

## INTERNATIONAL DEVELOPMENT COOPERATION

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THREE-YEAR PROGRAMMING AND POLICY PLANNING DOCUMENT  
2016-2018





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## Summary

- At the end of the fifteen-year effort to implement the Millennium Development Goals, the three international events held during 2015 - the Third International Conference on Financing for Development in Addis Ababa, the Summit on Sustainable Development in New York and the 21st Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC) held in Paris - changed substantially the framework of policies for truly sustainable global development in the period to 2030.
- International agreement, on such goals as the eradication of poverty, the empowerment of women, climate change, social and economic inclusion and standards of governance, was important. However true success will come when - with help from all the actors involved - we are able to translate the spirit of the Agenda into a strategy for sustainable development, consistent policies, national objectives and priorities, concrete actions and the effective use of resources, which is the goal of this Three-year Direction and Planning Document.
- It was therefore necessary to define a strategic approach for the three-year period 2016-2018 that makes the 2030 Agenda and sustainable development central to our policies for tackling the ongoing profound social, political and demographic changes, the growing destabilisation of certain areas in Africa and the Middle East, the heightened migration emergency, the impact of climate change and the need to support peace processes and, where necessary, make commitments at a global level; an approach that relaunches the role of Italian cooperation with a view to leveraging and capitalising on the accumulated wealth of experience, while also focusing on innovation. The idea is to involve even more closely all actors within the development cooperation system, with a view to transferring entrepreneurial abilities and culture, innovation and productive technologies, and promoting the acquisition of reliable data and statistics, in order to cooperate in a modern way, focused on good governance and tax standards (Addis Ababa Action Agenda), the environment (CoP21 Paris) and CSR, employment and decent work (G7 and G20 Agenda).
- **Priority areas of intervention and sectors** . Consistent with the general objectives for development cooperation defined in Law 125/2014, this document identifies the priority topics and sectors that, starting with humanitarian aid - top priority in the most fragile contexts (Syria, Iraq, Sudan, South Sudan, Yemen, Sahel, Horn of Africa, Palestine, CAR) - also include agriculture and food security, education, training and culture, health, governance and the fight against inequality, while also looking at new sectors where Italy can offer expertise and added value. Migration and development are themes addressed by all our initiatives. Italy has contributed to the EU Emergency Trust Fund addressing the migration crises in Africa, launched at the Valletta Summit in November 2015, and - again at EU level - has promoted a new pact with Africa for the management and reduction of migration flows (the Migration Compact): the intention is to use development cooperation tools to tackle the subject of employment in Africa, an absolute priority, with an approach focused on support for local businesses and the promotion of infrastructure investment, paying particular attention to micro and small-medium enterprises, cooperative development, community economics and access to credit. The role played by the regions and local authorities, NGOs, non-profit organisations and universities already active in development cooperation is fundamental to addressing this challenge, as is the contribution made by the private for-profit sector and new actors in the development area - recognised in full by the law - such as immigrant associations, community cooperatives, solidarity and fair trade entities and providers of micro-finance, which are all able to contribute their knowledge, skills, accumulated experience and consolidated relationships in many partner countries, by launching innovative and experimental initiatives than can be built upon.

- **Geographical priorities.** The strategies underlying selection of the priority countries are founded on the historical, political, commercial and cultural relations that unite us, as well as on our proximity to them in geographical and other terms. They also take into account their prospects for growth and development and the socio-economic context - preferring least developed countries, fragile states, countries faced by or recovering from conflict - considering the comparative advantage of Italy in certain sectors, the division of effort and, in particular, the joint programming carried out at EU level, as well as the commitments made to international organisations and our participation in multi-donor programmes. Political and humanitarian crises, especially migration, continue to absorb significant resources. Indeed, humanitarian aid is the top priority in Syria, Iraq, South Sudan and Yemen, without forgetting Sahel, the Horn of Africa, Palestine, the Central African Republic and Sudan. The priority areas are Sahel and East Africa in Sub-Saharan Africa, the Mediterranean Basin and the Middle East (Tunisia, Egypt, Lebanon, Palestine, Jordan), Albania and Bosnia Herzegovina in the Balkans, the Afghan-Pakistan region and Myanmar in South-East Asia and, lastly, Cuba and El Salvador in Central America – extending the regional approach to include Honduras and Guatemala – and Bolivia in the Andean region. This said, it may also be possible to implement cooperation initiatives in other, non-priority countries - especially in Sub-Saharan Africa - consistent with the commitment to increase the resources in favour of the least developed countries to 0.15-0.20% ODA/GNI by 2030.
- **Best Practices and New Initiatives.** This document provides an overview of the programmes carried out or in progress. These are models that can be extended to other countries and used in a regional context - Sub-Saharan Africa, the Mediterranean Basin and Central America - to build flagship initiatives that showcase Italian cooperation and represent best practices, while also launching initiatives in new sectors where we can contribute excellence and expertise.
- **Resources.** The renewed desire of the Italian Government to relaunch development cooperation, as evidenced by the personal participation of Prime Minister Renzi at the three major international events held in 2015, was backed by resources in the national budget, which envisages a gradual increase in the funding of development cooperation over the three-year period, by 120 million euro in 2016 (about 40% more), 240 million euro in 2017 and 360 million euro in 2018. There is a strong political commitment to realign Italy with the international standards for development cooperation (average for OECD countries), with the goal of improving the quality and quantity of Official Development Assistance. In particular, a specific commitment has been made to ensure that, by the 2017 Italian Presidency of the G7, our ODA/GNI ratio no longer ranks last among the G7 countries. To achieve this, the next budget will have to allocate even more resources. The new political vision of development cooperation as a true “strategic investment” has been confirmed, thus facilitating the planning and predictability of resources over the three-year period alongside implementation of the new governance structure for Italian cooperation, with the creation of AICS and the assignment of a new role to Cassa Depositi e Prestiti (CDP) as the Italian Development Financial Institution (DFI). These non-trivial innovations are accompanied by three new institutions - the Deputy Minister, the Inter-ministerial Committee and the National Committee for Development Cooperation (CNCS) - to ensure greater consistency, effectiveness, coordination and political importance for development cooperation, while also involving stakeholders within the Italian cooperation system in a more structured and organised manner.

## 1. Italian Development Cooperation, the 2030 Agenda and an Evolving World

### Italian Cooperation: a New Approach to the Challenges of the Future

In the foreword to the Millennium Development Goals (MDG) Report, the UN Secretary-General Ban Ki-moon stated that *“The global mobilization behind the Millennium Development Goals has produced the most successful anti-poverty movement in history”*. The world changed substantially at the start of the new millennium due to the MDG Agenda, and the data presented in the UN report shows even the least developed areas can see unimagined progress as a result of targeted action, consistent strategies, adequate resources and political will.

There are now one billion more people than in 2000, with a further one billion due by 2030. More than half of the world population lives in cities, with different basic needs and different consumption and eating habits. The economic centre of gravity of the world has changed and developing countries represent an ever more important component of the engine of global economic growth. While we live in an international context that is more prosperous and interconnected than in the past, not everyone benefits from globalisation in the same way.

There is an increasing need to tackle global challenges of an economic, social, environmental and political nature that are profoundly correlated, with global implications: varied demographic dynamics, models of production/consumption that are unsustainable if applied to all, environmental decay and unsustainable social conditions, without even detailing the multiplication of conflict zones that, almost always, derive from underdevelopment, such humanitarian crises as the Ebola emergency and the increasing flow of migrants/refugees. Globally, the development gap between the North and South of the world has declined, but the inequalities between countries remain and, overall, those within countries are tending to widen.

At the end of the fifteen-year effort to implement the MDGs, the international community within the UN set itself the objective of reconsidering the framework for development policies based on the progress made in the meantime. This long and complex thought process resulted in 3 major international events - the Third International Conference on Financing for Development in Addis Ababa, the Summit on Sustainable Development in New York and the 21st Conference of the Parties to the United Nations Framework Convention on Climate Change held in Paris - that, together with the World Humanitarian Summit held in May 2016 in Istanbul, changed substantially the framework of policies for truly sustainable global development.

The 2030 Agenda offers an opportunity to plan for a future that is more sustainable and inclusive for all. The objectives are ambitious: end poverty and hunger, protect nature, the environment and the resources of our planet, build democratic and stable societies that are equal and inclusive, guarantee everyone opportunities for well-being and prosperity. While we still strive to achieve all the Millennium Development Goals, we are already working to transform development policies in order to ensure a more prosperous and sustainable future.

This is an innovative agenda, not least because developed countries such as Italy are called upon to make a direct contribution, by ensuring that their domestic growth policies are consistent with the sustainable global development objectives. The agenda is also new for those developed countries that are already donors, as it redefines the objectives, vision and approach to development cooperation.



The Millennium Development Goals, as the point of reference for development strategies over the past 15 years, have achieved results that would have been unthinkable without both the commitment of many developing countries and the contribution made by the global system of cooperation.

While the international community continues to reflect on the far-reaching ramifications of this change in approach, the UN has started to introduce mechanisms to ensure appropriate implementation of the 2030 Agenda and, at European level, a review of the Consensus on development cooperation is under way.

At national level, effort has been made to bring forward application of the 2030 Agenda, by revising the Three-year Direction and Planning Document in a manner consistent with the experience and best practices of Italian development cooperation. In short, the goals are to achieve the 8 MDGs in full in every country, contribute the strengths of Italian cooperation in a more integrated manner by adopting the 17 Sustainable Development Goals and extending action to new sectors, define geographical priorities so that Italian Official Development Assistance (ODA) can reach where it is most needed and provide leverage for other resources, launch innovative bi- and multilateral cooperation schemes, strengthen the coordination with other Administrations and players active in the cooperation field, in order to improve overall effectiveness and consistency (not least with domestic growth policies), evaluate with greater attention the impact of programmes, consolidate mechanisms for the permanent review of cooperation efforts, enabling them to adapt to an environment that is changing with increasing rapidity, and devise a national vision for presentation at the multilateral debates on cooperation.

This document also takes account of two major changes of great importance within the Italian system of development cooperation, which will undoubtedly have a structural effect. The first relates to the renewed desire of the Italian government to relaunch development cooperation as a way for Italy to express great international solidarity and translate the well-being created into assistance for the most needy and vulnerable. This wish is reflected both in the budget and in the economic and financial planning document, marking a fundamental reversal with respect to the drastic reduction in resources available for development cooperation during the crisis years.

The second relates to Law 125/2014 on the reform of Italian development cooperation that, by creating a new governance structure, intends to increase its political weight by creating the role of Deputy Minister for development cooperation and strengthening the related action by creating Agenzia Italia per la Cooperazione allo Sviluppo (AICS - Italian Agency for Development Cooperation) and assigning to Cassa Depositi e Prestiti (CDP) a new role as the Italian Development Financial Institution (DFI). These significant innovations are accompanied by two new institutions - the Inter-ministerial Committee (CICS) and the National Committee for Development Cooperation (CNCS) - to ensure greater consistency, effectiveness, coordination and political importance for development cooperation, while also involving operators within the system of cooperation - especially Parliament, Civil Society, the Private Sector, Local Authorities and the Universities - in Italian development efforts in an even more structured and organised manner. These changes coincide with and partially anticipate the launch of the 2030 Agenda, being happily consistent with its precepts.



## The Innovations in Law 125/2014: the Development Cooperation System

The adoption of the 2030 Agenda coincided with the reform of Italian development cooperation by Law 125/2014 and the political desire to relaunch cooperation development.

Law 125/2014 introduces some important innovations: a system of governance that strengthens the political role of development cooperation by establishing the position of Deputy Minister for cooperation; a mechanism for inter-institutional coordination that more closely involves public and private players in development activities; the greater coordination of national policies and development cooperation policies to ensure their consistency; the requirement to detail in the budget all national allocations in support of cooperation policies; a new Italian Agency for Cooperation and Development; new financial tools assigned to CDP.

### ➤ *Stakeholders within the system of development cooperation*

Law 125/2014 recognises as “stakeholders within the system of development cooperation” the State administrations, universities and public bodies, regions and local authorities, civil society organisations (CSO) and other non-profit entities, such as the solidarity and fair trade, ethical finance and micro-credit organisations, the organisations and associations of immigrant communities, cooperative and social businesses, trade unions and business associations, foundations, and other non-profits that comply with the standards on social responsibility and the environment, as well as the regulations governing human rights. The multitude of actors already working in our country points us towards the adoption of a joint cooperation policy, in which all players must interact and play their specific roles to the full. This will mean building strong partnerships and alliances, starting with the territorial institutions and communities.

At an institutional level, Law 125/2014 establishes the National Committee for Development Cooperation (CNCS) as a permanent consultative body to gather the suggestions of all stakeholders within the system of cooperation and make proposals on the necessary strategies and guidelines, as well as the three-year National Conference, which represents a fundamental opportunity to involve citizens in the definition of our development cooperation policies. The CNCS is already operational, with working parties studying several innovative topics (the 2030 Agenda, strategies and guidelines, the for-profit private sector and migration), and contributing to the definition of strategic guidelines. The first National Development Conference will be held in 2017. With participation determined on an inclusive basis together with CNCS, this conference will look at the implementation, objectives and achievements of Law 125/2014.



### ***Territorial cooperation***

In the immediate future, the coincidence between the coming into full effect of Law 125/2014 and the new 2030 Agenda opens up new areas and calls on local and regional bodies to accept new responsibilities: in particular, the logic of co-development and the dimension of sustainability mean that the transfer of experience between territories will represent an essential tool. Essentially, the territories are able to bring together strength, knowledge and dynamism capable of focusing practically on the human and development needs of communities, as well as on the real weaknesses of the ecosystems involved in the co-development process.

Accordingly, the coordination of governmental and territorial initiatives and the related release of synergies will intensify using the formal tools envisaged, such as the working parties on specific

topics and territorial representation in the CICS, as well as informal practices, channels and tools that will emerge as partnerships grow.

Law 125/2014 recognises the importance of the territorial development partnerships, being partnerships between North and South in which the administrations and various local actors strive for sustainable human development via democratic governance processes. Given this, work will facilitate collaboration among national cooperation, territorial cooperation and that delegated in the context of the European Union, in a structured dialogue that includes:

- identification of co-financing tools to facilitate synergies with the European and multilateral resources made available;
- creation and update of territorial cooperation databases for each priority country and others, based in part on the mandate granted to AICS to create a comprehensive database;
- collaboration at national and territorial level on the crucial topic of development education;
- support for self-coordination “networks” in the various territorial areas;
- technical support to strengthen local governance in partner countries, via the transfer of skills in, for example, the field of urban planning and sustainable services;
- involvement of the migrant communities in Italy in co-development projects.

The tools available today enable us to develop a more structured dialogue with the civil society organisations, the regions and the local authorities, strengthening their role as partners able to provide expert support in the determination of development cooperation strategies. This stimulates the debate on development topics and promotes a “culture of cooperation” that is more active, with more information about the meaning of development cooperation, greater awareness among young people, and the inclusion of development, human rights and global citizenship topics in school curricula.



### ***Development topics in schools: education for global citizenship***

For the first time, Italian schools have dedicated a week to information and awareness about development cooperation. This initiative stems from the Declaration of Intent signed in June 2014 by the Ministry of Education and the Minister of Foreign Affairs and International Cooperation - Directorate General for Development Cooperation (MAECI-DGCS) ahead of the European Year for Development 2015.

Activities in the schools were tied in with the call for applications launched by DGCS in 2015 for Development Information and Education projects (Info/EAS). CISV, the lead NGO in a consortium of 16 NGOs, launched a project entitled “*Just one world, just one future. Education for global citizenship at school*” (DGCS grant of Euro 1,000,000). The project involved training, information and awareness activities for teachers, students and their families on development topics - migration, social inclusion, disabilities, food security, nutrition, environmental protection - including participation in promotional events and communications, carried out during the School week on development cooperation. This initiative will be repeated in future, with even greater participation, not least because of the first National Development Conference to be held in 2017, which will place great importance on the involvement of young people.

The world of non-profit organisations has a wealth of experience and good practices to be capitalised and made available. These organisations, the State and the for-profit private sector have a duty to invest in the leveraging of this capital and to collaborate for the common good, based on the principle of subsidiarity.

At the first meeting held in January 2016, the Joint Committee approved parameters and criteria for checking the development cooperation skills and experience accumulated by the organisations and other non-profit entities that will participate in the calls for applications to be launched for the granting of finance and the assignment of development cooperation initiatives. The current parameters and criteria, based on operational capability and direct experience of cooperation activities, are fully compatible with the criteria already adopted by the principal bilateral and multilateral donors. This process is still evolving however, to take account of the diversity of the new applicants and their different degree of direct experience in the field. Given this evolving process, the law and the subsequent resolution of the Joint Committee decided to establish criteria, but not barriers.

Indeed, the wish is to encourage increased collaboration among the various non-profit organisations, in order to grow the entire system and enable those without direct experience on the ground to acquire the related skills. In order to provide practical assistance to the process of strengthening the most recently formed CSOs, AICS is giving consideration to the creation of a fund that will finance training and institution-building activities.

The call for applications for the allocation of grants to non-profit organisations provides an opportunity to introduce incentive mechanisms, so that actors with skills and direct experience (in particular, the NGOs deemed suitable pursuant to Law 49/87) include other non-profit organisations in the presentation of project proposals. In turn, the latter may gradually comply with the organisational and financial requirements (articles of associations, appointments, financial statements etc.) that will enable them to apply for registration on the list.

Based on the results from the 2016 call for applications and the response to the incentive mechanism, an evaluation will be made of the entire process and the effectiveness of the requirements established in the resolution on the inclusion of CSOs on the register; additionally, a mechanism will be studied for identifying the stakeholders within the cooperation system recognised by Law 125/2014, including those that cannot be recorded on the register.

The intention over the three-year period is to promote the activities of Civil Society, rewarding the ability of CSOs to partner with territorial bodies, the world of research and for-profit companies, and to experiment with innovative approaches in various sectors, such as migration and development, inclusive business and climate change. The CSOs may be assigned additional resources, based on the expected increase, having regard for their more extensive presence in partner countries. In addition, regular discussions and consultations will be held with the principal networks representing the NGOs/CSOs, consistent with the principles of participation and structured dialogue embodied in Chapter V of the Law and Chapter I of the AICS Articles of Association.

With regard to for-profit entities, it is necessary to identify minimum requirements and standards for governing their work, in order to ensure that they act in accordance with the principles and goals of development cooperation and comply with the Busan principles for effectiveness, the ILO Tripartite Declaration of the Principles concerning Multinational Enterprises and Social Policy, the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises. A mechanism will be defined for checking and monitoring compliance with those principles and the internationally-recognised standards on Corporate Social Responsibility and human rights, not least during the initiative investigation, selection and evaluation of the environmental and social impact of initiatives.

➤ ***Italian Agency for Cooperation and Development***

Agenzia Italiana per la Cooperazione allo Sviluppo (AICS - Italian Agency for Cooperation and Development) has been operational since January of this year and is similar to the agencies active in many leading European countries. Pursuant to Law 125/2014, the main function of the Agency is to implement development cooperation policies in an effective, economic, consistent and transparent manner. The Agency is required to work closely with MAECI (and especially with DGCS), which in turn defines the strategic and planning guidelines for Italian cooperation policy. The intention is to implement an efficient and agile cooperation model and make best use of all stakeholders within the cooperation system, consistent with the evolution of the international framework reflected in the 2030 Agenda and the Addis Ababa Action Agenda.

During these first few months of activity, the Agency has adopted organisational and accounting regulations and signed a specific agreement with MAECI. In addition, the Agency has completed the initial phase of employee transfers and taken over all the projects previously managed by MAECI, accredited its 18 offices abroad with the local governments and prepared the first operating budget. In May, AICS will launch the first call for applications for CSO grants, in accordance with new procedures that, as before, remain compliant with international standards.

The Agency has broad organisational, regulatory, administrative, financial, accounting and reporting autonomy, enabling it to perform flexibly and dynamically the role assigned by Law 125/2014, subject to the supervisory functions assigned to MAECI, and operate in compliance with the guidelines approved by the government in this three-year Direction and Planning Document.

In addition to the administrative, legal, accounting and general affairs offices, AICS also has six technical offices:

- Opportunities and economic development
- Human development
- Environment and land use
- Rural development and food security
- Emergencies and fragile States
- Public-private partnerships, relations with non-profit and for-profit entities, territorial cooperation, innovative instruments.

From a practical standpoint, the Agency carries out the technical and operational activities connected with the preliminary investigation, formalisation, financing, management and control of development cooperation initiatives. It also provides assistance and technical support to central and local public administrations in the area of cooperation projects, and is preparing for accreditation with the EU for the management of delegated cooperation projects. The Agency will mobilise, to the maximum extent, the various sources of development funds from domestic and international entities, both public and private. In this context, AICS will also collaborate on concrete initiatives with international organisations and other European cooperation agencies, with which it will establish partnerships and alliances, maximising the coordination among donors and seeking new collaboration with other donors outside of the OECD.

The Agency will also maintain relations with citizens by informing them on a timely basis about Italian initiatives and activities, while also continuing to promote development education and the principles and values underlying development cooperation. The institutional website will be completely renewed during 2016, expanding its content and opening it up to debate and analysis of the various development topics. The Internet presence of local offices will be reorganised and special attention will be dedicated to the social networks (Twitter, Facebook and YouTube), with a view to obtaining an exponential increase in the number of contacts. Lastly, work on the “Open Aid” platform will be finalised, striving to ensure the highest standards of transparency while focusing attention on the results and real impact achieved in the partner countries, consistent with the principle of accountability and providing a more precise, updated and complete collection of Official Development Assistance data.

➤ ***Italian Development Financial Institution***

Cassa Depositi e Prestiti (CDP) also commenced its new role as the Italian Development Financial Institution (DFI) on 1 January 2016, with a view to becoming rapidly the operational financial arm of the Italian cooperation system.

Systematically over the three-year period, CDP will work together with the other players in the cooperation field to ensure, to the extent of the duties and responsibilities assigned by current rules and regulations, that development cooperation really does become a strategic investment for Italy, in a practical and tangible manner, in order to tackle such major challenges as the elimination of poverty, security, global growth, climate change and migration.

The arrival of such a strategic financial player on the domestic development cooperation scene represents an innovation that aligns Italy with other European and global players, effectively eliminating the gap accumulated at the regulatory and organisational level. Over the three-year period, CDP will work to define and implement long-term strategies and actions, in synergy with the above “system”, that enable Italy to make an increased contribution to international cooperation.

Law 125/2014 in fact allows the adoption of innovative financial solutions, which may provide significant value added to development cooperation. The ability of CDP to use its own resources and the myriad of financial instruments available in order to achieve the cooperation goals, will make it possible to leverage the public sector accounts and, on the one hand, increase the volumes mobilised by Italy for Official Development Assistance and, on the other, develop new tools for supporting the private sector in partner countries. As part of systemic collaboration among the various actors, CDP will maximise the impact of the resources allocated, effectively guaranteeing expansion of the geographical reach and activities of Italy's development cooperation.

### ***New approaches for the national cooperation system***

In order to translate into practice and apply the regulatory instructions, over the three-year period CDP will carry out its role as the Italian Bank for Development as:

- Manager of public funds allocated to development cooperation;
- Advisor and provider of technical support to both AICS and the Ministry of Foreign Affairs and International Cooperation;
- Direct investor of resources in order to guarantee the financial coverage of cooperation initiatives.

Particular attention will be dedicated across all three strategic axes to the topic of community blending, capable of contributing to the creation of value added for the Italian development cooperation system in terms of methodological innovation and, above all, as a driver of growth capable of mobilising additional resources.

As the manager of public funds allocated to development cooperation, CDP is an actor capable of administering the resources provided for development cooperation activities by third parties, whether Italian or international, with transparency, skill and professional diligence. Immediately from 1 January 2016, as the manager of the revolving fund for development cooperation envisaged in art. 26 of Law 227/77, CDP intends to make its experience available to the country in order to define, evaluate and implement, in a systemic manner together with other actors dedicated to cooperation, initiatives that involve the management of development cooperation funds on behalf of third parties.

On this first strategic axis, particular attention will be dedicated to managing the revolving fund, as required by arts. 8 and 27 of Law 125/2014. In this regard, CDP has taken over management of the fund without any interruptions and is motivated, over the three-year period, to maintain the high standards of quality previously achieved in the financial, administrative and accounting management of the resources of the revolving fund, as well as to introduce innovations that may help to increase the value added by that foreign policy financial tool of the Italian government.

On the subject of limited financial allocations, it is considered strategic *inter alia* to maximise the role of the private sector, as both an additional provider of finance for our cooperation policy and as a target in recipient countries to drive growth and create employment. Cooperation with the Ministry of the Economy and Finance (MEF), the Ministry of the Environment and Protection of the Land and the Sea (MATTM), DGCS and AICS is equally strategic to ensure concrete collaboration and make recourse, with immediate effect, to the blending of domestic and EU resources.

In this context, innovative financial instruments will be identified that can mobilise the investment of Italian enterprises in developing countries and, at the same time, guarantee the application of inclusive business and corporate responsibility models that are consistent with the priorities of development cooperation. Team work will also be fundamental in order to attract additional resources at EU level that will amplify the impact of Italian cooperation. Lastly, within the technical limits inherent in the revolving nature of the fund for the granting of aid loans, CDP will work in synergy with MEF, MAECI and DGCS to increase the Italian contribution to ODA. To this end, CDP will strive to make the granting of aid loans more efficient, prioritising initiatives with tranche payments and the involvement of international financial organisations, as this is now possible following the regulatory changes.



At the same time, CDP will work as an advisor and provider of technical support to AICS, MAECI and DGCS, as required by art. 22.2 of Law 125/2014. To do this, CDP will make its experience and know-how available in order to guarantee effective and efficient technical support for the initial investigation and management of the financial profiles of development cooperation initiatives; to guarantee the objectives of the revolving funds and to structure development finance products in the context of agreements with international or European financial organisations or participation in EU programmes.

This second strategic axis will be pursued alongside and in collaboration with the Administrations that use the service, in order to contribute to the harmonisation of system actions and supply strategic and operational assistance, so that CDP actually does provide practical support for national cooperation activities, in terms of greater efficiency and incremental aid.

Lastly, pursuant to art. 22.4 of Law 125/2014, CDP will invest its own resources in order to guarantee the financial coverage of development cooperation initiatives, implementing in full one of the principal innovations of the new law.

This third strategic axis will enable CDP to structure and finance, within the annual limit agreed with the MEF, systemic cooperation with the various actors involved, which could even be co-financed together with private, public or international bodies.

Initiatives in this context may be structured in various ways. For example, multilateral initiatives might involve not only financial participation in the activities of international bodies, but also coordination with them with regard to the pipeline and the definition and financing of new projects, whether promoted by those organisations or directly by Italy. At the same time, CDP can participate in EU blending projects having established its eligibility to manage EU funds following positive assessment by the European Union (7 Pillar Assessment process). As stated with regard to the management of third-party funds, the involvement of the private sector will be important in this context, given the considerable value added to international cooperation activities that stems from the experience of the Italian productive sector. Further, CDP will assess, structure and implement participation in investment funds, often focused on specific topics and promoted preferably at a local level, in order to facilitate or provide indirect support for investment opportunities in partner countries.

Specifically with a view to maximising the impact of the Italian system and attempting to make up for the delayed Italian participation in similar financing initiatives, CDP - in its new role as a qualified player at European level - will work in close synergy with AICS, MAECI and MEF, to identify, mobilise and manage additional resources intended to make the actions of the Italian system in the international cooperation field more efficient and effective. Even at national blending level, CDP will make maximum efforts to identify and implement innovative initiatives.

***Objectives and action areas for the common, synergistic goals of the Italian system***

Law 125/2014 makes new approaches and new actors available to the Italian system, in order increase development cooperation activity. In particular, the multitude of financial instruments that can be used will make more resources available in order to achieve the objectives set at international level.

The work of CDP in all three strategic lines of action described above will be carried out in close synergy with the activities of MAECI and AICS. As a direct investor of resources in order to guarantee the financial coverage of cooperation initiatives, CDP will be able to leverage the public



sector budget and help to maximise the efforts made by Italy at systemic level, replacing where possible the public (funded) resources with new sources of financial coverage (unfunded).

In this innovative and dynamic context, the objectives of CDP will coincide with those of the Italian system and its actions, as the Italian Bank for Development, will focus on the consistent, integrated and systemic pursuit of various goals: making the 2030 Agenda central to development policies and strategies; relaunching and strengthening Italian development cooperation; consolidating Italian participation in partnership initiatives and the role of Italy within the EU; disseminating know-how and capacity building, while also involving the private sector in development cooperation activities.

At the same time in geographical terms, the innovations envisaged in Law 125/2014 will allow the number of target countries for the allocation of resources to be expanded. Specifically, although as manager of the revolving fund and technical advisor the activities of CDP will focus on areas identified by the competent administrations, CDP may nevertheless contribute to broadening the geographical scope of action in its innovative role as the direct investor of its own resources.

In an approach that may be defined as “concentric circles”, CDP will take into consideration other countries alongside and in addition to those identified by MAECI, with the main objective of maximising the impact of the Italian system. Of course, these countries and the actions directed towards them will never be identified and implemented on an autonomous basis, but will always be conceived, agreed and developed at system level, in order to broaden the opportunities and benefits for the Italian system.

CDP is already authorised to act, potentially, in all 146 countries on the DAC list, but - in order to optimise the use of resources - the intention is to give preference to work in certain countries that have been selected and agreed.

Specifically, the countries assisted by the Italian DFI may be determined using methodology that takes various elements into account including, for example, the public-private interest determined *inter alia* with reference to the amount of foreign direct investment. Or an assessment of the economic and operational context, considering not only growth but also the ease with which certain activities can be carried out, as well as the productive structure of the countries in terms of the active business sectors and their relative weights within the economy. The presence of Italian and international institutions and their activities, in terms of the representation and work in the cooperation field, will also be a selection driver. Lastly, the direct interest of national foreign policy cannot be ignored, which depends on external factors ranging from the existence of political and humanitarian crises to the historical relations between certain countries.

The result of this analysis will lead to the definition of areas of varying interest that, starting from a central nucleus of identified priority countries (Chapter 2), identifies additional target countries for further action by CDP, which may be classified with reference to the various goals set at national and international level including, in particular, the Sustainable Development Goals.

Although these goals may be addressed by actions of various types and pursued in various sectors, they can always be tied back to three macro topics: poverty reduction, economic development and the management of climate change. Similarly and symmetrically, the action areas could also be identified and classified in concentric circles with reference to the corresponding objectives pursued.

In line with this approach, the objectives pursued in the first group of interest - which could be defined as a **Development Cooperation Area** given that the countries concerned (for example Albania, Bolivia, Bosnia, El Salvador, Jordan, Tunisia) are on the list of priority countries for Italian development cooperation - will address all three of the macro topics identified. The definition of these action areas is in fact based on evaluations of various types, including socio-economic factors that identify not only economic performance, but also the extent of poverty and social inequality and, therefore, the need for targeted action. In the identification of these countries, an important role is also played by considerations deriving from their productive structure and the role that Italy can play in supporting the development of certain sectors, given our high degree of specialisation in certain manufacturing segments, which could facilitate the transfer of know how, and the ability to aggregate that is typical of value chains comprised of small firms, as in Italy. Lastly, it is also important to consider the effects of climate change, being the level of environmental degradation measurable via the emission of greenhouse gases (especially CO<sub>2</sub>) due to economic activity.

In the second action area - which may be identified as an **Economic Development Area** (for example Colombia, India, Morocco, Peru, Vietnam, Zambia) - the first goal of drastic poverty reduction does not apply and, therefore, the focus will be on economic development and climate change.

The main purpose of action in this second group will be to support the economy and promote business activity, especially by SMEs, which in many cases represent the predominant productive force of the partner country. This area includes geographical zones that have experienced good growth rates in recent years, due to economic progress and the intensification of commerce, but whose productive activities and value chains need support and development. Italy can make a decisive contribution in this sense, not least because of the experience accumulated by Italian enterprises and the strategies and solutions identified in the peak years of the international crisis. At the same time, the pursuit of economic development must also be accompanied by the management of climate change. In other words, actions must be verifiably compliant with the environmental standards that guarantee sustainable development.

Action in the third group of countries - considered to be a **Climate Change Area** (for example Brazil, Chile, China, Mexico, Serbia, South Africa) - will mainly focus on managing the impact of climate change. This area includes countries that, despite substantial growth in recent years, have in fact frequently implemented growth models that ignore the quality of the surrounding environment. Certain levels of economic expansion have been achieved, for example, by investment in the traditional energy sector (coal, oil, gas etc.) with all the consequences of reliance on these fuels. The CO<sub>2</sub> emissions of these countries are particularly high and targeted action is therefore necessary to both mitigate and adapt to climate change. Pursuit of these objectives will require, first and foremost, the launch of an energy plan to convert from fossil fuels to renewable and sustainable sources, combined with the promotion of sustainable finance in those markets whose financial sector is already sufficiently developed.

In addition to the three objectives and the three geographical areas identified, particular attention will be given to neighbourhood policies for the countries in the Mediterranean basin; given their geographical and cultural vicinity, these countries have established a tight network of strategic commercial and political relations with Italy.

The three-year period 2016-2018 will therefore be fundamental for CDP and the entire Italian system, in order to bring up to speed the innovations introduced by Law 125/2014 and strengthen our national development cooperation activities. Targeted action, consistent strategies and

adequate resources will make it possible to pursue sustainable and inclusive development goals. In this context, CDP will base its actions on the following key strategies: focus on the Italian system, provision of additional support, effective and efficient action in the context of the roles and responsibilities assigned by current legislation. As a result, CDP will contribute to achievement of the development cooperation goals, as an integral and important part of Italian foreign policy.

### The 2030 Agenda for Sustainable Development

The new 2030 Agenda for Sustainable Development represents an ambitious plan for eradicating poverty and promoting economic prosperity, social development and environmental protection on a global scale.

The preamble to “Transforming our world: the 2030 Agenda for Sustainable Development” states: *“We are resolved to free the human race from the tyranny of poverty and want and to heal and secure our planet. We are determined to take the bold and transformative steps which are urgently needed to shift the world on to a sustainable and resilient path. As we embark on this collective journey, we pledge that no one will be left behind”*.



In highlighting the goal of eradicating poverty by 2030, the new Agenda focuses on integrating the economic, social, environmental and governance pillars of development, and invites all countries to embark on a collective development path without leaving any one behind. The Agenda is founded on the five “P”s - People, Planet, Prosperity, Peace and Partnership.

It defines 17 Sustainable Development Goals and 169 targets to be pursued over the next 15 years. The Sustainable Development Goals seek to tackle the systemic obstacles to development, such as inequality, unsustainable systems of production and consumption, inadequate infrastructure, absence of decent work, climate change and the loss of ecosystems and biodiversity. Each of the 17 goals is, in turn, supported by targets and measurable indicators so that progress can be monitored over time. The UN Statistical Committee and an ad hoc group of experts (*“Inter-Agency and Expert Group on Sustainable Development Goal Indicators”*), whose participants included ISTAT, have developed a set of about 240 global social, economic, environmental and governance indicators for the 169 targets, in order to measure the progress made.

## THE GLOBAL GOALS

OBIETTIVI GLOBALI PER LO SVILUPPO SOSTENIBILE



1	End poverty in all its forms everywhere
2	End hunger, achieve food security and improved nutrition and promote sustainable agriculture
3	Ensure healthy lives and promote well-being for all at all ages
4	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
5	Achieve gender equality and empower all women and girls
6	Ensure availability and sustainable management of water and sanitation for all
7	Ensure access to affordable, reliable, sustainable and modern energy for all
8	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
9	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
10	Reduce inequality within and among countries
11	Makes cities and human settlements inclusive, safe, resilient and sustainable
12	Ensure sustainable consumption and production patterns
13	Take urgent action to combat climate change and its impacts
14	Conserve and sustainably use the oceans, seas and marine resources for sustainable development
15	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
16	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
17	Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

The 2030 Agenda is transformative and universal. Transformative, because it wants to change the way that society, productive systems and the environment interact. Universal, because the Agenda applies not only to developing countries, but to all countries, recognising that the sustainability of development processes transcends national approaches and requires consistent policies and behaviour at a global level. Progress on implementing the Agenda will be checked and monitored at

various levels. This explains the emphasis placed on the mechanism for following-up and reviewing implementation of the Agenda, based on multi-actor participation (governments, but also other components of society: parliaments, NGOs, academic institutions, private sector) and multi-level participation (national, regional and global). The UN High-Level Political Forum on Sustainable Development has recently been established as a platform for the follow-up of progress. At national level, the National Committee for Development Cooperation (CNCS) will play a fundamental role in monitoring and checking application of the Agenda, as it relates to development cooperation.

Application by Italy will take two directions: internal application and the alignment of development cooperation strategy with the new Agenda. At the same time, we will participate in discussion of the *modus operandi* of the UN development system, in order to align it with the integrated vision that derives from the 2030 Agenda and improve its overall effectiveness.

### **The Addis Ababa Action Agenda**

At the end of complex negotiations at the Third International Conference on Financing for Development, held in Addis Ababa in July 2015, the international community agreed a new reference framework for the implementation and financing of sustainable development. Key points of the Addis Ababa Action Agenda:

- promote the mobilisation and effective use of domestic resources, partly by strengthening fiscal and taxation systems;
- involve the private economy more, for sustainable global development;
- facilitate the transfer of science, innovation and technology to developing countries;
- promote international trade as an engine for inclusive economic development;
- promote new models of public-private financing;
- facilitate the sending of remittances from migrant workers to their countries of origin, in particular by reducing the cost of money transfers;
- ensure the sustainability of debt and facilitate the debt restructuring of least developed countries, fragile States and small island developing States;
- strengthen international cooperation, especially in least developed countries, fragile States and countries most in need.

In order to eradicate poverty and reach a new equilibrium based on sustainable development, it is necessary to broaden horizons and abandon the logic of mere financial aid. In this light, the Addis Ababa Conference on Financing for Development tackled the issue of “implementation tools” for the new 2030 Agenda - consistency of development policies, national strategies for sustainable development, transfer of technology and innovation - and the resources needed to achieve its objectives, completing the process commenced in Monterrey in 2002 and followed-up in Doha in 2008.

## Italian Commitments to G7 - G20

Our development policies at international level must take account of the commitments made by the Heads of State and Government of the G7 and G20 countries, to which Italy belongs. Italian cooperation participates in the definition of those policies and promotes implementation of the commitments made in various areas during those meetings. The upcoming Italian G7 Presidency will be an occasion to discuss various new aspects of development - now being defined with other partners - where Italian expertise ties in with the international agenda, including the link between migration and development.



### ***Italy as a G7 – G20 member***

At the Elmau 2015 and Ise-Shima 2016 Summits, the G7 leaders signed important commitments on international cooperation and sustainable development, reinforcing the follow-up to the Addis Ababa Conference on Financing for Development, the New York Conference on the 2030 Agenda on Sustainable Development and the Paris Climate Conference.

Specifically, the G7 has identified concrete measures in certain sectors: health (Ebola, anti-microbial resistance, neglected tropical diseases), health safety (including nutrition), the empowerment of women and climate change. These topics will be considered when implementing the three-year plan, in terms of checking the accountability of Italy with regard to implementing the commitments made by the G7 leaders at previous Summits, which envisages participation in the Accountability Working Group for the preparation of the G7 Progress Report.

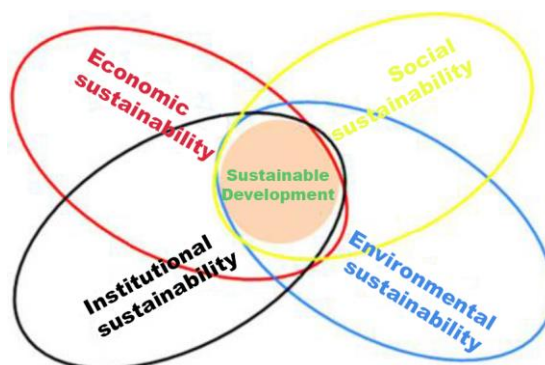
At the Hangzhou Summit in 2016, the G20 countries confirmed the strategic importance of the work performed in recent years and agreed to facilitate resilient and sustainable global economic growth. In this light, application of the 2030 Agenda, the reduction of poverty and the strengthening of the development prospects of the least developed and African countries took centre stage. Via the Development Working Group, the G20 is also committed to strengthening the overall consistency of development policies in other sectors of interest: finance and investment, taxation, employment, energy and climate change, agriculture, trade and anti-corruption.

The three-year plan will take account of the development priorities outlined by the G20, while continuing to participate in the Development Working Group.



## 2. Objectives, Priorities, Tools and Actions

Together with the international community, Italy is called upon to continue with renewed vigour the battle to eradicate poverty and to pursue the Sustainable Development Goals defined in the 2030 Agenda, addressing the three dimensions of sustainable development - social, economic and environmental - and incorporating governance, rights and equality as overarching priorities.



<b>Social sustainability</b>
guarantee the conditions for human well-being (food security, health, education)
<b>Economic sustainability</b>
generate income and decent work
<b>Environmental sustainability</b>
guarantee the protection and renewal of natural resources and our heritage
<b>Institutional sustainability</b>
promote strong institutions, rights, justice, democracy

The international agreement reached on such goals as the eradication of poverty, the empowerment of women, climate change, social and economic inclusion and standards of governance was undoubtedly important. True success, however, will come when - with help from all the actors involved - we are able to translate the spirit of the Agenda into a strategy for sustainable development, into consistent policies, into national objectives and priorities, into concrete actions and the effective use of resources - taking account of inclusiveness and inter-generational transfer - which is the goal of this three-year Direction and Planning Document.

### The Objectives

Law 125/2014 defines the principles and purposes of development cooperation, which is an integral and important part of Italian foreign policy:

- eradicate poverty and reduce inequality, improve the living conditions of populations and promote sustainable development;
  - protect and affirm human rights, the dignity of the individual, gender equality, equal opportunity and the principles of democracy and the rule of law;
  - prevent conflicts, support the processes of peace, reconciliation, post-conflict stabilisation, and the consolidation and strengthening of democratic institutions.
- Italy promotes the education, awareness and participation of all citizens in international solidarity, international cooperation and sustainable development.



These objectives will be pursued in a consistent, integrated and systemic manner that is also consistent with the domestic application of the 2030 Agenda, via revision of the National Strategy for Sustainable Development. This will contribute to the creation of a more balanced global development plan that promotes fair economic growth, the more sustainable use of natural resources and the signature of a social compact between governments and citizens that enables each country to reach the objectives defined in the 2030 Agenda. In that context, over the three-year period we plan to:

- make the 2030 Agenda and sustainable development central to our development policies and strategies, with an approach that addresses the three dimensions of sustainable development - social, economic and environmental - and incorporates governance, rights, fairness and equality as overarching priorities;
- relaunch the role of Italian development cooperation, via the implementation of reforms and the increase and effective use of resources, with a view to leveraging and capitalising on the accumulated experience of the development cooperation system and the ability to innovate;
- strengthen the action of Italian cooperation in the priority sectors and areas - agriculture and food security, nutrition, education, training and culture, health, rights, fairness and equality - and on such topics as decentralisation, governance and local autonomy, extending it to new sectors in which Italy has expertise and added value to offer;
- disseminate the development of know-how and capacity building, collaborating with the Civil Society Organisations, the third sector, non-profit bodies, regions and local authorities, universities and firms - involving the private sector even more intensively in cooperation activities, - with a view to transferring culture and entrepreneurial skills, innovation and productive technology, and promoting the data revolution and reliable statistics, in order to deliver modern cooperation focused on good governance and tax policies (Addis Ababa Action Agenda), care for the environment (CoP21 Paris), CSR and decent work (G7 and G20 Agenda);
- strengthen the participation of all stakeholders in the Italian development cooperation system in partnership initiatives that tackle the profound social, political and democratic changes under way, the growing destabilisation in certain areas of Africa and the Middle East, the heightening of the migration emergency, the impact of climate change, the need to support peace processes and, where necessary, make commitments at a global level;
- strengthen further the presence and role of Italy in international forums and within the European Union.

Over time, Italian cooperation has developed strategic guidelines that remain fully relevant today:

- humanitarian aid: the first priority in the most fragile contexts in order to build resilience (Syria, Iraq, South Sudan, Yemen, Sahel, Sudan, Horn of Africa, Palestine, Central African Republic), for the benefit in particular of the populations most at risk, minorities and the weak;
- social commitment: the health, education, training and employment sectors have the greatest impact and return on investment; accordingly, they remain central to our agenda for human development, with a view to sharing values and countering intolerance and extremism;

- empowerment of women: capitalise on the role of women as protagonists in the development and modernisation of societies, continuing to promote their access to education, their rights, their transformative role and their entrepreneurial ability;
- concentration on such strategic sectors as agriculture and food security, nutrition, productive value chains, the environment, development support for the private sector;
- migration and development: innovative initiatives that leverage the role of migrants to create employment and income using tested models (Senegal), giving attention to the strategic countries of origin and transit of the migratory flows;
- focus on the least developed countries, fragile States and low income countries;
- importance of certain geographical areas, including Sub-Saharan Africa, the Mediterranean Basin and the Middle East in particular.

### Humanitarian Aid: the First Priority

Italian cooperation will continue to help the victim populations of humanitarian crises caused by catastrophic events, whether of human or natural origin, with a view to protecting life, relieving or preventing suffering and safeguarding the dignity of the persons affected.

In particular, action in the immediate “relief” phase involves making available emergency transportation so that, working with specialist NGOs and those already on the ground, food staples can be sent to the populations affected. Against this background, collaboration continues with the Italian institutions active in the humanitarian field, especially the UN Depot in Brindisi. Support for the appeals launched by UN Agencies and the Red Cross Organisations is also assured by refinancing the Bilateral Emergency Funds established with those bodies and making grants to the International Committee of the Red Cross (ICRC) and the UN High Commission for Refugees (UNHCR), with a view to remaining within the circle of largest donors to these two bodies.

#### **Drought emergency in Ethiopia**

*In response to the serious emergency caused by the drought afflicting the Horn of Africa, Italian cooperation has allocated one million euro for food security action in Ethiopia, which will be carried out by the World Food Programme (WFP) and the UN Food and Agriculture Organization (FAO).*

In the subsequent recovery, rehabilitation, consolidation of peace and post-emergency phases, Italian cooperation helps to restore socio-economic conditions and safety via bilateral and multilateral initiatives agreed with the beneficiary government, which are coordinated with the international bodies or Italian NGOs that are already present in the crisis areas or have demonstrated an ability to make a useful contribution. Multilateral participation in the humanitarian programmes of the UN’s specialist International Organisations and Agencies seeks to involve the Italian NGOs and DCOs that already operate in the areas concerned.

Decisions on the provision of humanitarian aid are made in a manner that is consistent with and complementary to the strategic guidelines of the Italian development cooperation system. In particular, attention focuses on the sectors deemed crucial for survival and improvement of the essential conditions for life, including the protection of refugees and the displaced, health, food security and access to water. Attention is also paid to such broader topics as the empowerment of women and the protection and safeguarding of children, the elderly and the disabled.

In terms of geographic focus, Italian humanitarian aid continues to give priority to the Level 3 countries in the OCHA classification (Iraq, Syria, South Sudan and Yemen), as well as to countries in the Mediterranean Basin (Libya, Palestine), Sahel (including the West African countries hit by the Ebola epidemic) and East Africa (Horn of Africa, Sudan), without ignoring crisis areas further from the spotlight (Sahrawi refugees in Algeria, Central African Republic) and new crisis situations.

Depending on the availability of resources, humanitarian demining work will continue, in order to clear areas contaminated by land mines and provide on-site assistance to their victims, promote mine risk education and increase awareness of the universal ban on the use of anti-personnel mines under the Ottawa Convention and cluster bombs under the Oslo Convention.

With regard to the effectiveness of humanitarian aid, Italian participation in the UN and EU coordination mechanisms will be strengthened, representing concrete implementation of the commitments deriving from approval of the European Consensus on Humanitarian Aid in December 2007 and the 2012-2015 Italian Guidelines for Good Humanitarian Donorship, while also updating them and monitoring their implementation.

Lastly, proper attention will be given to monitoring implementation of the action points of the Italian Presidency of the EU Council in the second half of 2014; in particular, to the strengthening of ties between the Authorities responsible for humanitarian work and civil protection when dealing with natural disasters, as well as to following-up the work started by the Presidency in the areas of disabilities and the prevention of sexual violence on women and children in conflict situations. Action will also focus on such sectors as reducing the risk of catastrophes and increasing the resilience of populations affected by external shocks, consistent with the new OECD-DAC directives on aid for peacebuilding and conflict prevention.

In line with the objectives of the World Humanitarian Summit, our contribution aims to comply with humanitarian principles and strengthen the effectiveness of the aid provided via greater accountability, adopting a results-based approach and recourse to technological innovation in order to strengthen - both locally and centrally - the systems for preventing, mitigating and responding to the risk of catastrophes. Lastly, the ties between humanitarian aid, the private sector and migration will also receive particular attention.

The 2016 Istanbul Summit started a process intended to renew the system for responding to humanitarian crises, which have become increasingly numerous, prolonged and complex. Governments are called upon to make political and, in part, financial commitments, in order to translate the principle of humanity into concrete deeds. Together with our EU partners, Italy is fully supportive of the process of reforming the humanitarian system launched by the World Humanitarian Summit. The international humanitarian system is in urgent need of a makeover, given the radically different global conditions in terms of donors (entry of new lenders), the number and complexity of crises, the challenges faced by humanitarian protection and the need to protect the safety of aid workers.

When defining the fundamental direction of our humanitarian work and the areas and channels for action, we will continue discussions with our civil society organisations, especially those active in the fields of voluntary work and emergency relief, coordinated with the networks representing the NGOs and DCOs, not least to facilitate the exchange of information prior to the issue of on-site tenders for the financing of emergency projects. Finally, the collaboration of MAECI with the Department of Civil Protection will be strengthened even further.



### **MAECI-Civil Protection Cooperation**

On 24 July 2015, the Ministry of Foreign Affairs and International Cooperation signed a Protocol of Understanding with the Department of Civil Protection within the Prime Minister's Office. This understanding not only provides a basis for further improvement in the relations - well tried and effective - between Italian development cooperation and the Department of Civil Protection, which already work together on Italy's humanitarian response to emergencies, but also helps to apply the principles governing consistent and effective action specified in Law 125/2014.

The agreement envisages the activation of coordination - involving AICS as well - for the immediate launch of activities on the ground, the synchronisation of operations and the harmonisation of institutional communications. A broader working party will also be created, open to the other Italian institutions and Civil Society Organisations that are involved, in various ways, in the provision of humanitarian aid abroad.

### **Priority Topics and Sectors for Action**

The 2030 Agenda pushes us to rely increasingly on an integrated, multi-sector and “territorial” approach that identifies the causes of poverty in socio-economic factors closely linked to the territory, such as the local productive system, institutions, natural resources, the environment and climate, infrastructure, social capital, urban and rural development, culture and local traditions: a development model, therefore, that looks to the territory - as a socio-economic entity - for the potential, capabilities and tools needed to combat poverty and inequality.

## **GOVERNANCE, RIGHTS AND THE FIGHT AGAINST INEQUALITY**

<b>5</b> GENDER EQUALITY 	<b>Achieve gender equality and empower all women and girls</b>
<b>8</b> DECENT WORK AND ECONOMIC GROWTH 	<b>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</b>
<b>10</b> REDUCED INEQUALITIES 	<b>Reduce inequality within and among countries</b>
<b>16</b> PEACE, JUSTICE AND STRONG INSTITUTIONS 	<b>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</b>

<b>Reference Public Institutions</b>	<b>Department for Equal Opportunities (Prime Minister's Office) Ministry of Employment and Social Policies, Ministry of the Interior, Ministry of Justice, Ministry of Health</b>
<b>Reference International Bodies</b>	<b>UN WOMEN, UNIFEM, UNDP, ILO, IDLO, IILA, IOM</b>

Attention to democracy in the governance of public assets and to compliance with the rule of law and human rights are priorities for Italian cooperation.

The concept of good government is complex: it includes resources, institutions and the mechanisms through which social groups and individuals articulate their interests, interact and exercise their rights and obligations towards the State. The reinforcement of good governance and democracy requires the provision of direct support to national and local institutions, social networks or interests, social protection systems, trade unions, Civil Society Organisations and those who speak for various social actors in Partner countries.

Fragility, violent conflict and the violation of human rights impede the fight against poverty and may be mutually reinforcing in a vicious circle. It is not just a case of supporting the demands made by actors on their governments, but rather improving the interactions between the State, intermediaries and the citizens, in order to promote respect for human rights and the principles of transparency. In this regard, Italian cooperation makes reference *inter alia* to the EU Agenda for Change, which closely links development to the respect for human rights, democratic principles and good governance, adopting an “approach based on human rights”, on sharing the principles of universality, the indivisibility of human rights, inclusion and participation in decision-making processes, non-discrimination, equality and fairness, responsibility and transparency. The protection of rights, especially those of the vulnerable, is an integral and encompassing component of development cooperation initiatives, recognising the connection between poverty and human rights and seeking to give those who live in poverty the opportunity to organise and act in order to obtain and enjoy their fundamental rights, including *in primis* the right to decent work (SDG 8).

Italian cooperation has long been committed to strengthening the public structures of partner countries. Development requires good management: it is not enough to involve the beneficiary populations, it is also necessary to strengthen the institutions, especially the public institutions, at every level. In this context, the development of local capabilities must not be limited to the mere transfer of technical knowledge, but rather must support the endogenous development of institutions and stakeholders in the partner countries: the Civil Society Organisations have a role to play in this. Additionally, the close territorial ties of the new public-private partnerships may also make a significant contribution, with local capital that - once grown and leveraged by sustainable and inclusive processes - will become an important resource for democratic governance.

Gender equality is pursued with specific initiatives and encompassing activities in each action area, promoting the empowerment of women and the importance of their role to development. Promotion of the political, economic and social inclusion of women is a strategic way to transform the existing international rules into real and usable rights. We therefore plan to support the ability of women to decide their own lives and what they do, to participate in public life and have access to economic opportunities and decent work.

Special attention will continue to be given to the fight against gender violence in all its forms (domestic violence, harmful practices such as mutilations and early and forced marriages), while

the fight against gender discrimination will include, in particular, access to and use of health services, education and training systems, economic and social independence and the rejection of traditional stereotypes.

The Italian experience, concentrated on developing the role of women at local level and supported by national policies, international campaigns and partnerships in favour of women, has proved effective and will be duly taken into account when identifying new initiatives. We will also continue to ensure virtuous coordination with the actions and initiatives carried out by the government via the Department of Equal Opportunities within the Prime Minister's Office, and with the relevant directives issued by Parliament.

The commitment to equality requires transformative action, capable of tackling the root causes of inequality between men and women and changing discriminatory regulations and institutions. This transformation of social norms is the result of action taken at local, national and international level, via the participation of institutions, associations, the civil society, parliaments, schools and religious communities.

A look at young people and children: the approach followed to improve the living conditions of young people and children is based on their protection against abuse - trafficking of young women, adolescents and children, child labour and new forms of slavery, child crime, exploitation of disabled children, sexual exploitation of children, harmful practices such as mutilation of the genitals of girls and other forms of abuse like early marriage, violence and sexual diseases such as HIV/AIDS, discrimination with regard to citizenship rights (very common, especially against girls) - but will increasingly take a non-sectarian approach aimed at ensuring the participation of young people and children as protagonists, so that they become "agents of change", as well as at social integration, inclusive education, training and the raising of talents.

➤ **2012 – Approval of Italian Cooperation Guidelines on child-related matters**



The expertise of Italian cooperation in the area of disabilities has been recognised for many years. Our approach, in line with the UN Convention on the rights of persons with disabilities, seeks on the one hand to promote initiatives supporting the fight against social exclusion and the socio-cultural and educational marginalisation of adults and under-age persons with disabilities and, on the other, to launch information and awareness campaigns in Italy and partner countries on the subject of disabilities.

➤ **2010 – Approval of Italian Cooperation Guidelines on disabilities**  
➤ **2013 – Italian Cooperation Action Plan for disabilities**

We are working to implement the Action Plan for disabilities in each of the 5 areas: i) policies and strategies; ii) inclusive planning; iii) accessibility and usability of environments, goods and services; iv) humanitarian aid and emergency situations; v) promotion of the experience and skills of the civil society and enterprises.



## MIGRATION AND DEVELOPMENT

<b>8</b> DECENT WORK AND ECONOMIC GROWTH 	<b>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</b>
<b>10</b> REDUCED INEQUALITIES 	<b>Reduce inequality within and among countries</b>

<b>Reference Public Institutions</b>	<b>Ministry of Employment and Social Policies, Ministry of the Interior, Ministry of Justice</b>
<b>Reference International Bodies</b>	<b>IOM, UNDP, ILO, IDLO, EU</b>

In the 2030 Agenda for Sustainable Development, the subject of migration occurs repeatedly in the points on various objectives, for example in relation to poverty reduction, access to health and education, respect for the role of women, the right to decent work, the prevention of exploitation and job security, the elimination of inequality between countries and the fight against any form of violence. However migrants are not included in the 2030 Agenda solely as vulnerable persons, but also as the promoters of development.

In this light, Law 125/2014 opens up new opportunities: *“By promoting local development, not least via the role played by the immigrant communities and their relations with their countries of origin, the policy of Italian cooperation contributes to the migratory policies agreed with partner countries, which are founded on the protection of human rights and respect for European and international standards”*. The role played by the regions and local bodies, NGOs, non-profit organisations and universities already active in development cooperation is fundamental, as is the contribution made by the new actors in the development area - duly recognised by law - such as immigrant associations, community cooperatives, solidarity and fair trade entities and providers of micro-finance, which are all able to contribute knowledge, skills, accumulated experience and consolidated relationships in many partner countries. The private sector also plays an important role in creating employment and in complying with environmental, social and fiscal regulations, as well as with human and employment rights, by reconciling its economic objectives with social and environmental objectives. CNCS has created a *“Migration and Development”* working party that will help to translate the provisions of the law into concrete proposals.

From 2000 to date, the topic of migration and development has been ever present in our initiatives, with a view to facilitating the role of migrants as “actors of development” via projects that seek to involve their communities and the public and private organisations operating in Italy and the partner countries, promoting the professional and entrepreneurial skills of migrants and expatriates present in Italy, in close cooperation with their countries of origin. The experience accumulated in this sector has enabled us to spotlight, especially within the European Union, the link between migration and development, the role of migrant communities in development and the role of entrepreneurship within migrant communities, in order to avoid an approach that focuses solely on the security aspect.



During the 2014 Semester, the Italian Presidency identified four priorities in the Development sector that included migration and development, thus contributing to the creation of the EU Emergency Trust Fund addressing the root causes of irregular migration in Africa. Again at EU level, Italy has also promoted the Migration Compact, which is a new Euro-African collaboration agreement for the prevention and management of migrant flows by strengthening institutional capabilities, creating employment and economic opportunities, and supporting micro-entrepreneurship and major infrastructure investment in 17 priority countries. On 28 June 2016, the European Council adopted this approach and invited the Commission to present an ambitious foreign investment plan in Africa, intended to create social and economic infrastructure and new businesses. The first group of five priority countries was then identified (Nigeria, Niger, Mali, Senegal and Ethiopia) in order to prepare specific “Mini-Compacts” designed, drawing on additional resources, to translate the general approach into effective instruments at country level.





### ***EU Trust Fund addressing the root causes of migration in Africa***

The agreement establishing the EU Emergency Trust Fund for stability and addressing root causes of irregular migration and displaced persons in Africa was signed on 12 November 2015 on the sidelines of the Valletta Summit. With an endowment of 1.8 billion euro, the Fund finances economic development/employment creation projects with a focus on young people and women; resilience/basic social services and food security; management of migration flows and governance in 23 partner countries in Sahel, Horn of Africa and North Africa.

Italy has believed in the importance of establishing this Fund from the start, contributing 10 million euro from the development cooperation budget. As a result, Italy is a founder member of the Trust Fund and a member of the Management Committee and the Operational Committees tasked with selecting the projects to be financed and assigned, following defined procedures and with agreement from the Commission, for indirect management by member States. In this role, just one month after the Valletta Summit, Italy was the first signatory, among the EU member States, of a delegated cooperation project, worth 20 million euro, for the creation of jobs for young people and women in five regions of Ethiopia that are highly exposed to migration risk. Signature of the mandate made it possible to double immediately the value of the resources invested in the Fund.

A total of 16 initiatives supported by the Fund will be launched by the end of 2016. Italy has already been granted the indirect management (“delegated cooperation”) of programmes in Ethiopia, Burkina Faso, Sudan and Senegal totalling about 60 million euro. The Directorate General for Development Cooperation attends the meetings of the Operating Committee with three main objectives: first, political, to consolidate the leading role of Italy as a partner active on the ground in progressing the migration-development link promoted heavily during the Presidency Semester; second, to obtain “direct returns” for our country system and, in particular, for the Italian DCOs and NGOs (seeking to expand them by obtaining the assignment of new programmes in West Africa, for example); third, to study the methodology and lessons learned from the negotiations and institutional relations with the EU. The Italian Agency for Cooperation and Development provides all useful technical-operational support for the implementation of action. More in general, as a member of the Management Committee, Italy will continue to support the European Commission in the drive to consolidate the vision and strategic use of the Fund, avoiding the dispersion of resources on fragmented projects. It will be necessary to act on a partnership basis, without imposing conditions, capable of generating positive effects on other levels, such as political dialogue and dialogue on migration matters with partner countries.

## HEALTH

<b>3</b> GOOD HEALTH AND WELL-BEING 	Ensure healthy lives and promote well-being for all at all ages
<b>6</b> CLEAN WATER AND SANITATION 	Ensure availability and sustainable management of water and sanitation for all

<b>Reference Public Institutions</b>	Ministry of Health, ISS, Universities and Research Centres
<b>Reference International Bodies</b>	WHO, Global Fund, GAVI, UNDP

Italian cooperation has a long and positive tradition in the health sector. The guiding principles for initiatives include: the reduction of poverty and the fight against inequality, guaranteeing access to health services for all and contributing to the expansion of universal health coverage; the improvement of basic healthcare systems and the training of healthcare personnel; support for scientific research; the promotion of a culture of health and prevention; the fight against risk factors and the impact of health emergencies; the battle against pandemics, including AIDS in particular.

The ability to protect and safeguard public healthcare during epidemics is one of the elements of greater quality that the Italian system guarantees; it will be important to continue focusing efforts on this, as recognised by our leadership role in highly specific segments of the global agendas adopted by the international agencies and various countries, such as vaccinations and the monitoring of epidemics. The Italian commitment includes support for the Global Fund to Fight AIDS, Tuberculosis and Malaria and the Global Alliance for Vaccines and Immunization - GAVI, increased focus on health in the G7 (in relation to Ebola, anti-microbial resistance, neglected tropical diseases) and G20 agendas, and support for the World Health Organization.

On a bilateral level, in application of the Guidelines for Italian Cooperation on Health, Italian cooperation adopts a “horizontal” approach focused on strengthening healthcare systems and training, providing access to support services for the weakest members of the population, fighting gender violence, educating girls, and recognising the impact of education on health. On a multilateral level, the strategy of the Global Fund for the period 2017-2022 is to transition from an approach focused on the treatment of diseases to one that targets the roots of the problem, which is not solely healthcare related (see box for further details). The European Union has announced a grant of 470 million euro - an increase of 27% - to the Global Fund, endorsing its strategic approach in harmony with the development cooperation objectives of the EU: fairness, gender, human rights, priority for the poorest countries, strengthening of healthcare systems, focus on partnership, results-based approach.



### ***The Global Fund to Fight AIDS, Tuberculosis and Malaria***

The Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM) was founded as a consequence of the Italian Presidency of the G8 in 2001. The Fund is a public-private partnership involving 44 States, International Bodies (e.g. European Commission, World Bank, WHO, UNAIDS), foundations and private associations.

The Global Fund mobilises and invests about 4 billion dollars every year and, in just under fifteen years since its inception, has achieved encouraging results in the fight against the three diseases, as highlighted in the 2015 annual report: 17 million lives saved; 8.1 million people given antiretroviral treatment for AIDS; 548 million mosquito nets distributed to protect children and families from malaria; 13.2 million people treated for tuberculosis.

In November 2015, the Board of Directors approved the Strategy for the period 2017-2022, during which time the Global Fund intends to contribute to the eradication of the three diseases and guarantee better health for everyone. The approach will not focus exclusively on the treatment of the diseases, but rather will be “person-centric”, seeking to reach those most in need, reduce inequality and discrimination, promote human rights and remove the barriers impeding access to healthcare services, thus supporting countries in their transition to financial sustainability. The strategy of the Global Fund for the next six years is supported by four pillars:

- maximise the impact of the fight against the three diseases via innovative and differentiated approaches that take account of the needs of countries, especially those most subject to epidemics with limited economic resources, while also reaching needy and vulnerable populations wherever they are;
- strengthen the healthcare systems, making them sustainable and resilient, and achieve universal healthcare coverage;
- promote the protection of human rights and gender equality, with initiatives focused on reproductive and maternal-infant health, the education of girls, the fight against gender violence, the removal of social and other barriers to facilitate access to treatment;
- mobilise additional resources, seeking new sources of public and private finance, both at home and internationally.

The approach is therefore to invest more broadly and at system level, aiming for strengthened, resilient and sustainable healthcare systems, improved community healthcare services and actions designed to empower women. With support from the Global Fund, countries like Ethiopia have advanced their healthcare systems by combining improvements in the infrastructure with enhanced skills and better quality care, allocating today more of their own internal resources to healthcare. The Fund gives the greatest priority to the mobilisation of in-country resources and their effective use for the benefit of the population.

At territorial level, the Global Fund operates in more than 140 countries and concentrates 92% of its resources in low and medium-low income countries with a high incidence of the three diseases. Italy maintains close development cooperation relations with several of these beneficiary countries, especially in Africa, implementing complementary programmes in synergy with the activities of the Fund.

Italy was one of the founding countries of the Global Fund, contributing over 1 billion dollars to it up to 2008. The blockage between 2009 and 2013 was because budget restrictions made us unable to honour the commitments made. Over the years, based on the rules of the Organisation and the

size of our contribution, we moved from having our own seat to joining a constituency together with the European Commission, Belgium, Portugal and Spain.

The funding assured by the 2014 Stability Law made it possible to plan a contribution of 100 million euro over the three-year period 2014-2016. The third and final instalment of 40 million euro will be paid in 2016. Today, Italy ranks 8th among the top 10 donors, behind the USA, France, the United Kingdom, Germany, Japan, the European Commission and Canada. The Conference for the refinancing of the Fund for the three-year period 2017-2019 will be held during the second half of 2016.

On 27 November 2014, DGCS signed a Memorandum of Understanding with the Global Fund, in which Italian cooperation agreed to strengthen its presence within the organisation by leveraging the value added and expertise deriving from our consolidated experience in the healthcare field. In particular, Italian cooperation will dedicate a percentage of its contribution to the provision of technical support for the activities of the Fund in East Africa, especially Eritrea and Somalia, and participate in the mechanisms for the evaluation and coordination of healthcare cooperation projects (Country Coordination Mechanisms - CCM), with particular regard to Sudan, Ethiopia, Burkina Faso and Afghanistan.



**Italian cooperation via innovative financial instruments: Global Alliance for Vaccine Immunization (GAVI)**

Italy is currently one of the leading providers of finance to the Global Alliance for Vaccine Immunization (GAVI), a public-private partnership created in 2000 in order to spread immunisation programmes throughout poor countries and accelerate access to new vaccines, making a long-term contribution of more than 1.2 billion dollars via two innovative financial instruments: *IFFIm - International Finance Facility for Immunization* and *AMC- Advance Market Commitment*.

The following contributions will be made in the period 2016-2018: IFFIm 82.5 million euro and AMC 114 million euro. In addition, a voluntary donation of 100 million euro will be made between 2016 and 2020, following the commitment made by our Deputy Minister at the 2015 Berlin Conference.

With the fresh funds made available by the latest replenishment (7.5 million dollars), GAVI will be able to implement the new strategy for 2016-2020, which should result in the immunisation of more than 300 million children and the saving of a further 5-6 million lives. The organisation will concentrate on strengthening the coverage, fairness and sustainability of the vaccination programmes, in order to help countries implement their own routine vaccination programmes. This approach represents an evolution of the priorities in the early years, when the idea was to accelerated the introduction of new and under utilised vaccines. Now support for individual and fragmentary vaccination campaigns will give way to support in each country for the implementation of valid routine vaccination programmes. The new strategy therefore seeks to provide the beneficiary countries with integrated, targeted and proactive support.

While continuing support for all eligible countries, the new strategy will give priority to action in those countries with the largest number of under-immunised children. In addition, a number of Strategic Focus Areas (SFA) will be identified in which GAVI support may make the difference in terms of the coverage, fairness and sustainability of immunisation.

Among other measures, the new strategy envisages improving the policy for the management of risks including, in particular, the risk of vaccine shortages and the risk of overproduction leading to waste. This is a fundamental part of the relations with the Global Fund to Fight AIDS, Tuberculosis and Malaria, with which GAVI collaborates.

With regard to Ebola, given the steady decline in the number of cases in the three countries hit by the epidemic (Guinea, Liberia and Sierra Leone), the focus of GAVI and the international community will shift from control of the epidemic to the restoration of healthcare and immunisation systems, as well as to the creation of a stock of vaccines for future emergencies and, at the same time, to the methods and solutions for tackling any future outbreaks.

Italy helps to define the policies of GAVI via the participation on the Board (representing Spain as well) of a well-known immunologist, who is the Director of the Department of Molecular Medicine at the University of Rome "La Sapienza". We will help GAVI to implement the new strategy, insisting on the fairness and sustainability of the immunisation programmes. We will also call for the intensification of relations with other international bodies operating in the global healthcare sectors, including the Global Fund in particular, in order to create synergies and avoid duplications. Possible forms of collaboration on specific projects will also be explored, considering the value added that Italian expertise can offer.

In the context of the Sustainable Development Goals, the broader dissemination of vaccinations will make an important contribution to the new 2030 Agenda: immunisation is, undeniably, one of the truly global questions involving the populations of every country in the world, affecting their prospects and future quality of life. One of the targets derived from the Sustainable Development Goals (Target 3.8) relates to universal healthcare coverage and envisages *inter alia* a commitment to guarantee medicines and vaccinations for everyone. Italy is participating actively in the international consultations held to define the indicators and, with regard to Target 3.8, we have proposed (supported by GAVI) a separate indicator on the "national and regional immunisation coverage with reference to the national immunisation plans".

The fight against Ebola is highly emblematic: Italian cooperation made resources and expertise available promptly from the start of the crisis, supporting the actions of the NGOs, the UN Agencies and the International Red Cross. In addition to continued closed monitoring, it is now necessary to perfect early warning and prevention mechanisms, in order to respond to future similar crises in an ever more effective and rapid manner. Again with regard to emergencies, the actions of Italian cooperation will continue to ensure the provision of essential healthcare and nutrition services in crisis areas, and camps for refugees and persons displaced by emergencies or conflicts.

In addition to the commitment to control transmissible diseases, particular attention is also dedicated to mother-infant health - supplementing bilateral programmes with reference to the "Muskoka Initiative" launched by the Canadian Presidency of the G8 in 2010 - and to the training of healthcare personnel with a view to strengthening healthcare systems and universal access to health.


The consolidation of effective coordination among MAECI, the actors in the cooperation system - such as the Italian NGOs and regions that work in the healthcare field - and the Ministry of Health - via its technical-scientific arm, ISS, within which the National Centre for Global Health is active - is expected to guarantee virtuous synergy and make cooperation activities more effective.

It will also be important to relaunch strongly the functions of public healthcare in support of healthcare reforms, stewardship and twinning with equivalent bodies and institutions in partner countries, not least via their regional and local administrations, the NGOs and partnerships with a high level of technical, technological and scientific content.

Italy is among the world leaders in certain sectors, such as pharmacology, biotechnologies, medical devices, vaccines and research, and this excellence must be leveraged on the world stage. It will also be necessary to relaunch activities in support of healthcare reforms, together with the governmental and non-governmental actors and local and regional administrations working in the healthcare sector in partner countries, not least via partnerships or understandings with international organisations.

Lastly, it will be essential to continue working together with the major multilateral organisations, whether financial or active in various sectors (starting with the WHO), and those at European level, on public-private activities with a high technological and financial content, such as the *“European and Developing Countries Clinical Trials Partnership”* (EDCTP 2) co-financed by the European Commission, which supports research into HIV/AIDS, tuberculosis, malaria and neglected infectious diseases in Sub-Saharan Africa.

## EDUCATION

<b>4 QUALITY EDUCATION</b> 	<b>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</b>
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<b>Reference Public Institutions</b>	<b>Ministry of Education, the Universities and Research, Ministry of Employment and Social Policies, Universities and Research Centres</b>
<b>Reference International Bodies</b>	<b>UNESCO, UNDP, Global Partnership for Education (GPE)</b>

In the education sector, Italian cooperation is heavily committed to guaranteeing the right to quality basic education, without gender discrimination, in line with the goals of the “Education for All” global coordination mechanism. This commitment is fulfilled by initiatives consistent with the sector policies of the partner countries, financed via the bilateral and multilateral channel and assistance loans.

These initiatives are founded on the overwhelming conviction that, in addition to providing adequate education, schools are also a way to include the most disadvantaged and excluded levels of society and support the democratisation processes. It is necessary to qualify current practices and develop and test innovative action, strengthening - via training - the professional skills of teachers, school administrators and development operators in accordance with the guidelines defined in *“Inclusive education and development cooperation”*, a document prepared in the context of the Disabilities Action Plan: i) human rights, right of inclusion and right to education of persons with disabilities; ii) inclusion and education at school and in the community; iii) inclusive education and international cooperation.



Italian cooperation supports the “*Global Partnership for Education*” (GPE), an initiative that seeks to strengthen national education programmes in the participating countries. In this context, we will continue work to strengthen the synergies between multilateral action and the bilateral programmes in priority countries, with particular reference to the strategic goals defined by the GPE: support for fragile States faced with conflict, education of girls, provision of quality education and training to teachers.

The work of Italian cooperation is aligned with the “*Education First*” initiative promoted by the Secretary General of the United Nations at the 67th UN General Assembly. The objectives of this initiative are to raise the quality of learning and its consistency with the needs of the world of work, as well as to promote the values of global citizenship, environmental awareness and the peaceful resolution of conflicts.

Recognising the importance of the link between education and the world of work, Italian cooperation - together with MIUR, the Italian regional and local authorities and the Civil Society Organisations - is committed to assisting reform of the system of technical education and professional training in the partner countries, in order to facilitate the social inclusion and employment of young people and unemployed adults, by offering professional training based on the development of abilities and skills, so that intermediate-level technicians can start work in segments and sectors strategic for the development of the local economy.






#### **Education - Training - Universities**

There are strong ties between the challenges faced by society, as reflected in the Sustainable Development Goals, and training and research. Italian cooperation intends to create and strengthen a programme of scholarships for developing countries and leverage the contribution of Universities in terms of:

- **training paths** with new professional skills for the students of partner countries, who may train and specialise in Italy and/or in their country of origin;
- helping to **develop and strengthen institutional capabilities**, triangulating the Universities with the public and private sectors and leveraging their contributions in terms of the transfer of knowledge and the local creation of entrepreneurial and artisan activities, while also drawing on the wealth of international scientific relationships that already exist. Many Italian Universities have contributed and are contributing actively to the training of future professionals and executives in partner countries;
- making research tools available for the production of **innovations for development** and the creation of **evaluation** methods and models in line with international best practices.



## SUSTAINABLE AGRICULTURE AND FOOD SECURITY

<b>1</b> NO POVERTY 	End poverty in all its forms everywhere
<b>2</b> ZERO HUNGER 	End hunger, achieve food security and improved nutrition and promote sustainable agriculture
<b>6</b> CLEAN WATER AND SANITATION 	Ensure availability and sustainable management of water and sanitation for all
<b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION 	Ensure sustainable consumption and production patterns

<b>Reference Public Institutions</b>	Ministry of Agricultural, Food and Forestry Policies; Ministry of the Environment and Protection of the Land and Seas; Universities and Research Centres
<b>Reference International Bodies</b>	FAO, PAM, IFAD, CGIAR, UNDP, WB, CIHEAM/IAM

Following on from the organisation in 2015 of the Milan Universal Exposition on the theme of “Feeding the Planet, Energy for Life”, Italy intends to consolidate and strengthen its leadership in the promotion of inclusive, modern and sustainable agriculture, food security and fair and sustainable rural development, in order to facilitate the progress of numerous populations that still live in conditions of absolute poverty, mainly in rural areas.

The traditional commitment of Italian cooperation in the sector of food security and nutrition remains focused on the fight against malnutrition and food waste, in a context of strengthening the agro-food systems and value chains, leveraging the role and abilities of women and transforming the productive system into an element of economic development and social emancipation. In particular, we will focus on the adoption of techniques and practices for cultivation, transformation and sustainable consumption, the qualitative and quantitative improvement of production, increasing the profit margins of small producers and strengthening them and, especially, their associations, in the phases of post-harvest transformation, distribution and sale, while also encouraging responsible investment (with the “virtuous” involvement of the private sector).

On a multilateral level, Italy will continue to participate in the dissemination and implementation of the principles set out in the “Aquila Food Security Initiative” (AFSI), working to support the activities of the Food Security Committee, created under the aegis of the FAO to facilitate dialogue among the different interested parties, in close collaboration with all the organisations of the Rome-based Hub of the United Nations, the platforms of the Civil Society stakeholders and the private sector.

In the same context, Italy will work to translate into concrete actions the “Principles for responsible investment in agriculture”, whose adoption we have strongly advocated since 2014. Turning to the field of agricultural research and innovation, we will continue to support the activities of the *Consultative Group on International Agricultural Research* (CGIAR), not least for the definition and implementation of the *FAO Tropical Agricultural Platform*.

Consistent with the goals and actions outlined at the 6th World Water Forum held in Marseilles in 2012, the guidelines for cooperation in the water sector envisage a new integrated approach to the subject of universal access to water and basic hygiene, which will become an integral part of the food and nutritional security strategy.

In the priority countries, Italian cooperation will continue to collaborate with governments and other local partners, adopting an action strategy focused increasingly on sustainable food systems, rather than mere increases in production. By taking the entire value chain into consideration, Italy believes that it is possible to make a greater impact in terms of the fair distribution of income, the improvement of nutrition and public health, the socio-economic development of the community, the safeguarding of cultural values, social inclusion and emancipation, with more extensive and lasting results.

In this sense, as in the past, the work on sustainable agriculture will take a territorial approach, focused especially on the environmental and socio-economic aspects, with the full involvement of the institutions and the populations. The main objective is to guarantee governance and access to land, water and phytogenetic, natural and productive resources by families of farmers and small producers, with a special emphasis on recognising the role of women and in full compliance with the restrictions imposed by nature (planetary boundaries). We will support and develop traditional techniques for adapting to biotic and abiotic factors, strengthening the ability to deal with natural disasters, encouraging agricultural, environmental and social policies that favour family agriculture and fishing and facilitating the adoption of measures that promote the market competitiveness of products in line with the principles for the sustainability of food diets. We will also strengthen our commitment to the development of productive value chains in key sectors, drawing in particular on the Italian development model - SMEs and local districts - and seeking to increase productivity and production, improve quality and spotlight the origin of products, disseminate good cultivation practices and the conservation of production areas, promote fair-solidarity trade, transfer technology, develop agro-industry and the export of products, via the provision of expert technical support, training and institutional capacity building. In order to achieve these goals, it will be important to establish strong ties with the local private sector, from cooperatives to agro-business, via the promotion of partnerships between the Italian private sector and that of the partner countries, taking as examples the agricultural programmes in Guatemala (coffee), Ethiopia (durum wheat) and Egypt (fruit and vegetables).

Lastly, it will be essential for Italy to continue making an active contribution in all principal forums for the definition and evolution of policies in these strategic sectors (UN and OECD *in primis*), as well as via specific platforms such as the “*Global Donor Platform for Rural Development*”, which brings together bilateral and multilateral donors and international financial institutions, establishing networks of knowledge and information exchange that strengthen the global commitment to support and improve rural development and agricultural production, with a view to ensuring the effectiveness of aid.



## Access to water

Italian cooperation has already established guidelines for the water sector that identify goals and sectors for action and contribute to the achievement of Sustainable Development Goal 6:


- guarantee access to water as a fundamental element for human dignity and, therefore, for the health and hygiene of people;
- promote action in the irrigation sector for the reuse of treated waste waters, control of the water supply, erosion and the salinity of the soil, guaranteeing food and nutrition safety;
- ensure that water resources are safeguarded and restored via the transfer of knowledge about the management and monitoring of hydro resources at all levels, with multi-stakeholder partnership models and twinning between Italian actors and beneficiary countries, for the benefit of both Administrations and Managers.

The Milan Charter adopted at Expo 2015 supports the right to both food and water.

On 20 April 2016, the Italian Lower House approved Draft Decree 2212 on “Principles for the protection, governance and public management of water”, currently before the Senate Environment Committee, which envisages establishing a National International Solidarity Fund with a levy of one eurocent on every cubic metre of water supplied. Art. 2 of the draft legislation **recognises the human right to water**, which is quantified and defined. The cost of the human right to water would be covered by a levy made on the basis of criteria proposed by the Ministry of the Environment. When this law comes into force, Italy will be one of the first countries to implement in full the 2010 UN resolution, guaranteeing all citizens a vital minimum level of access associated with the dignity of human life.

## ENVIRONMENT, CLIMATE CHANGE AND ENERGY FOR DEVELOPMENT

<b>7</b> AFFORDABLE AND CLEAN ENERGY 	Ensure access to affordable, reliable, sustainable and modern energy for all
<b>11</b> SUSTAINABLE CITIES AND COMMUNITIES 	Make cities and human settlements inclusive, safe, resilient and sustainable
<b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION 	Ensure sustainable consumption and production patterns
<b>13</b> CLIMATE ACTION 	Take urgent action to combat climate change and its impacts
<b>14</b> LIFE BELOW WATER 	Conserve and sustainably use the oceans, seas and marine resources for sustainable development

	<b>Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</b>
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<b>Reference Public Institutions</b>	<b>Ministry of the Environment and Protection of the Land and Seas; Ministry of Agricultural, Food and Forestry Policies; Universities and Research Centres</b>
<b>Reference International Bodies</b>	<b>UNEP, UNHABITAT, WWAP, IUCN, FAO, IFAD, CGIAR, UNDP, WB, UNCCD, IOM</b>

The 2030 Agenda and the global framework for the fight against climate change, agreed at the 21st Conference of the Parties to the UNFCCC in Paris, recognise assistance for the most environmentally fragile countries as one of the key elements of development cooperation. The Paris agreement has been followed by explicit commitments to help developing countries mitigate and adapt to global warming that, in turn, make much broader action essential in order to protect and revitalise their ecosystems. In fact, direct action to facilitate the decarbonisation of their economies in the energy sector alone does not appear sufficient, at a global level, to avoid exceeding the critical average warming threshold of 2°C or, even better, the optimal threshold of 1.5°C.

It is necessary to ensure carbon neutrality over the long term, being the ability to absorb any residual emissions.

There are various ways to capture CO<sub>2</sub> in which Italian cooperation has established experience and operational capabilities; in particular, reforestation, the sustainable modernisation of urban areas, the safeguarding of protected marine and land areas, wetlands and river basins - often spreading across borders - and the sustainable management of fishing. These tools also help to mitigate and assist the reversal of land degradation. Already now, land degradation results in the annual loss of about 12 million hectares and affects the lives of more than 1.5 billion people in 168 countries - especially in developing countries and areas such as the Sahel - putting at risk the food security of the rural populations and forcing people to migrate.

These lines of action will potentially generate cumulative cycles co-benefiting the fight against global warming, food security, economic growth, discouragement of forced migration and local and international security, making them priorities for Italian cooperation in the various geographical areas in which we are present.

The goals of mitigation and adaptation are accompanied by a mandate to contribute to resilience and the management of new environmental risks in the weakest and most exposed regions, adding an environmental element to the various actions taken to strengthen social and economic cohesion, infrastructure and governance.

Among the tools of direct and indirect action against climate change, a pre-eminent role is played by transfers of technology - with help from for-profit actors - in such sectors as energy, transport, industry and urban management, but also by forms of rationalisation and efficiency improvement that can be implemented in rural, fragile or isolated areas or by small farmers. Regardless of the scale of action, the territorial fabric, know-how and knowledge of Italy is particularly strong in these areas, representing both a responsibility and a significant opportunity for the internationalisation of

research institutions, academic networks, the private sector and community actors. These parties may even be involved via financial blending mechanisms, including those deriving from partnership with inter-governmental financial operators. This action will also include testing the involvement of the immigrant communities in Italy as the providers of finance and as direct investors.

The breadth of the challenge posed by climate change means, necessarily, that all components of society must be involved to the maximum extent of their ability to support the most vulnerable countries. In addition to the various research and third sector activities, the international community also seeks to mobilise the financial allocations and entrepreneurial skills of the private sector, where Italy expects to be able to contribute advanced technologies.

In order to understand how to implement in practice this innovative mobilisation of private capital for the sake of the climate, Italian cooperation is participating in the *“UNEP Inquiry - National Dialogue on Sustainable Finance”*. In particular, working together with CDP, Italian cooperation will encourage and facilitate:

- the launch of mixed forms of public-private finance, in particular by facilitating the feasibility studies needed in order to obtain international funding for action involving the Italian private sector;
- synergistic recourse to Italian technologies in the implementation of programmes that directly or indirectly address mitigation, adaptation and resilience;
- the introduction, in collaboration with the competent Directorate General of MAECI and the other institutions involved, of a climate component into debt conversion programmes;
- the presentation and explanation of the most advanced Italian technologies at multilateral events addressing high profile environmental matters.

Action in support of the environment will focus, especially in the so-called fragile ecosystems - arid regions, small island and mountain States - on activities whose co-benefits encompass the entire range of sustainable development goals:

- programmes that directly support mitigation capabilities, focused on the energy sector but mostly concentrated on access to sustainable sources of energy in rural areas;
- programmes that support fair and sustainable urban management;
- programmes of land and soil restoration, especially via the revitalisation of sustainable, small family farming as the Italian contribution to Target 15.3 of the 2030 Agenda, *“land degradation neutrality”*, and contribution to overcoming the emissions gap via the absorption of carbon by revitalised lands; strengthening of the ability to adapt and enhanced resilience to climate change and other forms of environmental degradation, deriving from programmes and loans in support of governance and the strengthening of institutions;
- leveraging the positive implications for the mitigation of and adaptation and resilience to climate change by the partner countries of programmes and loans focused on other environmental protection goals, including but not limited to the protection of biodiversity, access to water, sustainable fishing and the safeguarding of seas and oceans.

The actions of Italian cooperation will therefore comprise programmes intended to release cumulative cycles resulting in the greater protection of human rights, gender equality, food security, political stability, reduction of internal and international tensions, fanaticism and the

forced migration of populations, starting from the restoration and promotion of ecosystem services in order to reintroduce activities that were the traditional generators of income and implant new opportunities for modernisation and fair economic development.

All these activities addressing environmental goals, including energy for development, will be carried out in concert with the Ministry of the Environment and Protection of the Land and the Seas (MATTM). In this context, we intend to develop further our work in areas subject to desertification, islands and mountains, giving priority to the most vulnerable ecosystems.



### **Energy for the Environment and Development**

Objective 7 of the 2030 Agenda “Sustainable energy for all” confirms the importance of energy for sustainable development and seeks to monitor the progress of global society in this direction. CoP21 also recognised the numerous implications for the environment of unsustainable management of the energy chain (uncontrolled depletion of sources, greenhouse gas emissions, pollution of the air and related consequences for the health of individuals). As confirmed in the reports of several leading international bodies (including FAO, UNESCO) and covered by various discussion groups at Expo 2015, energy plays a key role in the integrated management of resources and in configuring the numerous “links” whereby Water, Energy and Food, as well as Land and Climate, all interact.

Noting among others the joint documents of the World Bank and the International Energy Agency, “Progress toward sustainable energy 2015” and “Global State of Energy Access Report, 2016”, Italian cooperation recognises the importance of an integrated, multidisciplinary approach with the involvement of multiple actors, in order to overcome a sector-based approach to the subject and interpret energy as a tool for development and the environment. In this, we can count on a veritable wealth of Italian experience and skill within the institutions, the private sector, civil society, the academic world and research.

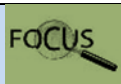
The activities of Italian cooperation will therefore be based on a vision of energy as a practical precondition or right for first satisfying basic needs, such as lighting and food security, and then guaranteeing access to key community services, such as health and education. Italian cooperation has long recognised, however, that the energy needed to express its full potential as a driver of local development must also be used for productive purposes and income-generating activities. In agriculture, energy actions therefore seek to improve sustainable practices, responsible irrigation, food security, food conservation and provide support for the numerous related transformative value chains. With regard to artisan activities and small industries (which are frequently rural and managed by cooperatives and/or groups of women), the availability of sustainable energy must be promoted as an opportunity to reduce costs and improve the quality and stability of production, thus increasing household income.

Looking beyond the rural areas - where it is crucial to integrate energy solutions into the economic, environmental, infrastructural, cultural and social contexts of the local community - the programmes could also support urban development since, given the higher consumption levels, sustainable energy solutions have a greater chance of mitigating the environmental impact of usage. In this context, actions will mainly aim at energy efficiency and the adoption of renewables, in order to reduce the consumption of fossil fuels in production, in residential buildings and in the transport sector.



As part of this, Italian cooperation recognises the need for innovative processes to apply the concept of energy for development and the environment using:

- **appropriate and sustainable technologies, optimised for local needs.** In rural areas, action will focus on a combination of bottom-up and top-down approaches in order to accelerate electrification, in the form of distribution systems based on renewables or hybrid solutions, including competitive, off-grid solutions, linked to the power grid. The programmes of Italian cooperation will also seek to leverage both the direct (reduction of fossil fuels, environmental impact, health) and indirect (job creation, creation of local capacity, other) advantages of these systems. In the domestic environment, action to overcome the issues with traditional cooking methods will apply solutions (improved stoves, gasifiers, domestic biodigesters) that fit the cultural context of the households concerned.
- **New models for autonomous energy activities and local generators of income,** applicable in the local context (BOP models, community or cooperative entrepreneurship) and implemented within suitable financial mechanisms in order to support the development of new business activities.
- **Support for the development of stimulative policies and regulatory mechanisms** that, drawing on the substantial Italian experience in the area, lead to the modernisation of energy governance by interpreting the specific needs of local communities.
- **Development of local technical and managerial skills,** via training at various levels: schools, universities, vocational and professional learning paths in collaboration with the private sector and the NGOs, as well as by support for local scientific-technical research from academic cooperation or technical support programmes.



#### ***Activities of the Ministry of the Environment and Protection of the Land and Seas***

The 21st Conference of the Parties to the UNFCCC established a common cause to pursue: contain the temperature rise to less than 2°C and transform the economies, making cash flows compatible with the objective of reducing greenhouse gas emissions. The Agreement confirmed the commitment of the developed countries to provide the developing countries with support totalling 100 billion dollars for action to mitigate and adapt to climate change by 2020. The developed countries also agreed to increase their efforts by making available annual financing of 100 billion dollars from 2020 to 2025.

Sustainable Development Goal 13 stresses that work in the context of the UNFCCC must be synergistic and linked with the effort to eradicate poverty, facilitate the expansion of wealth and safeguard the planet. In this context, the activities of the Ministry of the Environment and Protection of the Land and Seas (MATTM) will develop in three directions: support for the decarbonisation of the economy; implementation of measures for the efficient use of resources; consistency of cash flows with the sustainable development goals.

In the coming years, MATTM will provide support for the countries most exposed to the effects of global warming: small, developing island States and developing countries. While rising sea levels threaten the existence of small, developing island States, all low-income countries have a limited ability to tackle and lower resilience to the effects of climate change, due to a lack of infrastructure and technologies.

MATTM is involved in complex international cooperation activity, both at bilateral and multilateral levels. Programmes are implemented using resources deriving from ratification of the Kyoto Protocol, as well as income from public auctions, governed by Decree 30 dated 13 March 2013 transposing Directive 2009/29/EC, in order to implement and extend the community system for the trading of carbon credits.

The bilateral action of MATTM involves more than 30 countries.

In **Africa**, MATTM is involved in a decade-long programme of cooperation with Egypt, Tunisia and Morocco: promotion of renewal energy, dissemination of financial mechanisms and incentives for the use of solar heating, support of multilevel governance for the more efficient use of water resources. In 2015, MATTM signed new cooperation agreements with Botswana, Ghana and Egypt. Agreements are also being negotiated with Ethiopia, Lesotho, South Africa, Sudan, Somalia, Swaziland and Morocco. Cooperation will continue to give priority to water management and treatment and the promotion of energy efficiency and renewal energies. In Ghana, Botswana and Ethiopia, attention will focus on preventing deforestation and the decay of forests, promoting the carbon-capture role played by forests and using financial instruments that stimulate investment in the forestry sector by the private sector and public-private partnerships.

In the **Middle East**, MATTM has opened up new channels of cooperation with Iran, Qatar and Palestine in the areas of renewable energies, biomass, water purification and the transfer of environmental technologies. MATTM will play its institutional role, guaranteeing technical support and facilitating opportunities for Italian firms to enter the Middle East market in the green economy sectors.

In **Asia**, MATTM has been present in China for more than fifteen years. The signature of a Joint Declaration on the relaunch of the partnership for Sustainable Environmental Development with the Chinese Ministry of Environmental Protection expresses the common wish to strengthen cooperation on new foundations, with the contribution of private investment and the greater involvement of enterprises, especially in the development and exchange of experience and best practices in the field of innovative and low-carbon technologies. Activities over the next three years will concentrate on: prevention and management of hydro, atmospheric and land pollution; evaluation and management of environmental emergencies, waste management; environmental legislation and regulations, environmental taxation; industrial efficiency via the transfer of advanced green technologies.

**Small developing island States** face complex issues with ongoing support from MATTM. Their particular vulnerability to climate change is a challenge for development, with major implications for poverty, conflict and social cohesion.

In the Small Pacific Islands (*Cook Islands, Fiji, Kiribati, Micronesia, Marshall Islands, Nauru, Niue, Palau, Papua New Guinea, Samoa, Tonga, Tuvalu and Vanuatu*), MATTM is working on such projects as adaptation to climate change, protection from vulnerabilities deriving from climate change, mitigation of hazardous emissions via the dissemination of renewable energies, especially in rural areas, and protection of the oceans and their eco-systems. The approach pursued links the fight against climate change with growth of the economic and social well-being of the populations. The new projects involve electrification via the use of solar panels and conservation of the oceans, by continuing support for the creation of the First National Marine Sanctuary in Palau.

MATTM is also embarking on a vast cooperation programme with 14 countries in the CARICOM area (*Antigua and Bermuda, Bahamas, Belize, Barbados, Cuba, Dominican Republic, Grenada,*

Guyana, Haiti, Jamaica, Santo Domingo, St. Kitts and Nevis, St. Vincent and the Grenadines, St. Lucia, Suriname, Trinidad and Tobago) that will support projects for weather alert systems and for the promotion and use of renewable energies. As an innovation, this programme involves the Caribbean Community Climate Change Centre in Belize, which is a local research centre.

MATTM has also recently established a presence in the Small Islands of the Indian Ocean - the Maldives and the Union of the Comoros – to carry out data management projects for the improved governance of meteorological risk, water desalination and the promotion of renewal energies.

In **Latin America**, MATTM has commenced fruitful relations with Argentina, Costa Rica and Peru that will result in bilateral agreements being reached by the end of 2016; the same process is about to start in Chile, Ecuador and Bolivia. Activities will focus on: monitoring atmospheric pollution, the integrated management of urban waste, collection of data on ocean water quality (Argentina), forest management and energy production from renewable sources (Costa Rica), mitigation of and adaptation to climate change, management of forests, maritime areas and coasts, management of urban waste (Peru).

At multilateral level, cooperation with Africa is strengthened by participating in funds and programmes that promote renewable energies, energy efficiency and resilience to climate change, for example via the World Bank (*Clean Energy Access Program Trust Fund* and *MENA Inclusive Green Growth Initiative*) and the African Development Bank (*Africa Climate Change Fund* and *Sustainable Energy Fund for Africa*).

In order to implement the **UN Framework Convention on Climate Change**, MATTM contributes to the *Green Climate Fund* and the *Adaptation Fund* and, via the *Global Environment Facility* (GEF), supports the *Least Developed Countries Fund* and the *Special Climate Change Fund*. Via the World Bank, MATTM supports the *Communication for Climate Change Multidonor Trust Fund* and, with regard to UNEP, the *Inquiry into the design of a sustainable financial system*.

As part of implementing the **Montreal Protocol**, MATTM participates in the Multilateral Ozone Fund, being the financial mechanism for the protection of the ozone layer while, with regard to UNEP, it supports the *Climate and Clean Air Coalition Initiative*, which promotes the exchange of information and best practices in order to implement measures for reducing the emissions of methane, hydrofluorocarbons and black carbon.

## PROTECTION OF THE CULTURAL AND NATURAL HERITAGE

	<p><b>Make cities and human settlements inclusive, safe, resilient and sustainable</b></p> <p><b>11.4: Strengthen efforts to protect and safeguard the world's cultural and natural heritage</b></p>
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<p><b>Reference Public Institutions</b></p>	<p>Ministry of Cultural Assets and Activities, Ministry of the Environment and Protection of the Land and Seas; Higher Institute for Conservation and Restoration (ISCR); Universities and Research Centres</p>
<p><b>Reference International Bodies</b></p>	<p>UNESCO, UNEP, UNHABITAT, UNDP, IILA, WB, ICCROM</p>





The cultural and natural heritage is a fundamental resource for economic and social development. It is a tool in the fight against poverty, via action to diversify activities in rural, mountainous and remote areas in particular, to generate income and employment, to promote sustainable tourism, to develop urban areas and protect the environment, to support cultural industries and the tourist industry, to spotlight local artisans and save traditional crafts.

Italian cooperation has long recognised that focusing on heritage is also an important way to mitigate ethnic, religious and social tensions, contributing to the consolidation of stabilisation processes and helping beneficiary populations to preserve the roots of their identity, being the contribution that each population can make to others, underpinning mutual respect and celebrating diversity as a treasure. Cultural diversity and inter-cultural dialogue are particularly important these days, given the growing instability in certain regions and countries and the increase in migration.

Italian cooperation will continue efforts to protect the natural and cultural heritage over the next three years. Consistent with the strategy of the European Union, our approach focuses on the social dimension, on development models in which communities play an active and leading role, considering that heritage resources represent a value that belongs to all members of the community and, in this sense, are jointly owned. Priority will be given to the intensification of education and training, the strengthening of institutional capabilities, the transfer of know how, technology and innovation, taking action for the protection of heritage in times of post-conflict crisis and natural calamity.

By contributing to the management and protection of their common heritage, all public and private actors, regional and local authorities, cooperatives and community operators, NGOs and Civil Society Organisations, enterprises and foundations will play a fundamental role. Cultural heritage is one of the measures for checking the consistency of development policies, given the interrelations between the related governance policies and other public policies outside of culture, such as regional development, social cohesion, the environment, tourism, employment, education, research and innovation.

## THE PRIVATE SECTOR

<b>7</b> AFFORDABLE AND CLEAN ENERGY 	Ensure access to affordable, reliable, sustainable and modern energy for all
<b>8</b> DECENT WORK AND ECONOMIC GROWTH 	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
<b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE 	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
<b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION 	Ensure sustainable consumption and production patterns

<b>Reference Public Institutions</b>	<b>Ministry of Economic Development</b>
<b>Reference International Bodies</b>	<b>UNIDO, UNDP, UN Global Compact, WTO, WB</b>

The 2030 Agenda indicates the private sector as a central player in implementation of the Sustainable Development Goals: *“Private business activity, investment and innovation are major drivers of productivity, inclusive economic growth and job creation. We acknowledge the diversity of the private sector, ranging from micro-enterprises to cooperatives to multinationals. We call upon all businesses to apply their creativity and innovation to solving sustainable development challenges”*.

Development of the private sector, based on the principles of transparency and free competition, respect for human rights and decent work, protection of the environment and an international outlook, is a requirement for sustainable economic growth and the creation of job opportunities. Following the outcome of the Busan High Level Forum on Aid Effectiveness, the relationship between cooperation and the internationalisation of enterprises is looking for a new approach that, while respecting their different goals, can lead both to effective convergence and interaction. By aligning business and development objectives, firms can maximise their impact on development, supporting inclusive growth and the dissemination of shared values. This convergence can therefore strengthen the sustainability of the business actions as a true contribution to sustainable development, tracing a system of values applicable to both the private system and society. Among the concrete actions to be taken in this direction, the following priorities have been identified: a) innovative financial instruments to stimulate the “leverage” of private funds and improve access to credit by SMEs in partner countries; b) structured dialogue along the lines already in place with the private sector and the Civil Society; c) transfer of know-how from centres of excellence within the Italian economy, in part via technical support programmes and exchanges of practices among equals; d) application of inclusive business models and corporate social responsibility; e) strengthened coordination between EU and member States on bilateral and regional action in the sector.

In this context, the Italian experience of SMEs aggregated and organised in networks, with common services to exploit economies of scale, as well as of the cooperative system, gives us a comparative advantage with respect to other donors when contributing to the growth via grassroots entrepreneurship of the private sector in partner countries, which is often marginalised by State intervention or blocked by monopolies.

Preference will be given to innovative forms of collaboration between the private for-profit sector and non-profits, especially the Civil Society Organisations already established in the partner countries, with a view *inter alia* to the development of entrepreneurship at local level. The fundamental goal to be pursued in this engagement with the private sector is the eradication of poverty, via the creation of jobs and inclusive economic growth. Public-private partnerships play a central role in the current economic conditions, in which the achievement of development strategies and goals means turning to new actors as stakeholders in the cooperation. Within CNCS, the Working Party on *“The role of the private sector in development cooperation”* may make concrete proposals in this sense.

It will also be appropriate to strengthen the collaboration with MISE in order to release, where possible, synergies with the Made in Italy Plan, especially in countries that are already priority for Italian cooperation (e.g. Mozambique, Ethiopia, Cuba), as well as in the other countries in which we have activities in progress (e.g. Vietnam, Colombia, Peru).

In this context, a broader understanding of the sources of development finance is already in place. In the wake of the “partnership” approach, this goes beyond the national public resources of the donor countries dedicated to the traditional forms of ODA, to include the resources of the International Financial Institutions, domestic and foreign private investment, migrant remittances and philanthropy. In various sectors, such as infrastructure, water, sustainable energy and rural electrification, public-private partnerships are fundamental because private or public resources, on their own, would not be sufficient. In this context, the blending mechanisms represent a good opportunity to maximise the effectiveness of aid, considering the leverage effect, if three guiding aspects are given due weight: i) the additional nature and value added of the resources mobilised; ii) the objective of development and social impact; and iii) the effectiveness, or the application of the principles of effectiveness, when ODA is used as leverage to mobilise private funds.

Another good way to leverage private funds and improve access to credit is represented by the provision of credit lines to SMEs in partner countries, backed by aid guarantees and managed by experienced local banks or financial institutions: these tools help to strengthen the collaboration between firms. It is also necessary to promote, in a more effective and concrete manner, the use by Italian SMEs of art. 27 of Law 125/2014 that, via the related enabling regulations, envisages the grant of assisted loans for the formation of mixed enterprises.

### **Geographical Areas and Priority Countries**

The priority countries are the principal recipients of the ODA allocated by country, especially when it comes to donations. Italian cooperation maintains a long-term presence in those countries and works within a medium-term action plan via “three-year country cooperation programmes”. These are consistent with the joint EU programmes and, in general, focus on three sectors. The strategies underlying selection of the priority countries are founded on the historical, political, commercial and cultural relations that unite us, as well as on our proximity to them in geographical and other terms. They also take into account the prospects for growth and development and the socio-economic background - preferring least developed countries, fragile States, countries faced by or recovering from conflict - considering the comparative advantage of Italy in certain sectors, the division of effort and, in particular, the joint programming carried out at EU level, as well as the commitments made to international organisations and our participation in multi-donor programmes.

The identification of priority countries takes the principle of concentration of effort into account, so that our aid is more effective. Nevertheless, in addition to addressing humanitarian emergencies, Italian cooperation retains some flexibility of action in other countries, so that assistance can be provided in special situations, whether via governmental action or that of Civil Society Organisations.

In addition, political and humanitarian crises continue to absorb a significant amount of resources. Indeed, humanitarian aid is the top priority in Syria, Iraq, South Sudan and Yemen, without forgetting Sahel, the Horn of Africa, Palestine, the Central African Republic and Sudan. The migration crisis is becoming a veritable humanitarian emergency, drawing a dramatically clear map



of the growing inequality that separates the North and the South of the world. Development cooperation plays a decisive role: on the one hand, Africa has become an absolute priority; on the other, it is necessary to intensify efforts in the geo-political quadrants - Mediterranean Basin, Middle East, Balkans - that are closest to us.

There are 9 priority countries in Sub-Saharan Africa, 8 of which belong to the category of least developed countries. However, it may be possible to work on cooperation initiatives in certain non-priority countries in the two sub-regions of Sahel and Horn of Africa, where this is deemed appropriate due to the stabilisation processes under way and improved safety conditions. This would include emergency-rehabilitation programmes in preparation for medium-term transition to the development phase (e.g. in Mali), or situations in which the levels of growth and the need for infrastructure development make it possible to intervene with aid loan programmes (e.g. in Uganda). This action would be consistent with the international commitment to increase the resources in favour of least developed countries to 0.15-0.20% ODA/GNI by 2030.

The priority countries in the Mediterranean Basin and Middle East are Tunisia, Egypt, Lebanon, Palestine and Jordan. The inclusion of Jordan in the list of priority countries from 2016 reflects the financial commitment made at the London Conference to help that country cope with the devastating impact of the Syrian crisis.

In addition to Albania in the Balkans, we are also strengthening our presence in Bosnia Herzegovina, whose ongoing instability and fragility is affecting the entire region.

At the same time, again from 2016, we also intend to strengthen the regional approach already trialled with success in certain countries of Central America, especially Honduras and Guatemala. The plan is to implement more wide-ranging integrated programmes covering a larger area, drawing operationally on the suitably strengthened facilities of the Agency's (regional) headquarters in El Salvador.

Given all of the above, there will be 22 priority countries in the three-year period 2016-2018. The increase in the number of priority countries will be accompanied by the evaluation of our continued presence in certain current priority countries, especially those whose development indicators are showing strong growth.

**SUB-SAHARAN AFRICA:** *Burkina Faso, Ethiopia, Kenya, Mozambique, Niger, Senegal, Somalia, Sudan, South Sudan*

**MEDITERRANEAN BASIN:** *Egypt, Tunisia*  
**MIDDLE EAST:** *Jordan, Lebanon, Palestine*  
**BALKANS:** *Albania, Bosnia*

**LATIN AMERICA AND THE CARIBBEAN:** *Bolivia, Cuba, El Salvador*

**ASIA:** *Afghanistan, Myanmar, Pakistan*

The above priority countries include 10 on the list of least developed countries:

- Burkina Faso, Senegal, Niger, Ethiopia, Somalia, Sudan, South Sudan, Mozambique
- Afghanistan, Myanmar

### SUB-SAHARAN AFRICA

The GNI of Sub-Saharan Africa is growing by about 5% on average, positioning its economy among the most dynamic in the world. Inclusive and sustainable growth is a fundamental part of the African development agenda over the next 15 years, to ensure the economic and social transformation of the area. Using the tools made available by the new regulations, development cooperation must also invest in helping to build economic opportunities, especially for the young men and women who will be the architects of tomorrow's Africa. We must assist the development of inclusive local entrepreneurship that generates income and job opportunities, accessible to increasingly broad sectors of the population.

Sub-Saharan Africa was and is the area of the world in which pursuit of the previous Millennium Goals faced the greatest difficulties, with the most marked differences. Consequently, the new approach must strive to tackle these problems, diversifying action depending on the region and the characteristics of each country. The bilateral and multilateral action already taken reflects the priorities of Italian cooperation, the poverty reduction programmes of each partner country, the development strategies agreed at global level (*New Partnership for Africa's Development*) and the *Regional Strategy Papers* and *Country Strategy Papers* of the European Union.

Italy intends to continue the work in West Africa, especially in the fields of rural development, the fight against desertification, healthcare and the development of entrepreneurship, partly by involving the migrant communities, in three priority countries: Burkina Faso, Niger, Senegal. Sahel is one of the poorest regions in the world, with among the lowest human development indices and among the highest rates of infant mortality in all of Africa. The region is exposed, at the same time, to the challenges of extreme poverty, the effects of climate change, recurring food crises, rapid population growth, fragile governance with corruption, unresolved internal tensions, risks of violent extremism and radicalisation, illegal trafficking and threats to safety. In addition, the crisis in Mali and the conflicts there over the past two years have provoked mass migrations, with refugees displaced into both the interior and adjoining countries. This has exacerbated the food and nutrition crisis in the entire region. Notably, the first example of blended Italian and EU funds has been activated in this region for the development of rural infrastructure in Niger: the PAMIRTA programme (aid credit worth 20 million euro).

The problems afflicting this region have a clear impact on the geopolitical and security situation: outbound migration, terrorism and illegal trafficking contribute to establishing a common interest in the promotion of sustainable development that may stabilise the region, as well as improve the living conditions of the populations there. Taken together, the recent crises - including the 2014 emergency linked to the Ebola epidemic in three West African countries - have resulted in possible retrenchment from the results previously achieved with regard to certain Millennium Goals.

Accordingly, we will continue to focus our efforts, on the one hand, on the great potential of the African continent, the building of economic opportunities, training, job creation - especially for young people and women - and support for entrepreneurs and, on the other, on the improvement

of food security and nutrition, the strengthening of healthcare and basic education services, and the protection of the most vulnerable sectors of the population. The recurrent climatic shocks and famines that hit Sahel and the Horn of Africa keep the region in a chronic state of emergency, marked by high food and nutritional vulnerability due to the underdevelopment of agriculture and poor or non-existent social services, combined with rapid demographic growth and high mother-infant mortality. The humanitarian aspect and the development component remain closely correlated and require a common response by the countries in the region and by donors (whose strategies are consistent with the Unified Strategy of the United Nations and the AGIR platform – *“Global Alliance for Resilience Initiative”* - of the European Union).

Lastly, a resilience-based approach is certainly important, not least because dialogue with the regional arm of ECHO has highlighted the need for coordinated and holistic action.

Following the Ebola crisis, the Authorities in Guinea and Sierra Leone have been offered aid loans (about ten million euro each) to help reconstruct their national healthcare systems, which were significantly set back by the epidemic.

In Southern Africa, based on accumulated experience and in the light of future joint programming at EU level, our cooperation in Mozambique will focus on education, rural development and health, giving particular attention to such broader topics as gender equality and good governance. Mozambique is one of those countries in which the Italian System can deploy the full range of available tools: donations, debt conversion, direct budget support, aid loans, incentives for economic activity, trade and domestic investment.

In East Africa, the development cooperation goals and priorities will have to take account of the low levels of human development in many countries, as well as the distribution imbalances evident in other countries that have achieved middle income status. In a region with major potential, countries with impetuous growth, such as Ethiopia, are found alongside others on the road to solid growth, such as Kenya and Uganda, and countries that are “unclassified” in the UNDP human development indicators due to their fragility, such as Somalia and South Sudan. The region is currently faced by considerable political instability that has opened old wounds and generated significant migration towards Europe, as well as by recurring natural disasters that the bilateral and multilateral programmes must address.

### **MEDITERRANEAN AND THE MIDDLE EAST**

This region, one of the traditional focuses of our foreign policy, is close not only geographically but also in historical and cultural terms, with strong ties and economic interests. It comprises two sub-regions of the Arab world: the Maghreb (Morocco, Algeria, Tunisia, Libya) and the Mashreq (Egypt, Lebanon, Jordan, Palestine and Syria). Many countries in the two sub-regions are playing a key role in the reception of the biblical human migrations caused by the Syrian and Libyan crises. They need growing support from the international community in order to relaunch their economic and social situations and stabilise the flow of refugees.

The priority countries are Tunisia, Egypt, Lebanon, Palestine and Jordan.

In Jordan, in particular, we intend to work mainly with aid loan and debt conversion instruments in order to relaunch an economy that has been severely penalised by the Syrian crisis. We will support micro-entrepreneurs, especially young people, and Syrian refugees, facilitating their inclusion in the social-economic context of their host country.

The controversial and unresolved outcome of the so-called Arab springs drives us to concentrate efforts on Tunisia, the nearest country whose democratic process needs our support, and on Egypt, while remaining aware of our leadership responsibilities towards Libya - both in humanitarian terms and with regard to medium/long-term reconstruction - as soon as political developments and the security situation make it possible to work there.

We deploy various instruments in these two Mediterranean and Middle Eastern sub-regions: credit lines, debt conversion and donations, as well as the additional European resources made available via the delegated cooperation tool. Our actions are consistent with EU strategy and policies, especially with regard to the provision of support for democratic purposes and the international action to tackle the ongoing humanitarian crises. The Italian strategy is aligned with the European Neighbourhood Instrument 2014-2020 and addresses the following priorities: promotion of human rights and fundamental freedoms, good governance, democracy and rule of law, economic and rural development, poverty reduction, social cohesion, job creation, especially for young people in rural areas.

Italian action will therefore continue in Palestine and Lebanon and will be developed further in Jordan, in full awareness of the consequences of the Syrian conflict for Lebanon and Jordan, in particular, and that the absence of grounds for negotiations between Israel and Palestine is making the situation in the area increasingly fragile.

Italian cooperation efforts will continue, not least via the provision of humanitarian aid and action to build resilience. In this context and in order to give further impetus to our response to the Syrian emergency, Italy made a significant pledge at the *"Supporting Syria and the Region"* conference, organised in London on 4 February 2016 by the United Nations, Germany, the United Kingdom and Kuwait in order to collect funds to tackle the humanitarian crisis in the region, by promising over the three-year period 2016/2018 a total of 400 million dollars for Lebanon and Jordan, as the countries with the largest number of Syrian refugees: donations of 150 million (for humanitarian and stabilisation work), loan aid of 200 million and debt conversions of 50 million.

In this way, we plan to remain one of the leading international donors to this region. In compliance with the principle of ownership, action in the priority countries - determined in close cooperation with the local authorities - includes: economic development and support for SMEs; agriculture and rural development for jobs; socio-healthcare sector, especially improvement of the quality of primary care systems.

Attention will be dedicated to protecting the cultural heritage (architectonic and archaeological restoration, technical support and institutional strengthening, focus on historical monuments, museums and natural conservancy, with a view to economic and cultural development and tourism); and supporting democratic processes and good governance (democratic governance, protection of human rights, decentralisation processes and support for vulnerable populations).

## **BALKANS**

A strategy of steady withdrawal from the region has been implemented in recent years. Social development and economic growth in the area, combined with progress towards integration with the European Union, have in fact made this a natural tendency. At the same time, we have maintained a presence in Albania and intend to strengthen it in Bosnia Herzegovina, given the particular socio-political characteristics of that country, which is clearly struggling in its efforts to become closer to Europe. Bosnia is another of those countries in which the Italian system can

deploy the full range of available tools, such as incentives for economic activity, trade and territorial cooperation.

We intend to complete all the programmes under way and establish how aid loans will be used, especially in Serbia and Kosovo.

### **LATIN AMERICA AND THE CARIBBEAN**

The policy for Italian cooperation in Latin America intends to focus action on good governance and protecting the rights of the populations. Particular attention will be dedicated to improving access to healthcare services, the prevention of and resilience to natural calamities, restoring the cultural heritage, preventing youth violence via job creation schemes, and safeguarding the environment and the right to food security via rural development and the leveraging of local value chains e.g. cocoa and coffee.

Action is concentrated in certain central American countries and in the Andean region, which are characterised by low incomes and less advanced social contexts, sometimes with high rates of criminality that require specific programmes to strengthen democratic security (organisation of juvenile justice systems, alternatives to prison, rehabilitation and the return to society of prisoners, including young people in particular).

The restoration of diplomatic relations between the United States and Cuba opens up new prospects for Italy and Italian cooperation, which supports agricultural development and food security there, while also addressing the restoration and conservation of Cuba's historical and cultural heritage. Cuba is also a country in which the Italian system can deploy the full range of available tools: donations, debt conversion, aid loans, incentives for economic activity, trade and domestic investment.

### **ASIA**

The objective is to promote institutional stability, the protection of rights and poverty reduction in the Afghan-Pakistan region (especially as part of Italian participation in the international support provided to Afghanistan), as well as the socio-economic reform processes in South-East Asia and Myanmar in particular. In addition to completion of the commitments already made, new initiatives in non-priority countries may be financed by recourse to aid loans or debt conversion, with limited donations for the related technical support.

Particular attention will continue to be given to small island developing States (SIDS), which have to tackle environmental, economic and social challenges that make them particularly vulnerable and exposed to the effects of climate change and natural disasters.

### **Multilateral Cooperation**

Our multilateral cooperation will prioritise support for the actions of the UN Agencies and Programmes, both at regional and country level, to implement the 2030 Agenda and achieve the Sustainable Development Goals. In particular, these actions will address regulation setting activities, the strengthening of institutions and the functioning of democracy, the promotion of human rights, the fight against inequality and social exclusion, the protection of the most

vulnerable groups and those most at risk of marginalisation and discrimination, gender mainstreaming, decent work and sustainable human development.

Particular attention will also be given to the work of the United Nations in fragile areas, in conflict/post-conflict situations and, more generally, on the interconnection of peace, security and development that is addressed by Sustainable Development Goal 16 of the 2030 Agenda.

With respect to the bilateral channel, the size of the Italian contribution to the multilateral channel will require our country to make important improvements in the coming years in three strategic directions:

- outwards, continue to develop our ability to guide debate and the adoption of development policies by the decision-making bodies of European and international organisations, not least by giving our representatives clear planning guidelines;
- inwards, work to promote and involve all actors within the Italian system in their roles as implementers of the actions decided by the various international organisations and bodies;
- at all stages, ensure consistency with the priorities of our national agenda, the dissemination of information and control over the utilisation of resources and their effectiveness.

Even in the case of multilateral cooperation, work over the next three years will pursue certain fundamental objectives:

- collaborate with a reduced number of international bodies, consistent with the recommendations contained in the OECD Peer Review, in order to limit the proliferation of new multilateral channels, and select instruments considered capable of maximising the impact of projects in the priority sectors of Italian cooperation, guaranteeing appropriate visibility for the Italian contribution;
- improve the coordination between donors and multilateral agencies, supporting the internal process of rationalising the UN operating system (system wide coherence);
- monitor the work and effectiveness of the multilateral agencies, partly by making recourse to independent international appraisals, including those prepared by MOPAN;
- ensure the consistency of aid with the principle of beneficiary country ownership, in line with the country strategy documents;
- give preference to the initiatives of international bodies in the priority countries for Italian cooperation and those that complement our bilateral cooperation, releasing synergies;
- leverage and support synergies with international hubs in the development sector that are active in Italy (especially the UN hubs in Rome and Turin), giving them special attention when planning voluntary contributions;
- increase the use of specialist multi-donor trust funds, ensuring where possible a strategic presence on their governing bodies.

In addition to the mandatory contributions, Italy makes voluntary contributions to organisations, agencies, international development funds, bodies with humanitarian objectives and those working in emergency situations. The role of multilateral cooperation is expected to remain significant over the next three years, within a general realignment of funding with the strategic priorities of Italian cooperation, consistent with the goals mentioned above.

Any “floating” component will be allocated based on national priorities and those of the international agency to which the contribution is made, considering the initiatives under way in specific subject/sector/geographical areas and the need to avoid the excessive fragmentation of aid.



## Cooperation with the European Union

Italy is one of the main contributors of EU development cooperation: the third largest for budget instruments (IPA, ENI, DCI) and the fourth to the European Development Fund (EDF). Italy contributes about 13% of EU development aid.

Italy participates in defining the development cooperation policies of the European Union and the related financial allocations, in the context of the relevant working parties of the EU Council, the committees that examine the financial instruments and the regional blending frameworks. MAECI will ensure the continuity and effectiveness of that participation, with a view to guiding the strategic orientations, the political decisions and the financial allocations decided in Brussels.

MAECI will develop policy guidelines and strategic choices, in a manner consistent with the bilateral action and the political and strategic priorities, and will coordinate with the European Commission and the rotating Presidencies in order to identify common positions and ensure continuity of the strategic priorities of Italian cooperation, *in primis* migration-development, food and nutrition security and the role of the private sector in development initiatives. Particular attention will also be dedicated to such topics as the employment of young people, protection of the vulnerable, disabilities, migration, the empowerment of women and the role of the Civil Society Organisations, the regions and the local authorities in development initiatives.



### Delegated Cooperation

Italian cooperation contributes to the implementation of European development cooperation programmes and even participates in their indirect centralised management (delegated cooperation). This facilitates greater concentration and more effective action in priority countries and sectors, drawing out the value added by Italy.

At present, the European Commission has delegated the management of four programmes to DGCS (two in Sudan, one each in Egypt and Ethiopia) worth more than 50 million euro, based on the indirect management accreditation obtained in 2012.

The delegated cooperation work carried out by DGCS will, on the one hand, continue to coordinate the local management of ongoing programmes and, on the other, provide necessary support for the audit work carried out by the Agency in order to obtain accreditation.

In parallel, based on the experience accumulated and recognising the political importance of delegated cooperation, DGCS will work together with AICS to identify possible projects, so that the participation of Italian cooperation in these external European programmes can continue to grow. Delegated cooperation in fact makes it possible to manage EU programmes of significant value and impact that can benefit our bilateral programmes, considering the synergies released and other complementary aspects, and offer Italian stakeholders within the development cooperation system the chance to become involved and deploy Italian expertise. The signature of a mandate also represents recognition of our prominent role as a donor in the country, facilitating contacts with the local authorities, strengthening relations with the EU Delegation and increasing the volume of resources available for development cooperation.

The identification of delegated cooperation programmes will take account of the needs, guidelines and plans of the partner countries. Priority will be given to the identification of programmes in the

context of the EU trust fund addressing the root causes of migration in Africa. Prior to completion of the accreditation procedures, AICS will provide all useful technical-operational support for the implementation of action, drawing on its network of offices abroad.

### Debt Conversion

Debt conversions are decided together with the MEF, by defining programmes that identify countries with which to conclude conversion agreements and the related amounts. In the past, debt conversions were planned in 2009 (Jordan, Syria, Albania, Vietnam, Indonesia, the Philippines, Ecuador), in 2012 (Egypt, Morocco, Djibouti, Cuba and Myanmar) and in 2015 (Albania and Tunisia).

In February 2016, during the high-level international conference for Syria (*"Supporting Syria and the Region"*), Italy announced the conclusion within the next three years of debt conversion agreements with Jordan and Lebanon totalling 50 million dollars, in order to help those countries and assist Syrian refugees. This commitment is part of an overall package of aid worth 400 million dollars that Italy will provide to countries in the region over the next three years.

During the three-year period 2016-2018, we will continue to implement the earlier conversion programmes and assess possible new initiatives together with the MEF. With regard to the 2009 plan, the agreement with Syria is still outstanding since the related negotiations have been suspended, while those with Indonesia (about 6 million euro) are ongoing. In terms of the 2012 plan, the agreement with Djibouti (14 million euro) has not yet been finalised. The debt conversion agreement with Cuba (13 million euro) was signed on 12 July 2016.

### Debt Cancellation

To date, as part of the Enhanced HIPC (*Heavily Indebted Poor Countries*) Initiative, Italy has signed 29 debt cancellation agreements that wrote off in full all debts to Italy accumulated by the beneficiary countries. The most recent agreements were signed with Guinea Conakry and Guinea Bissau in January 2016.

Of these 27 debt cancellation agreements, 23 are final in the strict sense defined by the Paris Club, as they were signed after the relevant HIPCs had reached the so-called *"completion point"*; the other agreements, reached with Burundi, Comoros, Liberia and Malawi, are not final in the strict sense because they were signed prior to reaching the completion point, but in fact eliminated all their liabilities to Italy because they were merely arrears, without a future due date.

With regard to those HIPCs that did reach the completion point, a bilateral agreement for the final cancellation of debt will be signed in 2016 with Chad, which signed a multilateral debt agreement with the Paris Club in 2015. Sudan, Somalia and Eritrea are eligible for recognition as HIPCs, but have not yet fulfilled all the conditions necessary for access to the initiative. Progress has been made recently with Sudan and Somalia, which are expected to reach the HIPC *"decision point"* within the next two years. This would be followed by the conclusion of multilateral agreements at the Paris Club and the related enabling bilateral debt cancellation agreements, for amounts that are significant for both countries. By contrast, there are no current prospects for an agreement with Eritrea.

As mentioned, a debt conversion agreement with Cuba (13 million euro) was signed on 12 July 2016. As an additional commitment made by Italy, this last agreement accompanies the bilateral

debt restructuring and cancellation agreement that Italy signed on the same date with Cuba, in implementation of the multilateral agreement signed between Cuba and the Paris Club in December 2015.

If the necessary conditions are met during the period 2016-2018, a debt management agreement might be signed with Zimbabwe that, based on the latest IMF and WB evaluations, does not qualify as an HIPC and, therefore, cannot benefit from the total write off of arrears.

### 3. Continuity and Innovation in the Action Plan

#### Best Practices and New Initiatives

##### ➤ *Best practices*

Over the next three years we intend to develop further certain threads in which initiatives and programmes have been carried out, or are in progress, that are considered “best practices” and can be extended to other countries in a regional context (especially Sub-Saharan Africa and the Mediterranean Basin). We also intend to launch flagship initiatives emblematic of Italian cooperation, projecting abroad an image of Italy that supports the values of solidarity and dialogue.

For example, to highlight the commitment of Italian cooperation to gender matters, we plan to strengthen our commitment to initiatives that fight discrimination and gender inequality, develop female entrepreneurship and support the education of women, along the lines of the “PAEF” programme carried out in Senegal.

#### PROGRAMME OF SUPPORT FOR THE PRIMARY EDUCATION OF WOMEN IN SENEGAL (PAEF)



*“When a woman farmer has access to, controls and manages land, she feels free, independent, respected, able to deal with men as equals and is, at last, aware that she can transform society, break traditions and change the mentalities that prevent other women, like her, from obtaining access to resources”*

**Aissatou Dème, president of a rural cooperative of 80 women in Kaolack, obtained a loan of 7,000 euro thanks to the Programme.**

Access to education and keeping young girls and adolescent women at school make a fundamental contribution to strengthening the processes of social, economic and political empowerment of women. The PAEF project - Programme of support for the primary education of women in Senegal, carried out together with the Senegalese Ministry of Education with a total investment of 2.8 million euro - is an example of the commitment of Italian cooperation to the education of women.

The programme involved 80 elementary schools and benefited about 20,000 girls, including support at each school for the respective mothers’ associations. The PAEF Plus programme has allocated 4 million euro to the secondary education of girls at 135 schools, including the training of personnel and the purchase of school materials.

This action is founded on a strategy that seeks to facilitate the elimination of gender barriers with work on awareness, training, the construction of separate toilet facilities, involvement of the community in the selection of schools and, above all, the full-time attendance of girls at the school, to keep them away from domestic work, sexual violence, early marriage, scholastic dispersion and under-age working. Support for the economic empowerment of the members of the mothers’ associations was another important aspect, resulting in the greater involvement of families and communities in the education of girls, while also expanding the freedoms available to women.

Initiatives addressing the rights of minors financed by Italian cooperation include those designed to strengthen the juvenile justice systems in compliance with relevant international standards, involving sector institutions where possible, as well as the competent international governmental and non-governmental organisations. The idea is to consolidate - leveraging the experience accumulated - the results of various initiatives carried out for the benefit of young people at risk and/or in trouble with the law.



#### CENTRAL AMERICA, MENORES Y JUSTICIA

This initiative by the Italo-Latin American Institute seeks to strengthen the juvenile justice system in three Latin American countries – Guatemala, El Salvador and Honduras – via both integrated, transverse action focused on minors and a process for defining and implementing alternatives to prison for children in trouble with the law, contributing to agreement among Central American countries on more suitable systems of juvenile justice. The programme strives for social inclusion, training and the return to society and economic activity of minors/young people in trouble with the law, drawing on the experience accumulated and the good practices consolidated at international level.

The programme looks for four macro-results: i) create/strengthen inter-institutional coordination networks; ii) train and specialise the technical personnel responsible for caring for minors and strengthen regulations; iii) take concrete action to improve pre-trial imprisonment and consolidate the mechanisms for resocialising juveniles and returning them to society and their communities; iv) enhance the tools of social communication.



Fresh focus on migration issues will be unavoidable, with the promotion of innovative initiatives to create jobs alongside the usual direct assistance for migrants and technical support for the local authorities that have to manage the phenomenon. On the one hand, particular attention will be given to leveraging the role of immigrant communities in the dynamics of economic development and income creation in their countries of origin, as well as return emigration, drawing on the model adopted by the PLASEPRI project in Senegal and the LIFE project – *Local Development Initiatives For Egypt with Egyptians abroad*, which finances entrepreneurial initiatives that benefit from the know how of the Egyptian communities in Italy. On the other, we will continue to provide technical education and professional training to young people, building on the positive experience accumulated, for example, in Egypt: the programme designed to create an integrated hub for technical education, to be applied in the industrial engineering and electro-mechanical sectors of the Fayoum Governorate, will be replicated in a suburb of Cairo in order to train photovoltaic and electrical installation specialists.



## SENEGAL, SUPPORT FOR PRIVATE ENTREPRENEURS, MICRO, SMALL AND MEDIUM-SIZED ENTERPRISES AND THE MIGRANT COMMUNITY IN ITALY: PLATFORM SUPPORTING THE PRIVATE SECTOR AND THE SENEGALESE COMMUNITY IN ITALY (PLASEPRI)

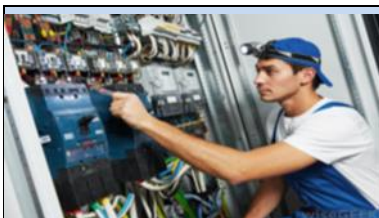


The PLASEPRI programme is considered to be a successful model. The European Union plans to refer to it when devising the initiatives of the EU Fund that addresses the root causes of migration.

The programme seeks to stimulate the private sector, involving potential entrepreneurs in the start-up of initiatives in Senegal and consolidating the results of activities already in progress; promote the economic role of women in the development process, innovation and investment in sustainable technologies; increase the productive capacity of micro, small and medium-sized Senegalese enterprises and their access to markets, with benefits for job creation and employment in areas at high risk of migration. Significant results have been achieved:

- 220 micro, small and medium-sized enterprises financed (150 using the micro finance line);
- more than 580 investment projects and 90 loan requests presented;
- 50% of the loans supported recourse to leasing for the purchase of production assets and services.

The programme is backed actively by the territorial organisations of both countries and the Senegalese associations present in Italy.



## EGYPT: TECHNICAL EDUCATION CLUSTER FOR EMPLOYMENT

*"It was a difficult year, but we managed to complete it with the help of our Italian and Egyptian teachers. The school enabled us to learn a new language, Italian, which is so musical. This school helped us to obtain great experience in the electrical field, turning us into exceptional electricians*

*ready for our future work".*

**Mohamed Osama, third-year student**

This initiative, financed in the context of the Debt Conversion Programme and the Egyptian National Fund for the Development of Education, seeks to create a technical and professional training hub in the industrial engineering and electro-mechanical sectors of the Fayoum Governorate, linking the technical education and professional training system with the needs of the jobs market and firms. The training path prepares young technical specialists, in order to bridge the gap between the requirements of the world of work and the skills of high school and post-high school graduates.

The hub comprises a technical college (two learning cycles: three years plus two years) and a higher technical college (two years) that issues a higher diploma in industrial plant maintenance. The scholastic programme includes apprenticeships that provide practical training with private firms in the sector, enabling the school managers to develop agreements with companies interested in the future employment of trained and competent personnel. In its fourth year, the technical college has about 600 students in the engineering and electro-technical streams.



The macro area comprising food security, resilience and agriculture will be strengthened, not least to consolidate the successes achieved at EXPO Milano 2015. With a theme of “*Feeding the Planet, Energy for Life*”, Expo 2015 was an extraordinary opportunity for Italian cooperation - in the context of European Development Year - to focus the attention of Italian public opinion on topics that are crucial for development, thereby increasing its awareness of the importance of personal conduct; contribute to the international debate on the negotiations that led to adoption of the 2030 Agenda; promote knowledge about the programmes of Italian cooperation, giving them proper visibility and stimulating the exchange of ideas.



### **The Milan Charter**

The Milan Charter is the cultural inheritance of Expo Milano 2015, a shared and agreed document that calls on all citizens, associations, firms and institutions to accept their own responsibilities in order to assure the coming generations of the right to food and a fairer and more sustainable future. The Milan Charter tackles four major themes included within the right-to-food framework:

- which economic and productive models can guarantee sustainable economic and social development?
- which of the various types of agriculture will manage to produce a sufficient quantity of healthy food, without damaging the water resources and biodiversity?
- which are the best practices and technologies for reducing inequality in the cities, where the majority of the human population is concentrated?
- how can food be elevated from a mere source of nutrition to a socio-cultural identifier?

In October 2015, on closure of the Expo, the Milan Charter was presented to UN Secretary General Ban Ki-moon as an Italian contribution to the international debate on sustainable development. The Italian cooperation follow-up to the Milan Charter will be a strengthened commitment to programmes and initiatives in the priority sectors of sustainable agriculture, food security and nutrition, especially in Africa, making the fight against poverty and inequality central to the cooperation strategy.



At the Expo, Italian cooperation presented more than 50 best practices in the field of food security and sustainable development at local level, providing models for the building of new initiatives in the coming years.

In particular, excellent results are being obtained from the principal value-chain approach taken to the support of productive systems, as assisted by the strengthening of associations and cooperatives, which are key to enabling family farms to overcome their obvious structural limitations. We intend to support and replicate these initiatives in other partner countries, adopting a regional approach where possible and using as models the initiatives in progress in Guatemala (coffee value chain) and Ethiopia (wheat value chain), with the participation of Italian enterprises in the sector.

Associations of small farmers, duly assisted to achieve adequate production quantity and quality standards, are occupying ever broader segments of their value chains, extending their activities to

include transformation, conditioning, distribution and sales, with the consequent creation of considerable value added and jobs, often with women and young people at the forefront. These sectors reflect our cultural identity and particular growth model and are worthy of support, applying the model of SMEs organised into small local districts. They represent a strength and, at the same time, are emblematic of the Italian growth model.



**GUATEMALA, WOMEN IN THE COFFEE VALUE CHAIN:  
LEVERAGE THE ROLE AND CAPABILITIES OF WOMEN,  
TRANSFORMING THE CULTIVATION OF COFFEE INTO A  
FUNDAMENTAL ELEMENT OF ECONOMIC GROWTH AND SOCIAL  
EMANCIPATION AT LOCAL LEVEL**



This initiative, carried out by the Overseas Agronomic Institute in collaboration with the Italo-Latin American Institute and the Guatemala National Coffee Association, seeks to improve the socio-economic condition of small coffee producers, strengthening their traditional cultivations via the use of new techniques with low environmental impact. Promotion, distribution and selling activities are carried out by farmers' cooperatives. These can diversify their income-earning opportunities by promoting complementary commercial activities, such as the cultivation and sale of mushrooms and the production of compost.

Some cooperatives have managed to export their coffee, due to contacts facilitated by the project and the involvement of Italian roasters, with a significant increase in revenue. In addition, four small roasting operations have been created, under the management of local women. The adoption of new techniques has resulted in significant water savings and the scrap from processing is used to make compost. Furthermore, new environmental protection techniques have reduced by 30% the use of phyto-pharmaceuticals to control stem rust.

The programme has been extended to a further six countries in Central America, with a view to creating a regional sales and distribution network.



**ETHIOPIA, SUPPORT OF THE OROMIA AGRICULTURAL VALUE CHAINS: WORK ON THE  
WHEAT VALUE CHAIN TOGETHER WITH THE PRIVATE SECTOR**

This initiative focused especially on durum wheat, achieving significant results and a major increase in local production.

The innovative aspect of the initiative was the work on the entire value chain: from the agricultural inputs to the transformation industry and the focus on the quality and quantity of production, as well as the strengthening of cooperatives by bringing farmers and local industries together around the same table as Italian manufacturers of sector machinery and technologies. In total, 40 Ethiopian and 10 Italian firms were involved. There are interesting prospects for the transformation industry, with some Italian and foreign manufacturers of pasta processing machines expressing strong interest in signing collaboration agreements with local operators. The current focus is on transformation activities, the supply of technologies and partnership agreements with local firms.



Various Italian NGOs, partnered with public and private bodies and organisations, work in Africa - on initiatives financed by the European Union, Italian regions and local authorities, foundations and the private sector - in sectors that are crucial for the socio-economic development and well-being of the population, such as renewable energies, agriculture, food security, education and healthcare.



### **HYDROELECTRIC POWER FOR 20 ISOLATED RURAL VILLAGES IN THE LUDEWA DISTRICT - TANZANIA**

*European Union loan with a grant from the Energy and Environment Partnership Programme of Southern and East Africa (EEP S&EA)*

ACRA, an Italian NGO, and the Njombe Development Office have worked for 7 years in the Ludewa district on a hydroelectric power programme at Mawengi Ward. A mini (300kW) hydro-power plant has been built to supply electricity to the 14,000 inhabitants of 7 villages. The experience at Mawengi and the positive impact of the supply of electricity on the well-being of the population and local economic development, have caused ACRA and its partners to devise a project, now being implemented in the Ludewa district, for the construction of a 1.7mW hydro-power plant on the Madope river, giving access to modern renewable energy services to the more than 53,000 inhabitants of 20 rural villages.



#### **➤ New initiatives**

We will strengthen our participation in sector initiatives and multi-actor partnerships to promote capacity building and the transfer of technology and know how, especially in order to strengthen national statistics systems and the related data collection and analysis, as well as to modernise the fiscal and taxation systems needed in order to mobilise domestic resources.



### **GLOBAL PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT DATA**

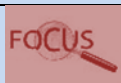
Monitoring the application of the 2030 Agenda and the evaluation of progress requires enhancement of the capabilities in the statistical records sector, drawing on the potential offered by the new ICT technologies.

Italy has joined the “*Global Partnership for Sustainable Development Data*”, which was launched at the UN Summit on Sustainable Development. The initiative seeks to define standards and principles for a new generation of data, overcome the lack of significant data - data which makes a difference to the lives of people, especially the poor and excluded - expand access to data and promote its update, exchange and use, and strengthen the ability of users and producers to monitor and assess the progress made towards achievement of the Sustainable Development Goals.

Over the next three years, Italian cooperation - with essential support from ISTAT technicians - intends to enhance efforts in these fields, consistent with the 2015 Action Plan “Statistics as knowledge: indispensable for cooperation, strategic for development”:

- carry out population censuses that, by photographing the socio-economic and demographic realities of each country, are indispensable for the planning of policies that are consistent with the real needs of the population;

- strengthen the ability of statistics institutes to develop modern systems, based on advanced technologies and methodologies and equipped with the internal governance needed, via quality control activities, to make best use of the data held by other public bodies;
- provide specialist training to young statisticians in the partner countries.



#### THE ADDIS TAX INITIATIVE

In July 2015, at the Addis Ababa Financing for Development Conference, Italy joined the “*Addis Tax Initiative*” (ATI) presented and launched by the United Kingdom, the Netherlands and Germany, with later support from the United States and various partner countries. With approval from the Ministry of the Economy and Finance, we considered it appropriate for Italy to participate in this sector of growing importance for international cooperation. The objective of the initiative is to increase the technical support provided in order to strengthen the fiscal and tax systems of developing countries and, in particular, the least developed countries. The partner countries that joined the initiative have committed to comply with a series of principles to facilitate the mobilisation of their domestic resources and promote their more effective use.

The ATI became operational very quickly. A “light” system of governance was defined, with a Secretariat and a Steering Committee comprised of donor and partner countries. A monitoring mechanism was also put in place: 2015 was set as the base year for checking the increase/doubling of technical support; reporting will use the DAC system; DAC has created a new sector code specifically for monitoring the flows. At the Italian end, MAECI and MEF have mapped the initiatives already in progress and those that are planned. AICS and the offices abroad will make contact with the competent authorities in partner countries in order to identify initiatives, starting with the countries that have joined and already carried out, or intend to carry out, both an assessment of their fiscal/taxation system and a needs analysis (TADAT Assessment), to ensure that the technical support provided is more targeted and effective.

## 4. Multilateral Development Banks and Funds

Our work in the context of the Multilateral Development Banks (MDB) is founded on the principles and objectives adopted at international level, including in particular the Sustainable Development Goals (SDG).

During the three-year period 2016-2018, the MEF will continue to guide and monitor the activities of the MDBs, establishing four main objectives:

- continue to develop the ability to guide the discussions and strategic decisions of the MDBs, in order to ensure - in line with the common objectives - their consistency with the priorities of the national agenda for development cooperation;
- pursue the effectiveness and efficiency of the MDBs supported;
- disseminate awareness about the MDBs to facilitate participation by Italian stakeholders in implementation of the projects and programmes financed by these institutions, as well as the presence of Italian citizens among the personnel and executives of the MDBs;
- facilitate the release of synergies between the Italian operators within the development cooperation system and the MDBs.

### MDBs and the 2030 Agenda

The MDBs played an active role in preparing for the third Financing for Development Conference, agreeing to:

- increase the direct funding for promotion of the 2030 Agenda;
- improve the leverage of their actions, in order to attract additional public and private resources for the promotion of sustainable development;
- strengthen the dissemination of knowledge and the promotion of best practices.

The MDBs now need to identify how to implement the commitments made. In order to increase the resources available for financing development projects and programmes, the first measures required are those to increase the effectiveness of capital usage, while preserving the financial solidity of each institution. Initial progress was already made in 2015. Consistent with the G20 recommendations, Italy will encourage the MDBs to identify new measures in pursuit of this objective. Similarly, checks will continue in order to contain the rise in their administrative expenses, including payroll.

The approval of a universal agenda, with objectives that go far beyond the mere eradication of extreme poverty, obliges the MDBs to decide which countries and sectors will receive their limited resources.

Italy will continue to insist that they support *in primis* the poorest countries.

With regard to the middle-income countries (MICs), the traditional approach that envisages their exclusion from MDB support on the attainment of certain economic conditions - the graduation policy - now seems too simplistic. In coordination with the other G7 countries, Italy intends to ask the MDBs to establish differentiated strategies for the MICs while still envisaging graduation, albeit taking the 2030 Agenda into account.

With regard to the action areas, as a general guideline it is essential that MDBs resist the temptation to agree to all customer requests, in order to concentrate on the SDGs for which they have consolidated experience and knowledge and, consequently, to maximise the effectiveness of their actions. Given that this orientation is already largely agreed, we do not expect the MDBs to change, in any significant way, the sector composition of their financing in the coming years.

This said, there is an area in which the MDBs have agreed to do much more in response to requests from the international community: the fight against climate change. Action will not be limited to the energy sector, but environmental considerations will influence the decisions made on all financed projects, with a view to generating benefits that support multiple development goals. Italy will support this approach, reiterating the dual need for each institution to comply with its specific mandate and for the actions of the MDBs to be coordinated with those of the numerous multilateral funds for the environment.

### **Multilateral Banks and Funds and International Emergencies**

In addition to facilitating sustainable development over the medium and long term, the MDBs also assist countries that experience economic and financial emergencies. Over time, globalisation has amplified the contagion from crises, broadening the scale of the action needed. In addition, the scope of action of the MDBs has expanded, offering support to countries in crisis after natural disasters, epidemics, pandemics and external shocks, whether political or otherwise. For this purpose, the MDBs have created instruments in order to mobilise and deliver rapidly the necessary aid. This said, the latest healthcare crisis linked to Ebola and the recent Syrian refugee crisis have highlighted a need to review the adequacy of these instruments, the list of countries eligible for emergency support and the conditions on which it is provided. The United Kingdom and the United States are among the promoters of this review. Italy intends to lend its support, while requesting at the same time a greater focus on the migration crises driven by economic factors. We also intend to reiterate that the response of MDBs to crises must not transform into humanitarian aid, which must continue to be provided by the institutions dedicated to this task.

### **2016: Year of Replenishment of Development Fund Resources**

Negotiations will be held in 2016 for the replenishment of the resources of the IDA (World Bank Group), the African Development Fund, the Asian Development Fund and the Special Development Fund (Caribbean Development Bank).

IDA, the desk of the World Bank Group for operations on assisted terms with the world's poorest countries, is the largest support fund. During the three-year period 2015-2017, IDA will invest about 52 billion dollars to promote sustainable development in 72 countries. Decisions made by the IDA often influence those adopted by the African Fund and, to a lesser extent, the Asian Fund.

In 2016, donors will agree the principal matters on which the Funds will concentrate their attention during the three-year period 2018-2020. Continuity with the recent past is expected, which would result in confirmation of the priorities, including: inclusive growth and the elimination of extreme poverty, gender equality, the fight against climate change and a focus on fragile countries and those emerging from conflict situations.



Italy supports all these priorities. We will also stress the need to focus renewed attention on the migration issues, promoting more incisively initiatives designed to create jobs in the countries of origin of the migrants. In this light, we will ask the MDBs to provide greater support for the development of the private sector in partner countries, including their SMEs in particular, and the adoption of innovative strategies to facilitate the convergence of private objectives and sustainable development goals. The 2030 Agenda indicates the private sector as a central player in the achievement of the SDGs, however for this to happen the business model will have to change, with assistance from the MDBs. With regard to the sectors addressed by action, we intend to ask the MDBs - especially the African Development Fund - to provide greater support for agriculture and the agro-food sector. Inclusive, modern and sustainable agriculture can, in fact, contribute to the achievement of several SDGs.

With regard to the Asian Development Fund, the decision taken by donors in 2015 to allow the transfer of resources to the Asian Bank has given it sufficient capital to take over all the assisted lending activities previously carried out by the Fund. The Fund has therefore become a desk for donations, mainly reserved for HIPC countries under the rules established by the International Monetary Fund. The 2016 negotiations for the replenishment of the Fund will reflect this transformation, in terms of both the reduced contributions requested from donors and the topics that will be discussed. Our priority will be to ensure support for Afghanistan and Myanmar, which are priority countries for Italian cooperation.

The economic development of many countries that access the resources of the Funds has led donors to reconsider how this funding is provided. In the past, the contributions were made with no expectation of repayment. This approach reflected the nature of the actions as donations or highly concessionary transfers. Over time, however, the extent of the concessions has diminished, except for the poorest or most heavily indebted countries. At the same time, the demand for loans has increased considerably, while the budget difficulties of many donors have not allowed the contributions to rise in proportion. Given this, the 2013 IDA introduced successfully, for the first time, the possibility of contributing via concessionary loans and donations. This year, the issue of how to finance the Funds will be addressed again by the IDA and, for the first time, by the African Fund. As in the past, we will support this option which, if appropriately structured, will benefit both the donors and the recipient countries. The former will reduce their non-returnable contributions, while the latter will have access to additional aid.

Our participation in the funds has decreased over time, due to the limited financial allocations available. Despite this, we remain among the top ten donors to each of the three Funds to be replenished. Our current participation is as follows: 4.63% in the African Fund, 2.14% in the IDA and 1.58% in the Asian Fund.

The objective for 2016 is to at least confirm, based on the financial allocations available under current legislation, our position in the IDA and the African Fund and our interest in the Asian Fund. Achievement of this objective will depend on a series of factors, including the financial situation that prevails in each replenishment and the positioning of the largest donors in the IDA and the African Fund. We will also have to assess the possibility of contributing with loans and not just donations, possibly in cooperation with other institutions, if the opportunity arises.

## Changes to the Global Financial Architecture and its Governance

The desire of emerging countries to increase their weight in the global financial architecture resulted, during 2015, in the creation of two new institutions: the *New Development Bank* (the BRICS Bank) created by Brazil, Russia, India, China and South Africa, based in Shanghai, and the *Asian Infrastructure Investment Bank* (AIIB).

The AIIB is a global institution that currently has 57 members, including 20 that are non-regional. At the same time, it is an institution with clear Chinese connotations: it is based in Beijing, its Chairman is Chinese and China is the largest shareholder, with almost 30% of the capital. Officially operational from 16 January 2016, the AIIB is currently working to recruit personnel and start operations, which might well be soon, via the co-financing of projects originated by the Asian Bank and the World Bank. The development of new projects by the Bank will necessarily require more time. Italy is a founder member of the Bank, but this can only be formalised following ratification by Parliament. For the first time in the history of MDBs, the Euro area members of the AIIB have agreed to belong to a single constituency with a voting power of about 15%, which will strengthen the position of its members.

Initiatives that might increase the weighting of emerging countries in the MDBs include the first five-year review of the reform of membership interests in the World Bank. Following the 2010 reform, it was decided to review the adequacy of representation every five years, starting from 2015, based on changes in the weighting of the various countries in the global economy. Analysis of the economic weight of the member States, together with their contribution to the mission of the Bank, commenced in 2015, in order to determine a dynamic formula for realigning quotas in accordance with valid principles that would also apply to future revisions. This discussion is accompanied by another on a possible increase in the capital of the Bank. Italy will follow this process carefully as, although strictly technical, it could result in a significant realignment of the relative weights of various groups of countries, as well as a need to contribute additional financial allocations should the majority of shareholders agree to the capital increase. In particular, we will insist - coordinating with other major donors - that the formula for the realignment of quotas gives proper weight to the contributions made to the World Bank Group via the IDA, and on the need for any discussion of possible capital increases to be based on realistic forecasts of demand that take proper account of opportunities that might derive from the more efficient use of IDA resources.

The influence of emerging countries in the Inter-American Development Bank Group is also increasing. Specifically, at the 2015 Annual Meeting in Busan, the Board of Governors of the Inter-American Development Bank (IDB) and the Inter-American Investment Company (IIC) approved consolidation of the activities with the private sector of the entire group within one entity (IIC) and an increase in the capital of the latter by about 2 billion dollars. The failure of certain shareholders (including the United States) to subscribe resulted in the purchase by China and Korea of significant blocks of shares not taken up under option. Following this, upon completion of the recapitalisation, China will raise its marginal 4.5% interest in IIC significantly, becoming the sixth largest shareholder and the largest non-regional investor. Italy considers it appropriate to subscribe to the capital increase of IIC in order to maintain its significant weight in the company, which could result in opportunities for Italian firms that want to invest in Latin America. We intend to present the legislation authorising that investment to Parliament in 2016, involving an estimated outlay of about 40 million euro by 2022.

Lastly, with regard to the EBRD, it is noted that China became the 67th member of the Bank on 15 January 2016. The interest held is minimal at the moment, but the decision reflects the desire of China to strengthen its links with Europe and acquire a role in an MDB based in Europe.

## 5. Effectiveness of Development Cooperation

### Greater Commitment to Effectiveness

The High Level Forum on Aid Effectiveness, held in Busan in 2011, was a watershed event for development cooperation policies, continuing the process to improve the quality and effectiveness of development aid that began with the Rome High-Level Forum on Harmonisation in 2003, which was followed by the Paris and Accra Forums in 2005 and 2008.

The Global Partnership has established a system for monitoring the effectiveness of development cooperation at both global and local levels, and has started a second exercise to monitor the commitments made in Busan ahead of the Second High-Level Forum to be held in Nairobi in November 2016 (the first monitoring exercise resulted in a report presented to the High-Level Forum held in Mexico City in 2014). More than 80 partner countries, as well as donors, Civil Society Organisations and private sector operators, will take part in the exercise.

Data collection is fundamental to guarantee the success of the monitoring exercise and obtain an updated picture of the progress made, determining what needs to be reviewed or adapted and what approach should be taken in future. The local representative offices of the UNDP will provide support to the partner countries and the cooperation offices abroad will contribute to the data collection process.

The Italian development cooperation system now has to apply the Busan aid effectiveness principles that were adopted in full in Law 125/2014. We will concentrate our efforts on the division of labour including, in particular, joint programming, respect for the priorities of partner countries and transparency.

#### The Busan principles

- **Ownership** - full appropriation of development processes by partner countries
- **Inclusive partnerships** for development
- **Focus on results**
- **Transparency and accountability**



### Joint Programming

In order to increase the effectiveness of development cooperation activities, our planning in partner countries needs to include joint programming which - as defined by the European Union - is a process that results in an agreed document covering all the programmable aid for a country, including a joint strategy responsive to the development strategy of the partner country and a division of labour at country level (indicating the roles of the member States by sector and indicative allocations). Joint planning has many benefits: strengthens the effectiveness and consistency of aid, increasing its impact and improving its results, reduces fragmentation, increases the transparency, predictability and responsibility of donors, consolidates our role as a donor, strengthening our collaboration with partner countries and leveraging the bilateral actions under way, and offers the chance of concrete synergies with other bilateral programmes.

Since 2014, EU joint programming is carried out in 55 partner countries and will be extended further. At this time, 20 offices of the Italian development cooperation network abroad are participating pro-actively in joint programming, working closely with the EU delegations and member States, albeit with differences in the extent of the progress made. We will continue to optimise the conditions that ensure our consistent and regular participation in the joint

programming process, enabling us to play a lead role in the sectors of interest to us as part of the “division of effort”.

In particular, three new aspects of joint programming are currently being examined and discussed in Brussels: i) synchronisation of planning cycles (partner countries, the EU, MDs), which could be trialled in two-three countries (Senegal, Ethiopia and Palestine); ii) possible replacement, starting from some pilot cases, of bilateral planning documents with a single joint document; iii) concrete prospects for extending the exercise to other countries.

Again in terms of effectiveness, Italy will make a greater commitment to the **consistency of development policies**, participating in the current debate within the EU and the OECD on the “consistency of sustainable development policies” in relation to the relevant commitments envisaged in the 2030 Agenda (Target 17.14), as well as with regard, more generally, to the “link” between their internal and external applications. Internally, the CNCS Working Party on the “*Follow-up to the 2030 Agenda for sustainable development: consistency of policies, effectiveness and evaluation*” may contribute to the preparation of an Action Plan on the Effectiveness and Consistency of Development Policies.

Operationally, it will be necessary to update the guidelines for aid effectiveness (Effectiveness Plan III) adopted in 2012, making reference to the recently-updated DAC Directives on the notification of ODA data, and define a monitoring and evaluation system that includes qualitative and quantitative indicators, consistent with the OECD-DAC indicators, and a reference framework based on the results achieved at the various levels (progress in partner countries, contribution to that progress, performance), in line with the “*Development Results Framework*” of the European Union.



### **Evaluation**

In 2014, DGCS adopted a “Three-year evaluation plan” that embodied the existing Guidelines, as well as the planning guidelines for the three-year period 2014-2016, which is still in progress.

Selection of the sectors and countries to be assessed was based on the desire to strengthen the management of resources in terms of transparency, effectiveness and efficiency, and the need to know in order to be able to innovate, improve results, define development cooperation strategies and priorities, and facilitate the exchange of experiences with other cooperation agencies. Evaluation exercises are founded on the principles, methodologies and best practices consolidated at international level, OECD-DAC in particular, with a special focus on the results-based approach.

Projects financed by DGCS in Ethiopia and Lebanon will be assessed in 2016. These addressed such priority sectors as: endogenous, inclusive and sustainable development of the private sector; response to humanitarian crises and the transition to development; protection of cultural heritage. In addition, the 2017-2020 evaluation plan will commence.

In order to obtain maximum effects from the cooperation with our partners, it is necessary for all stakeholders involved at the various levels to act in a consistent and agreed manner. Monitoring and evaluation are, therefore, an integral part of each development cooperation initiative, regardless of the scale of the investment. As such, it is appropriate to create the necessary financial conditions for the evaluation process to play a full role in managing the cooperation initiatives and, therefore, apply to all programmes.

Against this background, we believe it essential to focus on the formalisation of a system of management responses to evaluations, so that their results can influence the strategic and operational decisions made, especially via effective dissemination to operators within the Italian development cooperation system and the partner countries.

Specifically in order to take account of certain observations that emerged during the latest OECD-DAC Peer Review, DGCS has established an Evaluation Consultative Committee that includes independent members, representing the Universities, the members of the Civil Society Organisations participating in the “Effectiveness Group” and the Italian Evaluation Association. This Committee is tasked *inter alia* with expressing an opinion on the evaluation plan and examining its implementation status, and then preparing an opinion both on the quality of the evaluations made with respect to the international standards (OECD-DAC) and on the operational follow-up to them. The Evaluation Guidelines are also being updated with support from this Committee, with which the ITALIAN AGENCY FOR DEVELOPMENT COOPERATION is associated.

### Transparency and Communication

The orientation that emerged from the Busan High-Level Forum is one of transparency, the sharing of information and open data, maximising the potential of the Internet.

We will continue to give maximum attention to transparency, the dissemination of information, communications and reporting, in order to inform the public about the choices made, the actions taken and the results achieved.

The Agency is creating its own website and a database that, by gathering all the information about the cooperation initiatives carried out and in progress, will support the implementation of programmes, the management of actions and the implementation of monitoring and control procedures.

The website will enable direct, permanent and interactive contact with citizens and the Civil Society Organisations involved in development and cooperation. Comprising three interconnected areas, it will provide transparent information that meets in full the accountability requirements of citizens, in line with the Transparency Plan to be formalised during 2016.


The central part of the website will present the organisation of the Agency and the Italian cooperation system, the sector policies, the flagship initiatives, the most important news, information about calls for applications, job opportunities, contact details and the principal laws and regulations that are applicable. Links will be maintained to the web pages of the current Development cooperation website, which will act as an archive for the wealth of information and documentation already accumulated.

The new website will seek to ensure greater consistency, in terms of the image and content of the various websites and accounts of the foreign offices of the Agency, as well as to develop precise and attentive information for the social network media (Facebook, Twitter, YouTube), with a view to doubling in 2016 the current number of contacts by providing daily information and updates about the activities of the Italian development cooperation system.

***“We will work to improve the availability and public accessibility of information on development co-operation and other development resources, building on our respective commitments in this area”***  
**Busan declaration**



➤ **Open Aid**

Italian cooperation implemented the “Open Aid”  platform in 2014, making available data and information about Italian Official Development Assistance including, in particular, the volume and destination of the funds allocated to development cooperation initiatives and programmes since 2004.

The platform contains data and information supplied by the Italian public administrations that Italy communicates every year to the OECD-DAC, in the *Credit Reporting System* (CRS) format, which is then certified by the latter and published on the OECD website.

Open Aid is already a project at the forefront internationally and is set to become even more innovative when, during the current year, the release of enhancements improves the collection and publication of data from more than 500 public cooperation operators and, in future, data relating to private charitable flows, private flows at market terms and other official flows not representing ODA.

Open Aid is designed so that its data and information are compatible with the “*International Aid Transparency Initiative – IATI*”. Italy has announced its intention to join the IATI, contributing to the creation of the “common standard” agreed at Busan, which takes account of the differences between the two systems currently used at international level: DAC (historical and planned) and IATI (operational).

➤ **Web magazine containing analysis**

Each month, DGCS publishes “*La Cooperazione Italiana Informa - News from Italian cooperation*” containing information about our development cooperation activities. The magazine contains experiences, interviews, analysis and documents of interest to sector operators, collaborators, volunteers, researchers, academics and all those who follow development matters. Available in electronic format as well, the magazine can be found on the Italian cooperation portal and is sent electronically to a large number of recipients: this version also contains information, analysis and documents of public interest.



The new web magazine or an updated version of the monthly magazine will allocate additional space for discussions, contributions from development experts, the officials of international organisations and Civil Society operators, giving room for field analysis, job opportunities, editorials and contributions from academia and Italian and international research centres. The objective is to become the Italian point of reference for the debate on development policies and the agenda for our cooperation, seeking over time to present the Italian development vision and agenda at an international level.

## 6. Resources

### Official Development Assistance in 2016-2018: DGCS and the ITALIAN AGENCY FOR DEVELOPMENT COOPERATION activity budget allocations

Europe has promised to allocate 0.7% of GNI to development cooperation by 2030, being the time horizon of the new Agenda.

Italy has agreed a gradual realignment with the international commitments and a steady increase in the resources allocated for development cooperation. This commitment was reiterated at the Addis Ababa Conference, during which the Prime Minister announced, ahead of the Italian Presidency of the G7, that we aim to become one of the top 4-5 countries of the Group with a ODA/GNI ratio of 0.24%.

The Stability Law (budget) envisages a gradual increase in the funding of development cooperation over the three-year period, by 120 million euro in 2016 (about 40% more), 240 million euro in 2017 and 360 million euro in 2018. This increase and subsequent increases should progressively allow the rebalancing of the bilateral - multilateral ratio.

To achieve these objectives, the next Stability Law will have to allocate even more resources. As established in Law 125/2014, planning for the following year will commence prior to the autumn budget session. The Minister and Deputy Minister, assisted by DGCS and drawing on support from the Agency, will allocate the resources for each channel - multilateral, bilateral - as well as for emergencies and individual countries.

In addition, in order to meet the political financial commitments made during the year in the area of development cooperation that are not included in the plan - such as those made during international conferences - it will be appropriate to introduce legislation that guarantees the related coverage via allocation of the corresponding resources. In this way, it would be possible to honour the political commitments without prejudicing implementation of the three-year strategic plan.

DIRECTORATE GENERAL FOR DEVELOPMENT COOPERATION - DGCS			
	2016	2017	2018
MANDATORY CONTRIBUTIONS TO INTERNATIONAL BODIES	51.54	51.50	51.42
CONTRIBUTION TO THE EUROPEAN DEVELOPMENT FUND (EDF)	470.00	470.00	470.00
<b>DGCS ACTIVITY BUDGET ALLOCATIONS</b>	<b>521.54</b>	<b>521.50</b>	<b>521.42</b>
ITALIAN AGENCY FOR DEVELOPMENT COOPERATION - AICS			
ACTION	273.38	392.28	512.28
HUMANITARIAN DEMINING	0.60	0.59	0.58
FUNDS COMMITTED TO CURRENT ACTION	94.35	-	-
RESIDUAL 2015 ALLOCATION	38.45	-	-
FUNDS FOR IMPLEMENTING EUROPEAN POLICIES - IGRUE	65.00	-	-
RESOURCES FOR INTERNATIONAL MISSIONS	91.70	-	-
<b>AGENCY ACTIVITY BUDGET ALLOCATIONS</b>	<b>584.50</b>	<b>392.87</b>	<b>512.86</b>
<b>TOTAL DGCS AND AGENCY ACTIVITY BUDGET ALLOCATIONS</b>	<b>1,106.04</b>	<b>914.37</b>	<b>1,034.28</b>

The composition of Italian Official Development Assistance (ODA) does not enable specific planning objectives to be established for the allocation of total resources by country or sector. In particular, a significant component of our ODA comprises resources for the multilateral channel (mandatory contributions to international bodies, multilateral funds and development banks) and the bilateral channel that cannot be planned and allocated by country/sector.

Based on the strategic orientations outlined in this document and by making reference to the ODA data for 2014, the planning objectives have been translated into estimated distributions of the bilateral resources available by country/sector.

The attachments include the ODA for 2010-2014, the final Italian ODA for 2014 and the 2015 data communicated to the OECD, but not yet validated and published.

### **Official Development Assistance in 2016-2018: MEF activity budget allocations**

The resources available under the current legislation for the three-year period total 1,291.91 million euro, of which 975 million euro for participation in development funds, 67.12 million euro for subscription to the capital increases in progress of development banks and 249.79 million euro for other multilateral initiatives, including debt cancellation (*Multilateral Debt Reduction Initiative*) and those relating to vaccines (*Advance Market Commitment, IFFIm*).

Except for the replenishment of 90 million euro during the three-year period 2016-2018 allowed by the 2016 Stability Law, all these resources are committed to obligations already accepted. The resources not yet committed and those made available under post-2018 legislation will cover new commitments to the development funds.

### **Resources of the Revolving Fund**

#### **➤ Concessional loans (art. 8 of Law 125/2014)**

The estimated amount available at 31 December 2015 for new loan aid initiatives totals about 319 million euro.

This amount is determined by deducting from the gross availability of the Revolving Fund, Euro 2,679,841,346.31:

- a) the amounts already committed for operations approved by the Management Committee (under art. 9 of Law 49/87) and authorised by decree of the Ministry of the Economy and Finance (MEF), totalling Euro 1,460,489,543.60;
- b) the amounts relating to operations approved by the Management Committee but not yet authorised by MEF decree, totalling Euro 95,000,000.00;
- c) the amounts relating to operations for which political understandings have been reached with the counterpart but not yet presented for approval, totalling about Euro 805,500,000. In this regard, general consideration will be given to the lasting validity, at political level, of the commitments signed.

Repayments during the period 2016-2018 are estimated to total the equivalent of about 351 million euro (an average of about 117 million euro in each year, net of cancellations and the conversion of agreements already signed).

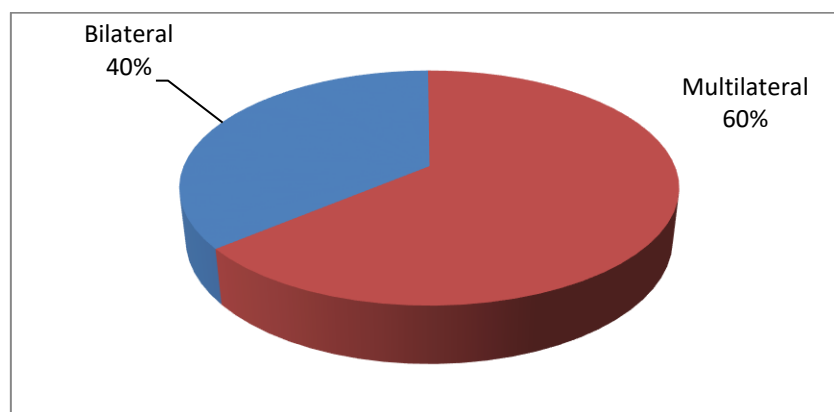
Payments during the three-year period are estimated to total about 240 million euro (an average of about 80 million euro in each year). This forecast is highly approximate as, typically, payments depend on factors beyond the control of the Italian administration (applications from beneficiaries, authorisations of lenders, additional investigative work etc.).

➤ *Assisted loans for mixed enterprises (art. 27 of Law 125/2014)*

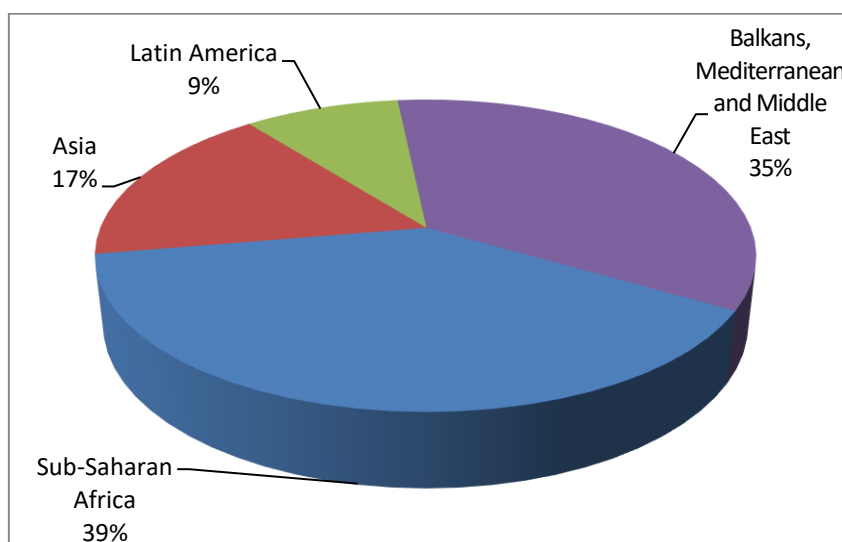
The instrument of assisted loans to Italian firms for the formation of mixed enterprises in partner countries has been heavily under-utilised for many years; accordingly, the legislator has dedicated particular attention to revitalising it by introducing new forms of support (e.g. advance loans, establishment of a guarantee fund for loans granted etc.). At this time, it is not possible to forecast how this instrument will be used in the coming years. At 31 December 2015, the net funds available in the art. 27 sub-account total Euro 105,192,482.14.

## Estimated Allocation of ODA

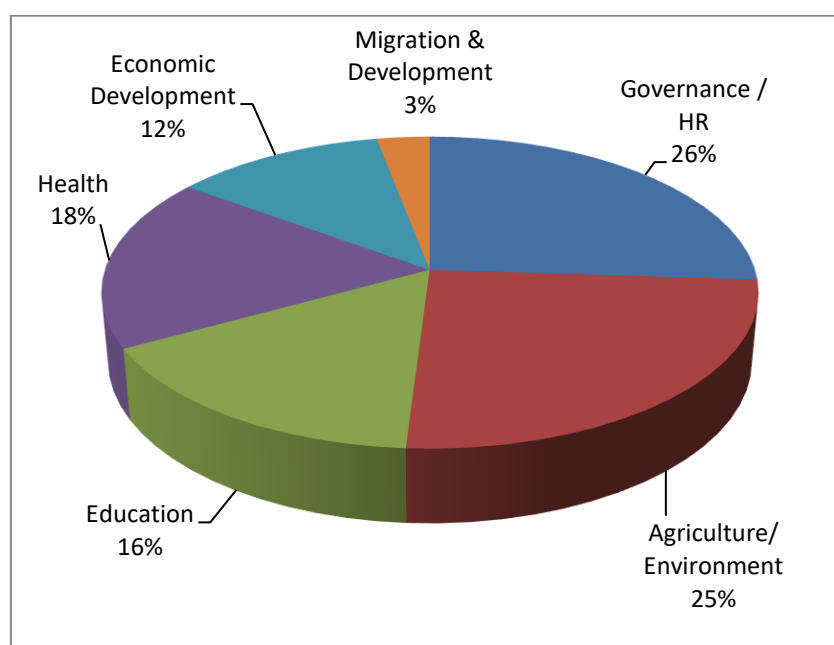
### 1. Estimated Allocation by Channel of Delivery



### 2. Estimated Distribution by Geographical Area (bilateral available for allocation by country/sector)



### 3. Estimated Distribution by Sector (bilateral available for allocation by country/sector)



## **New System for the Measurement of Development Finance**

Following adoption of the Addis Ababa Action Agenda, it is necessary to devise a new, modern system for measuring flows that makes it possible to leverage and incentivise development finance and take account of the different sources of funds (public, private, domestic, international) and various development operators. DAC is carrying out detailed technical work to update the statistics system and revise the methods for measuring development finance, which will be completed at the end of 2016.

A key initial result has been agreement on changing the method for measuring ODA, in particular with regard to how the grant element is calculated: the change from the current system based on cash flows (payments less reimbursements) to a grant equivalent system based on the intensity of the assistance will take place in 2016. The grant element will be calculated using the discount rate used by the IMF, which is currently 5%. A risk factor will be added to that rate, based on the income category of the countries concerned: (i) 4% for least developed countries (LDCs) and low income countries (LICs), (ii) 2% for low and middle income countries (LMICs) and (iii) 1% for upper middle income countries (UMICs). In addition, a grant element threshold has been fixed that also depends on income category: 45% for LDCs and LICs, 15% for LMICs, 10% for UMICs.

In the context of revising the OECD-DAC Directives for the communication of data, methodologies are being devised for measuring the public support for recourse to the private sector and the use of mobilised private resources. In order to monitor the progress made on achievement of the Sustainable Development Goals, the sector codes and markers are also being updated.

At the same time, DAC is working to define a new measure of public finance for development – *“Total Official Support for Sustainable Development”* (TOSSD) – which looks at the variety of the instruments used to facilitate the economic and social development of partner countries, including the public finance that mobilises additional private resources for investment in development activities; this broader and all encompassing measurement of ODA does not replace, but rather complements the current ODA, and includes all the grant and non-charitable resources that contribute to development; a measure that takes full account of such enablers of development as funding for the climate and the environment and for peace and security activities, allowing all flows to partner countries to be monitored and the progress made towards sustainable development to be measured, truly taking us *“Above and Beyond Aid”*.



## **ANNEXES**

- **ODA in 2010-2014**
- **Italian ODA in 2014**
- **Italian ODA by Channel of Delivery in 2014**
- **Geographical Allocation of Bilateral Allocable ODA by Country in 2014**
- **Geographical Allocation of Bilateral Allocable ODA by Sector in 2014**
- **Distribution of Bilateral ODA in 2014**
- **Italian ODA in 2015**

## ODA in 2010-2014

ODA/GNI% (in decreasing order with respect to 2014 data)

	2010	2011	2012	2013	2014
Sweden	0.97	1.02	0.97	1.01	1.09
Luxembourg	1.05	0.97	1	1	1.06
Norway	1.05	0.96	0.93	1.07	1
Denmark	0.91	0.85	0.83	0.85	0.86
United Kingdom	0.57	0.56	0.56	0.71	0.7
Netherlands	0.82	0.75	0.71	0.67	0.64
Finland	0.55	0.53	0.53	0.54	0.6
Switzerland	0.39	0.46	0.47	0.46	0.51
Belgium	0.64	0.54	0.48	0.45	0.46
Germany	0.39	0.39	0.37	0.38	0.42
Ireland	0.52	0.51	0.47	0.46	0.38
France	0.5	0.46	0.45	0.41	0.37
Australia	0.32	0.34	0.36	0.33	0.31
Austria	0.32	0.27	0.28	0.27	0.28
New Zealand	0.26	0.28	0.28	0.26	0.27
Canada	0.34	0.32	0.32	0.28	0.24
Iceland	0.29	0.21	0.22	0.25	0.22
Italy	0.15	0.2	0.14	0.17	0.19
Japan	0.2	0.18	0.17	0.23	0.19
Portugal	0.29	0.31	0.28	0.23	0.19
United States	0.2	0.2	0.19	0.18	0.19

Source: OECD-DAC - Final data

ODA in millions of US dollars (in decreasing order with respect to 2014 data)

	2010	2011	2012	2013	2014
United States	29,656.36	30,966.21	30,652.38	31,266.66	33,095.50
United Kingdom	13,052.97	13,832.36	13,891.44	17,871.35	19,305.70
Germany	12,985.36	14,092.94	12,939.49	14,228.26	16,566.20
France	12,915.10	12,997.24	12,028.27	11,338.93	10,620.32
Japan	11,057.74	11,086.18	10,604.51	11,581.59	9,266.29
Sweden	4,533.49	5,603.12	5,239.79	5,827.29	6,232.72
Netherlands	6,357.31	6,343.96	5,522.84	5,435.45	5,572.97
Norway	4,371.56	4,755.59	4,752.99	5,581.36	5,085.94
Australia	3,826.10	4,982.91	5,402.70	4,845.55	4,382.42
Canada	5,214.12	5,458.56	5,650.26	4,947.24	4,240.04
Italy	2,996.39	4,325.97	2,737.13	3,441.80	4,009.18
Switzerland	2,299.95	3,050.95	3,052.13	3,200.12	3,521.94
Denmark	2,871.24	2,931.13	2,692.59	2,927.46	3,003.27
Belgium	3,003.93	2,807.41	2,314.86	2,299.54	2,448.02
Finland	1,332.95	1,406.04	1,319.71	1,435.36	1,634.57
Austria	1,208.42	1,111.37	1,105.75	1,171.49	1,234.52
Ireland	895.15	913.56	808.36	845.85	815.79
New Zealand	342.22	424.15	449.10	457.31	506.14
Portugal	648.96	707.82	580.78	488.32	430.23
Luxembourg	402.69	409.24	399.03	429.32	423.22
Iceland	28.75	25.57	26.12	34.91	37.33

Source: OECD-DAC

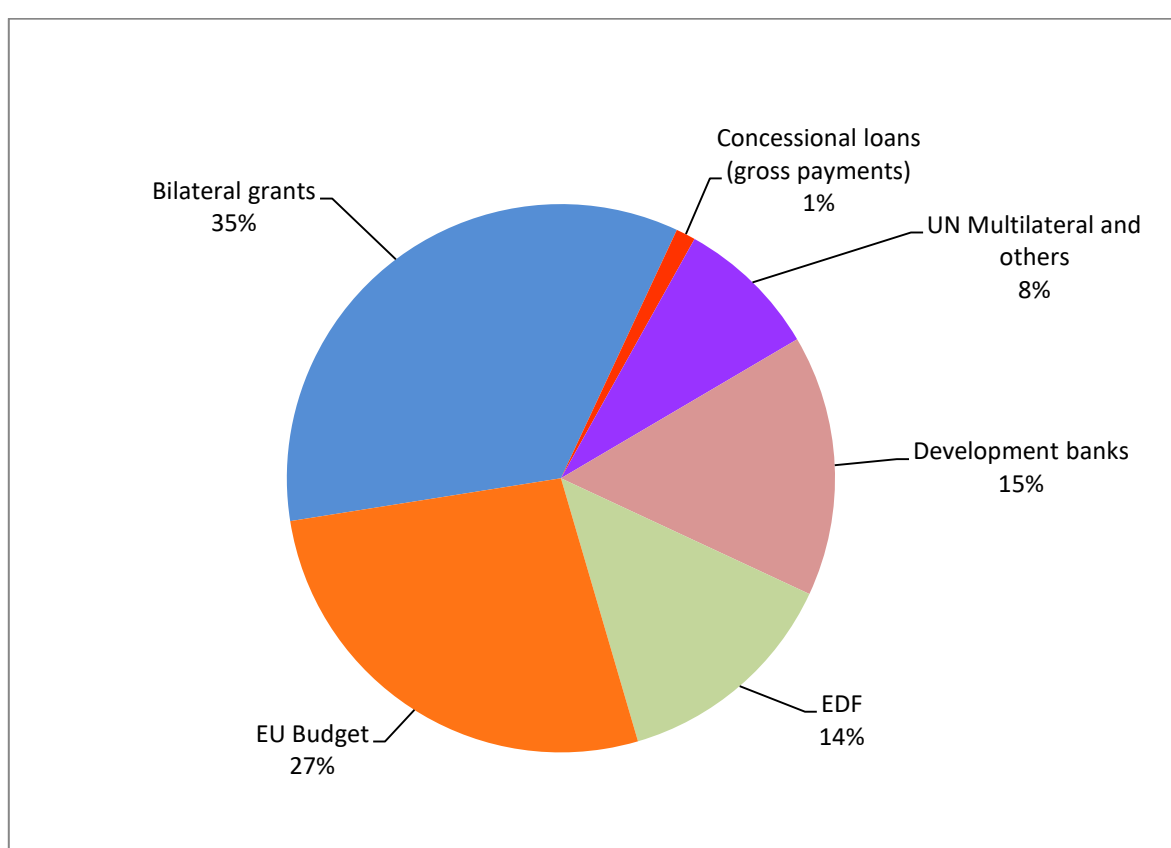
## Italian ODA in 2014

<i>(millions of Euro)</i>	
MAECI	457.7
Directorate General for Development Cooperation (DGCS)	363.65
Other Directorates General	90.27
Ministry of the Economy and Finance (MEF)	1,810.43
- EDF	417.61
- EU	834.72
- WB Group	341.12
- Regional banks	134.35
- IFAD	19.00
- Other multilateral funds	63.62
Ministry of the Interior	632.34
Ministry of the Environment	29.97
Ministry of Health	12.62
Ministry of Education, the Universities and Research	4.87
Ministry of Defence	3.27
Prime Minister's Office – Department of Civil Protection	0.54
Ministry of Economic Development	0.34
Ministry of Cultural Assets and Activities	0.04
Regions, Provinces and Municipalities	14.07
Other Public Bodies and Universities	76.03
<b>TOTAL ODA (net)</b>	<b>3,042.09</b>
Gross National Income (GNI)	1,614,001.00
<b>ODA/GNI ratio</b>	<b>0.19%</b>

## Italian ODA by Channel of Delivery in 2014

	(millions of Euro)
Bilateral grants	1,063.66
Concessional loans (gross payments)	35.68
UN Multilateral and others	260.30
Development banks	475.48
EDF	417.61
EU Budget*	834.72
<b>TOTAL ODA</b>	<b>3,087.45</b>

\* gross payments, including the reimbursement of concessional loans

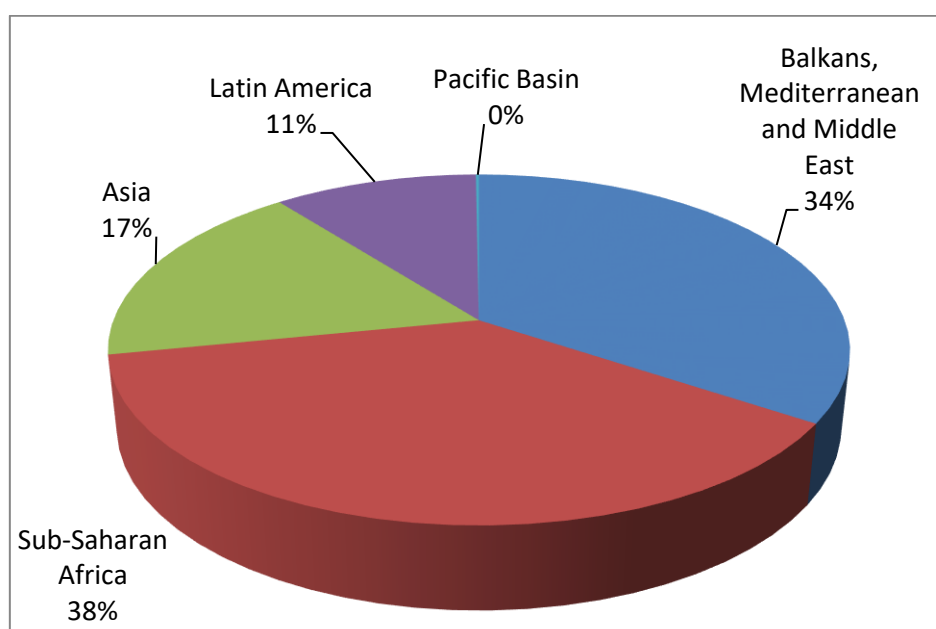


Source: OECD-DAC

## Geographical Allocation of Bilateral Allocable ODA by Country in 2014

	(millions of Euro)
Balkans, Mediterranean and Middle East	128.12
Sub-Saharan Africa	140.68
Asia	65.38
Latin America	39.21
Pacific Basin	0.57
<b>Total*</b>	<b>373.95</b>

\* gross payments, including the reimbursement of concessional loans



Source: OECD-DAC

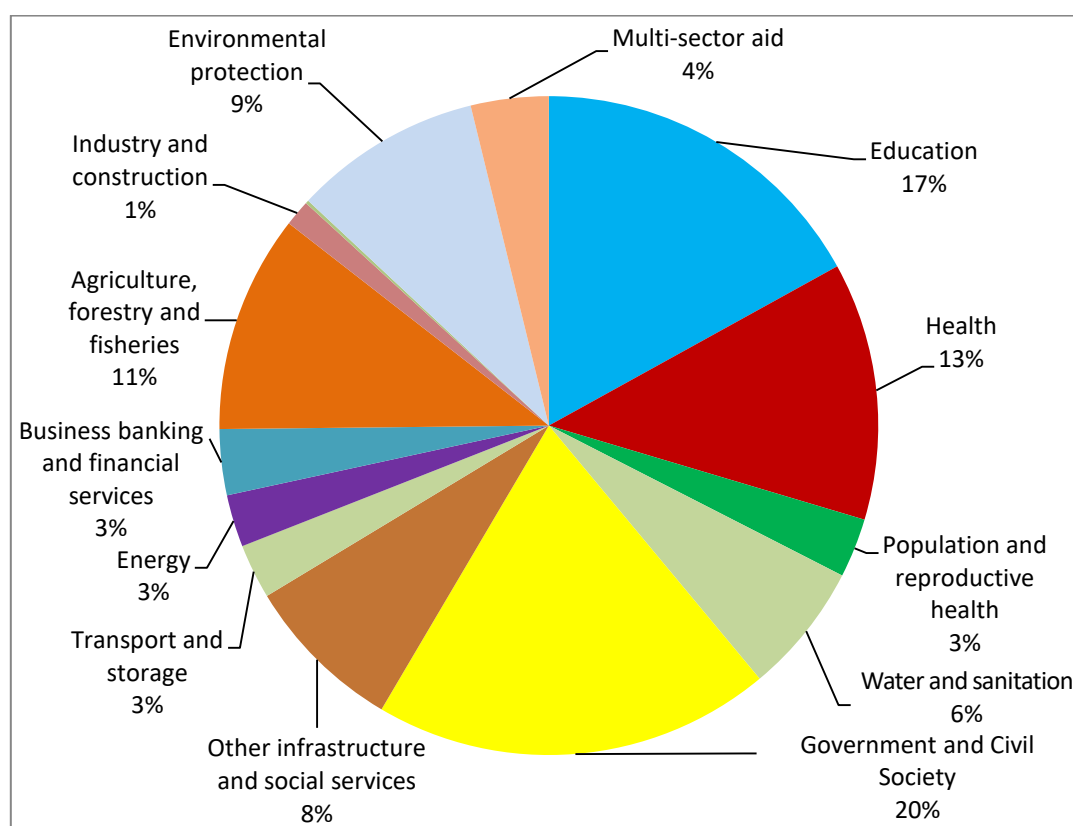


# Geographical Allocation of Bilateral Allocable ODA by Sector in 2014

(millions of Euro)

Infrastructure and social services		
	Education	55.30
	Health	41.20
	Population and reproductive health	9.48
	Water and sanitation	20.94
	Government and Civil Society	63.65
	Other infrastructure and social services	25.64
Infrastructure and economic services		
	Transport and storage	8.72
	Communications	0.05
	Energy	8.36
	Business banking and financial services	10.52
Productive sectors		
	Agriculture, forestry and fisheries	34.83
	Industry and construction	4.17
	Commerce and tourism	0.52
Multi-sector		
	Environmental protection	30.06
	Multi-sector aid	12.43
Total *		325.86

\* gross payments, including the reimbursement of aid loans

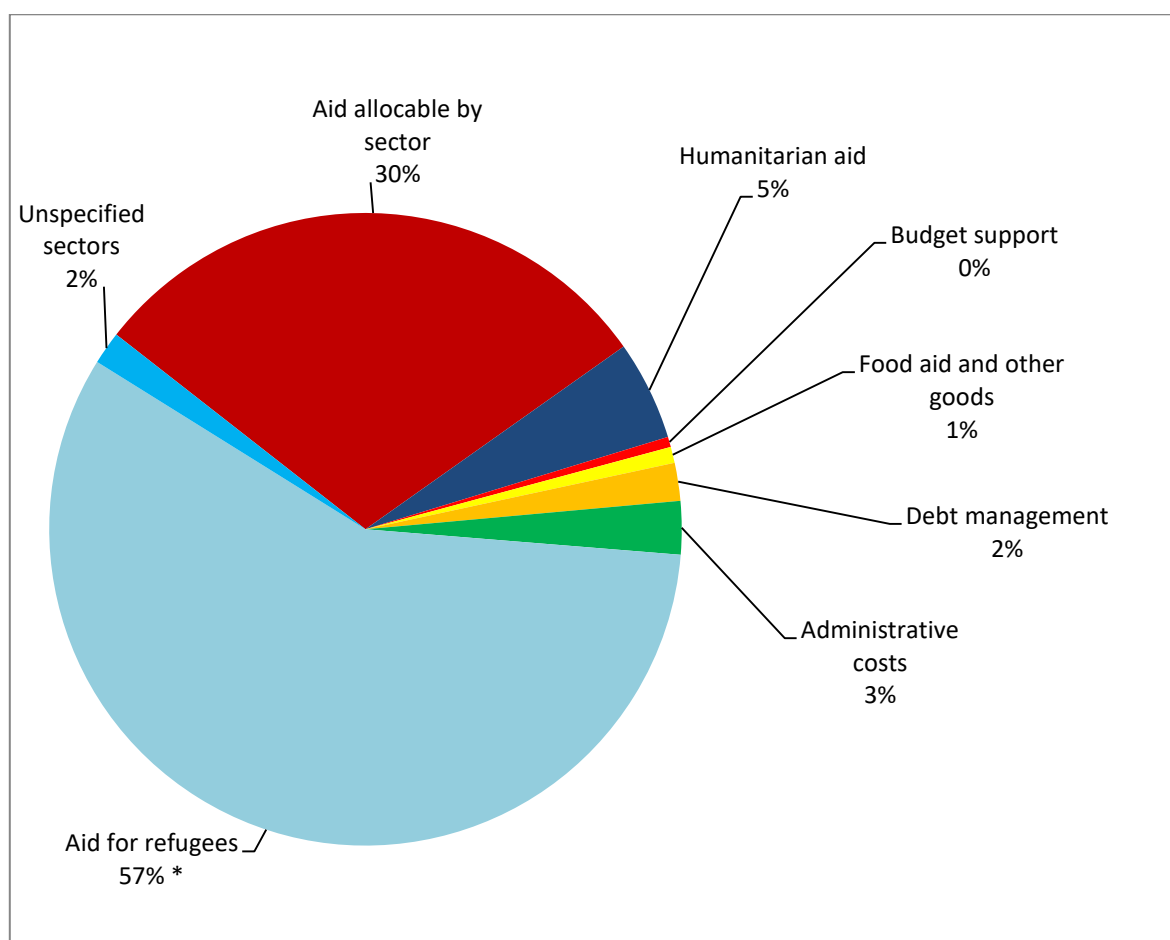


Source: OECD-DAC

## Distribution of Bilateral ODA in 2014

<i>Gross payments</i>	<i>(millions of Euro)</i>
Aid allocable by sector	325.86
Humanitarian aid	55.92
Budget support	5.76
Food aid and other goods	9.02
Debt management	21.31
Administrative costs	29.90
Aid for refugees	633.06
Unspecified sectors *	18.51

\* Contributions to international NGOs and PPPs, work to increase awareness of development cooperation



Source: OECD-DAC

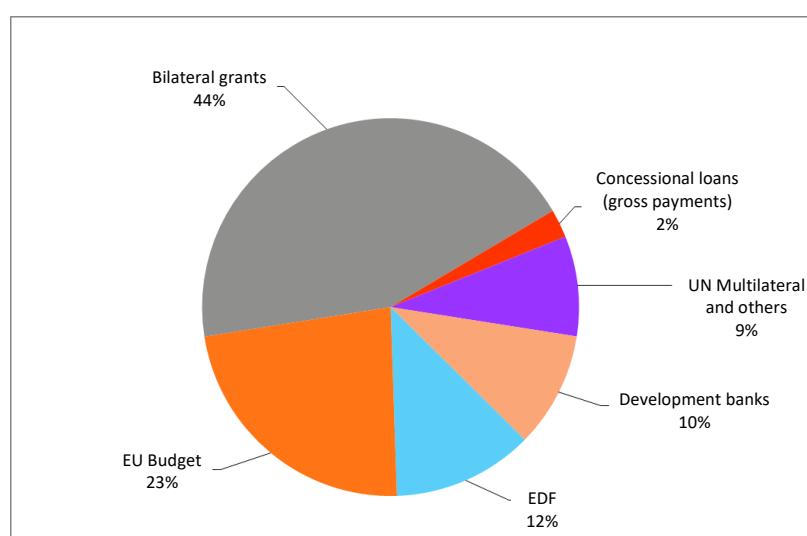
\* Resources in addition to funding for development cooperation (humanitarian aid for refugees)

## Italian ODA in 2015

The following table and charts present the 2015 ODA data for MAECI and the other administrations. The data has been communicated to the OECD and will be validated and published at the end of 2016.

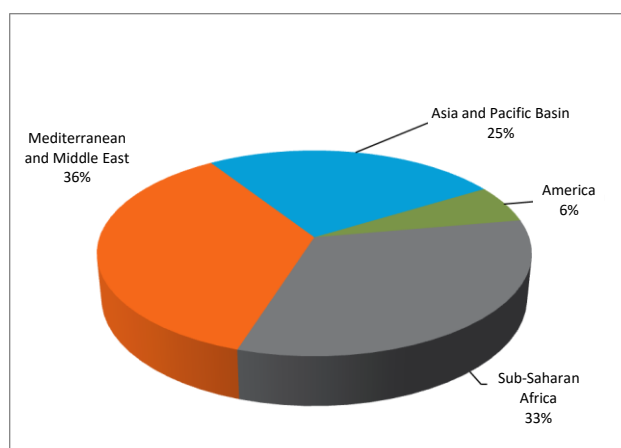
2015 ODA Data	Millions of Euro	%
MAECI – Directorate General for Development Cooperation (DGCS)	882.35	24.51%
MAECI – Other Directorates General	171.53	4.77%
Ministry of the Economy and Finance	1,276.23	35.45%
Ministry of the Interior (Refugee Costs)	886.56	24.63%
Ministry of the Environment	97.59	2.71%
Ministry of Health	14.05	0.39%
Ministry of Education	25.65	0.71%
Ministry of Defence	2.06	0.06%
Ministry of Economic Development	0.20	0.01%
Other Ministries	0.29	0.01%
Artigiancassa (concessional loans – net payments)	104.13	2.89%
Regions, Autonomous Provinces and Municipalities	19.07	0.53%
Other Public Bodies and Universities	12.47	0.35%
0.8% tax deduction	92.20	2.56%
0.5% tax deduction	15.22	0.42%
<b>TOTAL ODA</b>	<b>3,599.59</b>	
<b>Gross National Income (GNI)</b>	<b>1,633,358</b>	
<b>ODA/GNI ratio</b>		<b>0.22%</b>

## Italian ODA by Funding Channel in 2015

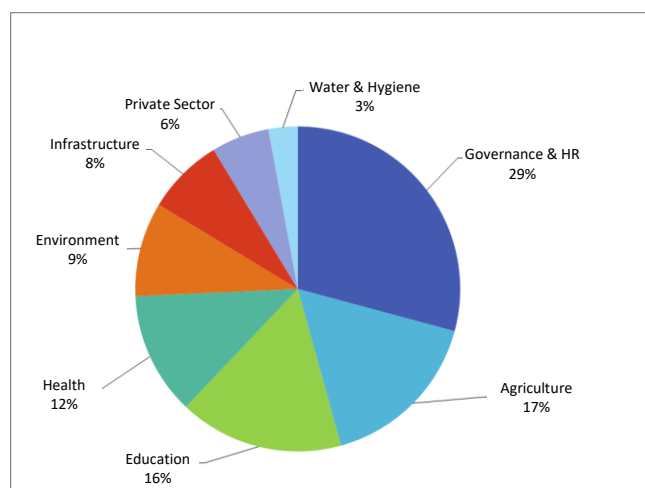


Source: DGCS (data sent to DAC, not yet published)

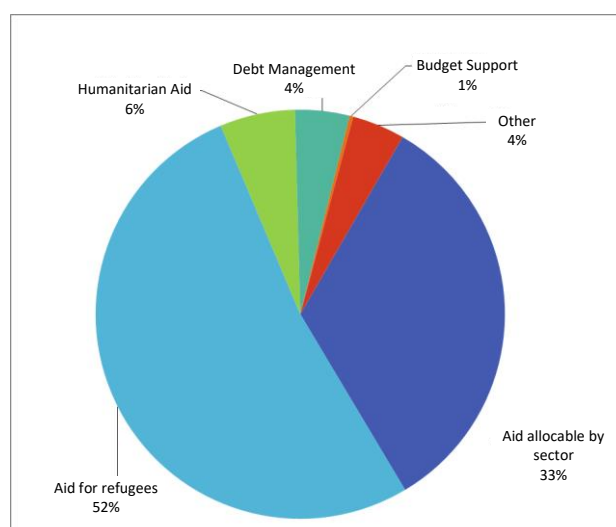
## Geographical Allocation of Bilateral Allocable ODA by Country in 2015



## Geographical Allocation of Bilateral Allocable ODA by Sector in 2015



## Distribution of Bilateral ODA in 2015



Source: DGCS (data sent to DAC, not yet published)