a dialogue between the Lebanese armed forces and the Israeli army, with the ultimate goal of containing the tensions. The mandate of UNIFIL was recently updated, and adjustments are currently being made to adapt it to the current situation on the field. The

operational emphasis is placed mainly on its conflict prevention functions, the need for a more effective deployment of the LAF in the south of Lebanon, and on the protection of civilians. The cooperation between UNIFIL and the LAF remains key. For this reason, too, it is important to continue to support the Lebanese armed forces. Italy leads a bilateral mission for their military training (MIBIL) which, since 2015, has trained more than 850 units, half of which are officers and non-commissioned officers. At the same time, Italy has expressed its availability to host an international conference in 2018, as a catalyst for international donors to support the LAF.

■ ■ THE ITALIAN MIADIT PALESTINA TRAINING MISSION

Italy is involved in training the Palestinian security forces (Italian "MIADIT PALESTINA" training mission). Each training cycle – which takes about three months – is carried out by a Training

Unit of thirty Carabinieri at the *Central Training Institute (CTI)* in Jericho. The seventh edition of MIADIT is currently under way (September - December 2017).



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■ ■ PROTECTION OF MINORITIES IN THE MEDITERRANEAN

The Italian action for the protection of ethnic and religious minorities are as much bilateral as multilateral. Our commitment is based on the belief that the protection of ethnic and religious minorities is an important instrument in promoting international peace and stability. All the more so in the Mediterranean, where the coexistence of different communities is a central element of the

region's cultural wealth. Last July, the Farnesina established an Observatory on religious minorities in the world and on the respect for religious freedom. The Observatory aims to promote a culture of meeting and dialogue, as well as fostering the protection of human rights and fundamental freedoms. The Mediterranean will be a priority interest area for the Observatory's activities.

■ ■ ITALY, NATO AND THE “SOUTHERN FLANK”



REGIONAL HUB FOR THE SOUTH

Included in the Joint
Force Command
(JFC) in Naples,
and inaugurated in
September 2017

Also through Italian encouragement, NATO's interest for the Mediterranean has increased in recent years. Following the strategic adaptation process launched in 2014, the Warsaw summit in July 2016 defined specific measures to grow the military capacity of the Alliance in the south. The “Framework for the South” was approved. The Defence Ministers Meeting in February 2017 also decided the creation of a “regional Hub for the South”. As proposed by Italy, it has been included in the Joint Force Command (JFC) in Naples, and was inaugurated in September (it will become fully operational at the end of the year).

The maritime security operation “Sea Guardian” is further testimony of the NATO's role in the Mediterranean. It currently has mostly maritime “situational awareness” functions – with potential counter-terrorism and capacity building activities – in the central Mediterranean. Italy participates with two vessels that will rotate throughout the year and will be supported by two aircrafts, with an average staff of 75 military units. From the Italian perspective, the operation is particularly relevant as a testing ground for the cooperation between NATO and the European Union. “Sea Guardian” complements the European mission EU-NAVFORMED Sophia.

The interaction between these two missions in the central Mediterranean – in addition to the coordination between Frontex and NATO's “Standing Naval Forces” in the Aegean Sea – is a model that we are interested in developing to put the Mediterranean at the centre of the NATO-EU cooperation. Despite the signs of a growing attention of the Alliance for the Mediterranean, Italy believes that its strategic shift towards the south is still unfinished. In view of the NATO Leaders' Summit in 2018, we will continue to work to ensure that the Alliance fully adapts to the new security needs, accelerating the completion of its “Framework for the South”.

■ ■ THE OSCE'S MEDITERRANEAN DIMENSION

On January 1, 2018 Italy will take over the chairmanship of the OSCE. One of the objectives of our action as chair of the Organisation will be the strengthening of its Mediterranean Partnership. On this issue, our work started in 2017 with the chairmanship of the “OSCE Mediterranean Contact Group”, which includes



On January 1, 2018 Italy will take over the chairmanship of the OSCE.

6 partner countries from the southern shore (Morocco, Algeria, Tunisia, Egypt, Israel and Jordan). After several high-level meetings in Vienna, we organised the OSCE Mediterranean Conference in Palermo on October 24-25, 2017. The event (attended by 300 delegates from 64 countries and International Organisations) was dedicated to migration flows in the Mediterranean. Among the most noteworthy initiatives of the Italian OSCE chairmanship in 2018, Italy will organise an international conference against antisemitism, to be held in Rome in 2018.

LIBYA



ACTION PLAN

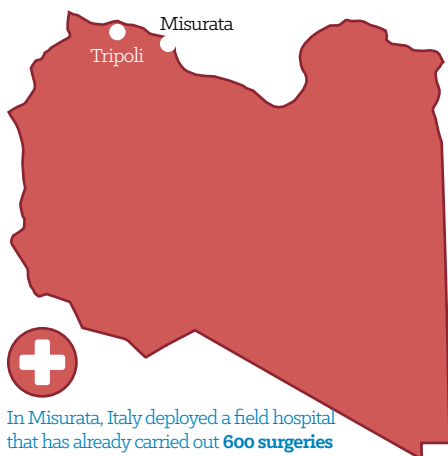
The document presented by the new Special Representative for Libya Ghassan Salamé and followed by several political meetings between Libyan stakeholders held in Tunis

Security in the Mediterranean requires a united, stable and peaceful Libya. For this reason, Italy has taken a leading role in managing the crisis, and has developed a partnership with Tripoli which spans over many sectors and has already produced important results in the fight against terrorism and the reduction of migration flows.

Our action is based on specific key principles: (a) the attempt to find a political solution to the crisis; (b) support of the institutions validated by the Libyan Political Agreement; (b) support of the UN actions to promote an inclusive process of national reconciliation which respects the Libyan ownership. On this last point, the new Special Representative for Libya Ghassan Salamé presented an Action Plan, followed by several political meetings between Libyan stakeholders held in Tunis.

Italy was one of the first countries to facilitate the start of a direct dialogue between Libyan stakeholders. In 2017, Rome was the centre of the international action on Libya. The President of the House of Representatives, Aghila Saleh,

THE ITALIAN CONTRIBUTION IN LIBYA



In Misurata, Italy deployed a field hospital that has already carried out **600 surgeries**



4 patrol vessels
Refurbished and delivered to the Libyan Coast guard

€5.2 million
In development actions



€15 million
For humanitarian and emergency actions

€12.2 million
Italian contribution to the EU Commission integrated border management (IBM) project



Italy has placed a mobile tower at the **Maitiga airport**, in view of the construction of a new control tower, and is training its air traffic controllers.

■ ■ THE FIRST ITALIAN-LIBYAN ECONOMIC FORUM

The first Italian-Libyan economic forum was held in Agrigento on July 8, 2017 with the participation of the Minister of Foreign Affairs and International Cooperation Alfano, and the Libyan Deputy Prime Minister Maitig. The event was organised to start an in-depth reflection with the private sector on the contribution that Italian companies can give to the economic

relaunch of Libya, once the necessary security conditions in the country are established. The Forum saw the signing of the Italian-Libyan declaration on the possible development of economic cooperation in some strategic sectors, such as: energy and hydrocarbons, infrastructures, transport and telecommunication, banking and finance.



In 2017, Rome was the centre of the international action on Libya.

and the President of the High Council of State Swehi met there for the first time. General Haftar was received in Rome to emphasise the importance of supporting an inclusive dialogue, as relaunched by Salamé. And in Rome, the tribes from southern Libya (Awlad Suleiman, Tuareg and Tebu) signed an agreement to promote the economic and social development of the south of the country. Rome has also hosted several meetings of the many and diverse Libyan municipalities, whose support to the Political Agreement is essential to facilitate a bottom-up institutional consolidation process. We have also paid great attention to youth and women, in the belief that the involvement of the Libyan civil society is essential for a successful political transition. The reopening of our Embassy in Tripoli last January is a clear sign of this huge political investment and of our sympathy for the Libyan people.

Libya's political stabilisation also implies the relaunch of its economy. To this purpose, we stand by the Government and the local communities to help them to overcome the deep crisis that is crippling the country, and facilitate a tight cooperation between Libyan economic institutions. With this in mind, we promoted the first Italian-Libyan economic forum, held on 8 July 2017 in Agrigento (see the box below). We are also working with Libyan authorities to develop a vision for a structural, long-term relaunch of the country's economy.

Our action in the economic field covers key sectors such as air transport and infrastructures (as well as energy, of course). ENAV has placed a mobile tower at the Tripoli/Maitiga airport, in view of the construction of a new control tower, and is training its air traffic controllers. An Italian consortium has secured the contract for the reconstruction of the Tripoli international airport, which had been destroyed. We have also reactivated the Joint Commission to relaunch the project for the coast highway, and support the rehabilitation of the Libyan infrastructure system, which has been badly hit by the crisis.

We are aware of the need to alleviate the suffering of those who have paid the highest price of the conflict. We have therefore intensified humanitarian aid in key sectors such as food security, healthcare and social protection. In 2016-2017, Italy funded development actions with € 5.2 million, as well as humanitarian and emergency initiatives with €15 million.

Italy's support in healthcare remains strong. In Misurata, we deployed a field hospital that has already carried out 600 surgeries and thousands of outpatient visits, in just one year of work. The Italian military doctors have not just treated Libyan fighters wounded in the battles against Daesh in Sirte, but have also as-

sisted the civilians. Every day, a team of Italian doctors and nurses goes to the city hospitals in Misurata to offer their assistance and advice.

Italy also supports the Libyan authorities in facing the complex challenge of migration, following an integrated approach which combines security and solidarity. This strategy – which has improved Libya's capacity to control its territory and borders – is at the basis of the memorandum signed by the Italian President of the Council Gentiloni and the Libyan Prime Minister Sarraj last February, and welcomed by the EU at the Valletta Summit. Now that the flows have been reduced, we are working to promote the field presence and work of the NGOs and the main international organisations – UNHCR and OIM – whose role is crucial to ensure that the human rights of migrants in Libya are respected.

Regarding Libya and the issue of migration flows, in 2017 the Guardia di Finanza intensified training and capacity-building initiatives and organised 9 courses for around 200 law enforcement officials from Libya as well as other Countries of Sub-Saharan Africa (Niger, Chad, Burkina Faso, Mali, Nigeria, Ivory Coast, Mauritania, Seychelles).

Italy has supported the Libyan request for assistance at the EU level, and the country has therefore been able to receive over €160 million (since 2016) for stabilisation, emergency and migrant protection initiatives. Italy has presented to the Commission a large project to support Libyan authorities in their integrated border management (IBM) effort, and in the promotion of initiatives for economic and social development along the southern borders. In its first year, the IBM project will receive €46.3 million, of which €12.2 are contributed by Italy. However, the funds for the North of Africa Window of the Trust Fund are too limited for the challenge. We continue to urge an increase of the collective financial effort of the EU and all its member states.

Cooperation with Libyan authorities in the fight against human trafficking is increasingly effective, thanks to the intense work of the Joint Commission created last 2 February by the memorandum. After completing the training of the crews, Italy refurbished and delivered 4 patrol vessels to the Libyan Coast guard, and started the maintenance activities for the recovery of further 6 patrol vessels, as well as the training of their crews. Among the strategic priorities of the joint action of the two countries, the Joint Commission has identified strengthening the control system of the southern borders of Libya, as a complementary measure to prevent the illicit trafficking of human beings.

The positive results of this tight cooperation have led President Sarraj to ask

■ ■ EUNAVFOR MED-SOPHIA

The operation was launched by the European Union on June 22, 2015 to help to dismantle the business model of human trafficking in the central Mediterranean. Its mandate was later extended. In addition to the main task, other additional ones have been added, such as: (a) supporting the Libyan Coast guard; (b) contributing to the exchange of information and the

implementation of the UN arms embargo on Libya. At the last renewal of Operation Sophia (until December 31, 2018), Italy asked to review the procedures for the landing of migrants, in line with the changes that will be made to the Triton Operation Plan, or independently from this. EUNAVFOR MED is led by the Italian Admiral Enrico Credendino.

Italy for technical naval support in the fight against the networks of human traffickers. Italy immediately accepted the request and sent a factory vessel to Tripoli, used to restore the efficiency of other Libyan naval units, and coordinate patrol and sea rescue operations. In this field too, our engagement is part of a wider European cooperation effort promoted by Italy, as demonstrated by its involvement in the EUNAVFOR MED – Sophia and EUBAM missions.

■ ■ EUBAM LIBYA

On May 22, 2013 the EU launched the EUBAM Libya mission (European Union Integrated Border Management Mission in Libya) to give Libyan authorities training, strategic advice and capacity for their integrated border management. For security reasons, the mission was redeployed in Tunisia. Since August 30, 2016 EUBAM is

led by Vincenzo Tagliaferri, who has given new impetus to the mission. In July 2017, the strategic revision of the EUBAM mandate was approved. The mission still carries out: (a) planning operations in view of a future EU mission; (b) support activities in the fields of border management, law enforcement and criminal justice.

2

MIGRATION

Historically, the Mediterranean has always been a place of communication and exchanges, however today it is mainly thought of as the crossroads of the migration routes from Africa to Europe. The place where the Old continent and the continent of the young meet. Unfortunately, in recent years the central Mediterranean has also become the sea where thousands of migrants lost their lives.

Italy is tackling the challenge of migration flows in the Mediterranean on two levels: solidarity and security. On the one hand, it was and still is the most committed country from a humanitarian perspective, by saving many lives at sea and protecting individual rights. On the other, it works to hit hard the networks of human traffickers, including through several agreements with African countries. Thanks to this approach, we have reduced the deaths at sea, and cut by 30% the number of illicit arrivals on our shores (from 159,000 migrants who landed in Italy in the first ten months of 2016 to 111,302 until October 30, 2017). However, these results must be urgently consolidated with greater political and financial support from all the EU member states. On the issue of migration, we cannot really say that – so far – the EU has risen to its potential and its tradition of civilisation.

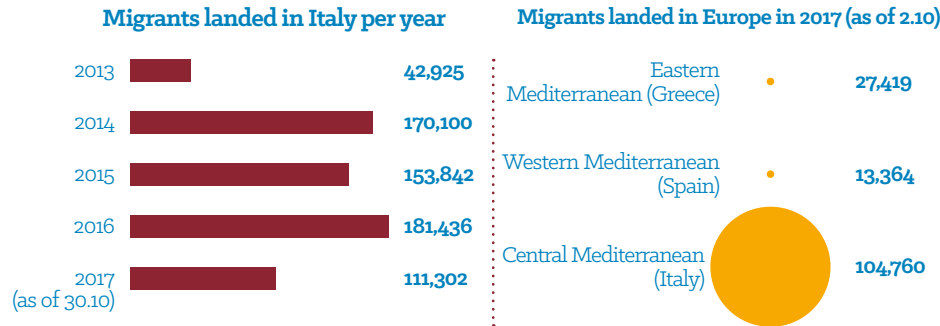
■ ■ SOLIDARITY AND SECURITY: THE DIALOGUE WITH TRANSIT COUNTRIES

The phenomenon of migration has acquired a structural, long-term nature which requires shared responsibilities in the management of flows. Italy is therefore actively involved in strengthening cooperation with the countries of origin and transit: from the southern shore of the Mediterranean to the Sahel and the Horn of Africa. To this purpose, on July 6, 2017 the Minister for Foreign Affairs and International Cooperation, Alfano, chaired the international conference “A shared responsibility for a common goal: solidarity and security” held at the Farnesina Palace. Government officials from the most relevant African transit countries and the UE member states that are mostly involved in the management of migration flows attended the event: Algeria, Austria, Chad, Egypt, Estonia, Ethiopia, France, Germany, Libya, Malta, Niger, The Netherlands, Spain, Sudan, Tunisia. The Director General of the International Organization for Migration, Swing, the United Nations Deputy High Commissioner for Refugees, Turk, and representatives from the European External Action Service of the European Union also participated in the conference.

■ ■ MIGRATIONS IN THE MEDITERRANEAN

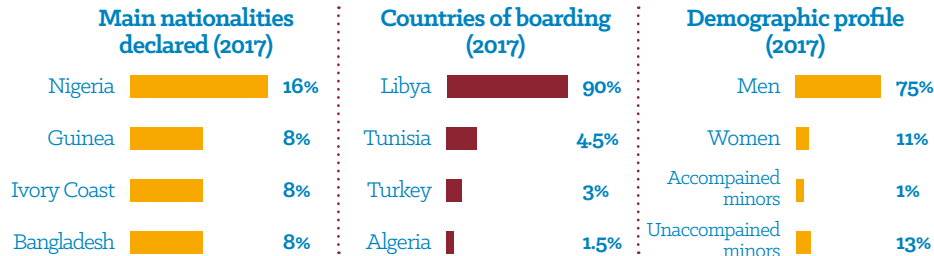
THE CENTRAL MEDITERRANEAN BOTTLE NECK

Since 2013 about **650,000 migrants** have reached the Italian shores: 181,436 in 2016 alone. If compared with the data registered on the routes in the eastern and western Mediterranean, these figures tell us that the central Mediterranean route is the most frequently followed by migrants who want to reach Europe.



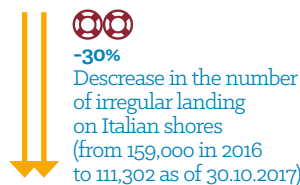
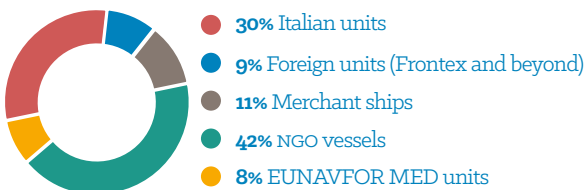
WHO ARE THEY AND WHERE DO THEY COME FROM

The **48% of the migrants** who get to Italy state they come from a Western African country. The arrivals following the Eastern African route have decreased. The African routes mainly meet in Libya. The percentage of unaccompanied minors is growing (and worrying): in 2017, Italy adopted a new law to improve their protection.



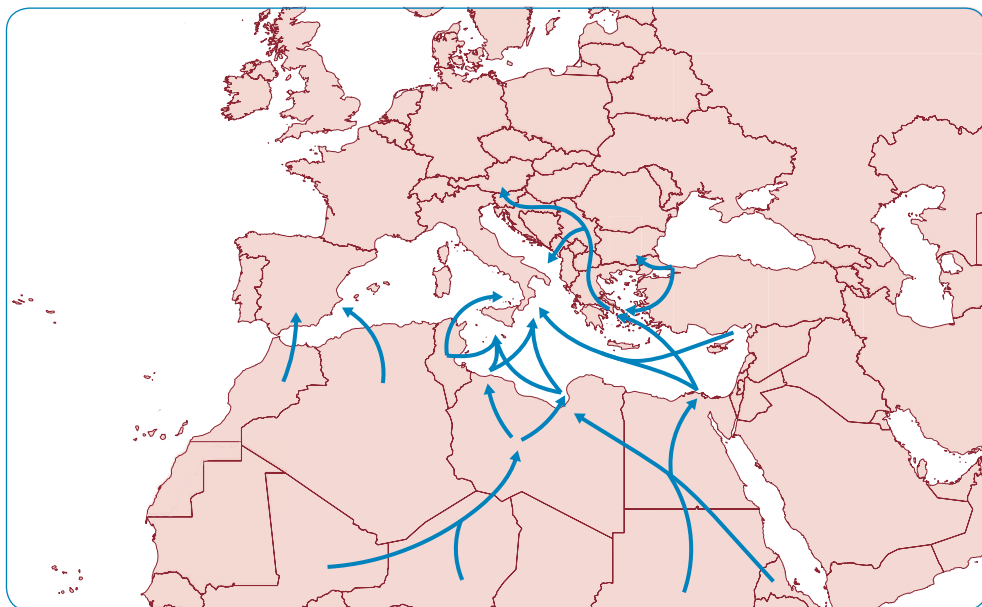
RESCUE AT SEA

Italy is the most committed country on the humanitarian level to save human lives. We helped in decreasing both the deaths in the Mediterranean and the irregular landings on our shores, thanks to the countering of human beings smugglers and to many agreements with various African countries.



■ ■ MIGRATION ROUTES TO EUROPE

The Libyan and the Central Mediterranean bottle necks



■ ■ A CONSISTENT APPROACH: THE “FUND FOR AFRICA”

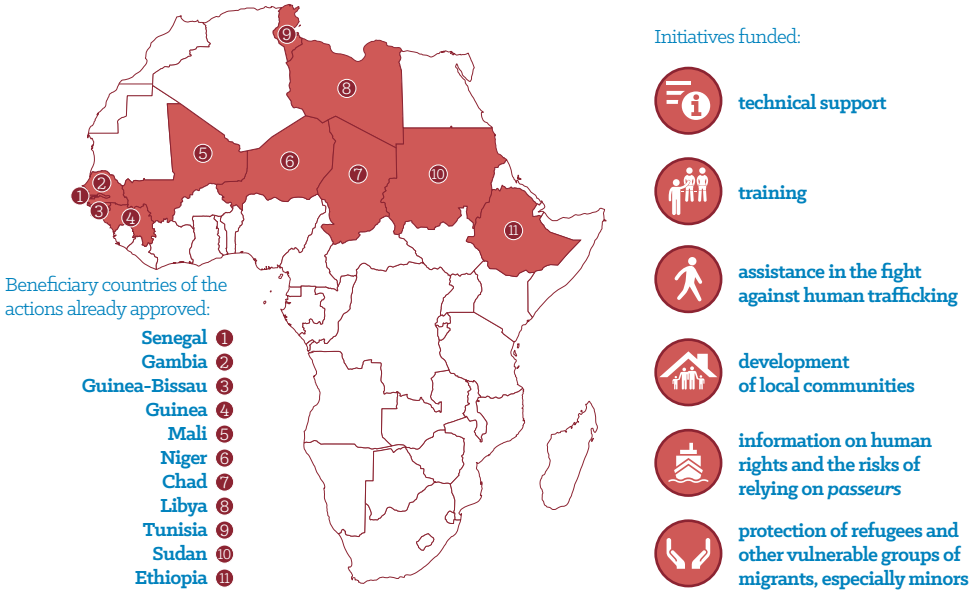
To make the Italian commitment to cooperate with the countries of origin and transit more tangible and consistent, a Ministerial Decree created the “Fund for Africa”. This special fund is earmarked for initiatives in the fields of: (a) technical support; (b) training; (c) assistance in the fight against human trafficking; (d) de-

■ ■ SOLIDARITY AND SECURITY: A SHARED RESPONSIBILITY FOR A COMMON GOAL

The joint declaration adopted at the conference “A shared responsibility for a common goal: solidarity and security” on July 6, 2017 expressed the common will of the participating countries to intensify their partnership based on a new, more integrated approach. The conference participants: (a) recalled the need to abide by the international obligations on human rights, and to protect migrants and refugees more effectively; (b) agreed to support the increase of voluntary returns, from the countries of transit to those of origin, possibly helping them with measures to

offer migrants economic prospects in the society they go back to; (c) renewed their support to the International Organization of Migration and the United Nations High Commission for Refugees; (d) emphasised the need for more cooperation to help transit countries in their fight against the networks of human traffickers; (e) recalled the need to address the root causes of migrations, offering the local population an economic alternative to the “model” based on migrations.

■ ■ THE ITALIAN FUND FOR AFRICA



velopment of local communities; (e) information on human rights and the risks of relying on *passeurs*; (f) protection of refugees and other vulnerable groups of migrants, especially minors. Thanks to the Fund for Africa, several actions in many African countries of origin and transit of the migration flows have already been funded, giving priority to competent international organisations in the field of migration (particularly OIM and UNHCR).

Another relevant measure is the “humanitarian corridors” programme, resulting from an interconfessional agreement (Community of S. Egidio, Waldensian Table and the Federation of Evangelical Churches) in collaboration with UNHCR, the Italian Ministry of the Interior and the Italian Ministry of Foreign Affairs. This initiative aims to resettle in Italy people requiring international protection and particularly vulnerable migrants.

■ ■ THE ACTION OF EUROPE: THE NEW PARTNERSHIP FRAMEWORK WITH THIRD COUNTRIES

Taking inspiration from the Italian initiative called *Migration compact*, the European Commission adopted the Communication on *A New Partnership Framework with third countries under the European Agenda on Migration*. This document started a coordinated and systematic process for the negotiation of specific agreements (compacts) with some sub-Saharan pilot countries (Niger, Nigeria,

Ethiopia, Mali, Senegal). The goal is to involve the African countries, and support their efforts for the joint management of migration and the reduction of its root causes. After more than one year since the Commission’s Communication, the first positive results are emerging, especially in some pilot countries. Recently, cooperation started with new countries too. The new partnerships will soon be accompanied by a EU External Investment Plan (EIP), strengthened and expanded by the European Regional Development Fund (ERDF); this will help to encourage investments in African countries, offering guarantees on the credit given to entrepreneurs. Additionally, for more than a year the “Economic Resilience Initiative” by the European Investment Bank has been in place, whose aim is to improve the capacity of those Countries to respond to challenges like migration through support to economic development.

On the background of the European commitment, there is still the issue of how to manage the phenomenon of migration among EU member states. The relocation of asylum seekers from Italy and Greece is still unsatisfactory, and the discussions on the reform of the Common European Asylum System, particularly of the Dublin Regulation, is in a deadlock.

■ ■ **THE VALLETTA ACTION PLAN
AND THE TRUST FUND FOR AFRICA**



€104 MILLION

our contribution to the
Trust Fund for Africa

The EU-Africa Summit on migration held in November 2015 in Valletta launched the “EU Emergency Trust Fund for Africa”, worth €1.8 billion. The Fund, which needs to be urgently refinanced by the member states, has currently reached a capacity of €3.1 billion. Italy, the largest EU contributor, participates with €104 million (almost half of the total contributions from EU member states).

■ ■ **GLOBAL MIGRATIONS AND THE ROLE OF THE UN**

The two summits on migrants held on September 19-20, 2016 in the margins of the UN General Assembly started negotiation processes which, by 2018, will lead to the adoption of two Global Compacts: one on refugees, and another on safe, orderly and regular migration. Italy is heavily engaged in these exercises,

■ ■ **THE ITALIAN APPROACH TO THE UN GLOBAL COMPACTS**



on the one hand, to underline the strong nexus between development cooperation and migration, and, on the other, to emphasise the need of tackling human mobility with a comprehensive and long-term approach, based on two key principles: Partnership (the creation of a genuine partnership between origin, transit and destination countries), and Shared responsibility (both in the management of flows and in the protection of migrants and refugees, where the control of the borders of each Country would be always balanced with the right to a regular and safe migration). In these negotiations, where the protection of human rights must have a crucial role, Italy pursues three main goals: Protecting the most vulnerable migrants and refugees (women and minors, especially if unaccompanied or separated from their parents); Investing, i.e. promoting public and private investments in the countries of origin and transit, as to improve the management of flows and fight the root causes of migrations; Valuing the positive aspects of safe, orderly and regular migrations.

3

ECONOMY

Italy is committed to promoting a positive agenda for the Mediterranean in order to revitalise it as a global economic hub. Indeed the region is a connectivity platform for networks and infrastructure, thanks to the doubling of the Suez Canal and China's new "Silk Road". Hence there is no shortage of opportunities.

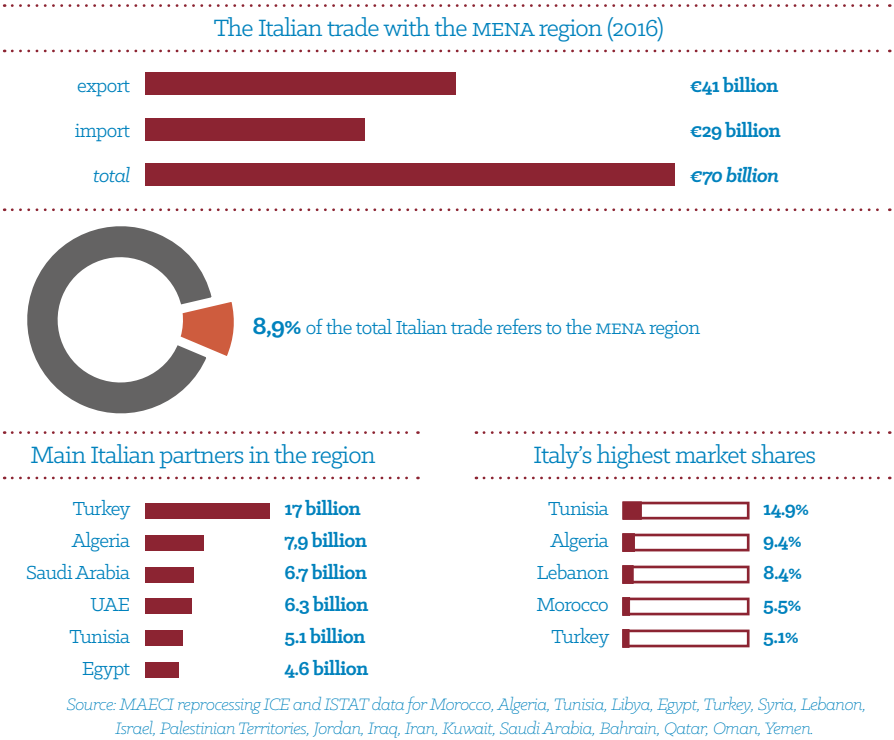
The region's GDP is growing more than the global average at an yearly rate of 3.3% and the per capita GDP at 1.5%. Several of the region's countries have also initiated structural reforms aimed at improving the business climate, at managing financial imbalances and creating wealth and employment. The reforms also include laws and incentives to attract investment. Examples to be noted are the Tunisian Investment Code and new legislation in Egypt, while the Moroccan Government has announced it aims to join the "top 50" in the World Bank's Doing Business index. In addition, thanks to the nuclear agreement with Iran there are commercial and industrial co-operation opportunities that have been received very positively by Italian companies (with whom preliminary framework agreements have been signed, together with framework agreements and actual contracts for a total value estimated at over €20 billion). This despite being aware of the uncertainties caused by the continuing misalignment between the remaining EU and USA sanctions and the need to open appropriate funding lines. New opportunities also arise from ambitious economic diversification programmes launched by the Gulf countries (Saudi Vision 2030, Oman Vision 2020, Qatar 2030, Kuwait 2035) with the aim of ensuring their transition from "Rentier States", namely economic models based on oil revenues, to models that are more sustainable in the long term, through the development of "non-oil" economies and extensive privatisation. Another area to be included in the positive agenda is infrastructure. In many Mediterranean countries, infrastructure is still underdeveloped; hence substantial investments will be needed in the coming years. Some large infrastructure projects are already in the pipeline, for instance those related to Expo Dubai 2020. Lastly, financial flows are an interesting new prospect in the Mediterranean area if one considers the expanding activities of major sovereign wealth and investment funds, particularly in the Gulf States and in Turkey.

■ ■ ITALY'S POSITION IN MEDITERRANEAN TRADE AND INVESTMENT FLOWS

The volume of total Italian trade with the MENA region in 2016 was approximately €70 billion (exports €41 billion, imports €29 billion), accounting for 8.9% of our global trade (while exports alone stand at 9.8% of our total exports). Italy is also the fourth largest trade partner (after the United States, China and Germany) of the

FERTILE TRADING

Trade relations between Italy and the MENA region



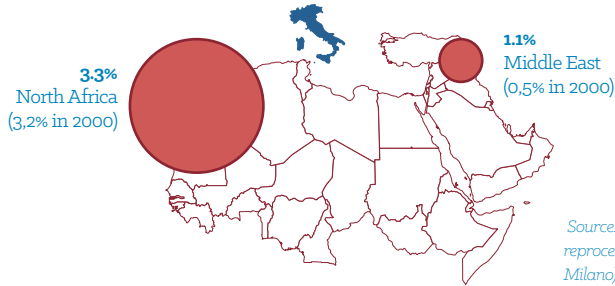
aggregate MENA Region. Our main trading partners in the region are, in order of importance, Turkey (17 billion total trade value), Algeria (7.9 billion), Saudi Arabia (6.7 billion), UAE (6.3 billion), Tunisia (5.1) and Egypt (4.6). Evidence of Italy's strong ranking in the region's trade and investment flows is the fact that our average market share in the region is 4.9% (much higher than the 2.8% market share of our global exports). Italy's highest market shares are in Tunisia (14.9%), Algeria (9.4%) Lebanon (8.4%), Morocco (5.5%) and Turkey (5.1%).

Overall, the lower value of trade recorded in 2016 (70 billion compared to 73.6 in 2015, i.e. -4.9%), does not give rise to great concern and is mainly due to cyclical downturns, such as the price collapse of energy raw materials – exported by many of the countries in the region – and the deteriorating security conditions in some of the countries. This negative evolution, despite being widespread in much of the region (with the exceptions of Turkey, Jordan, Iran, Bahrain, Kuwait and Oman) has indeed been especially pronounced for hydrocarbon-producing countries (Saudi Arabia -8.3%, UAE -10%), as well as for countries experiencing periods of high political instability (Libya -22%; Iraq -16.6%). However, over the first six months of 2017, this trend was reversed in almost all the countries of North Africa and the Middle East, with the exception of Algeria and Jordan. In the Gulf area exports to the UAE have recovered, whereas the trend is still negative in the other countries (in any event the downturn in exports has also affected our main partners).

■ ■ ITALIAN INVESTMENTS GOING SOUTH

Italian investments in the MENA region

Italian-owned foreign companies
on the total number of companies owned by Italian investors abroad



In the foreign order books
of Italian construction firms in 2016
16.6% of orders came from the Middle East
9.8% from North Africa

As to productive investment, according to the Ernst & Young “BaroMed 2017”, between 2013 and 2015, Italy ranked 7th globally for “greenfield” investments in the Mediterranean and 10th for investments in “mergers and acquisitions”. As for the partly Italian-owned foreign companies, 3.3% of their revenues are produced in North Africa (compared to a 2.4 in 2005) and 1.1% in the Middle East (compared to 0.4% in 2005). The countries in which the largest share of Italian-owned foreign companies’ revenues is produced are Tunisia (1.3%), Egypt (0.6%), Saudi Arabia (0.6%) and the UAE (0.2%). In the foreign order books of Italian construction firms (one of the most strategic industries in the region), 16.6% of orders came from the Middle East in 2016, and 9.8% from North Africa. With regard to attracting investment, the Gruppo Cassa Depositi e Prestiti’s (Italy’s National Institute of Promotion) relations with all of the area’s major investment funds are gaining increasing relevance: some of them have already undertaken commitments or have expressed particular interest for GCDP’s financial instruments.

■ ■ ITALY’S STRATEGY FOR ECONOMIC PROMOTION



MADE WITH ITALY

Our strategy includes not only trade in high quality products, but also long-term investments and structured cooperation, through industrial partnerships in strategic sectors and through the transfer of technology and know-how. In other words we do not merely offer “Made in Italy” but “Made with Italy” as well. Thanks to its experience and the features of its productive fabric, Italy can support countries from the region in achieving a model of sustainable development, especially in sec-



Farnesina
Ministero degli Affari Esteri
e della Cooperazione Internazionale



358 CONTRACTS

obtained by Italian companies in the region in 2014-2015 with the support of the Ministry of Foreign Affairs and International Cooperation

tors like infrastructure and logistics, the agro-industry, renewable energies, tourism and in strengthening SMEs. Hence Italy sees the strategic importance of developing a system of energy and telecommunications networks to act as a “bridge” between the two shores of the Mediterranean. Economic diplomacy initiatives remain crucial in supporting the investments of Italian companies in markets, like those of the MENA region, that are still relatively complex. A Prometeia 2016 study suggests that out of 756 contracts obtained by Italian companies abroad in 2014-2015 with the support of the Ministry of Foreign Affairs and International Cooperation, 358 were in countries belonging to the region (47.3%), totalling a value of €26 billion. Italian industrial and trade penetration in the area has developed in recent years partly thanks to increasing coordination between all the actors of the Sistema Italia (Italian System). This was primarily achieved through “Cabina di Regia” (the Steering Committee of the international activities of the Italian economic system, co-chaired by the Ministry of Foreign Affairs and the Ministry of Economic Development) initiatives that included the Gulf countries from 2015 (in particular Saudi Arabia, the UAE and Iran) among the priority countries for its internationalisation strategies. Secondly, it was also achieved through “Missioni di Sistema”, i.e government-led business missions (e.g. Oman in March 2017) or events like the “Tunisia 2020” international conference in November 2016 (with the attendance of 200 Italian economic operators). In recent years, Italy has also succeeded in strengthening its insurance and financial presence in the region. In 2016, SACE’s (Italy’s Export Credit Agency) exposure in the Mediterranean reached €9.1 billion, accounting for 21.1% of its total portfolio (growing both in absolute value and as a percentage). Turkey, Egypt, Qatar and Oman are among the main markets of SACE’s commitment in the region. In 2016 SACE also opened an office in Dubai, to be its hub for all the Middle East and North Africa. ICE (Italy’s Trade Agency) has operating offices in Casablanca, Algiers, Tunis, Cairo, Riyadh, Dubai, Doha, Beirut, Tel Aviv, Amman, as well correspondence desks in Kuwait City and Ramallah. In 2017, the opening of a new desk in Muscat strengthened ICE’s regional presence. Additionally, two of the nine ICE desks that focus especially on attracting investment, were opened in Istanbul and Dubai.

THE INTEGRATED PROMOTION OF THE ITALIAN BRAND IN THE MEDITERRANEAN

Our strategy is increasingly based on the “integrated promotion” of Italy aiming to combine the Italian economy, its culture, its tourism and excellence in all their forms. Within the scope of the “Prima Settimana della Cucina Italiana nel Mondo” (First Week of Italian Cuisine in the World) (21-27 November 2016) 180 initiatives were presented in the MENA region. Special prominence was given to the “Mediterranean diet” and to actions for the protection and promotion of “geographical indications”; the latter issue was the focus of the Second Week of Italian Cuisine in the World (20-26 November 2017). Furthermore, 21 events were organised in 12 cities (attracting a wide audience of over 2,500 professional operators) for the “Giornata

del Design italiano” (Italian Design Day). The European Institute for Design contributed to organising design weeks in Lebanon and in the United Arab Emirates and the “Istanbul Design Biennial” (2016). In the field of education, Italy is the lead partner for a TEMPUS project in Tunisia, titled “3D Design pour le Développement Durable des productions locales artisanales” intended to give designers the skills required to develop the Tunisian production system. Lastly, with regard to tourism, since currently only 3 MENA countries are ranked among the top 50 in terms of their tourist flows towards Italy, i.e. Israel (23), Turkey (25) and Egypt (42), there is certainly great potential to increase flows from the region.

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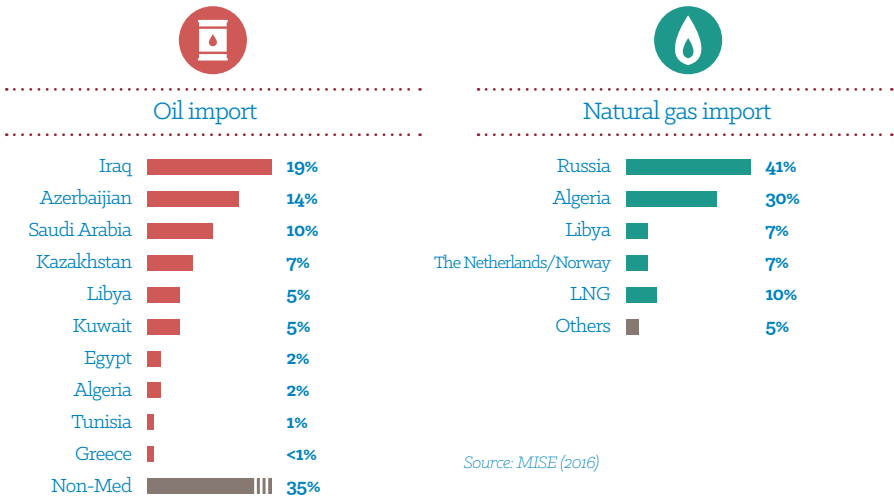
ENERGY

In terms of energy security, the Mediterranean centrality for Italy is unquestioned. Over two-thirds of our oil imports come from the region, as well as approximately half of our natural gas supplies (a proportion set to grow significantly as a result of on-going projects in the Eastern Mediterranean).

Italy imports oil and gas from a broad geographical area that includes the major Mediterranean oil producers, as well as the Mediterranean transit routes for supplies from the Caspian Sea and the Arab and Persian Gulf. Energy cooperation with the region’s countries is hence acquiring increasing importance, also in view of the European Energy Union and the national energy strategy, in particular:

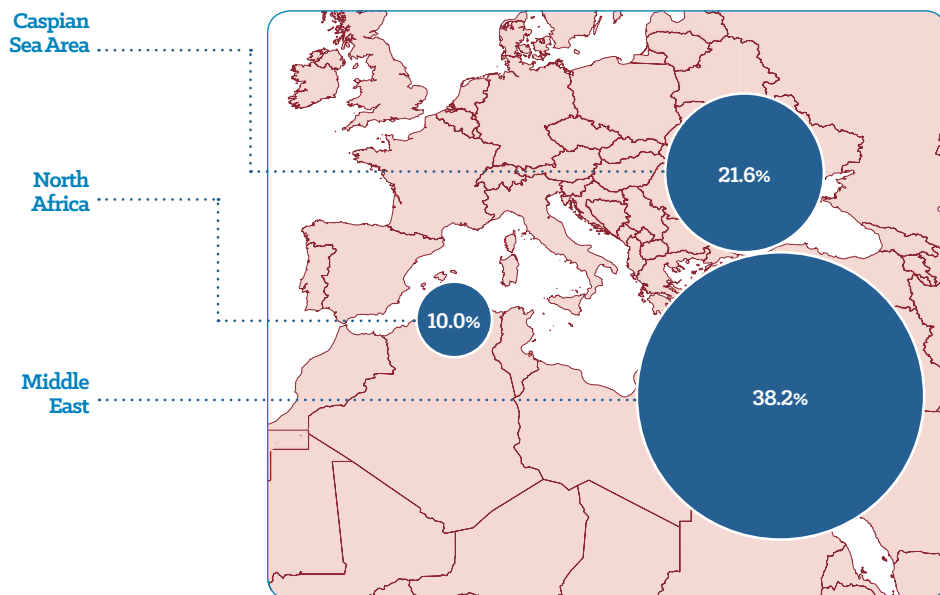
- In the interests of diversifying supply routes and sources;
- for the purposes of an energy transition to natural gas, to a large extent dependent on the development of the Southern Gas Corridor, initially from Azerbaijan and, in perspective, from Russia (via the Black Sea), as well as the enormous potential of offshore deposits in the Eastern Mediterranean (Egypt, Israel, Lebanon and Cyprus);

THE ITALIAN ENERGY SUPPLIES (2016)



■ ■ THE ORIGINS OF OIL

From the Mediterranean and the Caspian comes the 69,8% of Italian oil import (2016)



- in the electricity sector (Elmed energy interconnection between Italy and Tunisia), and the renewable energy sector, thanks to the potential of the southern shore of the Mediterranean.

■ ■ OIL

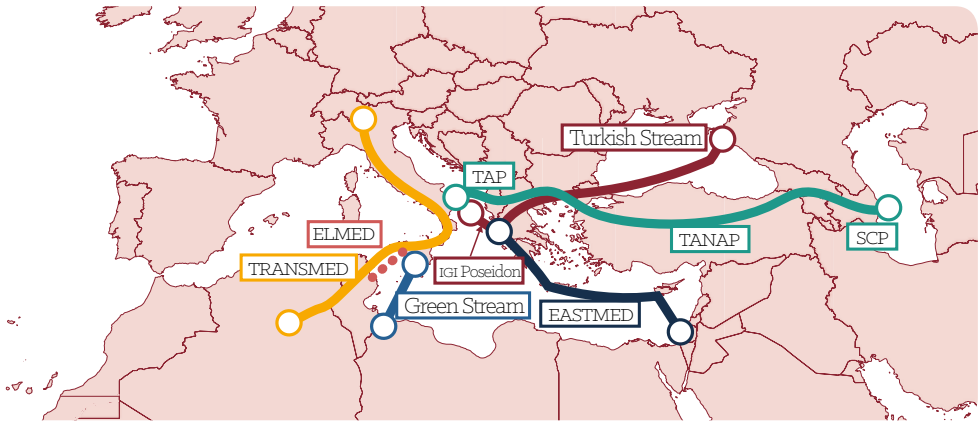
Although crude flows towards Italy (typically affected by substantial yearly instability owing to price and demand fluctuations caused by crisis and conflict situations) come from 25 countries, approximately two thirds originate from across the Mediterranean. The three main areas of origin are the Middle East (38%), the Caspian Sea area (21%) and North Africa (10%), accounting for 70% of our total imports. Figures for the first half of 2017 are in excess of 75%, in particular for the increasing flows from Iran and Azerbaijan. While Azerbaijan's data (our main oil supplier in the first half of 2017, as already in 2014, as well as second largest supplier, after Iraq, in 2015 and 2016), just confirm the Country's relevance as Italy's major supplier, Iran's figures highlight Teheran's comeback among our main suppliers.

■ ■ NATURAL GAS

Natural gas has a key role in the transition to a low-carbon energy mix, and is therefore considered a fundamental source for our energy security. Of the over 300 billion m³ of gas annually imported into Europe, over 25% is destined for the Italian

■ ■ ALL THE PIPELINES LEADS TO ITALY

Gas pipelines already existing, under construction and currently being defined



Green Stream Since 2004

IGI Poseidon Currently being defined

TRANSMED Since 1982

TAP/TANAP Currently being implemented – 2020

EASTMED Currently being defined – estimated implementation 2025

ELMED Currently being defined (transmission grid)

Turkish Stream Currently being implemented – 2020



The Italian objective is to become the southern hub for European gas, predictably around 2025

market. This share is expected to increase in the near future, due to the natural position of our country as a regional gas hub. To date, more than 37% of imported gas comes from the Mediterranean region; this percentage increases to about 50% if you factor in flows shipped by LNG carriers (Liquefied Natural Gas-LNG). In addition to substantial gas flows from Russia and Northern Europe (respectively 40% and 7% of the total), the Mediterranean pipelines that currently carry gas to Italy are the Green Stream (operated 50% by Eni and 50% by the Libyan National Oil Company, through GreenStream BV) and the Trans-Mediterranean Pipeline (from Algeria, operated 50% by Eni and 50% by the Algerian company Sonatrach, through Transmed S.p.A). 2020 is also the year new gas will be delivered through the Trans Adriatic Pipeline (TAP, 10 billion m³ per year, which can be doubled to 20), completing the southern gas corridor that, starting from Azerbaijan and via Georgia, Greece, Turkey, and Albania, will reach Puglia and then feed into to the national gas network. Looking ahead, the project will increase the weight of Mediterranean flows to about two-thirds of total flows. The project participants include SNAM, with a 20% stake in the Consortium, and Saipem that has won major design and construction works contract along the whole length of the Southern Gas Corridor. In addition to this project, Italy's objective to become the southern hub for European gas, predictably around 2025, is linked to the development of substantial gas resources in the Eastern Mediterranean (the so-called Levantine basin that includes



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the offshore areas of Israel, Cyprus, Lebanon and Syria), as well as the Zohr gas field in Egypt (discovered by Eni in 2015, and currently operated by Eni, Rosneft and BP), as well as the construction of the Turk Stream (a gas pipeline from Russia to Turkey through Black Sea). This would lay the ground for what could be seen as a doubling of the Southern Gas Corridor. The link between Turk Stream and the EastMed project (Israel-Cyprus-Greece) would be IGI Poseidon (an equally owned joint-venture between the Greek company DEPA and Edison), with a total yearly rated capacity of approximately 30 billion m³. After 2025, the percentage of gas reaching Italy from the Mediterranean would therefore approach, *ceteris paribus*, three quarters of the country's total supply.

■ ■ ELECTRICITY AND RENEWABLES



850 MW

total capacity of
the 5 wind farms
awarded in Morocco
to Enel Green
Power, NAREVA,
and Siemens Wind
Power

Italy and the European Union attach great relevance to the Elmed project (Terna), the 200 Km subsea cable connecting Tunisia to Italy: it is considered as a concrete example of possible exploitation of the renewable potential available in North Africa. The region is characterised by an abundance of wind and solar resources associated with a favourable mix of factors that include a growing population, a vibrant economy and a framework of rapidly consolidating renewable energy support policies. This context provides significant opportunities for the major Italian energy operators, especially in Morocco, where Enel Green Power, together with NAREVA and Siemens Wind Power, have been awarded the most important wind power tender ever awarded in the continent, including the construction and commissioning of five wind farms, for a total capacity of 850MW. This is a further Italian contribution to achieving the 2030 Agenda for Sustainable Development, by leveraging (in Tunisia and Algeria too) the production potential of renewable energy as a growth driver for Southern Mediterranean economies.

5

CULTURE & SCIENCE

In the Mediterranean region, culture is a key channel for dialogue, stability and peace. In this regard, Italy considers culture as a pillar of sustainable development: a tool that sets individuals, communities and peoples at the centre of all its policies, with the goal of adding value to their past, present and future identities.

■ ■ PROTECTION OF CULTURAL HERITAGE



86 MISSIONS

in the field of archaeology supported by Italy in the Mediterranean area (out of 179 in the world)

Italian contribution to the protection of the region's cultural heritage develops along two main guidelines: support for archaeological missions in Mediterranean countries and an engagement, within a multilateral context, to achieve increasingly close co-operation in this sector, especially in countries marked by socio-political instability. Several Italian players are involved in the protection of cultural heritage. The Ministry of Foreign Affairs and of International Cooperation, in close co-operation with the Ministry of Cultural Heritage and Tourism, supervises and organises the work of renowned Italian universities. Particularly worth mentioning is the work performed by the Carabinieri del Nucleo per la Tutela del Patrimonio Culturale (Carabinieri Cultural Heritage Protection Force), whose reputation for excellence is internationally recognised in this field.

■ ■ ITALIAN ARCHAEOLOGICAL MISSIONS

Out of a total of 179 Italian archaeological missions supported by Italy in 2017, 86 are in the Mediterranean area, 37 of which in North Africa, 42 in the Middle East and 7 in the Gulf countries. These highly positive initiatives have led to intense co-



ITALIAN ACTION FOR THE PROTECTION OF CULTURAL HERITAGE. THE IRAQI CASE

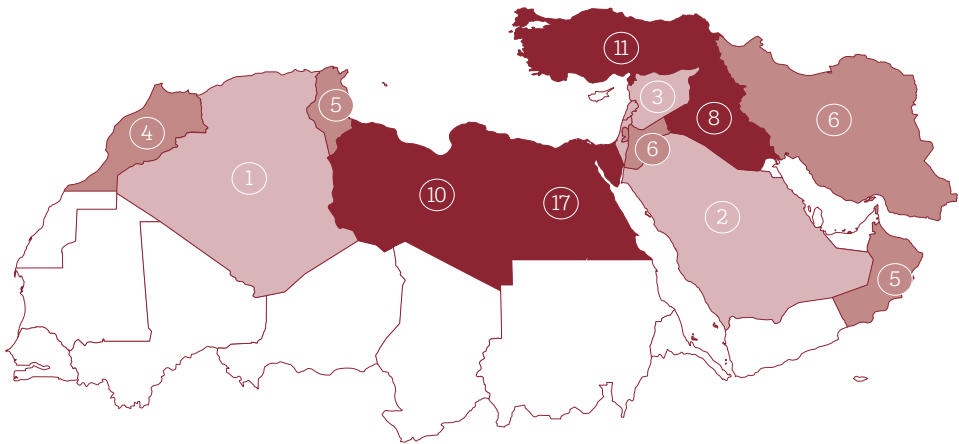
Cooperation between Italy and Iraq in the field of archaeology is developed through two main lines: (a) financial support and the Foreign Ministry's coordination of eight archaeological missions; (b) the training of local experts. The archaeological missions are as follows: Erbil (IULM), Paikuli (Università "La Sapienza"), Mosul and Dohuk (Università di Udine), Qādisiyyah (Università di Bologna), Seleucia and Nimrud (Centro Scavi Torino and Università di Torino), Wasit (Università "Ca' Foscari" di Venezia), Nigin (MAIN Mission,

with Università "La Sapienza" in Rome and Università di Perugia), Abu Tbeirah (Università "La Sapienza"). As regards education and training, one should mention the Italian-Iraqi Cultural Centre, a multifunctional facility that opened in 2016: it focuses on research projects and on organising courses for local experts. It should also be mentioned that in 2016 the Heritage Protection Unit of the Carabinieri held ad hoc training courses as part of the overall training activities held for the Iraqi and Kurdish police.



■ ■ **ARCHAEOLOGICAL MISSION**

There are 86 Italian missions in the Mediterranean (2017)



Egypt	17	Jordan	6	Syria	3
Turkey	11	Tunisia	5	Israel	3
Libya	10	Oman	5	Saudi Arabia	2
Iraq	8	Palestine	4	Lebanon	1
Iran	6	Morocco	4	Algeria	1



Italian archaeological mission of Turin University in Alexandria, Egypt, Nelson Island - Aboukir

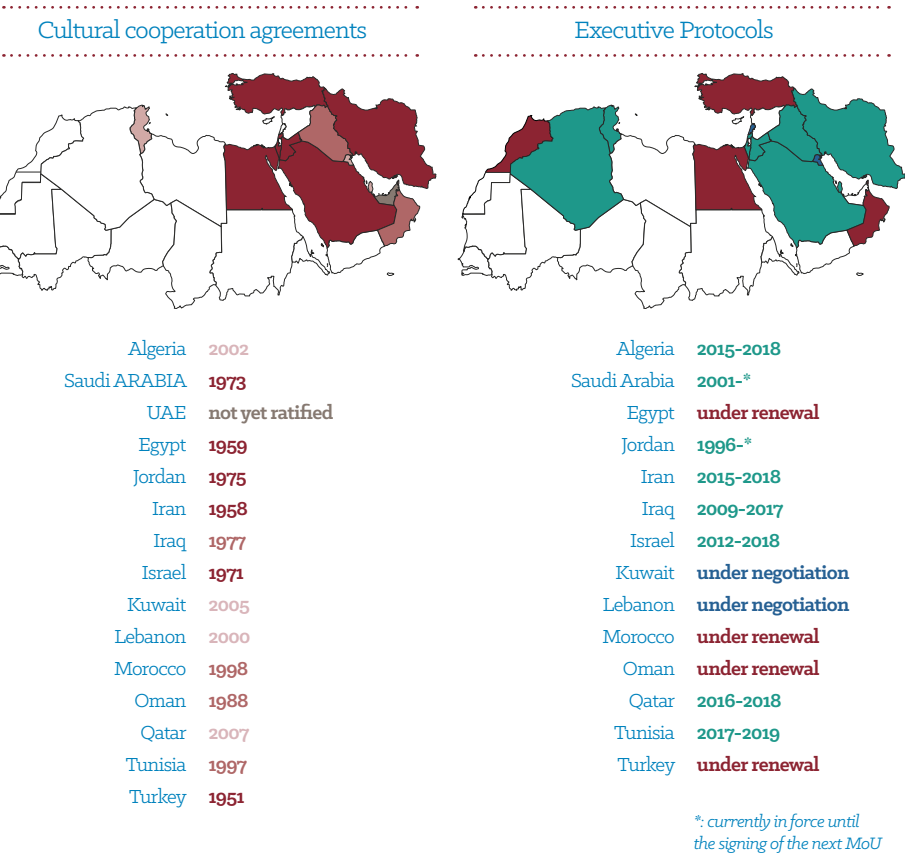
operation between governments, universities, researchers and business operators engaged in restoration and conservation.

■ ■ **MULTILATERAL ACTION FOR THE PROTECTION OF CULTURAL HERITAGE**

The goal of Italy’s action in a multilateral framework is to strengthen international instruments related to combating illegal trade in cultural goods and to protecting cultural heritage. Italy’s prominent role in this area can be seen in a number of meaningful initiatives:

- Adoption, within the framework of **UNODC** (United Nations Office on Drugs and Crime), of the International Guidelines for preventing and combating trafficking in cultural property.

■ ■ **CULTURE, A SOFT POWER TOOL**





RESOLUTION 2347

The first by the UN Security Council entirely devoted to the protection of cultural heritage.

- Approval (in 2015), within the framework of **UNESCO**, of the Strategy for the protection of Cultural heritage and the promotion of Cultural Pluralism in crisis areas.
- Signing, in February 2016, of a Memorandum of Understanding with UNESCO for the establishment of the **Italian Unite4Heritage Task Force**, comprising Carabinieri and civilian experts in a variety of areas related to the protection of cultural heritage.
- Adoption by the United Nations Security Council of **resolution 2347**, based on an Italian-French initiative, the first entirely devoted to this subject, with operational measures aimed at harmonising national legal systems and strengthening international cooperation to combat illegal trafficking in cultural goods.
- Signing of the **Joint Declaration by the Ministers of Culture of the G7 Countries** at their Florence meeting in March 2017. The Declaration recognises of the role of culture as a concrete instrument for shared growth and sustainable economic development.
- Kick-start of a reflection on the role that the European Union can play in defending cultural heritage. The idea of **including a cultural component in the EU's civilian missions** is a possible development in this direction and a new facet of the Common Security and Defence Policy.

■ ■ CULTURAL DIPLOMACY INSTRUMENTS

The cultural promotion strategy within the “Extended Mediterranean” relies on a sizeable network of embassies, Italian cultural institutes (IIC) and consulates. Institutes can be found in Rabat, Algiers, Tunis, Cairo, Tel Aviv, Haifa (section), Beirut

■ ■ ITALIA, CULTURE, MEDITERRANEO

“Italia, Culture, Mediterraneo” (“Italy, Cultures, the Mediterranean”) is a programme that the Ministry of Foreign Affairs and International Cooperation will carry out in 2018 in Middle Eastern and North African countries, covering an arc of countries from Morocco to Iran. This is an integrated promotion project with which the Farnesina intends to consolidate the dialogue between the two sides of the Mediterranean. A cooperation that is based on the exchange and fostering of many cultural and social identities, combining tradition, innovation and creativity. In line with the overall philosophy of the initiative, the programme will encompass all cultural sectors: art, archaeology and heritage, cultural and creative industries, live performances, language and inter-university collaboration. Particular attention will be given to scientific cooperation, with a focus on new technological frontiers, blue and renewable energy technologies applied to the conservation of cultural heritage preservation. Over 300 initiatives will be organised by our network and will be accompanied by large “travelling” events: projects by artists and cultural institutions, representing areas

of excellence of Italian culture, will be presented in several countries within the region. These include:

- **“Filo dell’ Alleanza”** (“Thread of the Covenant”), an artistic project that consists in weaving a tapestry in each of the area’s countries and then assembling them in Palermo.
- **An exhibition of contemporary artists** curated by MAXXI, with a focus on the relationship between classical and contemporary art.
- **“Mediterraneo”**, an exhibition of Mimmo Jodice’s photos, in collaboration with the MART in Rovereto.
- **Initiatives relating to UNESCO sites**: creation of an art exhibition and a virtual 3D reconstruction of the monuments.
- **A high level conference** titled “OPEN SESAME – What can science diplomacy do for the Middle East regional cooperation”: presentation of results from the first year of activity of SESAME (Synchrotron-light for Experimental Science and Applications in the Middle East).
- **Performances** by the “Piccolo Teatro di Milano”.



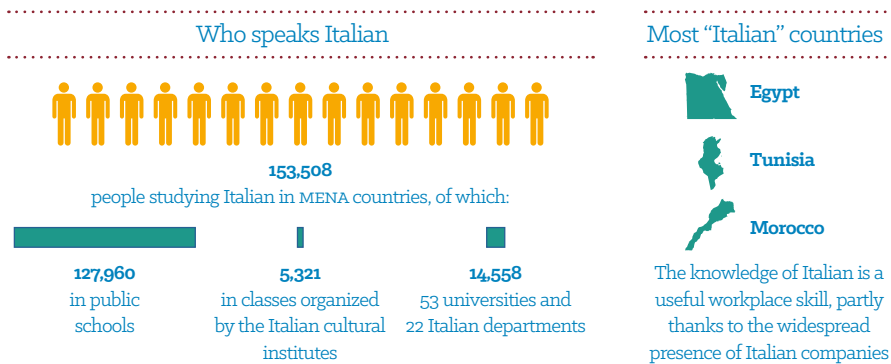
and Istanbul. Activities of the institutes based in Damascus and Tripoli are currently on hold owing to the security situation. There are plans for an Institute in Abu Dhabi and, looking ahead, the Teheran Institute that closed down in the 1980s is expected to re-open. Our embassies enjoy well-established relations with the region's most important cultural institutions: they include the Bardo Museum, the El Jem Festival, the Sursok Museum and the Israeli Opera House, to mention but a few. An Italian Centre and a School of Archaeology also operate in the region, respectively in Cairo and Carthage. Italy's participation in the main cultural events and local festivals is also well established, especially in the fields of music, dance, photography, film, publishing and the theatre. A Year of Culture, devoted specifically to the region, is being planned for 2018, ("Italia, Culture, Mediterraneo" or "Italy, Cultures, Mediterranean", see box) will be able to count on the active and integrated role all our cultural diplomacy instruments.

■ ■ PROMOTION OF THE ITALIAN LANGUAGE

The Mediterranean basin is one of the priority areas for the promotion of our language. According to our latest available data for the 2015/2016 academic year,

■ ■ WHO STUDIES ITALIAN IN THE MEDITERRANEAN

Use of Italian and instruments to support the teaching of this language (2016)



Our instruments to support the Italian language in the Mediterranean

- | | |
|---|--|
| <p>Italian Language Chairs in local universities
15 in MENA countries, plus 17 lecturers</p> | <p>Progetto "Laureati per l'italiano"
("Graduates for Italian"), launched in 2015</p> |
| <p>Provision of teaching materials
to foreign schools and universities</p> | <p>Promotion of Italian books
through our participation in book fairs</p> |
| <p>Incentives for translation, dubbing and subtitling</p> | <p>Week of Italian Language in the World
over 100 events across the Mediterranean</p> |

■ ■ MEDITERRANEAN ERASMUS

On 23rd October 2017, Minister Alfano launched the “Mediterranean Erasmus” initiative in Palermo, on the occasion of the presentation of the “Italy, Cultures, the Mediterranean” project. The initiative seeks to increase opportunities

for young students and researchers from the Northern and Southern (Algeria, Egypt, Jordan, Lebanon, Libya, Morocco and Tunisia) shores of the Mediterranean to meet through a university exchange programme.

there are 153,508 Italian language students in the MENA region, 127,960 of whom attend public schools, 5,321 attend the 488 courses organised by the Italian cultural institutes and 14,558 attend 53 universities and 22 Italian departments. In countries like Egypt, Tunisia and Morocco, the knowledge of Italian is a useful workplace skill, partly thanks to the widespread presence of Italian companies, mainly in the tourism and trade sectors.

■ ■ PROMOTION OF INTERNATIONAL STUDENT MOBILITY



1.164

monthly bursaries offered to MENA students in 2017-18



1.022

agreements between Italian and Mediterranean universities and academia

Italy is committed to policies that encourage the mobility of young students and researchers, including those from the Mediterranean area, through exchange programmes and inter-university co-operation. This action adds up to an extensive and consolidated co-operation between Italian Universities and the Academic institutions in the area, one that develops along 1022 agreements among universities and academia. Turkey is the country with the highest number of agreements (209), followed by Iran (119), Israel (111) and Tunisia (104). In the last academic year (2017-2018), the Ministry of Foreign Affairs offered 1,164 monthly bursaries, each amounting to monthly payments of €900, to citizens from Mediterranean countries. This amounts to 30% of the total bursary allocation. The highest total monthly bursary amount is granted to nationals of Libya (336), Syria (135) and Egypt (117). The number of monthly bursaries granted to Iran, Israel, Jordan, Lebanon, Morocco, Palestine, Syria and Tunisia is expected to increase. The Farnesina is also relaunching cooperation in the field of education with contributions intended to establish Italian language chairs as well as train and upskill Italian language teachers at the University of Tripoli and its adjoining Language Centre. In most of Mediterranean countries, the Farnesina also provides assistance to people under international protection who need to obtain the recognition of their qualifications.

■ ■ PROMOTION OF HIGHER EDUCATION

The spread of the Italian language in the Mediterranean complements strategies intended to internationalise the higher education system by attracting the best young foreign talent to Italy. Algeria, Egypt, Iran, Iraq, Israel, Jordan, Libya, Libya, Morocco, Oman and Tunisia were identified as priority countries in the “2017-2020 Strategic Plan” that was presented last March at the General Conference for the promotion of Italian higher education abroad. Italy also supports the training of public officials from countries of the Middle East and North Africa through the

OECD-MENA training centre, located in the Caserta headquarters of the National School of Administration.

■ ■ ITALY, SCIENCE AND THE MEDITERRANEAN

Science, technology and innovation play a crucial role in contributing to the dialogue and development of Mediterranean economies. This is why Italy has launched a number of bilateral and multilateral initiatives, in particular at a European level, to encourage the mobility of researchers and foster scientific development in the region. Several Italian Universities and Research Institutions have developed close working relationships with their counterparts in Southern Mediterranean countries in areas of excellence for our scientific research: agriculture and food, use of sea water resources, marine sciences, technology applied to cultural heritage, research into new materials.

In the field of bilateral initiatives our cooperation with Israel, a country at the forefront of many high-tech fields, is especially noteworthy (see box). One should also mention the relevance of the Executive Protocol between Italy and Egypt for scientific and technological cooperation and for the co-funding of research projects and researcher mobility for the three-year period 2016-2018. The agreement addresses agriculture, science and technology for food, energy and the environment. Another relevant initiative is our cooperation with Cairo in the field of technology applied to the protection of cultural heritage.

Italy is also engaged in several multilateral scientific cooperation programmes (mainly EU) related to the Mediterranean. In particular PRIMA, ("Partnership for Research and Innovation in the Mediterranean Area"), a programme based on two pillars: water resources and food systems. Considering that the Blue Economy employs 5.4 million people at European level, the programme's economic impact is

■ ■ SCIENTIFIC COOPERATION IN THE MEDITERRANEAN

Italy is engaged in multilateral programmes



PRIMA (*Partnership for Research and Innovation in Mediterranean Area*)

Programme based on 2 pillars: water resources and food systems



BLUEMED

an Italian-led project aiming to promote sustainable growth in the marine and maritime sectors

— **€3 million allocated by the EU Commission**



Dialogue 5+5

5 EU countries: Portugal, Spain, France, Italy, Malta

5 Maghreb countries: Mauritania, Morocco, Algeria, Tunisia, Libya



SESAME scientific project

The aim of the initiative is to build in Allan, near Amman, a supermicroscope

— **applications: archaeology, biology, chemistry, physics, medicine**

worthy of note. There is also BLUEMED, an Italian-led project that aims to promote a shared strategy to foster sustainable growth in the marine and maritime sectors in the European Mediterranean Countries. The European Commission has allocated some €3 million to the project and has facilitated its implementation.

Within the framework of the 5 + 5 dialogue - which includes five EU Member States (Portugal, Spain, France, Italy and Malta) and five Maghreb countries (Mauritania, Morocco, Algeria, Tunisia and Libya) - it is also useful to mention the Forum on Research, Innovation and High Education, in which the National Institute of Oceanography and Experimental Geophysics of Trieste represents Italy.

■ ■ ITALY AND ISRAEL: AN INDUSTRIAL, SCIENTIFIC AND TECHNOLOGICAL PARTNERSHIP

Relations between Italy and Israel are excellent in all fields, whether political, economic or cultural. Links between their respective civil societies and business communities are the result of shared values and interests. From this perspective, the industrial, scientific and technological cooperation Agreement, in force since 2002, is a key instrument in advancing of bilateral relations. To date, 191 projects have been financed by past years of funding, 133 of which are industrial research projects developed by companies and 58 are applied research projects carried out by universities and public research centres. In addition, 11 joint research laboratories have been set up and series of conferences and events have been organised to promote contacts between the two scientific and academic communities. Lastly, Rita-Levi

Montalcini binational prize was launched to allow internationally recognised Italian and Israeli researchers to carry out research activities for a few months in research centres in the other country. Prospects for cooperation in the fields of cyber-security and space are of particular interest with two joint laboratories having now been set up. The space laboratory will carry out microgravity testing of fluids and will be hosted on board a satellite that the two Space Agencies will launch in October 2018. More important, though, is the potential for cooperation in the start-up sector by leveraging the complementarity between the two countries' respective economic systems. Within the framework of the agreement, and as of 2018, a joint programme to finance the mobility of Italian start-ups in Israel and viceversa has been planned.

■ ■ SESAME PROJECT

Italy attaches great importance to SESAME (Synchrotron-light for Experimental Science and Applications in the Middle East), an international scientific project. The aim of the initiative is to build in Allan, near Amman, a supermicroscope (hence a centre of research excellence) for applications in various fields: from archaeology to biology, chemistry, physics and medicine. SESAME's membership includes partners that

have never cooperated for a scientific project: the Palestinian National Authority, Bahrain, Cyprus, Egypt, Iran, Israel, Jordan, Pakistan and Turkey. Also the European Union, Italy, Brazil, Canada, China, the Russian Federation, France, Germany, Greece, Japan, Great Britain, Kuwait, Portugal, Spain, the United States, Sweden and Switzerland are part of the project, as well as international institutions like CERN, AIEA, ICTP and APS.

6

COOPERATION

Development Cooperation is an integral part of Italy's foreign policy. Our commitment is part of the UN Agenda 2030 with the strategic objective of promoting "sustainable development" in countries in which we operate. Our initiatives include the Mediterranean area and are mainly in the following areas: humanitarian aid, agriculture and food security, education, training and culture, health, governance, combating inequalities, migration and development.



€4.5 BILLION
the record figure
of Italy's Official
Development
Assistance, which is
increasing
since 2012

Italy pursues an innovative and inclusive approach, in line with the spirit of the reform that was approved in 2014, which - among other things - also established the Italian Agency for Development Cooperation. The paradigm shift that in recent years has affected Italian Cooperation has also entailed a leap forward in terms of financial resources. Italy's Official Development Assistance (ODA) has increased steadily since 2012, reaching a record figure of €4.5 billion in 2016. This significant result enables Italy to substantially improve its positioning in international rankings, according to the latest OECD figures, in terms of its official development assistance spending as a percentage of national income. From a geographical perspective, the areas on which we are focusing our activities are the Mediterranean and Africa, through interventions that can be summarised as follows.

■ ■ NORTH AFRICA

The North African region is a strategic policy area for Italian Cooperation, with Tunisia and Egypt being two of its priority countries, together with Libya. In Tunisia, especially considering the country's democratic process, intervention focuses on institution building and on creating employment, with an articulated soft loan and grant Programme initiatives covering 2017-2020. Strengthening the local private sector is an instrument to increase the economic and professional opportunities, especially for young people. Further areas of action are education and gender equality. In Egypt too, where a Debt Conversion Programme has been set up, Italian cooperation is implementing high impact social initiatives. In Libya most interventions are developed through humanitarian channels and are related to the areas of health, protection and food security.

■ ■ SAHEL

Italian Cooperation considers Senegal, Burkina Faso and Niger as priority countries; it is also present in Guinea, Mali, Nigeria, Cameroon and Chad. Its initiatives concentrate mainly on food security, education, health, support for vulnerable



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■ ■ A CRUCIAL ACTOR AT EUROPEAN LEVEL

EU projects delegated to Italy (MAECI/DGCS)

Years	Nr. of projects	Countries	Total amount (€ million)
2013	1	Sudan (PQHS)	8.60
2014	2	Egypt (EU-JRDP)	21.9
		Sudan (IHSVP)	4.35
2015*	1	Ethiopia (SINCE)	19.85
2016*	7	Burkina Faso (SENO)	5.8
		Lebanon ** (RSCP)	12.6
		Senegal (PACERSEN)	10.0
		Senegal (OMVS)	2.9
		Senegal (PASPED)	35.0
		Sudan (SRR)	11.9
		Sudan (SMHV)	2.0
2017*	2	Egypt (MEPEP)	6.0
		Libya (Support to Integrated Board and Migration Management) - AWARDED TO THE MINISTRY OF THE INTERIOR)	46.3

*: from the Valletta Trust Fund for Migration || **: from the Madad Trust Fund

Total:  13 projects in 7 countries, € 187.2 million



Fight the root causes of irregular migration: creating greater economic and employment opportunities

population groups, combating climate change and strengthening the local private sector. A cross-sectoral theme is the fight against the root causes of irregular migration: this is addressed through measures aimed at creating greater economic and employment opportunities in migrants’ countries of origin and transit. Italian Cooperation also addresses migration issues in the Sahel through a regional emergency initiative that includes Senegal, Mali, Guinea Conakry, Guinea Bissau and Gambia.

■ ■ HORN OF AFRICA



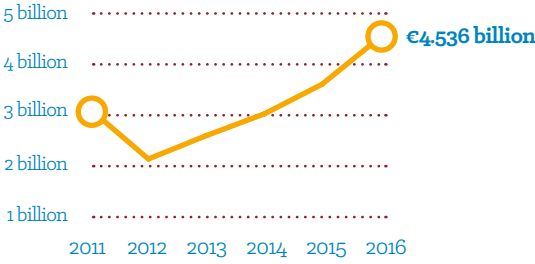
ETHIOPIA, KENYA AND SOMALIA
The three priority countries in the region for the Italian Cooperation

Development issues in the Horn of Africa region are mainly related to poverty and unemployment, institutional weakness, malnutrition and, with specific reference to Somalia, support for democratic institutions and the protection of vulnerable groups. Migration is a priority and cross-sectoral issue as well. Lastly, the effects of “El Niño” have had a disastrous impact on agriculture and livestock farming, creating a major food emergency. Italian Cooperation has identified three priority countries in the region: Ethiopia, Kenya and Somalia.

INVESTING IN DEVELOPMENT

THE TREND OF OFFICIAL DEVELOPMENT ASSISTANCE (ODA)


The Italian aid has been growing steadily since 2012 reaching the record figure of €4.5 billion in 2016



WHERE DOES IT GO AND HOW IS IT USED? (2016)

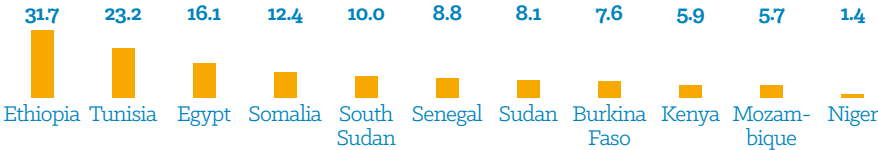
Africa is the priority region for Italian Cooperation, receiving in 2016 more than a half of development aid on a geographical basis. Second comes the Middle East.

Distribution by sector				Geographical distribution			
Budget support	22%	Agriculture	12,0%	Africa	343 (60%)	America	35 (6%)
Governance and rights	15,6%	Healthcare	10,6%	Middle East	100 (17%)	Europe	25 (4%)
Education	12,2%	Humanitarian aid	10,2%	Asia and Oceania	70 (12%)	€ million	

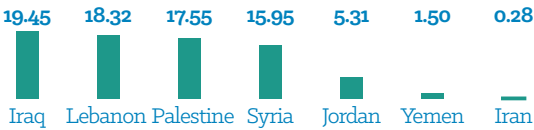
WHAT ARE THE COUNTRIES RECEIVING MORE AID? (2016)

Going into details, in both such priority regions, Italian Cooperation engages countries involved in various kinds of destabilizing crises.

Main beneficiary countries in Africa in 2016 – gross disbursement in € million (2016)



Main beneficiary countries in the Middle East – gross disbursement in € million (2016)



■ ■ ITALIAN PRESIDENCY OF THE G7: DEAUVILLE PARTNERSHIP AND FOOD SECURITY

The Italian Presidency of the G7 promoted an action aimed at revitalising the Deauville Partnership, a platform for dialogue and cooperation intended to support six Arab countries in transition (ACTs: Egypt, Jordan, Libya, Morocco, Tunisia and Yemen) in their implementation of governance reforms. This aim was pursued through: (a) the launch of a peer review process, coordinated by the OECD, on the reform process in the ACTs; (b) the enhancement of the focus on human capital development; (c) the strengthening of the coordination of the support provided to ACTs by G7 countries and international financial institutions; (d) promoting efficient

management of funds from the MENA Transition Fund (MENA TF). On the eve of taking up its G7 Presidency mandate, Italy paid a €5 million contribution into this fund. Furthermore, the Italian Presidency of the G7 was an important occasion to reflect on the development needs of Sub-Saharan Africa while also impacting the root causes of migration. The sector of food security and sustainable agriculture was identified as a priority. The focus on Africa during the G7 Summit in Taormina was enhanced through special initiatives in the areas of entrepreneurship, innovation and equal opportunities.

■ ■ MIDDLE EAST

The Middle Eastern countries in which Italian Cooperation is active - Lebanon, Jordan, Iraq and the Territories of the Palestinian National Authority - lie at the heart of crucial regional crises. An essential objective for the regeneration of the countries



ITALY'S COMMITMENT TO ENVIRONMENTAL PROTECTION IN THE MEDITERRANEAN

In the field of climate change, Italy is committed to the region through a plurality of players. The Italian Cooperation (MAECI) has managed and financed specific programmes in sectors such as: soil, water, biodiversity, energy, adaptation to climate change, agriculture, resilience. The Ministry of the Environment and the Protection of the Territory and Sea (MATTM) is engaged in several Cooperation Protocols in Morocco, Tunisia, Egypt, Lebanon, Palestine, Kurdistan and Qatar (agreements with Jordan, Oman, Turkey and Iraq are currently under negotiation). These agreements provide for technology transfer, capacity building and technical assistance. The MATTM also contributes to the following multilateral programmes: "UNEP - Mediterranean Investment

Facility" (which aims to develop an effective and sustainable system in the renewable energy market in the Mediterranean region),"MENA Inclusive Green Growth Program - International Finance Corporation" (which aims to encourage the use of clean technologies to foster low carbon economic development and an efficient use of natural resources). The MATTM also supports the Bank of Lebanon through and agreement that has established a financing mechanism for sustainable development, with the participation of the Italian private sector. In 2015-2017, the MATTM's total financial contribution to activities in the Mediterranean amounted to €26 million, while an allocation of approximately €24 million is expected in 2018-2020.



**MADAD FUND
AND
SYRIA RECOVERY
TRUST FUND**

involved is to create the conditions required for the stabilisation, institutional consolidation and inclusive growth of local societies. Italian Cooperation therefore supports both the "Madad Fund (EUTF)", which is chaired by the European Commission and is the most important Trust Fund to respond to the Syrian crisis, and the "Syria Recovery Trust Fund (SRTF)". Support for populations affected by the Syrian conflict is also implemented through a group of initiatives targeting young people and intended to safeguard the right to study of under-age refugees in Lebanon and Jordan. Similarly, Italy is among the main contributors to the "Funding Facility for Immediate Stabilisation (FFIS)", established by the UNDP to stabilise the areas of Iraq freed from ISIS control. Italian Cooperation also supports processes for the empowerment of women because of the deep conviction that women have a key role in building open and inclusive societies, which are consequently more democratic and free. In this regard, special focus has been given to the Palestinian Territories with initiatives aimed, on the one hand, at promoting women's empowerment (IRADA) and, on the other, in collaboration with UN Women, at combating the phenomenon of violence against women.

ENGAGEMENT IN HUMANITARIAN CRISES

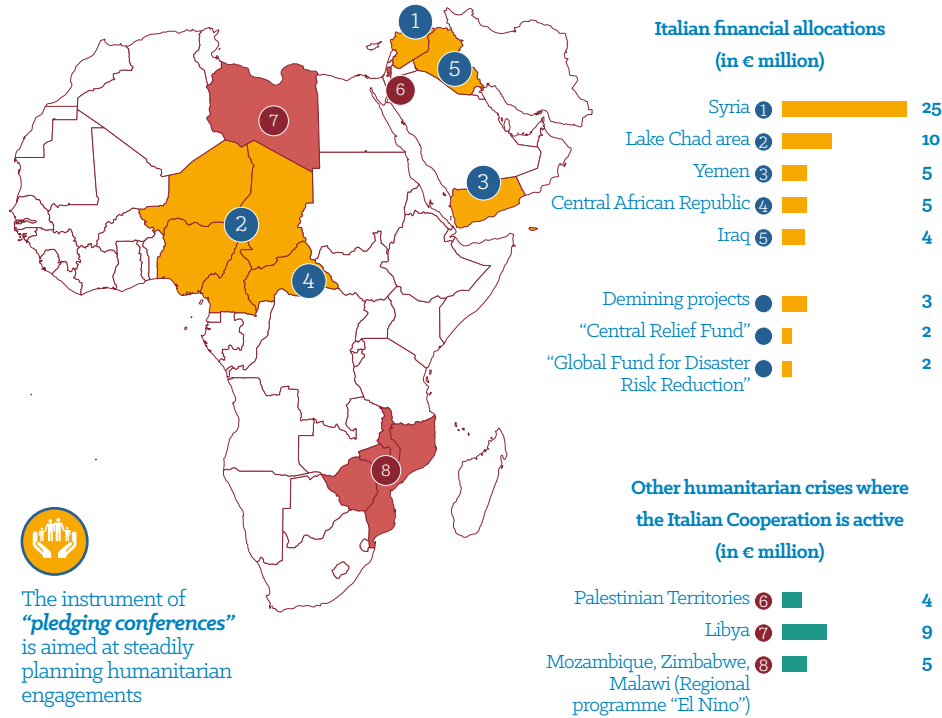
Today, the protracted nature of many conflicts paradoxically requires stable financial programmes for emergency intervention. This is a trend the United Nations strongly encourages through the tool of "Pledging Conferences", one of the key issues during the "World Humanitarian Summit" in Istanbul. In 2017, substantial resources were allocated as emergency measures to the main areas of origin or transit of the migration phenomenon - Libya, the Sahel, the countries of Southern Africa and the Horn of Africa affected by the drought caused by "El Niño", the countries bordering Lake Chad - to strengthen the resilience of refugees and internally dis-



Farnesina
Ministero degli Affari Esteri
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A CONSTANT ENGAGEMENT IN HUMANITARIAN CRISES

Pledging conferences and Italian Cooperation activities (2017)



c 100 MILLION
the humanitarian budget allocated to Africa and the Mediterranean

placed persons and create employment opportunities for young people. Again this year, Italian Cooperation has allocated substantial resources to level 3 humanitarian emergencies (the highest on the United Nations scale), such as the ones in South Sudan and the Central African Republic, without forgetting endemic emergency situations, such as Somalia, Sudan and Palestine, while new resources will have to converge on Africa to avert the risk of famine. We are also continuing to intervene in situations far removed from the spotlight but just as critical from a humanitarian perspective, namely the so-called "forgotten crises" like the Kivu region in the Congo or the Sahrawi people in Algeria. The most recent vulnerability maps published by the European Commission and the United Nations, clearly highlight the fragility of the African continent, which, in part due to climate change, is seriously exposed to the risk of humanitarian crises. Almost all of the 2017 humanitarian budget will be allocated to Africa and the Mediterranean area: over €100 million out of a total of €121 million.

