



Ministero degli Affari Esteri
e della Cooperazione Internazionale

Three-year Development Cooperation Programming and Policy Planning Document



2024-2026



The **Three-year Programming and Policy Planning Document** is required by Article 12, paragraph 2 of Law 125/2014 and **addresses the entire Italian development cooperation system**, in its public and private components.

For the 2024-2026 three-year period, the Document has been structured into a strategic section, which describes the vision that will inspire development cooperation, and a second part that includes detailed factsheets on topics of particular interest.



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1. OUR STRATEGIC VISION

Development cooperation is an integral and strategic aspect of Italian foreign policy, aimed at fostering peace, justice, and stability.

Accordingly, the 2024-2026 Three-Year Programming and Policy Planning Document effectively operationalises the role of development cooperation, including as a key pillar of the Mattei Plan, taking cues from the Plan for its work in various countries and sectors.

In a global setting marked by intense demographic pressure, climate crises and conflicts, Italy seeks to stimulate economic growth and maximise the potential of each partner country's human capital, to strengthen the socio-economic resilience of communities in vulnerable conditions, especially in Africa, and to offer a significant input towards achieving the targets of the 2030 Agenda within the set timeframe. At the same time, Italy intends to continue its support for Ukraine and its citizens, including through development cooperation.

Italy will foster synergies not only within its development cooperation system, engaging all actors, including institutions and others, but also between them and the European Union, its Member States, other international donors, and United Nations agencies.

a) ITALIAN COOPERATION IN THE 2024-2026THREE-YEAR PERIOD: THE PATH AHEAD

Development cooperation is an integral and defining trait of Italian foreign policy. Its main goal is to eradicate poverty, protect human rights, and prevent conflicts to help promote **peace, justice, and stability**. These key aims of Italian foreign policy **can only be achieved through collective effort**.

Development cooperation must therefore be based on **dialogue among equals with partner countries, mutual respect**, and a **convergence of interests**, with the understanding that we can only tackle great challenges by working together.

Our country acts as a **bridge between Europe, Africa, and the Middle East**, three regions that remain central to the new global system in terms of **international competition**, the **necessary reduction of**

Italy: a bridge between Europe, Africa, and the Middle East for a broad, sustainable and people-centric development model.

economic vulnerabilities, and the **large-scale programmes for physical, digital, and energy connectivity**. Its history and geographical position at the heart of the Mediterranean and its inclusive culture that values local communities and territories make it a respected partner able to promote equal partnerships according to a **broad,**

sustainable and people-centric development model. People must be considered in their entirety, following an approach that goes beyond providing mere aid for immediate needs but which, even in humanitarian crisis settings, aims to **protect human security** and **promote an integrated approach among civil, political, economic, social and cultural rights**.



Italy aims to **stimulate economic and social growth** and **maximise the human capital** of each partner country as effective means to **counter the root causes of migration**. As highlighted by Prime Minister Giorgia Meloni in her address to the Parliament ahead of the European Council meeting on 23-24 March 2023, quoting Pope Francis, Italy and the international community must commit to “ensure that all enjoy the right not to be forced to emigrate, [and] the chance to live in peace and with dignity in one’s own country”. Italy’s strategy for 2024 to 2026 is to embark on a **multi-year, collaborative journey** with objectives that align with the 2030 Agenda and a **future-oriented vision**.

The **Mattei Plan for Africa** has **development cooperation** as a **key strategic pillar**. It marks the first concrete manifestation of the previously mentioned approach: a strategy for equal dialogue and collaboration with the African continent, focusing on shared interests, following the outlines of what was discussed at the **Italy-Africa Summit on 28-29 January 2024**. The Mattei Plan aims to **advance mutual benefits** through socio-economic and institutional development in the countries involved, investing not only in essential sectors such as **energy supply, food security** and the **green and digital transition**, but also in **youth education** and in enhancing **cultural, scientific, technological, and academic ties** with African countries, not forgetting **gender equality and women’s empowerment**. The main goal is to “**accompany**” the **growth of African countries**, their civil society, human capital, and business environment, recognising that the development and stability of Africa is a prerequisite. As such, **Africa is the priority of Italian foreign policy** and, consequently, of **development cooperation**.

Italy’s commitment towards Africa aims to **encourage the adoption of a broader European and international initiative** to relaunch relations with the continent. This need has been strongly reiterated by **Deputy Prime Minister and Minister of Foreign Affairs and International Cooperation, Hon. Antonio Tajani**, including at the UN Summit on the Sustainable Development Goals in September 2023. Italy, therefore, advocates for the implementation of a “**European Marshall Plan**”, a symbol of a fair and mutually beneficial partnership with African countries, which can be part of a broader “**United Nations Global Plan**” for the continent’s sustainable development.

As stated by the Deputy Minister of Foreign Affairs and International Cooperation, Hon. Edmondo Cirielli, in this context, “Italy aims to engage in Africa with an open partnership, drawing on the best of our country’s energies, on the Italian business system, the skills of our local authorities, universities and research bodies, and the experience of our civil society organisations, to support the socio-economic growth of the African continent in a self-reliant and free manner.”

The ongoing reshaping of the international order due to the upheaval caused by the pandemic, Russia’s aggression on Ukraine, and the spread of conflicts has intensified partner countries’ calls for a more substantial commitment from the international community towards achieving the **Sustainable Development Goals (SDGs)** and increasing development funding. Italy supports the need for a response that meets the challenge with the United Nations system at its core and contributes to this aim by advocating for **full respect of the United Nations Charter** and the **2030 Agenda for Sustainable Development** in all forums, contributing to development negotiations in New York, and collaborating on-site with the United Nations Resident Coordinator.

Italy is involved in implementing the “**Global Gateway**”, an EU strategy in line with the 2030 Agenda and the SDGs, as well as the goals of the Paris Agreement to combat climate change. Our country will consider the possibility of tailoring development cooperation actions with the countries

targeted by Global Gateway interventions, in line with the programme's goals, **as part of an ongoing pursuit of synergies with the European Union's cooperation.**

b) THE CHANGING WORLD: CHALLENGES AND OPPORTUNITIES

Our country takes the **2030 Agenda** as a benchmark in shaping its development policies. However, a marked slowdown in global implementation has occurred in recent years. This has been driven by many, often interconnected, causes including the emergence of new conflicts, the effects of the pandemic, rising poverty, growing inequality, forced displacements, and setbacks in gender equality, environmental protection, and biodiversity. These issues can also be attributed to population pressure, ethnic conflicts, and radicalism, that have further destabilised already fragile societies.

At the time of writing, only **15% of the Sustainable Development Goals (SDGs)** are **on track to meet the 2030 targets**. For half of the SDGs, progress is insufficient, while over 30% have seen a decline or stagnation, including key goals such as eradicating poverty (SDG 1) and hunger (SDG 2), where

History teaches that crises should be catalysts for political, economic and social transformations. Italy can make a pivotal contribution to the international community to get back on track with the timetable set by the 2030 Agenda.

initial progress has reversed. Global food security is also in a worrying decline: the FAO estimates that in **2022, between 691 and 783 million people were in a state of food insecurity, an increase of 122 million compared to pre-pandemic levels** in 2019. Despite the advances made between 2021 and 2022 in Asia and Latin America, FAO estimates an increase in the number of

people facing food insecurity during the same period in Western Asia, the Caribbeans, and especially in Africa.

Ongoing conflicts also trigger **cascading humanitarian, energy and food crises, further driving migration**. According to the United Nations High Commissioner for Refugees (UNHCR), in 2022, over 100 million people were forced to leave their homes and seek shelter, mostly in neighbouring countries, "due to persecution, wars, and human rights violations". The growth in forced migration flows has also been sped up by the Russian invasion of Ukraine and the resurgence of conflicts, political instability and global crises in the Middle East, the Horn of Africa, West Africa and the Sahel, or in countries such as Afghanistan, Myanmar, and Haiti. Besides conflicts, forced migration is driven by food shortages, inflation, unemployment and the climate emergency.

Crises can drive political, economic and social transformations, as in the past. The 2030 Agenda, emblematic of global transformation, charts the course we must follow. Therefore, we need to make up for lost ground and identify the contribution Italy can make to the international community to realign with the timetable set by the 2030 Agenda. In this context, in September 2023, Italy approved the **National Strategy for Sustainable Development** to accelerate the transition towards sustainable growth, acting with resolve and coherence at national, local and international levels.

As highlighted at the **Summit on the Sustainable Development Goals held in New York in September 2023**, the role of **partnerships** is increasingly important: **Official Development Assistance, though essential, is not enough on its own**. Therefore, it is necessary to **mobilise**

additional resources, engaging both traditional and new actors (public and private sector, diasporas, civil society, academia, new international donors) in an innovative and coordinated way to **create effective and efficient development paths**, avoiding waste and duplication in interventions.

Italy reaffirms its commitment to the multi-year path to gradually approach the targets of 0.7% of Gross National Income and 0.15-0.20% for the Least Developed Countries (LDCs), set by the 2030 Agenda and in line with Article 30 of Law No. 125/2014.

The Government will promote the coordination of public policies in the field of international cooperation, aiming to enhance the quality and coherence of Italian action on Official Development Assistance (ODA). This will be done using tools provided by existing legislation, including within the framework of the Mattei Plan for Africa.

c) THE ITALIAN SYSTEM AT THE SERVICE OF SHARED PARTNERSHIPS

Italy intends to rely on its internationally renowned strengths to achieve its ambitious development cooperation goals. Italy wants to harness and offer its partner countries what it does best and what is most characteristic of its international presence, starting from the dynamism of its **production chains** and its undeniable experience in the **agri-food sector**.

Italy seeks to share its expertise with partner countries, invest in the Italian System, and facilitate the coordination of its entities, skills, and areas of excellence.

Italy intends to engage all parties that can best express their unique strengths and excellence, such as businesses, universities, higher education institutions, research and cultural institutes, civil society organisations, regions, local authorities, and international organisations based in Italy. **It is determined to invest in the Italian System and facilitate the operational deployment of its combined skills.**

Our development cooperation policy must also consider the **needs and abilities of our partner countries**, along with their independent policymaking. **Enrico Mattei's** vision, shared with African and Mediterranean countries, remains highly relevant: **"Your fate lies in your hands; others must not dictate it."** These words were ahead of their time and came decades before the OECD Rome and Paris Declarations on aid effectiveness. They remain essential to this day. This is the vision that Italy aims to pursue: a renewed partnership based on **mutual respect and sharing**, with careful consideration for the **specificities of local conditions**.

Understanding different social and cultural contexts is crucial for effective action and must go hand in hand with **promoting human, political, civil, social, cultural, and economic rights, human security, and good governance**. Indeed, there is a **direct link between development and fundamental rights**, especially **freedom of religion and belief**. The protection and promotion of fundamental rights, with special attention to gender equality and considering the role women play in local development, freedom of religion, and the rights of ethnic minorities, are a priority in Italian foreign policy, based on the firm belief that these are key tools to encourage peace and sustainable development.

Mindful of the risk that **misinformation and data manipulation** pose to coexistence among nations and peaceful state relations, Italy will pay special attention to communication to highlight, with utmost transparency, the core aims of the Italian Cooperation, the outcomes achieved, and ongoing partnerships.

d) COMMITMENT TO HUMANITARIAN AID AND EMERGENCY RESPONSE

Humanitarian action will be another essential component of Italy's vision. In this context, as crises persist and overlap, the need to address the **growing gap between escalating demands and available financial resources worldwide** has become urgent.

Therefore, humanitarian action must be seen in terms of **contributing to crisis prevention** while, at the same time, **working on emergency management by identifying long-term structural solutions** aimed at reducing needs, including to **avoid the risk of protracted and indefinite reliance** on international aid of entire populations. The Italian Cooperation will therefore give due importance to initiatives to strengthen the socio-economic resilience of populations in vulnerable situations, especially women, children and people with disabilities.

In this context, the Italian Cooperation will strengthen the **link between humanitarian action, development initiatives, and the promotion of peace and social cohesion**, which are at the root of most humanitarian crises.¹

Italy will strive to strengthen the socio-economic resilience of populations in vulnerable situations and contribute to the prevention and resolution of conflicts.

In the same way, the link between pressure from natural disasters (especially those related to climate change), food security, conflicts, and forced migrations and displacements is becoming increasingly apparent. To reduce the interplay of these factors, we must respect the “do not harm” principle, adopt a conflict-sensitive approach that

guarantees the involvement of the local population, step up climate change prevention and adaptation, support **global efforts to improve partner countries' disaster resilience**, and create effective mechanisms for immediate response and early recovery. Further details on Italian humanitarian efforts are included in the factsheet “Humanitarian and Emergency Aid”.

The humanitarian action led by the Italian Cooperation will focus on and increasingly use **international standards and tools for accountability, transparency, and effectiveness**, to minimise risks from the fungibility of aid and prevent its diversion from purely humanitarian goals. For the same reason, particular importance will be given to **the activation of flexible and predictable financing methods and to innovative finance mechanisms**, which are key tools to quickly respond to urgent humanitarian needs, coordinating these interventions with a focus on long-term solutions that address the causes of protracted crises, arising from the impact of climate change, conflict and economic fragility.

¹ In 2023, the Italian Agency for Development Cooperation (AICS) adopted the new “Humanitarian – Development – Peace Nexus Guidelines” – the so-called “triple nexus” – presented at the Development Cooperation Joint Committee meeting on 19 July 2023.

e) ITALIAN DEVELOPMENT ACTION WITHIN THE EUROPEAN AND INTERNATIONAL FRAMEWORK

Italian international development cooperation action and the pursuit of its bilateral, thematic, and geographical priorities are also implemented through **participation in international organisations, multilateral development banks, and other international bodies.**

Tangible and sustainable results can only be achieved through collective effort at European and international levels.

Participating in **shaping the European Union's development cooperation policy** is particularly important for Italy. It aims to help guide the EU's strategic direction, resource use, and financial allocations to reflect its priorities, focusing on Africa in particular.

It is also necessary to encourage the involvement of the actors of the Italian Cooperation system in **EU development policy implementation** in all its forms, working with the Commission, the European Investment Bank (EIB), and other European partners in line with the "Team Europe" approach, to enhance the effectiveness and impact of Italy's external action. This will also occur through increased use of "delegated cooperation" by the European Union, increasing total available resources. Italy, as a major shareholder in the EIB (with an 18.8% stake, on par with Germany and France), advocates for actions in support of partner countries, fostering coordination with the EU and its Member States. The EIB also supports the implementation of the **Global Gateway** strategy, put forward by the European Commission, which will provide the chance to invest in sustainable, high-quality projects in the digital, energy, and transport sectors and to strengthen health, education, and research systems. Many flagship Global Gateway projects will be in Africa, whose development is a priority for Italy and the EU.

Moreover, for Italy's action to be incisive, it cannot be isolated. The challenges we face are numerous and complex. Only a **collective effort at the European and international level** can ensure that tangible and sustainable results are achieved: "**Partnership**" remains the key word. Therefore, synergies will be promoted between the **Italian development cooperation system** and all its actors, both institutional and non-institutional bodies, the **European Union and its Member States, other international donors, United Nations agencies, development banks and funds, and other global players.** Coordination among donors, implementing agencies, multilateral development organisations and banks must be encouraged in all forums, starting with the G7, the G20, and the United Nations General Assembly, and locally in each partner country. This is a crucial step to implement tangible

actions that address global issues, with a primary focus on promoting the institutional stability of partner countries through a comprehensive approach that is mindful of the needs of local communities.

Global Gateway

Italy plays an active part in the Global Gateway, the EU strategy launched at the end of 2021 to **mobilise up to €300 billion in public and private investments by 2027 to create infrastructure links between the European Union and its partners**, with a view to strategic autonomy and the gradual diversification of supply chains. The regions involved are the **Western Balkans**, the **countries of the Eastern Partnership** and **Southern Neighbourhood**, **Africa**, **Central Asia**, **ASEAN**, **Latin America** and the **Caribbeans**. The priority sectors for action, where European financial institutions, national governments and the private sector are called to mobilise following a Team Europe approach, are:

- **Digital**: investments for the creation of a safe and open internet;
- **Climate and energy**: investments to speed up the green transition;
- **Transport**: investments for a sustainable and safe global transport system;
- **Health**: strengthening value chains and local vaccine production;
- **Education and Research**: investments in quality training and research, with a focus on women and vulnerable groups.

The alternative development model – focused on the green and sustainable transition, the regulatory framework, the labour market, and social inclusion – put forward by the Global Gateway aligns with the principles of Italian development cooperation, unlike other international competitors' models; it offers higher quality investments, discussed and carried out in agreement with partner countries, and in ways that reduce debt risks for the beneficiaries.

2. OUR WORK AROUND THE WORLD

In line with Italy's foreign policy priorities, development cooperation will work, from 2024 to 2026, in seven areas of particular importance to Italy due to historical ties, established bilateral relations, and reasons of international stability and security: **Africa, Eastern Europe, the Balkans, the Middle East, Asia, Latin America, and the SIDS** (Small Island Developing States).

a) TARGET REGIONS

AFRICA: CHALLENGES AND OPPORTUNITIES BETWEEN POPULATION GROWTH AND ECONOMIC DEVELOPMENT.

Africa is a key priority in Italian foreign policy, entirely in line with the **Rome Process**, initiated at the "Development and Migration" Conference on 23 July 2023, and with the **Mattei Plan**, of which the Italian Cooperation is an essential part.

Africa is the top priority for the Italian Cooperation.

Within the framework of the Mattei Plan – a blueprint for a broader European and international plan for and with Africa – the Italian Cooperation aims for a new partnership that is fair and mutually beneficial, in line with partner countries' development plans.

Africa is undergoing a series of significant transitions that will shape the continent's future, including **demographic, economic, socio-political, and environmental changes**. According to United Nations forecasts, by 2050, about 57% of global population growth will happen in Sub-Saharan Africa, and **roughly 23% of the world's population will be Sub-Saharan**. In 30 years, about 2.3 billion people will live in that region (compared to the current 1.1 billion), and half of the Sub-Saharan population will be under 26 years

old.

This unavoidably necessitates swift action to **address population growth** by, on the one hand, improving access to basic services (primarily health and education) and, on the other, balancing the rise in population with at least an **equal increase in job opportunities**. This is an essential balancing act for **long-term growth and prosperity**. To this end, it will be crucial to promote the development of the local private sector and entrepreneurship by enhancing access to credit and supporting governments and local authorities in updating national regulatory frameworks.

FROM THE MATTEI PLAN TO A GLOBAL STRATEGY. The African continent encompasses key countries of origin and transit for migratory flows to Italy. It is at the heart of extensive Italian, European, and international action for economic development and the promotion of peace and stability. As Vice President Tajani emphasised after the Rome Conference on Development and Migration on 23 July 2023, "Italy aims to tackle development issues with a mindset that is different from the past," because "there's no way to counter irregular migration flows without addressing the deeper causes that drive people to move."

Given the many challenges the continent must tackle – population boom, food insecurity, climate change, violence by terrorist armed groups, wars, institutional instability, migration crisis – **only**

global action can prevail, inspired by a clear strategy defined with Africa's partner countries – including in the framework of the African Union's 2063 Agenda - that is synergistic, coordinated, and aimed at maximising the effectiveness of the measures taken.

THE VERTICAL CONTINENT. Given their strong interdependence, Europe, the Mediterranean, and Africa can be seen as a “**vertical continent**”. As mentioned above, the need for Italian efforts to be part of a **broader European and international Action Plan** to revitalise relations with the continent is a natural corollary to this.

After all, if Africa still carries the image of a continent in need of assistance, it is also a land full of resources, opportunities and dynamism, and a key player in global challenges. Italy can significantly contribute to its development by tailoring its actions to the specific needs and priorities of different countries through **targeted and differentiated approaches** for the various African regions. Therefore, strategies, priorities, and specific tools must be developed for the “various Africas” that make up the continent.

NEAR AFRICA. North Africa is pivotal in the interdependent relationship between the two shores of the Mediterranean, not least given the challenge posed by the management of migration. This imposes new, specific duties on us to find policies that support long-term initiatives, capable of driving concrete development and fostering stability. **In the Mediterranean countries (Egypt, Tunisia, Libya)**, priority will be given to creating decent jobs, especially for women and young people, by enhancing vocational training initiatives, including within the European Talent Partnerships, and supporting the local private sector and entrepreneurship. At the same time, we will continue to invest in food security, with the dual aim of reducing these countries' food dependency and creating partnerships with Italian stakeholders – both public and private – in the sector. In March 2024, Cassa Depositi e Prestiti opened its first representative office in Africa, in Egypt. This is a significant sign from Italy, showing a desire to strengthen its regional presence with a targeted action aimed at engaging the Italian and local private sectors.

SUPPORTING AFRICA'S STABILISATION: PUTTING PEOPLE'S NEEDS AT THE CENTRE. In **West Africa**, the traditional cooperation with **Senegal** will be complemented by even greater efforts in the Sahel region (**Burkina Faso, Chad, Mali, Mauritania, Niger**). The scope of the Italian Cooperation's action will be broadened to include the **Republic of Congo** and the coastal states of the Gulf of Guinea, such as **Côte d'Ivoire** – host of the African Development Bank – **Ghana, and Guinea**. These countries are sources of large migratory flows but are also growing markets for the Italian economy. We aim to implement actions that strengthen health systems in these countries, improve socio-economic inclusion through better access to education and job creation, and develop sustainable, resilient agricultural and food supply chains. In the Sahel, promoting initiatives that link humanitarian aid, development, and peace is vital to strengthen essential services and offer young people real opportunities for their future.

SUPPORTING GROWTH IN AFRICA: A REGIONAL PARTNERSHIP FOR DEVELOPMENT. In the **Horn of Africa (Ethiopia, Kenya, Somalia)** – which is seeing signs of stabilisation – the focus will be on intergovernmental collaboration, stepping up interventions in the infrastructure, energy, water, and agriculture sectors, to implement shared solutions to challenges common to the countries in the region (including **Eritrea**), starting with climate change and food security. We will also focus on

innovation and entrepreneurship (by supporting the development of start-up incubators), without neglecting the improvement of basic services and urban regeneration initiatives.

In **Sudan**, actions will adapt to the changing situation, ensuring a sustained focus on the most vulnerable population groups.

STRENGTHENING AFRICA: INVESTING TOGETHER FOR GROWTH. We will resume our cooperation efforts in **Uganda** more decisively, building on Italy's longstanding involvement in the health sector and with renewed focus on the country's infrastructure needs. We will also carry out the Multi-Year Plan with **Mozambique** in the health, employment, agriculture, urban development, and environment sectors, and enhance our partnership with **Tanzania** in education, health, and the maritime economy, as well as with **Malawi** and **Zambia**.

Building on the Plans already in place or nearing adoption with **Tunisia**, **Mozambique**, **Ethiopia**, **Kenya**, and **Senegal**, we will continue to work to finalise and renew Multi-Year Cooperation Plans with the priority countries, provided that local institutional and security conditions allow. These plans will give cooperation activities a lasting, strategic structure and ensure that Italian values and key industry priorities more effectively match the development strategies of our partner countries.

ITALY FOR THE RECONSTRUCTION OF UKRAINE.

In **Eastern Europe**, following the Russian aggression, **Ukraine** and **Moldova** have become a new, key focus for the Italian Cooperation, which has responded promptly to the ongoing crisis by making

Italy supports immediate recovery and reconstruction efforts in Ukraine and the resilience of Moldova.

these two countries priority intervention areas and among the primary recipients of resources. Italy thereby reaffirms its firm support for the Ukrainian people. In 2023, this political commitment led to the opening, on the Government's initiative, of an **AICS office in Kyiv**, which will also oversee activities in

neighbouring Moldova, which has been severely affected by the conflict. Italy will therefore be able to concentrate more effectively on supporting early recovery efforts in energy security, strengthening the resilience of essential infrastructure, including nuclear facilities, and enhancing the health, culture, environment, and agriculture sector. Additionally, Italy will be able to provide development, technical, and governance assistance for the country's post-conflict reconstruction, adopting a "build back better" strategy and preparing it for eventual EU membership. In line with our commitment to supporting the Ukrainian people and within the G7 framework, Italy will host the Ukraine Recovery Conference in 2025.

The Caucasus region, especially **Armenia** and **Azerbaijan**, will also receive special attention from the Italian Cooperation, focusing on safeguarding stability and peace in the area and gradually bringing it closer to the EU through initiatives to help overcome the consequences of the conflict.



ITALY FOR THE EUROPEAN INTEGRATION OF THE BALKANS.

The Western Balkans: a region deeply connected with Italy, which belongs in Europe.

The **Western Balkans** remain a strategic area for our country, due to the strong historical, cultural and economic ties. Italy is at the forefront of facilitating and speeding up the integration of this region into the European Union. Strengthening dialogue and stability in the region, which is also negatively affected by the

aggression towards Ukraine, is crucial for containing migration flows. For us, it is a priority to strengthen existing ties, starting with **Albania**, and to forge new ones, promoting economic development and further reinforcing the connection with Italy in both socio-cultural and infrastructural terms. Attention will also be given to **regional cooperation** with projects to be carried out in multiple countries and across various sectors (e.g. training, environment, infrastructure, tourism, digital services) in synergy with EU initiatives and tools.

ITALY FOR STABILITY IN THE MIDDLE EAST.

The **Middle East** has always been a region of primary importance for our foreign policy. Special attention will be given to countries where Italy traditionally operates, such as **Lebanon, Jordan, Palestine** and **Iraq**. Here, the link between the population's wellbeing – in terms of economic growth, job creation, peaceful coexistence, and service provision – and both internal and regional stability is especially strong. Italy's actions will therefore focus on initiatives aimed at training and job creation, rural development, infrastructure development, investment promotion, and protection of the most vulnerable population sections, including refugees and ethnic and religious minorities, not forgetting countering the effects of climate change, which are particularly severe in the Middle East (primarily water and food insecurity). The ongoing **Syrian crisis** will continue to be of primary interest to Italy. While firmly adhering to European and United Nations stances, we aim to increase our commitment in line with the rapidly changing regional context.

Regarding **Palestine**, the aim is to maintain a key role in providing humanitarian aid to the population in Gaza, the West Bank, and East Jerusalem, contributing to rebuilding areas affected by the conflict and supporting their development. Under global accountability standards, we will enhance transparency and efficiency mechanisms in humanitarian aid and development assistance to guarantee the traceability and correct use of funds, preventing misuse or distortion. Italy is also fully ready to join initiatives aimed at restarting the peace process.

ASIA: TARGETED COOPERATION FOR COMPLEX CHALLENGES.

In Asia, **Italy** will support the international community's effort to strengthen the resilience of the civilian populations of **Afghanistan**, a country facing a complex political crisis, where interventions are mainly humanitarian. For Afghanistan in particular, assistance can be directed towards actions that ensure greater initiative sustainability, including with the aim of assuring greater self-reliance and access to essential services for the population. Across the continent, the Italian Cooperation will be instrumental in strengthening the **Italy-ASEAN Development Partnership** (the ASEAN is a regional organisation playing a leading role in supporting peace, security, and prosperity in the Indo-Pacific), with support from the recently reopened AICS office in **Hanoi**, which has regional responsibility. **Pakistan**, one of the world's most populous countries and a main country of origin of migration flows to Italy, will receive special attention, particularly in education, agriculture, water resource management, natural heritage, and cultural heritage preservation. This is also expected to stimulate economic growth and develop human capital, which can be a means to address the root causes of forced migration. Special attention will be given to the protection of minorities and the promotion of interfaith dialogue.

Bangladesh and **Sri Lanka**, countries that also generate significant migration flows to Italy, have high poverty rates, suggesting they should be included in the intervention areas. **Kyrgyzstan** and **Tajikistan**, too, will become priority countries for the Italian Cooperation as part of the Government's broader push to strengthen ties with Central Asia, particularly in areas such as water resources, the environment, and higher education.

"SUSTAINABLE" COOPERATION IN LATIN AMERICA.

In **Latin America**, Italy's development cooperation policy will mainly focus on the following areas: environment, sustainability and biodiversity promotion, disaster preparedness, risk management and climate change adaptation, rural innovation, institutional strengthening, and human rights protection. **Colombia** is a priority country where efforts will be directed to biodiversity protection and support for peace processes in particular. From Colombia, the Italian Cooperation's efforts will spread through **regional programmes across all South America**, particularly thanks to the presence of an AICS office in Bogotá with regional authority. The Italian Cooperation will also continue to act in the other two priority countries in the region: **Cuba** and **El Salvador**. In Cuba, the focus will be on environmental protection and cultural heritage conservation, local development, and the promotion of sustainable farming practices. The presence of an AICS office in El Salvador will enable Italy to maintain a structured presence in **Central America**. Through this, Italy will be able to promote initiatives – including at a regional level, centred on education, social inclusion, food security, and the environment. The selection of priority countries and the placing of AICS field offices in Latin America might change during the three years 2024 – 2026, based on a thorough assessment of aid impact, local population needs, and Italian foreign policy priorities.

SMALL ISLAND DEVELOPING STATES (SIDS).

Finally, **Small Island Developing States (SIDS)** are a further area of interest for the Italian cooperation policy, in line with our decades-long activism in these countries and considering the

unique challenges these small developing island States face due to environmental degradation and climate change. **Italy is ready to share its technology and lessons learnt with SIDS partners** to effectively address these challenges, focusing on climate change adaptation and mitigation, sustainable management of natural resources, and the promotion of sustainable energy, agriculture, and fisheries.

b) PRIORITY COUNTRIES.

Within the aforementioned areas, Italy's efforts will focus on **38 priority countries, 23 of which in Africa**. The list has been updated mainly due to the priority given to the African continent, which

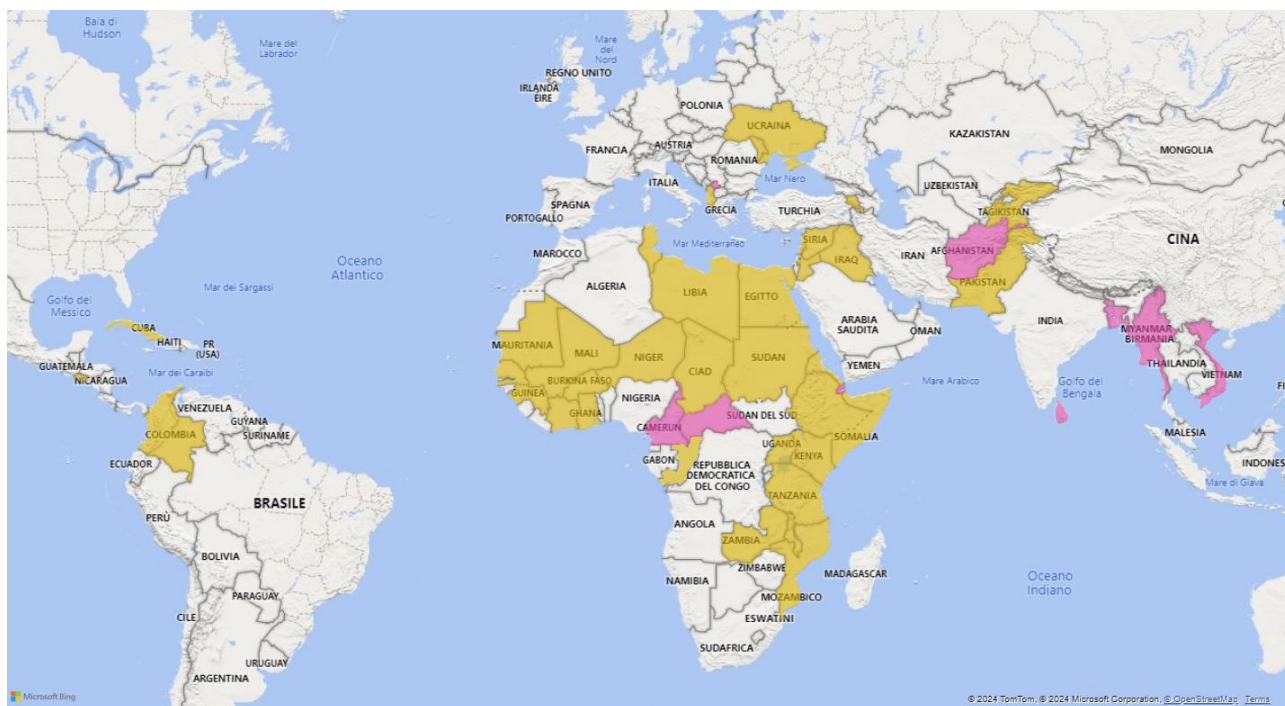
A new list of priority countries – a realignment in view of the changing world and the focus on Africa.

hosts most of the world's **Least Developed Countries** (LDCs), and to the ongoing conflict in Ukraine. The following countries have been included in Africa: **Chad, Côte d'Ivoire, Eritrea, Ghana, Guinea, Libya, Mauritania, Malawi, Republic of the Congo, Tanzania, Uganda, and Zambia**; in Eastern Europe: **Moldova and Ukraine**; in the Middle East: **Syria**; in the Caucasus: **Armenia**; in Central

Asia: **Kyrgyzstan and Tajikistan**; in Asia: **Pakistan** and in Latin America: **Colombia**.

Of course, the list of priority countries does not rule out the **possibility of Italy intervening in other countries of special interest**, provided they are included in the OECD-DAC list of Official Development Assistance (ODA) recipients.

| | |
|-------------------------------------|---|
| MEDITERRANEAN AFRICA | Egypt, Libya, Tunisia |
| EAST AFRICA | Eritrea, Ethiopia, Kenya, Somalia, Sudan, Uganda, |
| WEST AFRICA | Burkina Faso, Chad, Côte d'Ivoire, Ghana, Guinea, |
| SOUTHERN AFRICA | Mali, Mauritania, Niger, Republic of the Congo, Senegal Malawi, Mozambique, Tanzania, Zambia |
| EASTERN EUROPE | Armenia, Moldova, Ukraine |
| WESTERN BALKANS | Albania |
| MIDDLE EAST | Jordan, Iraq, Lebanon, Palestine, Syria |
| ASIA | Kyrgyzstan, Pakistan, Tajikistan |
| LATIN AMERICA AND CARIBBEANS | Colombia, Cuba, El Salvador |



The countries highlighted in yellow are priority ones, while those in purple are some of the other main intervention countries.

The list of priority countries does not apply to humanitarian aid. In this regard, we will focus mainly on **prolonged humanitarian crises**, such as those in **Ukraine**, the **Horn of Africa**, the **Sahel**, **Sudan**, **South Sudan**, **Syria**, **Afghanistan**, and **Gaza**, and on responding to emerging crises, natural disasters, or conflicts. This will enable us to make up for difficulties in ordinary cooperation work or to enhance the synergy between humanitarian efforts, development projects, and the pursuit of peace and social cohesion, adapting our approach to each specific context. Protracted crises lead to enduring needs and demand more than just aid; they require developing the ability of the impacted individuals to manage the crisis, access essential services, and maintain their means of income.

This will be the framework for the implementation of the **Humanitarian-Development-Peace Nexus** Guidelines, which call for selecting pilot countries where coordinated activities across these sectors will be carried out, based on a comprehensive context analysis. At this stage, we plan to identify three countries, one for each of the three mentioned areas, that appear to offer opportunities for enhancement and effective application of this approach. The three countries identified are **Lebanon**, **Ethiopia** and **Colombia**.

3. TARGET SECTORS

*The 2030 Agenda and its Sustainable Development Goals are a cornerstone of the Italian Strategy for Development Cooperation. The sectors and themes to focus on over the next three years will be chosen based on the **comparative advantage and experience** gained in certain areas by **actors in the Italian cooperation system**, taking into account the context of the country where we work, and the **needs and priorities set out in partner countries' national development plans**.*

a) 2030 AGENDA: THE GUIDING LIGHT OF OUR WORK

The strategic vision that the Italian Cooperation aims to advance in the 2024-26 three-year period is centred on the **5 Pillars of the 2030 Agenda: People, Planet, Prosperity, Peace, and Partnership**. The 2030 Agenda, in outlining the Sustainable Development Goals, emphasises the interactions between the **environmental, social and economic dimensions** that underpin development processes.

The action priorities are directly linked to the Sustainable Development Goals and Targets.



b) PRIORITY SECTORS AND CROSS-CUTTING THEMES

Building on this awareness, in the 2024-2026 three-year period, the Italian action will focus on several Sustainable Development Goals and Targets corresponding to priority sectors and cross-cutting issues where Italy has established and recognised expertise:

- education, training, decent work;
- agriculture and food security;
- environment and climate change, risk reduction, and energy;
- health;
- water and sanitation;
- industry, innovation, sustainable infrastructure;
- inclusive and sustainable human settlements and cities;
- protecting and promoting cultural heritage;
- demography, gender equality, women's empowerment;
- good governance, peace and human security;
- digital transition;
- inequalities, inclusion and disabilities.



EDUCATION, TRAINING, DECENT WORK

Ensuring access to **quality education** for all is fundamental to lasting and sustainable development, especially for the most vulnerable categories (people with disabilities, indigenous populations and children). Education is essential to **provide a future** for new generations, offer young **people decent job opportunities** and the chance to fulfil their life expectations. It is crucial to promote **inclusive education** for children (both boys and girls), people with disabilities, and the most vulnerable groups, as well as **quality education** starting from early childhood, and to strengthen the resilience of education systems so they can handle various crises, from climate emergencies to conflicts.



Special emphasis will be placed on **primary and secondary education** and on **employment-focused training**, as also discussed at the Italy-Africa Summit in January 2024, on **higher education** and **technical-vocational training**, focusing on **young people, women**, and the most vulnerable categories.

The goal is to create **decent job opportunities** by **boosting skills development**, making it easier for young people and women to find **work**, and encouraging **innovation in strategic sectors and supply chains**, such as textiles, agri-food, tourism, the various applications of mechanics and renewable energy.

Italian universities will also lead initiatives for **greater development of human capital**, focusing on both incoming students at our universities and development for university lecturers, business leaders, and civil servants in partner countries. This systemic approach aims to promote the inclusive development of local businesses and the creation of decent jobs capable of generating public revenue and accessing opportunities presented by regionally and globally integrated markets.

In the field of development cooperation, we will work in synergy with civic, linguistic, and vocational training programmes for citizens of partner countries, in line with Italian regulations as amended by Law 50/2023. These training activities could catalyse production and business ventures in the countries where they are implemented.

Italian supply chains serve as a prime example of widespread entrepreneurship and a **benchmark** for partner countries, supporting the growth of the **local private sector** by enabling **small and medium-sized enterprises to form networks** with shared services, thereby achieving economies of scale.

AGRICULTURE AND FOOD SAFETY

The **sustainable transformation of food systems** is internationally recognised as **key to achieving the Goals of the 2030 Agenda**. This was also one of the key messages of the second UN Food Systems Summit, held in Rome in July 2023 and co-chaired by Italy. In the 2024-2026 period, Italy will remain dedicated, beginning with its G7 Presidency in 2024, to **fostering in our partners sustainable and food systems competitive in global markets**. These systems must **guarantee food security, fair earnings** for small-scale producers and those working in the agri-food sector, and offer ample, healthy, and nutritious food, while at the same time protecting biodiversity and natural resources.

In this field, Italy can **share** with partner countries its **agricultural production model, sustainable food system**, and the **cutting-edge expertise** of its agri-food companies, which operate according to the principles of the Mediterranean Diet. This model focuses on quality products, seasonality, short supply chains, and enhancing the role of farmers and the rural areas they work in while also ensuring environmental sustainability.



Moreover, through **research and innovation**, Italy can effectively help partner countries strengthen their food systems by applying and using **technologies**, especially in water supply and farm mechanisation. Our country's contribution may also cover geo-observation, remote sensing, and artificial intelligence, which can make a significant impact through testing new frontier tools such as Assisted Evolution Technologies.

In the context of food security, promoting the sustainable management of fisheries and aquaculture plays a key role for many countries; Italy can contribute to the development of maritime areas and sustainable fishing.

Italy also maintains a long-standing **prominent position in the multilateral sphere** regarding food security, which will form the basis for developing the strategy of Cooperation in this domain over the coming years. During its G20 Presidency in 2021, Italy championed the adoption of the **Matera Declaration** on the subject. Subsequently, in 2022, it organised two editions of the **Mediterranean Ministerial Dialogue on the Food Crisis**, aiming to find solutions to support the sustainable transformation of the region's food systems. Following the Dialogue, in 2023 Italy launched **system missions on food security** – some even **led by the Minister, Hon. Tajani** – which are carried out in partnership with businesses and associations from the agri-food sector. Over the next three years, building on these foundations, the Italian Cooperation will **work to further develop collaboration with industry associations and the private sector**, including within the framework of the National Food Systems Working Group (*Tavolo Nazionale sui Sistemi Alimentari*). The objective is to foster the participation of proactive Italian firms in the industry across partner nations, **serving as a catalyst, with their expertise and best practices for the sustainable development and transformation of local food systems**.

Finally, in 2023, during the **second United Nations Food Systems Summit**, the link between food security and climate took on particular significance. It was emphasised that climate change and extreme weather events, which have become more intense and frequent in recent years, impact food production, processing, and distribution, making it progressively challenging to guarantee the availability of food and water for substantial portions of the population.

Italy will, therefore, dedicate itself to fostering discussion and **advocating for the implementation of practical solutions to the dual challenges of food security and climate change** within all major multilateral forums, beginning with the G7 Presidency in 2024, where these matters will be central to the development agenda.

ENVIRONMENT AND CLIMATE CHANGE, RISK REDUCTION AND ENERGY

Environmental and climate sustainability will be incorporated into every initiative and all key sectors of intervention, particularly: agriculture, food security, water, energy, health, reforestation and biodiversity, restoring degraded agricultural land, combating desertification, disaster risk reduction, and land development. Environmental sustainability, climate change mitigation and

Africa will be the priority of the Italian Climate Fund.

adaptation are not only essential for the planet but also represent a **key opportunity for development**. This is evidenced by the increasing importance of environmental and climate issues in our domestic and foreign policy and Italy's decisive role in international climate change negotiations, including at COP28 and during Italy's G7 Presidency in 2024.

A key tool for climate change mitigation and adaptation efforts will be the **Italian Climate Fund**. The Fund has an allocation of **€4.4 billion** and is a flexible instrument that can cover a broad range of public and private initiatives with a high climate impact. It can potentially work in 140 Official Development Assistance (ODA)-recipient countries, especially in **African countries** most affected by climate change, which, in line with the political priority given to the continent, will receive up to **70% of the available resources** (see the factsheet "The Italian Climate Fund"). Due to its crucial strategic significance for global connectivity, Central Asia could also benefit from the Climate Fund, in particular through projects focused on tackling the drying up of the Aral Sea.

Special attention will be given to the **water-food-energy** nexus, which is essential for sustainable development. Energy demand is constantly rising, driven by global population growth, swift urbanisation, changes in diets, and economic growth. Agriculture is the world's largest user of water resources, and over a quarter of the energy used globally goes towards food production and supply. An integrated approach to managing these resources is needed, based on their interdependence and the need to ensure water and food security, promote sustainable agriculture, and secure global energy production. Promoting circular economy strategies and waste reduction in the use of production factors is essential in this context.

Attention will also be given to improving disaster preparedness and climate adaptation capacities by sharing the expertise of the Italian and European civil protection systems. The goal will be to promote countries' ongoing and sustainable development and reduce the socio-economic impact of natural disasters, which are becoming more frequent due to climate change.

In the context of strategies for climate change mitigation, promoting **sustainable forest management** can play a key role.

In energy initiatives, primary importance will be given to meeting local needs for services and/or productive uses, to **electrification and the decentralised electricity generation from renewable sources**, to seeking a balanced energy mix tailored to local contexts, aimed at ensuring fair and sustainable access to basic needs such as food and water, and to promoting new technologies with increasing involvement of the private sector. Italy will also enhance the role of women in combating climate change and in the green economy, encouraging their active participation in all initiatives in this field.

HEALTH

Health, understood as a state of bio-psycho-social wellbeing, is a fundamental and universal human right and an essential precondition for all peoples' fair, sustainable social and economic development.



We will continue strengthening **quality health systems** to promote **fair and inclusive access to healthcare services**. To reach this aim, it is crucial to support health workers, local officials, academics, and researchers. This involves providing thorough training, including through telemedicine, and fostering development to guarantee healthcare access in distant and impoverished regions, and in those affected by conflicts and humanitarian emergencies. In these areas, further efforts are needed to reduce maternal, neonatal and infant mortality, to fight malnutrition, and to protect the health and wellbeing of the most vulnerable, including the displaced, refugees, and migrants.

To tackle transnational challenges in **global health**, efforts will continue in preventing and fighting communicable diseases such as HIV/AIDS, tuberculosis, malaria, and hepatitis. We will contribute to strengthening prevention services, diagnostics, and epidemiological surveillance, ensuring access to high-quality essential healthcare services and safe, effective, and affordable treatments, medicines, and vaccines. From this perspective, Italy will continue its targeted action to support partnerships formed as a result of G7 initiatives. These activities will go hand in hand with **research and the development of new technologies**, also to prevent and prepare for health risks and pandemics, working on antimicrobial resistance and pursuing health protection in its overall vision inspired by the One Health approach, which includes animal and ecosystems health.

WATER AND SANITATION

Ensuring health and wellbeing, growth, and productivity is crucial to **universal access to drinking water and sanitation services**, a priority highlighted at the Italy-Africa Summit. Italy will work to lessen the impact of environmental degradation and climate change on water resources in the countries where it operates, and to promote access to **clean water and proper sanitation**. This will be done by encouraging innovative and efficient technologies for water management and reuse, water purification in rural areas, and desalination. In this area, the specific needs of women, girls and children will be given special attention.



INDUSTRY, INNOVATION, SUSTAINABLE INFRASTRUCTURE

In this field, action will focus on sectors where Italy has established and recognised expertise: production chains, agri-food, construction, tourism, textiles, and energy. Developing independent industrial chains that add value to local products will increase trade capacity, create decent and skilled jobs, support community income and, importantly, mark a change of pace in the fight against climate change. Space will be given to innovation, boosting local innovation ecosystems, adopting clean and eco-friendly technologies, enhancing scientific and technological capacities to support more sustainable consumption and



production models, and including women in STEM (science, technology, engineering, and mathematics) fields.

INCLUSIVE AND SUSTAINABLE HUMAN SETTLEMENTS AND CITIES

The impact of cities on the fight against poverty and climate change is today's challenge.

Cities already host over 54% of the world population and generate more than 80% of global GDP; they account for two-thirds of global energy use and over 70% of global emissions. If demographic trends do not change, the global urban population will reach 60.4% in 2030. 96% of this increase will occur in the least developed regions of Africa and Asia.

Urbanisation has become a key focus of the Sustainable Development Agenda, with numerous global development programmes and actions now centred on cities. In this context, integrated regeneration of urban spaces shall be carried out, which includes building homes, delivering social services and infrastructure, creating jobs, advancing social initiatives, preserving cultural heritage, and safeguarding ecosystems. Drawing on Italy's extensive expertise, we will focus on strengthening so-called "secondary" cities that are conducive to a more balanced urban, social, environmental, and economic dynamic, and promote a more integrated relationship with the countryside and food production systems.

PROTECTING AND PROMOTING CULTURAL HERITAGE

Cultural initiatives will continue to be key, covering a broad range of areas: the protection of **tangible cultural heritage** (including natural heritage) – even in times of crisis and conflict – and **intangible heritage**; the cultural, creative, and sports industries; crafts; responsible and sustainable tourism as a means to promote regions and rural areas and to safeguard and enhance their environmental and cultural assets. This sector, which has been a cornerstone of Italian action for decades, is a **driver for economic development** not only in terms of job creation in site protection but also for the **tourism** deriving from site enhancement.



DEMOGRAPHY, GENDER EQUALITY, WOMEN'S EMPOWERMENT

Gender equality is of particular importance as a priority and a cross-cutting issue. Specifically, Italy will continue to promote the role of women and girls by actively involving them in identifying needs and defining development and humanitarian actions, in line with the Women, Peace, and Security Agenda. To this end, gender equality will be ensured in all initiatives ("gender mainstreaming") by incorporating a gender perspective in the preparation, design, implementation, monitoring, and evaluation of development cooperation interventions.



In line with the Italian G7 Presidency's priorities on women's empowerment, the link between gender and environmental issues will be ensured. In this context, we will focus on the need to: i) protect women by ensuring their health, combating gender-based violence and harmful practices (including efforts to end female genital mutilation), and supporting their roles in emergencies and in peacebuilding efforts; ii) promote the economic empowerment of women and girls by promoting

financial inclusion, facilitating women's access to credit and business opportunities, providing technical and vocational training, and enhancing social, educational, and care services (such as childcare and assistance for people with disabilities) to lighten the care load and promote a better balance between work and family life; iii) reinforce women's natural resilience by examining the climate-gender-migration nexus, encouraging their active involvement in tackling food insecurity, climate change, crises and conflicts, and aiding their entry into environmental and STEM careers.

Special attention will also be paid to ensuring that **demographic and family planning policies** supported through international cooperation action focus on gender equality and women's rights.

GOOD GOVERNANCE, PEACE, AND HUMAN SECURITY

Italian priorities include attention to the **rule of law, institutional strengthening**, and the **localisation of the Sustainable Development Goals**, as well as the **consolidation of peace processes and respect for human rights**.



To support local competencies in crisis prevention, management, and response, Italy will redouble its commitment **to improving the institutional capabilities of Ministries and both central and local government bodies in partner countries**, including in statistical terms, and to supporting peace and reconstruction efforts, which may also involve **contributions to the general and sector-specific budgets** of these partner countries.

Promoting **technical assistance, training, institutional strengthening**, updating legal frameworks, and spreading the values of legality are pillars of Italian **legal diplomacy** efforts aimed at third countries, to counter organised crime infiltrations and corrupt practices that undermine democracy and sustainable development.

Tackling the root causes of forced migration falls within this scope and cuts across all actions of the Italian Cooperation, which aims to address it primarily through initiatives that promote job creation and economic growth in the affected countries, also in partnership with the private sector and in coordination with the **migration cooperation** activities of the **Migration Fund** and the **Incentive Fund (Fondo Premialità)**. Access to basic services, food security, and the fight against climate change play a key role in **reducing the drivers of forced migration** and in the **reintegration of returning migrants**, in parallel with the Italian government's policy of **promoting legal mobility channels**. In 2023, the **Humanitarian – Development – Peace Nexus Guidelines** were presented to the Joint Committee for Development Cooperation, forming the operational framework for interventions in this area.

DIGITAL TRANSITION

Greater emphasis will also be placed on the **digital transition**, a crucial overarching element that can accelerate sustainable development in partner countries and contribute to enhancing the efficiency and quality of public services, particularly in health and education, fostering innovation, facilitating access to financial services, and promoting citizen engagement in public affairs by bridging the service access divide, with special attention to the development of rural regions. The launch of digital transformation pathways may also be a key factor for the development of new businesses and the creation of decent job



opportunities, especially in Africa, with significant effects on reducing the deep-rooted causes of migration.

INEQUALITY, INCLUSION AND DISABILITIES

This fundamental commitment intersects all areas of development cooperation policy, to “**leave no one behind**” and address discriminatory regulations and practices through an inclusive approach. In this field, special focus will be given to **disability** (physical, mental and sensory) both through specific actions and by integrating the issue into all development cooperation and humanitarian initiatives. This commitment is made in accordance with the 2018 Italian Cooperation Guidelines on Disability and Social Inclusion in Development Interventions, in line with the “Istanbul Charter on the Inclusion of Persons with Disabilities in Humanitarian Activities”, the 2006 UN Convention on the Rights of Persons with Disabilities, and is reaffirmed as a priority within the National Observatory for Persons with Disabilities within the Office of the Prime Minister.



4. THE INSTRUMENTS

Law 125/2014 “acknowledges and promotes the Italian development cooperation system, made up of public and private entities, for the implementation of development cooperation programmes and projects.”

Over the next three years, Italian cooperation governance will be strengthened by enhancing strategic coordination, policy coherence, and operational synergies among its key institutional players on one hand, and by boosting dialogue and collaboration with actors from the entire Italian cooperation system – especially civil society, local authorities, universities, and the private sector – on the other.

In light of the relevant regulatory framework, the **Ministry of Foreign Affairs and International Cooperation's coordinating role** is crucial. It must align the needs of all parties in the Italian cooperation system within the framework of the 2030 Agenda and the general policy guidelines set by the Office of the Prime Minister.

Said coordination is carried out, as per Law 125/2014, through the Minister of Foreign Affairs and International Cooperation, who sets the policy and ensures the unity and coordination of all national cooperation initiatives, and the Deputy Minister of Foreign Affairs and International Cooperation, appointed by the Council of Ministers for development cooperation matters, tasked with ensuring coherence and effectiveness in this field.

a) **STRONGER COOPERATION GOVERNANCE**

Over the next three years, the **Italian Cooperation's governance will be strengthened** by enhancing **strategic coordination, policy coherence, and operational synergies** among its key institutional actors. Furthermore, **we will enhance dialogue and collaboration with actors across the entire Italian cooperation system** – primarily the private sector, local authorities, civil society, and universities, in an approach based on increasingly effective partnership. We must also deepen the dialogue with **non-institutional and voluntary cooperation actors**, such as **missionaries, foundations, charitable and religious organisations, and civilian peace corps**, harnessing their contribution to the wellbeing of partner countries. The strategic guidelines to achieve this result are outlined below, bearing in mind the principles of coherence and effectiveness inherent in development cooperation.

b) **GREATER COORDINATION AMONG ACTORS: BILATERAL INSTRUMENTS...**

Partnerships with both central and decentralised public entities and Authorities, initiatives by civil society groups, concessional loans, direct financial support to a partner country's general or specific public budget, and activities such as technical assistance, peer learning, and capacity building are **methods of intervention that should be applied synergistically, complementing and coordinating with each other**, using a **system approach**. Strengthening Italy's image and cementing its reliability as a strategic partner also involves – as Prime Minister Giorgia Meloni pointed out at the Italy-Africa



Summit in January 2024 – **greater coherence in planning initiatives, reducing their number while increasing their scale, impact, and duration to overcome the risk of fragmentation.**

An Italian development system capable of teamwork and fostering synergies.

A concrete and innovative instance of these principles in action is the Italian Cooperation's design and implementation, in collaboration with partner countries, of **large-scale projects** (valued at €200-300 million) able to make a notable difference on the

ground and tap into the immense potential of improving the Italian System's value chains and its public and private actors of excellence.

In line with this strategy, the **Italian Cooperation will carry out missions** in many target countries to identify key areas - such as food security, climate change action, health, and education - and to find technical partners capable of developing large-scale project proposals, including regional ones, in these fields. These proposals may be funded by **combining cooperation instruments** (grants, aid credits from the Revolving Fund and the Italian Climate Fund, credits with resources under article 22, paragraph 4, of Law 125/2014 managed by CDP), as well as by involving **major international donors and regional and national financial institutions as co-financers.**

c) ...AND MORE EFFECTIVE COLLABORATION WITH THE MULTILATERAL SYSTEM

Strengthening the Italian System does not mean abandoning **Italy's traditional multilateral vocation.** On the contrary, **enhancing bilateral cooperation further consolidates Italy's role on the global stage.**

Multilateralism remains a cornerstone of Italian foreign policy, and our country will strive to leverage some of its unique features, including its mediation skills and institutional role, which enable it to represent universal principles credibly. For Italy, it is essential to **harness the role of international organisations as forums for meeting and dialogue** and their ability to act as **impartial guarantors of international balances**, as well as being project implementers.

Where advisable due to the security situation or because of specific expertise, **Italy will consider recourse to international organisations in the event of war and severe political, economic, and security instability**, for reconstruction and humanitarian emergency interventions, or to ensure aid for populations. Italy also aims **to enhance the technical expertise of international organisations that receive special support from our country** or seek to **develop fruitful synergies with actors in the Italian cooperation system.**

In collaboration with international organisations, the next three years will **focus on monitoring the efficiency and effectiveness** of what has been done with Italian funds. We will also promote **greater involvement of our country's non-governmental organisations, the academic community, and businesses** in their activities.

d) TEAMWORK IN A MULTI-STAKEHOLDER SYSTEM

To enhance its bilateral efforts, Italy must strengthen its partnership with actors in the **Italian development cooperation system**: central administrations, civil society organisations and non-

profits, regions, local authorities, universities, research centres, and the private sector. **Everyone must contribute to achieving the Sustainable Development Goals in a joint and shared effort, each with their own experience and respecting the diversity of roles.**

Below are the key strategies for engaging these actors.

d1) CENTRAL PUBLIC ADMINISTRATIONS: A JOINT EFFORT FOR SHARED GOALS

Italy will step up the involvement of Public Administrations in the development cooperation sector, promoting inter-institutional collaborations.

State Administrations, along with other public and private bodies specified by Law 125/2014, are a **central pillar of the Italian development cooperation system**. The Italian Cooperation will foster their contribution and participation, including through **inter-institutional collaborations**, such as the one established between the MAECI and the Ministry of Health, where specific technical expertise provides an

essential input for better implementation of initiatives.

- The **Ministry of Foreign Affairs and International Cooperation – MAECI** sets the direction and ensures the unity and coordination of all national cooperation initiatives. The **Directorate General for Development Cooperation** assists the Minister and Deputy Minister for Development Cooperation in all their functions established by the Law regarding development cooperation. It works closely with the **Italian Agency for Development Cooperation**, the institution responsible for the technical management of initiatives, as per the cooperation reform. Other Directorates-General of the MAECI also carry out activities that fall within the scope of development cooperation. For example, the **Directorate-General for Italians Abroad and Migration Policies - DGIT** manages the “**Fund for extraordinary interventions aimed at relaunching dialogue and cooperation with countries of priority importance for migration flows.**” Its goal is to help strengthen migration management capacities and promote assisted voluntary returns and reintegration support.
- The **Ministry of Economy and Finance** is the ministry through which pass the most significant financial flows for development cooperation, such as the funds allocated to the European Commission, of which about €2 billion a year are earmarked for the implementation of the European Union’s **development cooperation policy**, which the MAECI partly shapes in the various committees that meet in Brussels. The Ministry of Economy and Finance (MEF), in agreement with the Minister of Foreign Affairs and International Cooperation, **manages Italy’s relations and financial contributions to the capital of multilateral development banks and funds**. This institutional area of competence stems from the financial character of these institutions and the nature of their work, which includes efforts to stabilise the economic cycle and to prevent and address local and regional crises with potential global systemic implications. The details of these activities are described in the factsheet “Support for Banks and Multilateral Development Funds”.
- The company **Cassa Depositi e Prestiti (CDP)** is designated under Article 22 of Law 125/2014 as the **Italian financial institution for Development Cooperation**. In this capacity, it operates by

utilising its own resources, following Article 22, paragraph 4 of the aforementioned Law, and by managing the Revolving Fund for Development Cooperation². Specifically, regarding concessional loans, Article 8 of Law 125 stipulates that, upon proposal by the Minister of Foreign Affairs and International Cooperation, the **Minister of Economy and Finance** authorises the CDP to grant subsidised **loans** to states, central banks or State public bodies and, as a last resort, to International Financial Institutions, drawing from the Revolving Fund. The details of the strategic guidelines concerning CDP are outlined in the factsheet “Role and activities of Cassa Depositi e Prestiti”.

- The **Ministry of Environment and Energy Security - MASE** implements international cooperation programmes using a portion of the proceeds from the auction of greenhouse gas emission allowances. The global efforts of the Ministry of the Environment and Energy Security are carried out in accordance with the Paris Agreement, which Italy ratified in 2016. The MASE is also responsible for overseeing Italian financial contributions to climate funds, both independently and in collaboration with the Ministry of Economy and Finance. This includes participation in the governing bodies of the Green Climate Fund and the Adaptation Fund, the latter being a new initiative designed to assist developing countries in responding to loss and damage associated with the negative impacts of climate change. The MASE implements international collaboration programmes with the relevant ministries of the most vulnerable countries exposed to climate change risks in Africa, the Middle East and North Africa region, and the Small Island Developing States (SIDS), supporting them in carrying out their Nationally Determined Contributions and National Adaptation Plans, as well as in a multilateral context.

The MASE is the administration that oversees the implementation of the United Nations’ 2030 Agenda in Italy. The new **National Strategy for Sustainable Development**³ was presented in New York in September 2023, charting the course for progress towards the UN’s 2030 Agenda goals, tailored to the Italian context. It relies on the coordination of the MASE for national matters and the MAECI for international aspects. Moreover, the MASE is the holder of the **Italian Climate Fund**, regarding which it takes strategic decisions in coordination with the MAECI and the MEF, and involving CDP, the manager of the Fund. Refer to the detailed factsheet “The Italian Climate Fund” regarding this fund.

- The **Ministry of the Interior** is the ministry most engaged in development cooperation activities related to migration issues, refugee protection, and support for targets 16 and 10.7 of the United Nations’ 2030 Agenda. In particular, the Ministry of the Interior promotes the adoption of governance systems and support for local institutions, in an effort to prevent and counteract situations of vulnerability in State structures and institutions, with special focus on managing migration flows and protecting refugees, victims of trafficking, and vulnerable individuals. It is also the **leading funder of reception in Italy for refugees and asylum seekers**, an activity included within the scope of Official Development Assistance, according to the parameters agreed upon within the OECD-DAC framework.

² The Revolving Fund for Development Cooperation is an off-budget fund established under Article 26 of Law 227 of 24 May 1977.

³ The National Strategy for Sustainable Development has been approved by the Interministerial Committee for Ecological Transition (Resolution CITE No. 1/2023).

- The **Ministry of Health** is another central administration particularly active in international cooperation. Through the **Department of Human Health, Animal Health and the Ecosystem (One Health)** and International Relations, and its technical-scientific body, the **National Institute of Health (ISS)**, the Ministry of Health works in close coordination with the MAECI and the Italian Agency for Development Cooperation, including through agreements to make their health cooperation efforts more effective.

In this field, there is also growing coordination with the **National Institute for the Promotion of Health in Migrant Populations and the Fight Against Poverty-Related Diseases (INMP)**, designated by the WHO as a Collaborating Centre for scientific evidence and capacity building on migrant health. The INMP is also home to the National Epidemiological Observatory for Health Equity.

The Ministry of Health, INMP and ISS aim to work in the field of international development cooperation, including through **strategic Universal Civil Service (SCU) projects**, developing actions focused on achieving:

- the Sustainable Development Goal “Ensure healthy lives and promote wellbeing for all at all ages”; and
- the scope of the annual SCU “Right to Health” plan.

- **The Ministry of Education and Merit - MIM** is taking an increasingly active role in international cooperation. An example of such commitment is the Italy-Ethiopia Memorandum, signed by Minister Valditara and his Ethiopian counterpart, Prof. Berhanu Nega, in December 2023. In the Memorandum “Cooperation and Education to Address Development Challenges”, collaboration in the education sector was agreed upon. It is a crucial tool to improve cultural exchanges between the two countries, boost Technical and Vocational Education in Ethiopia, creating programmes centred on partnerships among technical institutes and ITS Academies, and fostering cooperation and exchanges between the secondary schools of both countries under the MIM’s “Crescere insieme” (Growing Together) project.
- Within its institutional mandate, the **Ministry of Culture** supports development cooperation by carrying out conservation and restoration activities for cultural heritage, building skills to enhance the ability to protect, promote, and sustainably manage cultural heritage, tackle risks and emergencies, and combat the illicit trafficking of cultural goods. It also collaborates on cultural and artistic initiatives or co-productions, especially for museums and cinemas. These activities are carried out in partnership and coordination with the MAECI, the Italian Agency for Development Cooperation, the Embassies, and the Cultural Institutes. The main bodies of the Ministry involved are the Central Institute for Restoration, the Central Institute for Archaeology, the Carabinieri Command for the Protection of Cultural Heritage, which reports to the Minister of Culture, and the Foundation School for Cultural Heritage and Activities.
- The **Civil Protection Department within the Office of the Prime Minister**, as the coordinator of the National Civil Protection Service and the national authority for the EU Civil Protection Mechanism, also serves as the focal point for the Emergency Response Coordination Centre (ERCC) of the European Commission’s Directorate-General for European Civil Protection and Humanitarian Aid Operations (ECHO), which is crucial in preparing for and responding to emergencies caused by nature or humans.

- Other ministries, particularly the Ministries of **Defence, Economic Development, Agricultural, Food and Forestry Policies, Infrastructure and Transport, Labour and Social Policies, Education, and University and Research**, are also active in development cooperation. The consistency of their actions with the national policy for development cooperation is guaranteed by their participation, alongside the Prime Minister's Office, the MAECI, and the mentioned ministries, in the **Interministerial Committee for Development Cooperation (CICS)**, which will meet at least once a year. The CICS serves as the link among all public administrations with responsibilities in development cooperation, aiming to ensure the planning and coordination of all cooperation activities.

d2) CIVIL SOCIETY ORGANISATIONS AND OTHER NON-PROFIT ENTITIES

Civil Society Organisations (CSOs) are key players in the development cooperation system. They are “local” entities, rooted in their communities with a deep understanding of the contexts in which they work, and have long been committed to supporting the growth of the local civil society. They also embody a fundamental value that goes hand in hand with the idea of Italy in our partner countries: solidarity.

Italy will step up the involvement of civil society, non-profit, and diaspora organisations in the design and implementation of initiatives.

Diaspora associations active in Italy can also be **key development actors** in their countries of origin, serving as a channel to share experiences and promote autonomous entrepreneurial skills, also with a view to circular migration. Their involvement in international cooperation will be made easier by the **Italian Coordination of Diasporas for**

International Cooperation (CIDCI), a network set up on 6 December 2023 and made up of over **100 associations** in nine regional networks (**Friuli-Venezia Giulia, Lazio, Liguria, Lombardy, Piedmont, Apulia, Sardinia, Sicily, and Trentino-South Tyrol**) active in development cooperation activities.⁴

To enhance the impact of initiatives, it is essential to improve engagement of **CSOs**, non-profits, and diaspora organisations **not just during implementation** but also, where feasible, in the **planning stages**. Harnessing and organising the skills and expertise gained across various sectors, from education to health, from production activities to training, to strengthen dialogue and partnerships with local communities is crucial. In this context, organisations that deal in **Distance Sponsorship** will also be duly considered, as they engage hundreds of thousands of Italian citizens and mobilise thousands of millions of euros annually.

In particular, **CSOs will be involved through calls for proposals** issued by the Italian Cooperation at both central and local levels for funding initiatives related to humanitarian aid and other priority sectors such as training aimed at job creation, food security and sustainable agriculture, combating climate change, and access to basic services (health, education, water and sanitation), and protection of Christian minorities.

⁴ (CIDCI) The Coordination emerged within the framework of the “DRAFT the Future! Towards a Diaspora Forum in Italy” project, funded by Italian Development Cooperation and implemented by the International Organization for Migration (IOM) and the Le Réseau Association.

Just as with territorial Authorities, the Ministry of Foreign Affairs and International Cooperation will encourage a more active involvement of Italian civil society actors in **forming partnerships with all elements of the Italian system** that, by their nature and expertise, can offer an innovative and valuable contribution to cooperation efforts, as well as with **civil society in partner countries** – a crucial development player. In this field too, the goal is to foster partnerships between Italian public administrations, Italian CSOs and those of partner countries to ensure alignment with local priorities and enhance the effectiveness of cooperation.⁵

Looking ahead, strengthening Italian CSOs' support of the for-profit sector in partner countries will also be essential. The relationships they maintain in the countries of intervention, in synergy with diplomatic Representations and AICS Offices, must help attract investments in line with the Sustainable Development Goals.

In the European and multilateral context, we will also promote wider involvement and greater access for CSOs to EU and multi-donor funds.

d3) TERRITORIAL PARTNERSHIPS: SKILLS AND TERRITORIAL COHESION SERVING DEVELOPMENT

The development cooperation system outlined by Law 125/2014 is based on the principle of **structured dialogue between national and territorial cooperation** on shared priorities, in terms of countries and thematic areas, allowing for an integrated approach across different levels of government. Territorial partnerships – framed within a multi-stakeholder approach – play a key role

The expertise that Italian local authorities have cultivated in “creating networks” between public and private sectors will serve as a blueprint for projects that integrate a diverse range of knowledge and experiences.

in achieving the Goals of the 2030 Agenda, thanks to their ability to mobilise local actors: institutions, universities, non-profits, businesses, etc. Partnerships enable more effective identification of local partners' priorities, responding to the development needs of territories, and the implementation of sustainable development programmes aligned with these needs.

Territorial partnerships are formed through cooperation by **Italian local authorities, partnering with partner countries' local institutions** to:

- **Support the establishment and strengthening of land management systems and governance services** by transferring Italian local authorities' experiences and best practices, including to foster the decentralisation processes that are necessary to implement policies and provide services at the local level;
- **Create job opportunities**, focusing on youth and women, to foster socio-economic development and improve the local economic fabric, particularly in the small and medium enterprise sector;
- Encourage **the transfer of skills, knowledge, professional and financial abilities** from the diaspora to contribute to the development of their countries of origin. In this field, sharing Italian expertise gained in networking among local public and private actors is crucial for developing

⁵ This action will be carried out, especially by AICS, in line with the “OECD-DAC Recommendation on Enabling Civil Society in Development Cooperation and Humanitarian Assistance”, adopted by the DAC on 6 July 2021.

complex local projects that involve a mix of knowledge and experiences (universities, research bodies, businesses, civil society, local authorities).

Over the next three years, the **Italian Cooperation will continue to use calls for proposals** to fund initiatives carried out by regions, autonomous provinces, and local authorities, as a tool to promote their active participation and encourage their contribution to development initiatives. Additionally, through agreements or conventions, **new forms of collaboration will be promoted** to encourage a **more active role for local authorities in setting priorities, shaping calls for proposals, selecting operational tools** to deploy in partner countries, and more broadly in **involving other actors of the Italian system**.

To reach these ambitious targets, the Ministry of Foreign Affairs and International Cooperation will promote **structured dialogue between local authorities and other participants in the Italian cooperation system**, including the working groups of the **National Council for Development Cooperation**, as a key step to enhance the role of local authorities in cooperation efforts.

d4) UNIVERSITIES AND RESEARCH CENTRES: AN INVESTMENT FOR THE FUTURE

Considering the priority given to education and training in the next three years, **collaboration with the Italian university system will be strengthened** by building networks with our best technical and academic skills by creating partnerships with local universities. **University development cooperation** will continue to support education and training projects in through the key tool of

University development cooperation will support education and training projects. The objective is to facilitate business initiatives and to strengthen the link between academic programmes and the job market.

scholarships for master's degrees, PhD research, postgraduate courses, and vocational training, as well as by funding research projects. Working with partner countries will be essential in deciding who benefits from these instruments.

University development cooperation will continue to support projects that highlight the specific added value of the education and research system, which rests on three pillars:

- **High-level training** serving as a bridge between Italian universities and partners to promote local human capital, focusing on both students and the training of professionals such as lecturers, business leaders, or government officials, helping to ensure that education and career paths align with the needs of the local job market.
- **Scientific research**, as a method to support local innovation processes that create public-private collaboration spaces, generate jobs, and offers opportunities for mutual learning.
- The **system approach** facilitates collaboration, including in **technical and vocational training**, between academia and the private sector, NGOs, local authorities, international organisations, and banks, with a special focus on supporting entrepreneurial projects and self-employment.

In this context, science and research diplomacy enables universities and research institutions to serve the countries they work in constantly and continuously, to establish an equal relationship based on sharing knowledge and research. It fosters the creation of ties based on principles and

values with the future leaders of partner countries, which are vital for **blending effective actions for sustainable development with fair promotion of the Italian system of culture, education, research, and business innovation.**

Universities and research bodies also serve as a key source for the promotion of **innovative technologies** to support our partner countries. Drawing on the high expertise of universities and research centres, Italian action can focus on the technology transfer of innovative and sustainable models and solutions adaptable to different contexts. This approach can also greatly aid small- and medium-sized Italian businesses that wish to invest in new countries.

In this context, special attention will be given to promoting gender balance in access to training and education, and targeted activities will be used to encourage women's involvement in statistical training and in scientific disciplines in general.

d5) THE ITALIAN PRIVATE SECTOR: A CATALYST FOR INNOVATIVE, SUSTAINABLE AND INCLUSIVE DEVELOPMENT

Italy aims to strengthen the private sector's contribution to international development cooperation by encouraging sustainable investments that support the economic and social development of partner countries.

A more defined role for the Italian private sector as a **catalyst for local private sector growth** and as a **driving force**, along with **education and investment in human capital, for the economic growth of our partner countries**, will be another key direction that the Italian Cooperation aims to follow in the 2024-2026 three-year period.

Law 125/2014 assigns a key role to the private sector as an integral part of the Italian international development cooperation system. Active engagement of companies and banks, particularly those focused on social goals like cooperative banks and ethical finance bodies, is crucial to **increase the funds for development and leverage the private sector's skills, innovations, and technologies.** When aligned with the best environmental, social, and human rights standards, these can propel socio-economic growth in partner countries and aid local firms in reaching sustainability and economic success.

To ensure private sector involvement in development cooperation policy is practical and effective, **we must use every tool at our disposal** and adapt them to suit the target organisations and their

potential. To develop a business model that “works”, it is essential to adopt an approach that is at once **innovative, sustainable and inclusive**. This model calls for an entrepreneurial approach that is

Implementing programmes on behalf of the EU provides the opportunity to manage projects with significant financial volume and substantial impact, allowing us to enhance our bilateral programmes by promoting synergies and complementarity.

open to the transfer of innovative technologies and to sharing skills with local actors. It is therefore an approach to business based on the full involvement of local communities that inevitably leads to sustainable growth in three dimensions: economic, social, and environmental, thanks to innovations in processes and products⁶.

Employer organisations and the Italian private sector can play a key role as development agents in the target countries, by promoting **vocational**

training programmes in partner countries, aimed at worker mobility in Italian firms operating both in Italy and in partner countries.

Promoting vocational training programmes in partner countries is a strategy to boost socio-economic development in the countries where they take place, by transferring knowledge, skills, and advanced technologies to local workers. This will help enhance skills and career prospects and stimulate innovation and economic growth in partner countries.

Moreover, worker mobility in Italian firms active in Italy and in partner countries will facilitate cultural exchange and interaction between different socio-economic spheres, encouraging the creation of long-term collaboration networks and partnerships that can yield mutual benefits for all involved parties.

Private sector involvement in cooperation activities must also be carried out in **close coordination and synergy with other initiatives of the Italian System**, with the branches of the MAECI responsible for business internationalisation, as well as with ICE, SACE, and SIMEST. It will be equally important to identify synergies with major public companies, such as ENI and Ferrovie dello Stato italiane S.p.A., to **contribute to the integrated promotion of Italy’s economy, commerce, and culture**.

Through this approach, **development cooperation** can emerge as a key stimulus for **Italian private sector investments** in the countries where it operates, beginning with Africa, and foster partnerships, including joint ventures, with local business owners. Indeed, joint ventures – when established on transparent criteria and rules that align with sustainability goals – continue to represent a substantial opportunity to amplify the comparative advantages of each participating party. Local firms offer insights into the domestic market and region, and an understanding of bureaucracy and government rules. At the same time, Italian companies can supply **capital, skills, innovations, and access to export markets**.

These elements can stimulate **economic growth and employment**, particularly in vital sectors such as **infrastructure**, which is a **foundational requirement for balanced economic progress and, ultimately, for the stability of partner countries**.

⁶Since 2017, AICS has been promoting the **ISI (Innovative, Sustainable, Inclusive)** business model (<https://www.aics.gov.it/settori-di-intervento/osc-profit-ed-enti-territoriali/area-imprese/#page-accordion-8>).

In this context, it will be essential to support Italian civil society organisations working with local partners, in a multi-stakeholder partnership logic. Their role is to help businesses grasp the local setting, foster community engagement, and facilitate education and training, which are vital for thorough and effective professional training.

The factsheet on “Partnerships with the for-profit private sector” examines the detailed outline of the action plan for involving the Italian private sector and the incentives provided by the law.

d6) EU-FUNDED PROGRAMME DELIVERY: MORE ITALY IN EUROPE AND MORE EUROPE IN THE WORLD

Within the broader European framework, it is crucial to encourage increased **participation of stakeholders of the Italian cooperation system in executing EU development policy** in all its manifestations: grants, blended finance, delegated activities.

The **funding secured by AICS** and other entities within the Italian development cooperation system and the **further increase in the bodies authorised to manage European budget funds indirectly** will be indicators of the progress in the ability to participate in executing EU policy. This has become a **strategic channel** not only because of the significant financial resources transferred to Member States’ agencies and implementing bodies, but also due to the critical mass these resources represent when they support bilateral actions, thereby multiplying impact on the populations of partner countries. As such, it will be a priority to strengthen AICS with more resources and expertise and to establish a structured presence for the Italian cooperation system in Brussels.

Managing programmes on behalf of the EU also represents the **recognition of a significant role in the various partner countries** and facilitates opportunities for dialogue with local authorities. For this reason, Italy’s effort to ensure ever higher performance levels from bodies accredited to manage EU-funded interventions, especially AICS, has earned solid credibility with the European Commission, **which should be invested in even more in the next three years**.

d7) ITALIAN PARTICIPATION IN INTERNATIONAL ORGANISATIONS: BETTER TOGETHER

Participation in international organisations is a key tool for international cooperation, especially to tackle **global challenges** that require a **coordinated transnational approach** and a **critical mass of financial resources** beyond the means of any single donor.

Given the development needs of partner countries, a renewed multilateral system, suited to the challenges and focused on effectiveness, is a significant bulwark for upholding the United Nations Charter and implementing the 2030 Agenda.

Italy will support a renewed multilateral system, suited to global challenges and focused on effectiveness.

The multilateral channel allows Italy to shape the policies and strategies of the Organisations it is part of, aligning them with its own. Italy will **support the United Nations development system** and will

particularly back international organisations based in Italy. **Hosting international organisations in Italy and promoting their scope and reach gives our country great visibility.** As the host country,

Italy is the main point of reference for the leadership of the mentioned organisations and benefits from a more direct communication channel, in addition to its presence on the organisations' executive boards.

- The **UN's Rome hub** (FAO, WFP, IFAD) is the third most important after New York and Geneva. It is the leading global centre for developing **policies for agricultural development and sustainable food systems**. This has helped make Rome the global capital of **food security**, as confirmed during the Second UN Food Systems Summit.
- **CIHEAM Bari** plays a leading role in its field, and has become a centre of excellence in training, research, and promotion of agricultural development, particularly in the Southern Mediterranean and African countries. Collaboration with **IILA** in Latin America is equally important.
- Regarding humanitarian logistics, Italy will enhance collaboration with the **United Nations Humanitarian Response Depot in Brindisi**, supporting its activities and developing operations in partnership with the Department of Civil Protection, the Ministry of Defence, and Italian civil society. In a synergistic approach, this action will complement the activities in support of the **United Nations Global Service Centre in Brindisi**, which provides operational and logistical support to UN peacekeeping operations.
- In the **training** and **research** sector, our country will strengthen its traditional commitment to international bodies based in Italy, including the United Nations hub in Turin (ILO, Staff College, and UNICRI), the **Trieste science hub**, the **OECD Training Centre on Public Governance in Caserta**, the UNICEF Innocenti Research Centre in Florence, Alliance Bioversity-CIAT and IDLO in Rome, and the IMSSEA Academy in Genoa.
- Over the next three years, Italy will continue its traditional and established partnership with some of the main **funds, programmes and agencies of the United Nations**. This partnership is key to pursuing Italian cooperation strategies, thanks to the experience and expertise these bodies have developed over the decades. We will champion collaboration with **UNICEF, UNDP, UNHCR, WHO, IOM, UNDRR**, the **UNCCD Global Mechanism**, and **UNIDO**, some of the most significant UN organisations, which are also especially active in Africa with both development and humanitarian initiatives, contributing to the continent's stabilisation and security.
- We will continue to support effective multilateralism, including through participation in **global funds and partnerships**, especially those established following G7 and G20 initiatives. These partnerships specialise in promoting global health, education, and climate change mitigation, areas where the coordinated action of public and private institutions is vital. Examples include the Global Fund to fight malaria, HIV/AIDS, and tuberculosis; the Global Alliance for Vaccines and Immunisation (GAVI); the Coalition for Epidemic Preparedness Innovations (CEPI); the Global Partnership for Education (GPE); the Pandemic Fund; and the Climate Investment Funds (CIF). In funding these initiatives, special attention will be given to ensuring adequate visibility for Italian contributions.

The attached factsheet, "Italian Participation in International Organisations," provides a detailed overview of Italian collaboration with international organisations.

Communicating Development Cooperation

Communication is a key tool for the success and effectiveness of development cooperation initiatives and programmes. In this context, Italy is active in creating and coordinating information and communication campaigns aimed at promoting **active citizenship** and raising **awareness and support** among the Italian public – especially among young people and families – for international cooperation issues and Italy's actions at the global level to tackle major global challenges.

Over the years, **Global Citizenship Education** has been promoted through initiatives spearheaded by a range of actors within the Italian development cooperation framework and designed to increase awareness and engage all citizens in international solidarity, cooperation, and sustainable development. These activities are constantly expanding, and are evaluated to enhance their effectiveness and promote the use of innovative tools.

Since 2020, the **#InsiemepergliSDG** [#TogetherForTheSDGs] communication campaign, led by the Ministry of Foreign Affairs and International Cooperation in partnership with the UN SDG Action Campaign, FAO, the European Commission, CIHEAM IAMB Bari and Save the Children, has been touring Italian cities. Its aim is to raise public awareness in an innovative way about the sustainable development goals and the efforts of the Italian Cooperation to achieve these targets. The MAECI's longstanding involvement in the **Rimini Meeting** has become a key means for disseminating information about the activities of the Italian Development Cooperation, enabling it to connect with a predominantly young audience on matters of considerable social relevance.

Moreover, special attention will be given to other events with the potential to communicate the aims and activities of the Italian Cooperation, such as the **Mediterranean Exchange for Archaeological Tourism in Paestum**.

As set out in Article 16, paragraph 3 of Law 125/2014, every three years the Minister of Foreign Affairs and International Cooperation calls a **National Public Conference** to encourage citizen participation in shaping development cooperation policies. The first two conferences, both held in Rome in 2018 and 2022, enabled thousands of students to actively take part in discussions about sustainable development. The third conference will be held in 2025.

Finally, the **Second United Nations Summit on Food Systems**, hosted by the Italian Government in Rome from 24 to 26 July 2023 with the participation of over 20 heads of state and government and hundreds of ministers from member countries, helped to spread messages about international cooperation and Italy's role in supporting food security and the developing countries most affected by food and humanitarian crises.

Through these campaigns and initiatives, the Italian Cooperation engages with millions of users annually, as well as through tailored media partnerships with some of Italy's most prominent and innovative journalistic organisations, including Will Media and TORCHA, with the aim to deliver impactful communication that resonates with younger generations. In addition to these new developments, the media partnership with RAI plays a crucial role in disseminating information about key national and international events, such as the Coopera Conference and the United Nations Food Systems Summit.

5. FINANCING FOR DEVELOPMENT: DIRECTING RESOURCES WHERE THEY ARE MOST NEEDED

The funding gap for the Sustainable Development Goals is growing, amid an increasingly complex global context. Immediate and long-term measures are needed to ensure sufficient financial resources for low-income countries' poverty reduction strategies and to help fragile countries respond to the climate challenge.

Italy will be at the forefront of reforming International Financial Institutions and Multilateral Banks. More effective leverage between Italian and international funds, and between public and private resources, will be pursued. Furthermore, action on debt will be strengthened through innovative measures.

Development finance resources are not primarily flowing to the geographical areas (e.g., Africa) that need them most to enhance their development strategies significantly. Lack of development increases **debt unsustainability**, which in turn hinders new investments, creating a vicious circle that is hard to break. We are facing a paradox: despite being burdened by heavy debt and further impoverished by the current global context, war, climate change effects, inflation, and international financial instability, poor countries risk losing interest even in aid loans, including those offered on exceptionally favourable terms.

Accordingly, low- and middle-income countries' expectations for a significant rise in the amount and efficiency of development finance are growing. Development finance must provide **innovative and impactful solutions**, especially for the **poorest countries and those in fragile situations**, which are suffering from the compounded effects of global challenges and ongoing crises.

a) A NEW FINANCIAL ARCHITECTURE FOR DEVELOPMENT

Firstly, we must look for a new playing field. In coordination with European and international partners, Italy aims to contribute to a **global financial architecture for development that is both efficient and fair: one that directs resources to where the needs are greatest and the potential for**

Italy will contribute to shaping a fair and efficient global financial architecture.

development is highest. The desired new arrangement must manage to direct public and private capital into investments at the pace and scale needed to **boost employment, economic growth, sustainable development, and climate action.**

In this context, **special attention will be given to supporting the reform processes of banks and multilateral development funds.** Through the Ministry of Economy and Finance, Italy is a leading shareholder in the multilateral development banks and regularly contributes to the replenishments of the multilateral development funds. By providing resources on concessional terms to the lowest income countries, the Funds are a major driver for global social, human, and economic development. Moreover, they can play a key role in attracting private sector resources.

In the 2024-2026 three-year period, **Italy will play a leading role in multilateral negotiations** to set the priorities of each institution and to **improve the overall framework**, supporting **closer**

collaboration among international financial institutions and promoting the adoption of measures aimed primarily at increasing resource use efficiency, especially with reference to the “capital adequacy” framework of banks. Special focus will be given to **Africa**, emphasising fragile situations, energy security, and the development of international networks, migrations, institutional capacity and debt sustainability, food security, climate change, and gender equality.

The attached factsheet, “Support for Banks and Multilateral Development Funds,” provides a detailed overview of the topic.

b) MORE EFFECTIVE LEVERAGE BETWEEN ITALIAN, EUROPEAN, AND INTERNATIONAL FUNDS, AND BETWEEN PUBLIC AND PRIVATE RESOURCES.

Italy will promote greater efficiency and a more effective leveraging of national public resources (including Official Development Assistance: grants, debt conversion, Revolving Fund, Climate Fund, and resources under Article 22 of Law 125/2014 managed by CDP), European resources

Italy will promote development finance and its synergies as a tool to meet Africa's needs, especially in the infrastructure sector.

(NDICI/Global Europe, IPA, EFSD+) and international ones (multilateral development banks and financial institutions). This will create synergies between public resources and private investments to strengthen cooperation and development efforts in partner countries. The

scale of the challenges calls for approaches and instruments to mobilise sizeable funds from local and international private financial markets, well beyond public resources.

Italy will therefore explore the **most efficient and sustainable ways for joint activities and co-financing between public and private finance**, from **Italian, European, international and local sources** to fully tap into the potential of all available financial instruments and harmonise various public and private investments, especially in the infrastructure sector to support the green and digital transition of our partner countries, especially African ones.

It will be essential to **coordinate various financial instruments to serve different investor types and beneficiary risk profile**, as well as to group them around clusters of investment opportunities within each economic sector in partner countries, in line with national strategic frameworks. Where appropriate, we will consider mixed finance solutions (so-called “blended finance”) and enhanced

Acting via CDP, Italy will develop innovative financial instruments that are tailored to the market environment and designed to attract private investment.

risk-sharing tools that can **attract private funding**, including guarantees under the EU's Neighbourhood, Development and International Cooperation Instrument (NDICI) and those based on projects, public policies, and insurance against various types of risk in partner countries (from macroeconomic to political and project risks).

CDP and the Italian banking and insurance system – where unique experiences of ethical and cooperative finance exist – will play a significant role in this regard, and to help speed up the implementation of the Addis Ababa Action Agenda on Financing for Development. By also working with the banks mentioned above, CDP can achieve a leverage effect, and higher volumes and greater impact with the MAECI funds it manages (the Revolving Fund for sovereign loans) and the resources

under Article 22 of Law 125/2014. It can do this using equity, debt, and guarantees, covering both sovereign and the private sectors, including investments in financial partners in other countries and participating in the issuing of sustainable development bonds.

The **promotion of public-private partnerships** in the field of impact finance will also be encouraged. To this end, Italy will promote actions to adopt and encourage the use of impactful innovative financial instruments, such as impact funds and debt instruments such as sustainable bonds (e.g. Green, Social, Sustainability and Sustainability-linked bonds), bonds issued by socially-oriented entities, and revenue participation agreements, to generate social and environmental returns as well as financial ones.

To this end, training programmes and capacity building for Italian cooperation workers will be developed to enhance understanding and use of impact finance. This will require a coordinated effort among all involved actors, particularly among Italian administrations, the private sector, civil society, and the international community.

It will also be essential to consider the concessionality levels of loans to partner countries to avoid contributing to the debt crisis spiral most low-income countries are experiencing. We will aim to shift from a focus on individual projects to **an approach based on portfolios, systems, and policies**, focusing on the catalytic and transformative impact of development financing and based on the priorities and dynamics of each partner country. In this context, we will strive to promote financial inclusion and the use of local credit systems, that is to extend access to banking services through innovative technological solutions and technical assistance programmes to train bank staff in risk assessment.

The new approach will also involve **strengthening dialogue with partner countries on improving local regulations and policies to strengthen the investment environment and better align profitability with sustainability**. This is linked to the goal of increasing partner countries' domestic resource mobilisation to help them develop suitable and efficient national tax systems, as outlined in the factsheet "Domestic Resource Mobilisation".

A detailed overview of the subject is analysed in the factsheet "Finance for Development."

c) DECISIVE ACTION ON DEBT

Italy plays a leading and active role both in the traditional framework of the Paris Club and in the G20 initiative, which now includes emerging creditors (China, India, etc.), known as the Common Framework for Debt Treatment beyond the DSSI (Debt Service Suspension Initiative), aimed at restoring debt sustainability in developing countries. The Common Framework, with the support of international financial institutions such as the International Monetary Fund and the World Bank, is the tool identified by the G20 to tackle the debt challenge of low-income countries, encouraging coordination among traditional and emerging bilateral public creditors, and private creditors. Low-income countries, less developed countries, and some lower-middle-income countries that benefit from the World Bank's International Development Association (IDA) resources can access the initiative. Pilot initiatives are also underway to coordinate among creditors of other middle-income countries.



However, the complexity and breadth of the debt sustainability challenge call for innovative proposals and approaches to the issue. From the Italian perspective, there is a **willingness to contribute to the international debate to establish mechanisms that enable preventive measures**, rather than merely reactive ones, to be taken before a debt crisis becomes apparent.

6. OUR COMMITMENT TO A NEW LEADING ROLE FOR ITALY

The strategy outlined in the three-year Programming and Policy Planning document for 2024-2026 details Italy's commitment to development cooperation policy over the next three years. All actors in the Italian system are called upon to contribute to this commitment and to ensuring the sustainable development of our partners, which, in today's world, is inseparable from our own.

The start of the three-year plan for 2024-2026 coincides with Italy's presidency of the G7, thus embodying Italy's ambition to **reaffirm its leading role on the international stage**, including in development cooperation.

Italy intends to deploy its values and expertise in the relaunch of the 2030 Agenda at the global level, knowing that the intricacies of the current multidimensional challenges can only be overcome with the **contribution of all relevant actors**.

In this context, the **Rome Process** and the **Mattei Plan** also respond to the goal of tracing a **new approach**, capable of proposing new methods of intervention and partnership also at the European and international levels. Particularly at these levels, collaboration on strategies and the dedication of all actors are crucial for a sustainable development that benefits everyone involved.

To address today's many multidimensional challenges, we must already implement tomorrow's tools. **Financing for development** is critical for the credibility of the inclusive partnership strategy based on the 2030 Agenda. Italy is committed to contributing to this endeavour by **fostering collaboration among all actors within the Italian cooperation system** and by advocating for the use of **innovative financing mechanisms**. Engaging the **private sector** will prove essential to establish a **model focused on the long-term effectiveness and efficiency of development cooperation**.

At the same time, the Government confirms its intention to align Italy with international standards on Official Development Assistance over the coming years, committing to a gradual approach towards the target of 0.7% of Gross National Income set in 2015 by the 2030 Agenda for Sustainable Development.

However, the issue of resources cannot be separated from that of content. In line with its renewed leading role on the world stage, Italy can help in the effort needed to achieve the Goals of the 2030 Agenda by identifying **areas where it can legitimately aspire to be a driving force and a leader**, such as in food security and vocational training.



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1. HUMANITARIAN AND EMERGENCY AID

In a context marked by a **steady rise in global humanitarian needs due to conflicts, widespread violence, extreme weather events, and epidemics**, the Italian Cooperation will keep ensuring its contribution to the international humanitarian response through **Italian Civil Society Organisations (CSOs), United Nations Agencies, Funds and Programmes**, as well as the **International Committee of the Red Cross** and the **International Red Cross and Red Crescent Movement**. In this respect, the role of the Civil Protection Department within the Office of the Prime Minister must be emphasised. It acts as the coordinator of the National Civil Protection Service and the national authority for the EU Civil Protection Mechanism, and also serves as the focal point for the Emergency Response Coordination Centre (ERCC) of the European Commission's Directorate-General for European Civil Protection and Humanitarian Aid Operations (ECHO).

Subject to the emergence of new crises, humanitarian aid will primarily target **Ukraine, Middle Eastern countries, and Sub-Saharan Africa** (notably the Horn of Africa and the Sahel).

The **primary beneficiaries** of the interventions will be the **most vulnerable people**, such as **refugees and internally displaced persons**, with a specific and cross-cutting focus on the needs of **women, girls, children, people with disabilities, the elderly, and minors**.

The preventive aspect of crises, known as “**anticipatory action**”, will not be overlooked, with the adoption of an approach aimed at preventing, preparing for, and promptly responding to the risks posed by the impact of extreme weather events. In this context, in Africa, the role of continental and regional intergovernmental bodies (African Union and regional economic communities) will be promoted. Given the prolonged nature of most humanitarian crises, the affected populations will primarily be supported by facilitating **access to basic services**, also in an “early recovery” perspective. However, it will be possible to face new crises or sudden escalations of ongoing ones with rapid emergency responses.

All activities will be carried out in close coordination with the international donor community and with the Member States of the European Union, following the **Team Europe approach**, and in line with the provisions of United Nations General Assembly Resolution A/RES/46/182, which calls for strengthened **coordination of humanitarian aid in emergency situations**.

In its action, the Italian Cooperation will follow an **integrated and multi-dimensional approach**. Italy will promote synergies among humanitarian, development, and peace actors, in line with the OECD-DAC Recommendation on the **Humanitarian-Development-Peace Nexus** and the Italian Cooperation guidelines on this matter. The work of the Italian Cooperation will also continue to honour the commitments made at the 2016 World Humanitarian Summit in Istanbul, especially regarding the **flexibility** and **quality** of funding, as well as the “**localisation**” of humanitarian aid, meaning support for local actors who are at the forefront of emergency response.

Concerning the organisation of **humanitarian transport**, the Italian Cooperation will, as in the past, use the services offered by the **United Nations Humanitarian Response Depot in Brindisi**, promoting its work and developing operations in collaboration with the Department of Civil Protection, the Ministry of Defence, and the Italian civil society.

Lastly, **support for integrated humanitarian demining programmes** will proceed subject to the availability of funds, also based on funds arising from the legislation on international missions. These

Detailed factsheets

programmes will include the clearance of areas containing unexploded mines, providing on-site assistance for blast survivors, and promoting “risk education” and awareness-raising activities on banning anti-personnel mines and cluster munitions, as set forth in the relevant international conventions.

2. INTERVENTIONS TO SUPPORT PERSECUTED CHRISTIAN MINORITY POPULATIONS IN CRISIS AREAS

Promoting freedom of religion or belief and supporting ethnic and religious minorities are priorities for Italy's foreign policy. Both at bilateral and multilateral levels, this translates into action aimed at stepping up the international community's commitment to promoting religious freedom worldwide, both as an individual right and in terms of the autonomy of religious organisations in carrying out their activities. Our country indeed believes that safeguarding freedom of religion or belief and protecting the rights of religious minority members contribute to establishing peaceful, prosperous, and inclusive societies. This is based on a clear direct link between development and protecting religious freedom and fundamental rights.

Italy is firmly convinced of a direct link between development, protection of religious freedom, and Human Rights.

As part of this strategy, the Italian Cooperation, thanks to a fund set up in 2019, fosters initiatives to help persecuted Christian minorities in crisis zones. The aim is to safeguard the religious freedom of these Christian groups in areas where their inherent weakness could heighten the risk of persecution and violence against their communities.

The initiatives financed by this fund help fight hate, intolerance, and discrimination and promote dialogue and cultural, social, and economic interaction, contributing to the achievement of Goal 16: "Promote peace, justice, and cooperation among nations." The Italian development cooperation system actors will deploy the programmes referred to in Article 26, paragraph 2, of Law 125/2014 and awarded through calls for proposals managed by AICS. The initiatives will therefore be carried out by Italian Civil Society Organisations (CSOs), reflecting the decision to collaborate with "local" organisations that are well-established in their respective areas and possess a profound understanding of the needs of the beneficiaries.

These public procedures were launched in 2019, 2020, and 2023, with an increasing number of participants from CSOs. The Italian Cooperation seeks to improve the coherence in applying this instrument, progressively shifting towards a more systematic execution of these procedures.

3. PARTNERSHIPS WITH THE PRIVATE PROFIT SECTOR

The 2030 Agenda emphasises the private sector and aims at developing a **business model that is sustainable** in terms of production and consumption – as stated by Goal 12: “Ensure sustainable production and consumption patterns” – which considers the social and environmental impact on local communities and is based on the **principles of effective international development cooperation**.

The MAECI has developed a multi-year plan to boost the private sector's contribution to cooperation and to fully activate the incentives available to businesses under law 125/2014.

In line with this approach, the Italian Cooperation aims to **enhance the quality and quantity of the private sector's contribution to international cooperation**, encouraging sustainable and innovative investments in partner countries that support their lasting economic and social development. The intervention guidelines are:

- a. The full implementation of Law 125/2014 in relation to the incentives for the profit sector (Article 27), regarding loans, guarantees, etc.;
- b. Strengthening partnerships with private sector by establishing synergies in cooperation initiatives.

Specifically, the **MAECI and AICS have developed a multi-year work plan** focused on several main pillars:

1. The finalisation of **partnership agreements between large companies** and the Ministry of Foreign Affairs on development cooperation, to structure ways of exchanging good practices, knowledge, and experiences gained on topics of mutual interest in developing cooperation. Mutual interests may include, for example, development finance, digital technology, sustainability and food security.
2. **Italian small and medium-sized enterprises and start-ups participate** by regularly responding to the so-called “**for-profit**” **calls for proposals** managed by the Italian Agency for Development Cooperation, with the aim of selecting innovative business initiatives and create networks and partnerships, especially among start-ups, to be funded through grants.
3. **The activation of support tools for businesses based on the Law 125/2014, drawing from the Revolving Fund for Development Cooperation**, in particular to:
 - Finance equity participation in businesses in partner countries, with a focus on SMEs;
 - Grant direct loans to European public or private investors or international organisations, to fund businesses that promote the development of partner countries;
 - Establish a guarantee fund to back local businesses in the same partner countries.
4. **Developing informational campaigns for businesses** to promote existing collaborative tools within development cooperation, emphasising their key characteristics, objectives, and guiding principles compared to other instruments that support exports and internationalisation, while highlighting their potential complementary nature. The informational campaigns can be run closely with other promotional activities by bodies responsible for business internationalisation, seeking synergies with initiatives to promote the Italian Climate Fund and other funding channels (particularly the European Union and multilateral/regional development banks).

4. DOMESTIC RESOURCE MOBILISATION

Technical assistance in fiscal matters for developing countries aims to offer support in developing and implementing **their tax systems**, in line with the international commitments made by the Italian Government in domestic resource mobilisation. Activities in this field focus on strengthening the fiscal capabilities of partner countries, in order to meet the goals set by the 2030 Agenda and to **enhance their ability to mobilise domestic resources** in line with the objectives of the Addis Ababa Action Agenda (2015).

Italy is committed to promoting the efficiency and fairness of tax systems and to fostering effective domestic resource mobilisation as a means of internal wealth redistribution.

Italy has been a member of the **Addis Tax Initiative (ATI)** from the outset, pledging to increase the resources dedicated to technical assistance to enhance fiscal and tax systems. Partner countries benefiting from the initiative have also committed to improving the **efficiency and fairness of their tax systems and to pursuing more effective domestic resource mobilisation**, as a means to redistribute wealth internally, in order to ensure greater social balance and improve services for citizens. In January 2021, Italy officially signed the new ATI 2025 Declaration and, during the ATI General Assembly in 2023, renewed its commitment to this end, through the joint efforts of the MAECI and the MEF, aiming to include domestic resource mobilisation within a development cooperation strategy to be implemented with a multi-stakeholder partnership approach.

Therefore, **the mobilisation of domestic resources in developing countries** remains a priority for the next three years. In this context, the main areas of intervention will be the following.

1. Starting with Italy's G7 presidency in 2024, we will continue the implementation process of the "Two-Pillar Solution" that began during Italy's G20 presidency in 2021. With the completion and implementation of the "Two Pillars" and the signing of the Multilateral Conventions, developing countries will need support to adopt the new rules of the international tax system. We plan to identify initiatives and instruments to ease the implementation of the Two Pillars in developing countries, with a special focus on **Africa**. This includes exploring ways to expand the scope of work of the **OECD/UN Tax Inspectors Without Borders (TIWB)** and the **Platform for Collaboration on Tax**, a joint project by the IMF, OECD, World Bank, and the UN.

By partnering on tax issues for African countries, Italy could strengthen development cooperation in technical assistance, focusing on mobilising domestic resources in developing countries. This can be achieved across various sectors – for example, *the Centre de Rencontres et d'Etudes des Dirigeants des Administrations Fiscales (CREDAF)*, which focuses on French-speaking countries; the Commonwealth Association of Tax Administrators (CATA), focused on English-speaking countries; the West African Tax Administration Forum (WATAF) – or preferably in global entities – such as the African Tax Administration Forum (ATAF) - fostering stronger integration among the tax administrations of the various African countries.

2. We will continue to support the initiatives of the **OECD International Academy for Tax and Financial Crime Investigation** in **Ostia** in its multilateral training activities aimed at helping developing countries to prevent, detect, and fight tax crimes. The initiatives carried out in

collaboration with the OECD⁷, as well as the outlook for the 2024-2026 programme, aim to strengthen the relations with the other countries' Administrations – especially those affected by criminal activities, often havens for illicitly amassed capital – in line with the strategic priorities of this document.

3. Further specific areas of intervention in capacity building in the field of taxation particularly relate to **transfer pricing and the negotiation processes of Advance Pricing Agreements (APA)**⁸, **risk analysis** and the **Tax Gap, indirect taxes and electronic invoicing**⁹, as well as **information exchange** and **administrative cooperation**, with special emphasis on the implementation of the Common Reporting Standard (CRS) and the **digitalisation of tax administration**. These are sectors where forms of cooperation have been piloted, particularly with the Italian Revenue Agency, and have been deemed appropriate to continue over the next three years. Capacity-building projects mainly take place within specific programmes. At the EU level, key programmes are twinning¹⁰ with third countries and “**TAIEX**” (Technical Assistance and Information Exchange Instrument). Outside the EU, the **IOTA Technical Assistance** programmes and **TIWB** (Tax Inspectors Without Borders), a joint initiative led by the OECD and the United Nations Development Programme (UNDP), are particularly noteworthy. In this area, particularly

⁷ The OECD sends funders an annual report on the Academy's activities through the Centre for Tax Policy and Administration's “Mainstreaming of Development Report”. In 2021, the Secretariat produced its first Evaluation and Impact Assessment Report, which examines the extent to which objectives have been met in greater detail. Given the available funds, the OECD's intention for 2024 is to provide nine virtual courses and seven residential courses at its four centres, along with a new Francophone pilot programme. With specific reference to the Ostia Tax Academy, three on-site courses and two virtual courses will be held. While the Centres in Japan, Argentina and Kenya will keep meeting the needs and realities of their specific regions, the Italian Centre at the Economic and Financial Police School of the Guardia di Finanza will remain the main facility for international investigators from all countries. For 2024, based on the list of priority countries, the following courses have been scheduled: “International Investigations and Prosecution Against Corruption, Frauds and Money Laundering” for judges and investigators from Ukraine; “Economic and Financial Investigation” for officials from member countries of the Inter-American Center of Tax Administrations (CIAT); “Investigative Activities for Economic and Financial Counteraction to International Organized Crime” for law enforcement agency officials from member countries of the Organization of American States (OAS), which includes countries from Central and South America as well as the Caribbean area; “OECD Foundation Programme – Conducting Financial Investigations” for economic and financial investigators from various countries belonging to or of interest to the OECD. “OECD Intermediate Course – Managing Financial Investigations” for economic and financial investigators from various countries belonging to or of interest to the OECD; “OECD Specialty Course I” for economic and financial investigators from various countries belonging to or of interest to the OECD; “OECD Specialty Course II” for economic and financial investigators from various countries belonging to or of interest to the OECD.

⁸ At the start of July 2023, the Italian Revenue Agency held its first TIWB meeting on transfer pricing with the Armenian Tax Administration. In the second half of the year, the TIWB project with the Georgian Administration continued. In December 2023, to strengthen administrative cooperation with Armenia and Georgia, the Head of the Taxpayer Division at the Italian Revenue Agency, along with the Head of the Analysis, Investigations and Controls Office from the Major Taxpayers and International Control Sector, accepted invitations for an official visit. These came from the Chairman of the State Revenue Committee of Armenia, the Armenian UNDP office, the Italian Embassy in Yerevan, and the Director General of Georgia's LEPL Revenue Service of Georgia. During the first half of 2024, the first TIWB meeting with the Armenian Tax Administration on the subject of APAs will also take place.

⁹ Regarding electronic invoicing, the Italian Revenue Agency has contacts with Qatar and the tax administrations of Kenya, Kazakhstan, Macedonia, Tanzania, the Republic of Korea, and Bulgaria to start collaborative programmes on indirect taxes and electronic invoicing, risk analysis, and special operations. *The Italian Revenue Agency has also been approached by Confindustria Assafrica & Mediterraneo regarding Senegal's potential interest in invoicing.*

¹⁰ The Italian Revenue Agency, through the UROI, in partnership with the Customs and Monopolies Agency and the Lithuanian Tax Administration, has won the tender issued by the European Commission for the administrative twinning project with the Indirect Taxation Authority of Bosnia and Herzegovina. Cooperation activities began in September 2023, while the first working visit to Bosnia and Herzegovina took place from 13 to 16 November 2023.

with regard to intervention strategies, the Italian Revenue Agency advances its major projects through the specified international organisation but remains open to bilateral contacts through alternative routes.

4. Lastly, there is a focus on **training and technical assistance activities** aimed at boosting the ability of beneficiary countries to **prevent and tackle tax evasion and non-tax-related illegal activities**, aligning their regulatory framework and control system with EU standards. These activities can be carried out by promoting a multi-stakeholder approach in the tax sector (Customs and Monopolies Agency, Italian Revenue Agency, Financial Police), aimed at strengthening the protection of domestic taxation and the management of borders for tax and non-tax matters. The activities would aim to stabilise tax legislation based on clear rules, guided by the general principles of the relevant EU legislation, in order to create an **environment conducive to economic development** and investment promotion. Aligning with international standards is a key factor in supporting the promotion of the partner country. Facilitation and clear rules in global trade can also provide an opportunity to develop economic relations between Italy and the country receiving technical assistance. In this regard, Italy can offer a practical contribution through the Customs and Monopolies Agency, having already taken part in various projects funded by the European Commission (EU Twinning and Technical Assistance Projects within IPA and ENI Programs), in partnership with other national (AICS, Italian Revenue Agency, Finance Police, Carabinieri Corps) and international institutions, showing an ability to integrate and share management experience in international cooperation projects. In this context, the Agency aims to launch specific assistance programmes for priority countries in the Balkan region, the southern Mediterranean coast, Albania and Tunisia, and Sub-Saharan Africa.

5. ITALIAN PARTICIPATION IN INTERNATIONAL BODIES AND MULTILATERAL FINANCIAL INSTITUTIONS

5.1 Italian Presidency of the G7

Projecting Italian priorities in development within multilateral agencies is essential, especially to tackle global challenges that demand universal, transnational collaboration, starting with the United Nations, and the G7 and G20 processes.

Italy will assume the rotating G7 Presidency in 2024, promoting a cooperation model that can **raise Africa's geographical priority** and synergistically focus on the themes that traditionally define it, notably **food security, development of sustainable infrastructure, and gender equality**, alongside other global issues such as **climate and global health**.

Africa will be at the centre of the Italian G7 Presidency. At this critical time for multilateralism, we must provide real answers for inclusive sustainable development.

This activity, carried out in **thematic Work Groups**, will benefit from the links between climate-food security, infrastructure-development, infrastructure-women's economic empowerment, and climate-gender-migration. It will also highlight education as a crosscutting component.

The Italian G7 Presidency is focused on the **inclusion** of the perspectives of global partners at a **critical time for multilateralism** and the 2030 Agenda for Sustainable Development. The Italian G7 presidency will begin following the mid-term review of the 2030 Agenda, which shows that only 12% of the Sustainable Development Goals have been achieved. It will therefore have the responsibility to relaunch the path towards 2030 with concrete actions, capitalising on potential synergies with the **G20** and the most significant UN processes where possible. It will also look ahead to the start of negotiations on the **post-2030 sustainability framework**. For the first time ever, Italy will host a meeting of the G7 Ministers for Inclusion and Disability to share strategies that ensure everyone's right to full civic, social, and political participation in daily life, in all countries.

5.2 Support for the United Nations Development System

Italy has actively supported the reform of the United Nations Development System since its inception in 2019. The System has been centralised under the leadership of the United Nations Deputy Secretary-General and, on the ground, under the Resident Coordinators.

Support for the United Nations Development System contributes to efficient, effective, functional, integrated multilateralism that meets sustainable development challenges. Italy funded the network of Independent Coordinators through voluntary contributions in 2019, 2022, and 2023. Italy ranks second in terms of Resident Coordinators of its own nationality.

Support for the UN development system aids in fostering effective multilateralism and facilitates the coordination and implementation of concrete projects on the ground.

Italy's support to the United Nations in the development sector also comes through funding the regular budgets of agencies, funds, and programmes within the UN system (including UNDP, UNICEF, UN-Women, and UNFPA). These contributions boost Italy's political profile within the UN and count towards its representation on the boards of the mentioned organisations. Italy holds a seat on the Executive Boards of UNDP, UNFPA, and UNOPS in 2024.

Italy also supports UNIDO in Vienna and its UNIDO/ITPO office in Rome, which provides a vital link to the private sector. Selected programmes, particularly those aimed at Africa and carried out by the WHO, UNHCR, and IOM, all based in Geneva, are also supported.

Collaboration with the United Nations Secretariat and with UN Agencies, Funds, and Programmes also has ramifications with other Administrations. In Rome, a "**Centre for Climate Action and Energy Transition**" is **coordinated by UNDP** and funded by the Ministry of the Environment and Energy Security, resulting from an Italian initiative within the G7 (2017).

The Ministry of the Environment and Energy Security also supports projects and initiatives from other UN bodies, including the UNCCD's Global Mechanism (combating desertification), FAO, UNISS, UNIDO, and UNDOS.

Since 2006, Italy and the Umbria Region have been funding the Secretariat of the World Water Assessment Programme (WWAP). The WWAP was established under the auspices of UNESCO to assess the world's water resources regularly. This international programme is responsible for checking the status and management of the world's freshwater resources. It also gives water managers and policymakers the information, data, and skills they need to effectively contribute to developing sustainable water policies and spreading knowledge about emerging problems and challenges by sharing scientific findings through various media. The WWAP coordinates the efforts of 31 UN-Water members and international partners in producing an annual thematic report, the World Water Development Report (WWDR).

5.3 Promoting International Organisations based in Italy

Food security. The UN's Rome hub (FAO, WFP, IFAD) is the third largest after New York and Geneva. This is the primary global point of reference for policymaking on sustainable agricultural development and food security, including through humanitarian interventions.

The topic of sustainable agriculture is also developed through partnerships with the **Alliance Bioversity International-CIAT** (protecting agricultural biodiversity to achieve food security and sustainable nutrition) and the European Forest Institute (EFI), which has opened an office in Rome, presenting new chances for collaboration in forestry and urban greening.

Italy hosts key centres dedicated to food security, education, and peace, as well as justice and human rights, which are vital keys to sustainable development. These organisations show our real commitment and enhance our international profile.

Training. Italy will continue its commitment to training and research with the following actors:

- **CIHEAM-IAMB**, focusing on training, research, and cooperation, promotes international cooperation in agriculture to support Mediterranean countries and other geographical areas of priority interest for Italy;
- the **United Nations hub in Turin** for training and research, consisting of: the ILO International Training Centre (services for human resource development and decent work); the UNSSC - United Nations System Staff College (training and upskilling courses for staff of the entire UN System); UNICRI (research, training and technical cooperation to prevent and combat crime and support justice systems);
- **Trieste science hub**: includes research centres and Italian and international institutes conducting research (both fundamental and applied) across various fields: physics to biotechnology, genomics to materials science, pharmaceutical industry applied research, food science, microelectronics, and computing.
- **The OECD Centre in Caserta**, which aims at expanding its ongoing training activities with the MENA region to promote and spread good governance practices, develop capacity building, and enhance public administration efficiency, benefiting managers and public officials from Sub-Saharan African countries.

Peace, justice and human rights. The Italian vision on sustainable development, centred on humans and human rights, justice, peace, and transparent, inclusive institutions, will be carried forward. This is especially in line with Goal 16 and the productive partnership with the International Development Law Organisation (IDLO), a Rome-based entity dedicated to fostering the rule of law and good governance, particularly in developing countries.

5.4 Support for Global Partnerships and multiannual political commitments

Italy will continue to play a driving and central role in investing in and managing Global Funds and Partnerships, rooted in the principles of effective multilateralism, cooperation and international solidarity. These partnerships specialise in global health promotion and education – areas where the coordinated action of public and private institutions is crucial. This action complements Italy's membership of the G7, particularly during its 2024 Presidency in the Health track.

Global Fund to Fight HIV/AIDS, Tuberculosis and Malaria. Italy is among the founding countries of this public-private partnership launched at the G8 in Genoa in 2001, and hosted the refinancing conference in 2003.

Most recently, the Prime Minister announced at the G20 in Bali the renewal of our country's financial participation, with a contribution of €185 million over the three-year period 2023-2025 (seventh refinancing). Some of the funds are set to continue the so-called "Technical Support Spending" (5% of Italy's contribution to the Global Fund is used to finance projects in line with the Fund's activities, carried out by Italian NGOs and research centres). Italy sits on the Board of Directors.

Italy will continue to play a driving role in global health and education through global partnerships formed as a result of G7 and G20 initiatives aimed at tackling global challenges.

Global Alliance for Vaccines and Immunisation (GAVI). Italy is among the key supporters of this public-private partnership and was the primary funder of the Advance Market Commitment for pneumococcal vaccines launched at the L'Aquila G8 in 2009. Over the next two years, Italy will work on defining Strategy 6.0 for the 2026-2030 period. In line with the priorities of the Italian G7 Presidency and the third pillar of the Mattei Plan, Italy has promoted the GAVI initiative to support African vaccine production, known as the African Vaccine Manufacturing Accelerator (AVMA). Launched on the 20th of June 2024 in Paris, AVMA has raised \$1.2 billion, with over \$800 million from Team Europe. Italy, with a contribution of 150 million dollars, is the third-largest donor country. As a member of the Board of Directors, Italy also aims to continue supporting the routine vaccination strategy, primarily targeting children, while expanding the focus to include teenagers and young mothers. At the same time, there will be support for research and development of new technologies (e.g. mRNA and vaccine patches) and initiatives aimed at prevention, preparedness, and pandemic response.

In terms of contributions, Italy, through the MAECI and the MEF, is among the most significant donors to GAVI and has been one of the key supporters of the COVAX Advance Market Commitment programme, with a total of \$548 million. In 2024-2025, the contribution will be €48 million as a direct donation, with an additional €55 million going to the *International Finance Facility for Immunisation (IFFIm)*. This innovative financial mechanism allows for the advance of funds by issuing bonds backed by the commitments made by donor countries.

Coalition for Epidemic Preparedness Innovations (CEPI). Italy began funding this agency as part of the multilateral response to the pandemic. The CEPI, which is engaged in vaccine research and development and other pandemic response tools, has promoted seven vaccines that have subsequently been authorised for emergency use. Italy funded CEPI with €15 million in 2020-2021 and has committed €20 million over five years (2022-2026). The body actively collaborates with research centres and Italian companies. Italy sits on the agency's Investors' Council.

Pandemic Fund. The Pandemic Fund, a financial intermediary fund launched by the G20 Finance-Health Task Force during the Italian G20 presidency, finances projects for **prevention, preparedness, and response (PPR) to pandemics** in low- and middle-income countries. With an initial financial endowment of \$2 billion (sourced from 21 countries and 3 private philanthropies), grants totalling \$338 million have been approved so far. Of these, 32% are earmarked for Sub-Saharan Africa, supporting 19 projects across 37 countries. These projects will enhance surveillance against infectious diseases, early warning systems, laboratory infrastructure, and health personnel. For the second funding round, 136 countries submitted 146 requests for over \$4.5 billion, proving the Fund's usefulness and necessity.

In 2022, Italy, thanks to its contribution of €100 million, became the fourth most significant donor and secured a seat on the Governing Board. It has a member in the Technical Advisory Panel and takes part in the Strategic Committee, which will set the Fund's future strategy. Throughout 2024, Italy will continue to support strengthening the Fund, aiming for its financial sustainability and increasing its leverage capacity by promoting co-financing from other institutions and encouraging recipient countries to mobilise their resources.

Global Partnership for Education (GPE). In 2021, Italy reaffirmed its commitment to the Global Partnership for Education (GPE) with a pledge of €25 million over five years, underscoring the priority given to quality education for all, with a special focus on women and girls, and the proactive role in managing the Fund in all developing countries and fragile contexts. Italy participates in the activities of the Board of Directors as an observer.

5.5 Support for Banks and Multilateral Development Funds

Through the Ministry of Economy and Finance (MEF), Italy is one of the principal shareholders of the **Multilateral Development Banks** and regularly contributes to the replenishment of the **Multilateral Development Funds**. By providing resources on concessional terms to the lowest income countries, the Funds act as a **major driver for social, human, and economic development at global level**. Italy also plays a key role in informal intergovernmental forums, such as the G7 and G20, where coordination among these institutions' main stakeholders and donors takes place.

Multilateral development banks and funds enable the pooling of resources and technical expertise, making it possible to carry out initiatives that a single country could not support. These institutions operate using an approach that multiplies the contributions of member countries (with a significant **leverage effect**) and often play a crucial role in attracting and mobilising the

Italy is a leading shareholder in multilateral development banks and funds, whose resources and expertise give them a far broader operational capacity than individual countries. Italy commits to promoting efficiency in resource use and in setting priorities for each institution.

private sector. They support **businesses** directly, by opening tenders or financing for the private sector, and indirectly, by working to improve the investment climate and mitigate surrounding risks. Lastly, they catalyse **attention and capital** on priority issues, such as combating poverty, finding structural solutions to reducing fragility and tackling the root causes of migration, investing in

infrastructure, capacity building, improving regulatory and institutional frameworks, market creation and private-sector development, combating climate change, and gender equality.

The programming period 2024-2026 will be marked by debates on the **evolution of bank mandates** (Evolution Agenda), which began in 2023 at the World Bank and within the G20 and are gradually extending to other institutions that make up the international financial architecture for development. The main areas of work will include **setting global priorities** to focus on in the coming decades, the role of global public goods, updating **operational models**, the extent and methods of supporting middle-income countries, increasing the **financial capacity** of multilateral development banks, and cooperation between these banks and global thematic funds.

There will be discussions on reforming the operational model at the World Bank, where efforts are more advanced, following the revision of the organisation's mission statement to reflect a commitment on the aforementioned global challenges. This will particularly involve setting criteria for selecting priority projects to fund, the methods of engagement with beneficiary countries, and the mobilisation of greater private resources. The increase in the Bank's financial capacity is also under discussion. On this topic, Italy is firmly committed to promoting, across all multilateral development banks, the adoption of measures aimed at **enhancing resource use efficiency**, in line with the outcomes of the capital adequacy frameworks (CAF) review initiated during Italy's G20 presidency in 2021. Thanks to these measures, it will be possible to significantly increase the volume of loans that can be issued (up to €200 billion over 10 years) with the same resource inflows, without changes to governance systems.

Since the launch of the Evolution Agenda, Italy has supported the importance of better utilising the substantial concessional resources that donors provide through regular refinancing cycles to the vertical funds (or Financial Intermediary Funds - FIFs) and enhancing synergies with the operations of development banks, also to increase the financial leverage of these funds' resources and the mobilisation of the private sector. In this regard, Italy has championed the independent review of the FIFs to enhance their effectiveness and efficiency. The review, initiated under Brazil's G20 presidency, involves an independent expert group and aims to suggest ways to improve access to FIF funds, enhance complementarity and collaboration among FIFs, identify innovative instruments, and maximise the financing capacity for sustainable investments.

In the renewed emphasis on development policies for Africa, both in the Mattei Plan and the Italian G7 Presidency's agenda, multilateral development banks and funds are crucial partners. These institutions are key sources of funding for major infrastructure and development investments in Africa and benefit from a strong network of relationships with governments and local authorities.¹¹ The African Development Bank is a key strategic partner for Italy, being the continent's sole triple-A institution with a distinctly continental character both in terms of its beneficiaries – exclusively African countries – and its ownership structure, 60% of which is held by regional members. The Bank plays a key role for Italy in shaping financial instruments under the Mattei Plan and the so-called

¹¹The most important multilateral development banks operating in Africa are the World Bank, the African Development Bank (AfDB), the European Bank for Reconstruction and Development (EBRD), and the European Investment Bank (EIB). The main development funds are the International Development Association (IDA), part of the World Bank Group, the African Development Fund (AfDF), part of the African Bank Group, and the International Fund for Agricultural Development (IFAD).

“Rome Process” and in other high-impact initiatives that are also priorities within the G7, such as the Alliance for Green Infrastructure in Africa (AGIA).

From 2024 to 2026, the MEF will keep playing a leading role in multilateral negotiations to **set each institution’s priorities** and to **enhance the system as a whole**, backing closer cooperation among international financial institutions based on their respective comparative advantages. MEF will aim to guide the debate and strategic decisions in a way that aligns as closely as possible with the priorities of the national development cooperation agenda. It will continue with initiatives designed to encourage the involvement of Italian companies in the implementation of projects and programmes funded by multilateral development banks, the presence of Italians on the staff and in the management of these institutions, and synergies with Italian cooperation actors.

Special focus will be given to **Africa**, with an emphasis on:

1. fragile situations (specific interventions in the Sahel, the Horn of Africa, the Chad Basin);
2. access, energy security and development of international networks;
3. migration;
4. institutional capacity and debt sustainability;
5. climate change and gender equality.

Negotiations scheduled for 2024-2026. During the three-year period 2024-26, negotiations will take place for the replenishment of the International Development Association (IDA-21), the African Development Fund (AfDF-17), the Asian Development Fund (AsDF-14), the Global Environment Facility (GEF), and the International Fund for Agricultural Development (IFAD 14). Additionally, checks on the progress of commitments made during previous replenishments (mid-term review) are planned.

International Development Association (IDA-21)

During 2024, negotiations will occur for the twenty-first replenishment of IDA resources. This is the largest and most comprehensive fund supporting the world’s poorest countries, covering the period from July 2025 to June 2028. Beneficiary countries will heavily underline the expectation for an ambitious replenishment that allows for a response to the enduring effects of various crises and the worsening debt situation in many fragile countries. Italy is called upon to play a key role in mediation during the 2024 G7 Presidency, while continuing to **promote measures for financial efficiency, budget optimisation, and optimal access to capital markets**.

Among the priorities, the focus on the **African continent** will be reaffirmed, especially the Sahel, the Horn of Africa, and the Lake Chad regions, and emphasis will be placed on the cross-cutting nature of migration by strengthening and expanding the new instruments recently acquired by the IDA, mainly through programmes based on migration diagnostics to mitigate the root causes of migration and through dedicated resources to support communities hosting refugees in African countries.

Furthermore, it will be necessary to steer IDA **back to normal operations**, both by gradually moving away from the emergency approach that has dominated recent years and led to an exceptional and unforeseen early replenishment of resources after just two years, and by enhancing projects and financial instruments for crisis preparedness and the development of quality and network infrastructure. The development of the private sector and the creation of local job opportunities remain central.

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The issue of **fragility** continues to dominate. IDA-18 had already enhanced the diagnostic tools to identify deep causes, with a corresponding increase in financial resources for the most fragile countries (mainly in Sub-Saharan Africa). IDA-19 then launched an in-depth reflection on the need to operationalise the diagnostic tools and, based on the assumption that ordinary instruments will not work in these situations, and to devise a **tailor-made approach**, increase the number of staff on the ground and step up collaboration with all development actors. Operations in these areas will be strengthened through:

1. prevention and preparedness activities in each country;
2. initiatives to remain active in conflict areas;
3. supporting countries on the path to political stabilisation;
4. introducing three regional programmes for the Sahel, the Horn of Africa and the Lake Chad.

African Development Fund (ADF-17)

The review on the fulfilment of commitments made for the AfDF-16 cycle, scheduled for late 2024, will offer a chance to assess how well the goals have been met. This will also inform the talks taking place in 2025 for the seventeenth replenishment (ADF-17), covering the 2026-2028 three-year period. Italy's strategic priorities will continue to focus on:

1. Supporting fragile countries through **institutional strengthening, infrastructure development, and the promotion of a private sector** that creates local job opportunities, indirectly addressing the root causes of migration (particularly by supporting the Transition Support Facility);
2. Executing **major infrastructure projects** for regional integration, especially in the energy and transport sectors and agri-business (Regional Operations Envelope).

Preparatory work will also continue to enable the African Fund to raise funds on the **markets**, to mobilise **additional resources**. To meet this goal, we must strike the right balance between the growing financial needs of partner countries, the outlook for international market rates, and the debt position of many countries on the continent, while also preserving the Fund's concessional nature.

Asian Development Fund (AsDF-14)

The negotiation for the thirteenth replenishment of the Asian Development Fund (ADF-14), covering the 2025-2027 three-year period, will conclude in May 2024. A central point of the negotiation refers to the **future of the Fund** and its strategic outlook, emphasising several international agendas, particularly the Evolution Agenda. This includes the nature of assistance provided to diverse groups of countries within the continent, considering the significant requirements associated with challenges and global public goods, especially in middle-income nations. These emerging needs must be balanced with the need to preserve assistance for low-income, more vulnerable, and indebted Asian countries.

The Asian Fund's strategy for the next cycle will focus on three policy goals: poverty reduction, inclusive growth, and global challenges.

Adopting this threefold mandate is straightforward given the defining elements of this institution. The Fund enjoys a clear comparative advantage in tackling global challenges. This is due to the nature and needs of the beneficiary countries, many of which are significantly affected by climate

change, pandemics, and pollution. It is also due to the Fund's organisational capacity and performance, which complements the operations of the Asian Bank, which is already well-established on the continent in these issues. This strategy will require a new operational model, a strengthening of institutional capacity, a reform of managerial processes, and, above all, the adoption of a resource allocation system based on performance and actual needs related to the indicated themes.

International Fund for Agricultural Development (IFAD 14)

The IFAD 14 negotiations are set for 2026. They must account for the evolving global situation and the results of the IFAD 13 negotiations, which focused on:

- boosting **long-term resilience** in rural livelihoods and institutions in fragile regions, with a clear focus on **Africa**;
- **involving the private sector**;
- investing in the **development of local systems**, considering the strong tie between rural development and managing migration;
- **fighting climate change and protecting biodiversity**.

Global Environment Fund (GEF)

Negotiations for the ninth replenishment of the Global Environment Facility (GEF-9) funding will begin in the early months of 2025. The period covered will be from July 2026 to June 2029, with the aim of concluding by the first half of 2026.

The current replenishment (GEF-8), concluded in June 2022, totals \$5.33 billion (over 30% more than GEF-7) and supports large-scale initiatives on biodiversity, deforestation, ocean health, pollution, and climate change through **11 integrated programmes that tackle multiple environmental threats at once**.

Biodiversity, central to the current GEF-8 cycle, and all related issues will **be crucial in the coming years**. Starting from GEF-9, the goal will be to reverse environmental damage by rightly focusing on biodiversity. Accordingly, the GEF established and ratified in August 2023 the new Global Biodiversity Framework Fund (GBFF), which will operate until 2030, dedicated solely to supporting the implementation of the goals of the Kunming-Montreal Global Biodiversity Framework (GBF), approved at COP15.

In addition to funds from state donors, the GBFF seeks to: significantly increase domestic funding; attract voluntary donations from businesses, charities, and other non-profits; harness private finance; promote blended finance; drive innovative initiatives like payment for ecosystem services, green bonds, offsets, and biodiversity credits; and enhance the impact of collective efforts, particularly those by indigenous peoples and local communities (IPLC). In June 2024, the first Work Programme was approved for \$37.82 million, benefiting two countries (Brazil and Mexico) with three overall projects, whose end beneficiaries are indigenous peoples and local communities. The Programme will leverage about \$133.45 million in co-financing.

European Investment Bank (EIB)

To streamline its operations in countries outside the European Union, the European Investment Bank (EIB) works through EIB Global, established in 2022 to boost the impact of development funding, help tackle global challenges, and create growth and opportunities across all continents. EIB Global's strategy spans the current EU multiannual financial framework (MFF) period, up to 2027. The Bank funds the public sector – mainly infrastructure –, the private sector – chiefly small and medium-sized enterprises through intermediated loans – and climate action. Funding is often paired with technical assistance and grants to reduce the cost of debt service.

The EIB uses external mandates to operate outside the European Union, as its members' capital does not protect it. To fund non-EU member countries, the Bank requires dedicated guarantees, funded from the EU budget mainly through the Neighbourhood, Development and International Cooperation Instrument (NDICI), which is the regulatory framework for all external action of the Union and the EIB, or through resources from Member States (usually provided in the form of trust funds). The Bank can also fund certain operations with its resources and at its own risk.

Much of the Bank's external activity is dedicated to the **African continent**. The EIB has opened several local offices within the EU delegations on site to enable more direct and coordinated involvement in preparing and monitoring funded projects. Focusing on renewable energy and digitalisation, the Bank supports infrastructure projects, including in partnership with other financial institutions (EBRD and World Bank), loans to local businesses channelled through the banking sector, and microcredit operations. The EIB's support to partner countries is driven by the "policy first" principle, which means aligning activities with priorities set by the Council. This is carried out in coordination with the Commission and Member States following the Team Europe approach. Through EIB Global, the European Investment Bank (EIB) supports the implementation of the EU's Global Gateway initiative, a European strategy to promote smart, clean, and secure connections in digital, energy, and transport sectors, and to strengthen health, education, and research systems worldwide, with many of the flagship Global Gateway projects located in Africa.

The EIB's work outside the EU focuses on achieving the EU's development priorities in line with the Sustainable Development Goals and climate targets, through activities in key areas such as health, climate, agriculture/food security, infrastructure, and connectivity, with a special emphasis on vulnerable groups. Other goals include access to affordable, sustainable energy and enhanced resilience to climate change, especially in regions with the most significant adverse effects of climate change and environmental degradation. One of the main goals of EIB Global for the near future is to promote innovative financial solutions that meet partners' needs, especially in the health and climate action sectors. This includes adapting loan terms, with extensions of up to 30 years and grace periods of up to 10 years and introducing disaster response clauses to enable swift action in times of crisis. In the Least Developed Countries and Small Island Developing States, the EIB is considering the introduction of "debt-for-nature swaps". These financial instruments involve partial or total debt forgiveness by the creditor in exchange for a commitment from the debtor to invest in the environment.

By 2025, at least 50% of EIB Global's annual funding will go to climate action and environmental sustainability, with 15% set aside for adaptation. This is in line with the goals of the EIB Group's

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Climate Bank Roadmap, which is due for review in 2025. EIB Global will also contribute to the EU's goal of ensuring that 85% of all external action supports gender equality by 2025.

The new strategy of EIB Global, covering the post-2027 MFF, will build on the outcomes of the ongoing MFF midterm review, the NDICI-Global Europe midterm evaluation, and the assessment of EIB Global's strategic roadmap to be carried out by the EIB towards the end of the implementation period.

Multilateral Development Banks for Ukraine

Multilateral development banks (World Bank, European Bank for Reconstruction and Development, European Investment Bank, and Council of Europe Development Bank), the European Union and the United States have launched initiatives with the Ukrainian government, which will continue over the next three years to **support the Ukrainian economy**, including in the short term. The commitment covers both the execution of **infrastructure projects**, such as upgrading hospitals, schools, energy systems, roads, railways, logistics corridors, drinking water management, and rebuilding of the sewage system across the country, and support for the private sector by enhancing risk mitigation tools to encourage investments and trade.

Climate Investment Funds (CIF)

In 2021, in line with the G20 Presidency's priorities on promoting initiatives related to People, Planet, and Prosperity themes, Italy contributed €150 million to the development and launch of the Nature, People and Climate Investments Program (NPC) at the Climate Investment Funds (CIF).

The programme was designed to **tackle the impacts of human activities and climate change on land resources and ecosystems in an integrated manner**. It promotes strategic partnerships with stakeholders from national/subnational governments, the private sector, and civil society, **focusing on Nature-based Solutions (NBS) investments**. Part of the funding is also earmarked for the exclusive use by indigenous and local communities, through dedicated grants, to provide the necessary financial tools to the most vulnerable and those directly affected by the effects of climate change.

The countries chosen for the proposal of investment plans mainly fall within the priority interest area for Italian cooperation, with a major stake represented by African countries (Egypt, Ethiopia, Kenya, Rwanda, Zambia, Malawi, Mozambique, Namibia, and Tanzania). The missions carried out during 2023 and 2024 have enabled swifter and more efficient investment planning, leading to the approval of the first two Plans in June 2024 (Dominican Republic and Rwanda). In line with the plan put forward by the institution, further plans will be presented to the decision-making bodies of the programme in December 2024.

6. FINANCING FOR SUSTAINABLE DEVELOPMENT AND CLIMATE

6.1 The Italian Climate Fund

At the 2021 United Nations Framework Convention on Climate Change (UNFCCC), also known as COP26 Glasgow, the commitment to reach and exceed the goal of mobilising \$100 billion a year from 2020 to 2025 for Climate Finance to go to developing countries and other vulnerable countries was reaffirmed so as to aid their decarbonisation process. In this regard, at the end of October that same year, during the G20 Summit and in preparation for COP26 in Glasgow, Italy committed to mobilising €4.4 billion over 5 years for Climate Finance. The Decree-Law of 9 December 2023, No. 181, converted into Law No. 11 on 2 February 2024, ordered a refinancing of the Fund to the amount of €200 million for 2024 for interventions.

In the Glasgow Climate Pact, developed countries were also asked to at least double their collective climate change adaptation finance to developing countries by 2025, compared to 2019 levels. As previously mentioned in Section 3 “Sectors of Intervention,” a new collective quantified goal for post-2025 climate finance is expected to be adopted at COP29 in Baku.

This commitment led to the creation of the “**Fondo Italiano per il Clima**” (Italian Climate Fund), established by the Budget Law of 30 December 2021, No. 234, to **help achieve the goals set out in the international climate and environmental protection agreements to which Italy has committed**. The Fund is Italy's primary national public tool to meet its commitments on Climate Finance.

The Fund, established within the Ministry of the Environment and Energy Security and managed by CDP, will **optimise the use of national public funds** in line with the best practices of international development finance institutions, and with a view to additionality. **It will also catalyse private capital** in contexts where it would be difficult to channel resources, especially private ones.

The Italian Climate Fund can support a wide range of financial actions aimed at **climate change adaptation and mitigation**. It will provide support to all countries identified by the OECD's Development Assistance Committee as recipients of Official Development Assistance, with a special focus on concessional terms and the option to also give **grants**. The Fund will be able to operate in all countries receiving Official Development Assistance, with special attention to **African countries** most affected by climate change.

The Fund is a significant tool for fostering the development of strong partnerships with partner countries that are of primary importance to Italy.

The Italian Climate Fund, endowed with €4.4 billion, represents a concrete manifestation of Italy's dedication to fighting climate change, with a particular focus on Africa. It aims to also catalyse private capital with the goal of taking action on adaptation and mitigation.

6.2 Multilateral funds for climate action, such as the Green Climate Fund and the new “Loss & Damage” Fund

Within the **multilateral financial mechanism that aids developing countries in implementing the Paris Agreement and the United Nations Framework Convention on Climate Change (UNFCCC)**,

there are several multilateral funds to which Italy, along with other developed countries, contributes financially and in whose decision-making bodies it participates. This is possible through the coordination of relevant administrations, particularly the Ministry of the Environment and Energy Security (MASE) and the Ministry of Economy and Finance (MEF). These mechanisms include, in particular, **Green Climate Fund, the Adaptation Fund, the Global Environment Facility** (see the detailed information in factsheet 5.5), and the new fund set up at COP28 in Dubai to support developing countries in addressing losses and damages related to the adverse effects of climate change (**Loss & Damage Fund**).

Among these, the **Green Climate Fund (GCF)** is the **primary tool in terms of volume and ability to catalyse climate finance**. The Green Climate Fund, set up in 2010 during the 16th session of the UNFCCC Conference of the Parties (COP), plays an innovative and key role in catalysing climate finance flows by using public investments to also stimulate private finance into investing in low-carbon, climate-resilient development. GCF funds are disbursed through various financial instruments, such as grants or concessional tools, including blended options (e.g. soft loans, private equities, guarantees).

The GCF funds projects through two funding windows for a) mitigation and b) adaptation activities, encouraging cross-cutting projects. For each thematic window, there are the following four specific **thematic result areas**:

- **Mitigation:** a) energy generation and access; b) transport; c) forests and land use; d) buildings, cities, industries and appliances.
- **Adaptation:** a) health, food, and water security; b) livelihoods of people and communities; c) infrastructure and built environment; d) ecosystems and ecosystem services.

In this context, the **GCF has approved over 253 projects in 129 developing countries, totalling \$13.9 billion in allocated funds and over \$50 billion when also considering mobilised resources**. The expected outcomes include enhanced climate resilience for over 1 billion people in developing countries and the reduction of greenhouse gas emissions by 2.9 Gt CO₂ equivalent.

The GCF is governed by a Board consisting of 24 members - 12 members from developed countries and 12 from developing countries, based on the United Nations regional groups. GCF projects are carried out via a network of over 120 accredited bodies, including international entities (public and private financial institutions, international organisations, bilateral cooperation agencies, NGOs, etc.) and those from beneficiary countries. Among these, Italy's sole accredited entity is currently Cassa Depositi e Prestiti.

Italy is among the leading donor countries to the GCF, having contributed to the Initial Resource Mobilization for 2015-2019 and the first replenishment (GCF-1) for 2020-2023 with contributions of €250 million and €300 million, respectively. **At COP28 in Dubai, Italy announced its contribution to the second replenishment of the GCF for the period 2024-2027 with an additional €300 million**, guaranteeing its part in achieving the fund's major ever level of refinancing, which for the period 2024-2027 reached a total of new contributions amounting to \$12.8 billion from 31 countries. During the **2024-2027 replenishment period, the GCF will be a key tool to ensure the catalysis and transformative impact of climate finance in developing countries**, providing them with support in preparing and implementing their Nationally Determined Contributions (NDCs), National Adaptation Plans (NAPs), and various national climate strategies. The **GCF's strategic plan for 2024-2027** particularly outlines **programmatic directions**, including support for mitigation and adaptation

projects capable of driving a “paradigm shift” in sectors such as energy, transport, infrastructure, ecosystems, and food systems; support for the urgent adaptation and resilience needs in the most vulnerable countries, including through specific allocation targets for the Least Developed Countries (LDCs), Small Island Developing States (SIDS), and African countries; increasing private sector mobilisation and catalysing “green” finance.

The **Loss & Damage Fund** recently established at COP28 in Dubai is a new tool within the financial mechanism architecture of the UNFCCC and **will play a key role in the context of the broader new funding arrangements to support the most vulnerable developing countries in addressing losses and damages linked to the adverse effects of climate change**. Italy is striving to contribute to the fund established at COP 28 in Dubai. As of today, the Fund has received commitments for an initial capitalisation of \$660 million. The Fund is a new and innovative tool within the financial mechanism, especially given its potential to receive monetary contributions from various public, private and innovative sources. The **Fund could finance responses to a range of challenges linked to the adverse effects of climate change** – such as climate emergencies, improving climate data, rising sea levels, the need to move from affected areas, and responses to climate migration and other economic and non-economic losses and damages – through various concessional and non-concessional tools (grants, guarantees, direct budget support, insurance and risk-sharing mechanisms, etc.). In particular, **the Fund’s goal is to focus on the priority gaps in the current and future landscape of institutions** addressing the financing of climate change-related loss and damage, positioning itself as a **key tool to ensure coordination and complementarity with such institutions**, such as UN agencies, other funds, multilateral banks, and other international and regional humanitarian actors.

The **Adaptation Fund (AF)** was set up in 2011 under the United Nations Framework Convention on Climate Change’s Kyoto Protocol to fund **tangible adaptation projects and programmes in developing countries especially vulnerable to climate change**, such as small island states, countries with fragile mountain ecosystems, arid and semi-arid areas, and regions prone to floods, droughts, and desertification. The Adaptation Fund **finances projects in the following sectors: a) agriculture; b) coastal area management; c) rural development; d) disaster risk reduction; e) food security, multi-sector projects and water management**. Since its establishment, the AF has funded 130 adaptation projects, benefiting over 33 million people. Since 2011, the Fund has received direct funding from donor countries and a portion of the Clean Development Mechanism (CDM) project certificates, totalling \$1.633 billion. Italy remains among the key donors to the AF, having contributed €61 million from 2015 to date.

Beyond the funds from the UNFCCC mechanism and the Paris Agreement, there are other key multilateral funds to which the Ministry of the Environment and Energy Security contributes, ensuring Italy’s participation in the fight for climate protection, starting with, for example, the **Multilateral Fund for the Implementation of the Montreal Protocol (MLF)**. This Fund, set up in 1991, is the **financial mechanism supporting developing countries to meet the Montreal Protocol’s goals** by funding and implementing projects for technological upgrades, technical assistance, institutional improvements, and training activities. The Fund, seen as a **benchmark for all other international environmental funds**, has helped to eliminate nearly all ozone-depleting substances in line with the commitments of the Protocol. It is now gearing up to **support climate action by reducing hydrofluorocarbons (HFCs), potent greenhouse gases regulated through the Kigali Amendment to the Montreal Protocol**. To kick off the initial reduction measures outlined in the Kigali Amendment, the most significant historical replenishment of the MLF has been agreed for 2024-2026, with a level of \$965 million from developed countries. The Fund will also present

strategic coordination opportunities for the Italian business system in the shift to low-climate-impact technologies and greater energy efficiency in sectors such as refrigeration and air conditioning.

6.3 The role and work of Cassa Depositi e Prestiti

Within the Italian cooperation system, established by Law No. 125 of 2014, Cassa Depositi e Prestiti S.p.A. (CDP) is the **Italian financial institution for Development Cooperation**. It acts in this role by using resources under Article 22 of Law 125/2014 and managing public funds. CDP operates:

- using **resources from Article 22**, drawn from postal savings, up to a maximum of one billion euros annually, possibly combined with national, European, and international public funds;
- **managing public funds**, including the **Revolving Fund for Development Cooperation (FRCS)**, Italy's most significant development cooperation tool, and the **Italian Climate Fund**;
- **providing support services**, including technical and financial assistance, to the MAECI and AICS, or within European or international programmes, for the implementation of cooperation projects.

Considering the hopes expressed by those actors involved in the Italian development cooperation system, CDP has also started the process of establishing permanent representations in some partner countries.

Operation with resources under Article 22 of Law 125/2014. Regarding the use of resources under Article 22 for development cooperation purposes, CDP acts following the applicable legal and statutory provisions, which require that its actions meet economic and financial sustainability criteria and protect economic balance.

CDP can thus use Article 22 resources under terms and conditions typical of a financial institution operating under **market conditions**, ensuring proper returns on the capital used. This results in a limited impact on CDP's direct risk-taking capacity, for instance, when engaging with fragile partner countries.

CDP's operations using resources under Article 22 for development cooperation purposes are governed, among other things, by the Decree of the Minister of Economy and Finance, in agreement with the Minister of Foreign Affairs and International Cooperation, concerning "International development cooperation operations under the law of 11 August 2014, no. 125".

Regarding the operations in question, legislators have introduced some risk mitigation tools to cover CDP exposures, which align with similar measures benefiting equivalent European financial institutions. Under Article 8, paragraph 1 bis of Law 125/2014, a guarantee fund is to be set up using resources from the Revolving Fund for Development Cooperation, to cover Cassa Depositi e Prestiti (CDP) exposures as stated in Article 22, paragraph 4 of Law 125/2014.

It is noted in this regard that such measures are not yet in force, as the regulatory framework remains to be completed through the adoption of the anticipated implementing decrees.

The implementation of these tools aligns with the OECD's recommendations in the final report of Italy's 2019 Peer Review regarding the establishment of a regulatory framework and suitable instruments to enable CDP to fulfil its mandate as a financial institution for international cooperation (see recommendation #9). One constraint is the limited competitiveness of the interest rates applied

by CDP, as the cost of funding is significantly higher compared to similar institutions with better credit ratings.

International cooperation operations funded by resources under Article 22 of Law 125/2014 are submitted to the Joint Committee for Development Cooperation to obtain the prior favourable opinion required under Article 22, paragraph 4, of Law 125/2014. This is also to ensure, among other things, that initiatives are consistent with this document.

CDP operates with a **long-term approach**, mainly by financing operations, providing guarantees, and taking direct stakes in investment funds.

Geographical priorities. Under the Decree of 28 September 2016 (Article 2, paragraph 1a), operations with these resources can be carried out in **countries that receive Official Development Assistance as included in the OECD-DAC list**, and, to ensure the respect of economic and financial sustainability criteria, are focused on countries with a sufficiently stable economic and political framework. While respecting these criteria, special focus will be given to investment operations in the African continent.

Thematic and sectoral priorities. Following the aforementioned Decree (Art.2, paragraph 1 b), CDP's financial support is mainly aimed at initiatives that contribute to achieving the Sustainable Development Goals, also by leveraging **Italy's entrepreneurial excellences** of strategic relevance for the Italian System, with a particular focus on the following sectors:

- green transition and climate adaptation;
- food security, water and health;
- support for SMEs and the private sector;
- agri-food;
- energy;
- manufacturing;
- health and pharmaceuticals;
- sustainable and resilient infrastructure (construction, logistics and transport).

CDP will identify initiatives based on a careful **review of their expected impacts** regarding the achievement of the Sustainable Development Goals, while considering the potential economic synergies that can be achieved.

Blended finance operations. In development cooperation, CDP uses its expertise to develop and manage financial tools that enable a blend of public and private resources. This aims to make the use of public funds more efficient, increasing the overall impact generated. Such an approach adheres to the "Blended Finance Principles"¹² developed by the OECD-DAC, with a view to additionality and complementarity to public resources allocated for development cooperation, contributing to the increase of Official Development Assistance by:

- using "**blended loans**" by combining resources under Article 22 of Law 125/2014 and resources from the Revolving Fund;
- using **innovative financial instruments** that can generate a leverage effect on public resources (e.g., loans to multilateral development funds for replenishment instruments).

¹² "OECD-DAC Blended Finance Principles for unlocking commercial finance for the SDGs" [OECD-DAC-Blended-Finance-Principles.pdf](#)

From this perspective, activating technical blending forms between resources under Article 22 of Law 125/2014 and public funds is a further strategic measure among the actionable tools to strengthen, as recommended by the OECD, the institutional mandate of CDP in international cooperation. This can enable a leveraging effect on public resources and, simultaneously, encourage the involvement of additional private investors.

CDP works in partnership with leading donors to meet the ambitious goals set by global challenges, primarily at the European level with the **European Commission** as an implementing partner, and internationally with the **Green Climate Fund** (GCF) as an accredited financial institution.

In particular, blending programmes with the EU are underway to combine grant or concessional funds, including as financial guarantees, with resources from Article 22 of Law 125/2014. Notable programmes include the **European External Investment Plan** (EIP) and the **European Fund for Sustainable Development plus** (EFSD+), as well as the **Western Balkans Investment Framework** (WBIF).

6.4 The Revolving Fund for Development Cooperation (FRCS)

The Revolving Fund for Development Cooperation (FRCS), established under Article 26 of Law 227/77, is an off-budget fund with a revolving nature, sustained solely by loan repayments. The Revolving Fund provides concessional loans to states, central banks, or public bodies of developing countries, as well as to international financial organisations and to implement forms of intervention to support the private sector in developing countries, according to articles 8 and 27 of Law no. 125/2014, in line with the priorities of the Italian government's foreign policy as defined in the guidelines of this document. The management of the Revolving Fund is entrusted to CDP under a specific agreement signed with the MEF on 24 June 2021.¹³

The Revolving Fund has four modes of intervention, not all of which are currently operational:

- granting **concessional loans to Sovereigns and multilateral entities** (Art. 8 of Law 125/2014). A portion of the Revolving Fund may be allocated to provide a guarantee to cover CDP's exposures to the abovementioned entities;
- granting **market-rate financing** to European businesses and in developing countries ("Development+"), with a focus on small and medium-sized enterprises (SMEs) (Art. 27, paragraph 3, letter a) of Law 125/2014;
- granting of **financing to public or private investors or international organisations** (Art. 27, paragraph 3, letter b) of Law 125/2014). This instrument is currently being defined;
- establishment of a **guarantee fund for financing provided** in partner countries by CDP and other entities specified by the legislation (Art. 27, paragraph 3, letter c) of Law 125/2014. This instrument is currently being defined.

Concessional loans (Article 8 of Law 125/2014).

In accordance with Article 8, the Joint Committee, upon proposal from the MAECI, technical support from AICS, and the favourable vote of the MEF, allocates **concessional loans** from the Revolving

¹³<https://www.mef.gov.it/documenti-allegati/2021/operazione-trasparenza/CONVENZIONE-e-ALLEGATI-per-pubblicazione-.pdf>

Fund to states, central banks or public bodies of developing countries, as well as to international financial organisations, for initiatives aimed at achieving development goals.

The bilateral nature of concessional loans, often featuring a significant “**grant element**” (calculated according to OECD standards), aligns them in some respects with bilateral grant initiatives (Article 7) and allows for an increase in the critical mass of Italian support to partner countries. However, not all priority countries have the creditworthiness or the necessary fiduciary safeguards to access such financing.

As of 31 December 2022, after accounting for contractual commitments for amounts to be paid out under operations approved by the Joint Committee and authorised by decree of the Ministry of Economy and Finance, the **funds officially available in the Revolving Fund** stood at **€1.148 billion**. However, it has been noted that, although not accounted for in the Fund’s resources, there were amounts totalling **€1.108 billion** related to operations for which the Italian Government had reached **political agreements** with partner countries, not yet submitted for approval by the Joint Committee, leaving little room for new commitments.

Therefore, throughout 2023, efforts to streamline the management of the Revolving Fund have continued, with the aim of **freeing up resources for new aid credit cooperation initiatives**. This has moved along three lines:

- **updating political agreements between the Italian Government and partner countries** (such as signed Country Programmes or commitments made at international conferences) not yet approved by the Joint Committee, currently amounting to €796 million (a figure subject to further changes, both due to new commitments and the possibility of revising very outdated or no longer relevant political commitments);
- **some of the funds committed to activities in countries where credit operations cannot continue or where the authorities have declined to receive such financing have been revoked**, totalling €232 million, thereby increasing the available cash by the same amount;
- a working group has been set up to define **stricter contractual terms**. Specific clauses have been developed for each stage of the aid credit lifecycle to initially shorten the overall lifecycle, which will allow for further optimisation of resource use in the near future. The procedural streamlining could also extend to four other areas:
 - technical assistance for project preparation;
 - the inclusion of clauses on audits;
 - the continuation of the implementation of the DGCS-AICS Efficiency Plan (Article 2, paragraph 3 of Ministerial Decree 113/2015), which plans to focus resources on large-scale programmes;
 - the strengthening of joint CDP-AICS monitoring.

Finally, in line with what Italy has promoted in multilateral settings during the Italian presidency of the G20 (known as the “Capital Adequacy Framework”), a thorough review of the average balance, historical series of disbursements and repayments, and the average lifecycle of projects has been conducted. Following this review, CDP, under the guidance of the MEF, has **revised the methodology for setting aside liquid assets** which, with no accounting effect, has freed up resources from the Revolving Fund as follows: **€120 million** from stalled commitments, and **€275 million** from political pledges not yet approved, plus some recent cancellations (**€19 million**), boosting the impact of the

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Revolving Fund with a reasonable certainty of financial coverage. This method is subject to automatic quarterly updates to allow for timely course corrections and prevent liquidity issues.

This amount is increased by the forecast of the expected reimbursements deemed “likely” (excluding those due from countries that have been insolvent for a long time) estimated at around €150 million over the three years 2024-2026 (averaging about €50 million per year). Meanwhile, the disbursements assumed in the three-year period under review are already included in the “existing commitments yet to be disbursed.”

Therefore, considering the above and based on the latest data available (updated quarterly by CDP with the support of AICS), the actual availability of the Revolving Fund for planning new concessional loans over the **three-year period is prudently estimated at €897 million for new loans to finance development cooperation initiatives in favour of Partner Countries.**

| | | |
|-----|---|------------|
| A | Liquid funds as at 31/12/23 | 2,513 |
| B | Commitments to be disbursed as at 31.12.23 | 1,264 |
| C1. | Liquid funds net of commitments to be disbursed (A-B) | 1,249 |
| C2. | Lending decided by the Joint Committee in 2023 authorised in early 2024 | 120 |
| D | Political commitments pending resolution | 796 |
| e1 | Cash on hand net of commitments to be disbursed, to be authorised, and political commitments pending resolution (C1-(C2+D)) | 333 |
| e2 | Resources released from stalled loans (new methodology) | 120 |
| e3 | Resources released from political commitments (new methodology) +cancellations | 294 |
| E | Total resources for programming new lending (e1+e2+e3) as at 1.1.24 | 747 |
| F | Repayments due over the three years (annual average 50 million) | 150 |
| | Total resources to programme new lending (E+F) as at 1.1.24 | 897 |

The efficient use of the Revolving Fund’s resources, set according to this document's geographical and sectoral priorities, may also benefit from multilateral development banks’ ability to originate new project initiatives, provided that the nature of such funding remains bilateral.

Additionally, exploring blending options can enhance CDP's impact as an Italian development finance institution (refer to Article 22, Law 125/2014).

The option of including **Climate Resilient Debt Clauses (CRDC)** in new contracts that CDP signs with partner countries vulnerable to climate change could be considered. These allow for the voluntary establishment of **an ex-ante debt service suspension mechanism in the event of natural disasters and/or climate events** for a maximum period of **two years**, without the need for restructuring, by rescheduling capital and interest over the following years and preserving the original concessional terms. The CRDCs create a short-term liquidity impact for partner countries, an impact that is absorbed over time and does not affect the net present value of the loan.

Funding for businesses, investors, international organisations, for companies, guarantee fund for businesses (Article 27 of Law 125/2014).

Regarding the management of the Revolving Fund, the collaboration between CDP, MAECI, MEF, and AICS has grown stronger. The goal of maximising CDP's capacity as an Italian financial institution for development remains firm, including through financial tools supporting the private sector, such as Article 27 of Law 125/2014.

Article 27 of Law 125/2014 recognises and supports the contribution of businesses and banks to the development processes of partner countries, respecting the principles of transparency, competition, and social responsibility. This instrument plays a key role in supporting the provision of **funding** in any form, from the Revolving Fund **to companies to finance equity stakes in businesses in countries receiving ODA**, according to the OECD-DAC classification. The 2022 Budget Law (No. 234, 30 December 2021) introduced, on the proposal of the DGCS and in agreement with the MEF, the option for funding to be granted not only to "mixed/joint ventures" (Italian and local in partner countries) but also to European companies and those from partner countries not involved in joint ventures.

The instrument's allocation is €110 million.

It is a measure of significant strategic importance. Indeed, leaving the initiative solely to the market in countries with high business risk is not enough. From a risk reduction perspective, collaboration between the public and private sectors can lessen the severity and level of various risk types.

Instrument under Article 27, paragraph 3, letter a) - "Sviluppo+"

The portion of the Fund allocated to this instrument, named "Strumento+", as well as the criteria for selecting initiatives and the financial terms for granting funding, are set out in the MAECI-MEF Interministerial Decree 1202/362 of 3 March 2022.

The rules for this instrument's operational procedures—referred to in Article 27, paragraph 3, letter a) of Law 125/2014—were approved by Resolution of the Joint Committee 77/2022. On 27 March 2023, the operational guidelines for using this instrument were finalised.

The regulatory framework was completed, and Sviluppo+ was launched in December 2023. The DGCS, AICS, and CDP websites provide information and documents on its use.

Instruments under Article 27, paragraph 3, letters b) and c)

Regarding the implementing decrees for Article 27, paragraph 3, letters b) and c), they were still being finalised at the time of this document's approval.

7. HEALTH

Strengthening quality health systems, promoting fair and inclusive access to health services and achieving universal health coverage are priorities for Italy's development cooperation policy, which **the Ministry of Health plays a leading role in pursuing.**

To better structure this action over the next three years, in 2022 an **International Cooperation Unit was established** within the Department of Human Health, Animal Health and the Ecosystem (One Health), and International Relations **to protect the right to health globally.** The unit, a non-general managerial-level mission

structure, was set up by the conversion law of 21 June 2023, No. 74 (containing urgent provisions for strengthening the administrative capacity of public administrations).

*The Ministry of Health aims to strengthen its role by **promoting the coordination of planning and policy activities in the health sector** carried out by the Italian development cooperation system. It provides **technical and health support** to the MAECI and AICS and is starting to **develop strategic guidelines on global health and Italy's international health policy.***

Through this unit we aim to improve the coordination of **planning and guidance activities in the health sector carried out by the Italian development cooperation system**, provide **technical health support to the Ministry of Foreign Affairs and International Cooperation and AICS**, and start **developing strategic guidelines on global health and Italy's international health policy.**

Over the years the Ministry of Health has signed **numerous bilateral and multilateral cooperation agreements** with various third countries, always in coordination with the MAECI and AICS. These agreements will **constitute the foundation for strengthening scientific, technological, and welfare cooperation** in the social and health sector and provide the legal basis for international development cooperation actions.

Over the next three years, the Ministry of Health will also **continue to strengthen its international activities.** Indeed, as of 2021, the Ministry of Health (together with the Ministry of Economy and Finance) co-chairs the G20 Finance Health Task Force, set up during the Italian G20 Presidency in 2021. The Task Force's goal, strengthened by the Italian G7 presidency, **is to improve global collaboration on preventing, preparing for, and responding to pandemics. This involves sharing knowledge and best practices, creating consistent and effective coordination between the Economy and Finance and Health Ministries**, fostering collective efforts, and ensuring resources are used wisely to address the financial shortfalls in pandemic preparedness and response.

The Ministry of Health is very active in the G20 sphere and will regularly participate **in all international activities related to global health, especially within the contexts of the WHO, UN, G7, OECD, and European Union.** In close coordination with the MAECI, the Ministry will **provide technical input to the negotiation and shaping of national and EU stances on topics on the agenda.**

In carrying out its activities, the Ministry of Health can **build on the good practices** already in place. Two stand out as **models to replicate**, especially for their ability to **create a system and promote synergies among various Italian healthcare strong points:**

- On 14 June 2022, the Italian and Palestinian Health Ministries signed a **collaboration agreement in the field of rare haematological diseases.** The project, funded by AICS, is carried

out with the support of the **Istituto Superiore di Sanità**, the **Centro Nazionale Sangue**, the **Emilia-Romagna, Tuscany, Marche, Umbria regions**, and the **EMO and For Anemia Foundations**. It aims to provide training, capacity building, technical support, supply of coagulation factors from Italian plasma, and to promote patient empowerment.

- After the outbreak of the war in Ukraine, the Ministry of Health committed to promoting initiatives to **support the Ukrainian population**, as part of bilateral and multilateral activities, with a particular focus on **training healthcare workers**, the **overall revival of the healthcare service** and the **associated industry in Ukraine**, **assistance in rehabilitation**, the **development of telemedicine and mental health services**, and **cooperation in scientific research**.
- In this context, Italian healthcare facilities have welcomed hundreds of acute patients, half of whom are children from conflict zones. The project, centred on the rehabilitation of the wounded, was carried out through a **network of Italian excellences** led by the Ministry of Health, in coordination with the **MAECI** and **AICS**, involving the **INAIL Prosthetic Centre**, the **Italian Red Cross**, the **Rizzoli Orthopaedic Institute in Bologna**, the **Bambino Gesù Paediatric Hospital**, and the **Fondazione Santa Lucia**. The beneficiaries of the initiative were the public and private healthcare facilities operating in the Lviv region, specifically the Unbroken, Superhumans, and Galychyna Centres.
- Starting from 29 January 2024, in response to the Gaza conflict, the Ministry of Health, in agreement with the MAECI, has coordinated several missions aimed at transferring 40 paediatric patients with neuro-trauma, fractures, burns, and severe internal organ injuries to Italian hospitals, along with 60 caregivers. These operations were carried out thanks to cooperation with the Navy's Vulcano ship and the Italian Air Force, which provided two medical flights assisted by six paediatricians and a linguistic-cultural mediator from the INMP. Upon arrival in Italy, the patients were cared for by health facilities renowned for their international commitment, including Gaslini Hospital and Meyer University Hospital, and enrolled in the National Health Service. Additionally, in partnership with the United Arab Emirates, Italy has provided support in carrying out second and third-level activities to perform specialist procedures and integrate Italian medical staff into regular care activities to aid the psychological and physical recovery of Emirati personnel involved in front-line missions.

Finally, over the next three years, the Ministry of Health plans to keep **offering medical support to foreign patients for highly specialised services unavailable in their home countries** due to **technical health shortcomings or lack of access to healthcare**. Indeed, a financial fund for humanitarian interventions is explicitly established for such cases; its use is outlined by Article 36 of the Legislative Decree of 25 July 1998, No. 286 and Article 12 of Legislative Decree 502/92.

Several Italian hospitals, recognised for their excellence in treating the relevant conditions, collaborate in implementing these humanitarian programmes. They ensure high levels of clinical care in response to requests sent to the Ministry of Health for medical interventions, mainly for children or young adults with severe health conditions requiring complex procedures. The cases involve diseases treatable only in highly specialised fields, such as heart surgery, brain surgery, vascular surgery, or that require medical treatments with the latest drugs (for severe cancer conditions), used in therapeutic protocols not available in the patients' home countries. To request access to the programme, there is a procedure that, guided by principles of **social solidarity, humanity, and transparency**, sets out the case assessment methods and governs the suitability of authorisations concerning the care needs.

8. PROTECTING CULTURAL HERITAGE

Culture is a key factor in promoting sustainable development. The cultural heritage protection sector, which has always defined Italy and for decades the work of the Italian Cooperation, is a driver for economic growth in job creation and the promotion of tourism linked to harnessing the value of cultural assets.

Culture not only promotes economic and cultural development, spurs the start-up of businesses and creates decent jobs, leading to inclusive and sustainable growth, but it also plays a key role in **supporting social cohesion, freedom of speech and intercultural dialogue**, thus aiding in building resilient, peaceful and stable societies.

*Between 2024 and 2026, the **Ministry of Culture** plans to support development aid activities by offering its exceptional skills in **cultural heritage conservation and restoration**, in **skills training in partner countries**, and in **creating cultural and artistic initiatives**, in synergy with the Italian Cooperation.*

The Ministry of Culture has a vast range of skills in the protection and enhancement of cultural heritage. Within its institutional remit, the Ministry of Culture will focus its action in the field of development cooperation on the following activities, paying special attention to Africa and Ukraine:

- **Conservation and restoration of cultural heritage** carried out in partnership with national and local institutions;
- **Training to enhance the ability of partner countries to protect, promote and sustainably manage tangible and intangible cultural heritage**, prevent and handle risks and emergencies, and combat the illicit trafficking of cultural goods.
- **Cultural and artistic initiatives or co-productions**, especially for museums and cinemas.

These activities will, where possible, be carried out **in partnership and coordination with MAECI/DGCS/AICS**, the **Embassies**, and the **Cultural Institutes**, which have always conducted valuable work in promoting Italian culture and language, and fostering dialogue and exchange between our cultures. Key roles will be played by Ministry of Culture institutes like the **Central Institute for Restoration (ICR)**, which carries out restoration and on-site training, the **Central Institute for Archaeology (ICA)** that works with Italian archaeological missions abroad, and the **Foundation for Cultural Heritage and Activities (Fondazione SBC)** which offers training courses, job mobility, and exchanges among cultural professionals, also in partnership with international organisations. The **Carabinieri Command for the Protection of Cultural Heritage** reports to the Minister of Culture and will also carry out training activities on combating the illicit trafficking of cultural goods.

From 2024 to 2026, the Ministry of Culture will continue its international work, replicating and expanding successful programmes. Below, divided by geographical areas of intervention, are the main initiatives planned in full coordination with the actors of the Italian cooperation system active in the cultural sector.

EUROPE

- Italy's commitment to the reconstruction of **Ukraine's** cultural heritage continues with the development of initiatives within the "**Laboratory for the Reconstruction of Ukraine**", promoted by the Office of the Prime Minister, the MAECI and Ministry of Culture with the Triennale di Milano and the MAXXI Museum in Rome, to create a European hub of expertise for the protection, restoration and rebuilding of Ukrainian cultural heritage with a focus on sustainability and innovation.
- In 2024, the **Fondazione** Scuola dei Beni e Attività Culturali (Fondazione SBC) will launch the third edition of the training course "**Competenze in movimento**" (Skills in motion), focusing on **Digital Strategies and Skills for Cultural Heritage Management**, aimed at professionals from the six non-EU Western Balkan countries (Albania, Bosnia, Kosovo, Montenegro, North Macedonia, Serbia).
- The **Directorate-General for the Security of Cultural Heritage** at the Ministry of Culture continues its collaboration with the Department of Civil Protection (DPC), which leads the protection of cultural heritage within the **European Union Civil Protection Mechanism**. The initiative will draw on methods, tools, and training developed in four European Commission-funded projects. These projects, under the Directorate-General for European Civil Protection and Humanitarian Aid Operations (DG ECHO), were led by the Department of Civil Protection with partners including the Ministry of Culture, the Carabinieri Command for Cultural Heritage Protection, the National Fire Brigade, and the Army. The projects are PROMEDHE, involving Italy, Israel, Palestine, Jordan, and Cyprus; PROCULTHER, with Italy, France, Spain, Türkiye, and ICCROM; and PROCULTHER-NET, including Italy, France, Germany, Portugal, Spain, Türkiye, and ICCROM.

NORTH AFRICA AND THE MIDDLE EAST

- The **Central Institute for Restoration (ICR)** has previously restored about 150 square metres of mural paintings in **Jordan** (Qusayr 'Amra Castle, mid-8th century AD). Efforts are underway to restart collaboration with the Hashemite Kingdom, halted due to the pandemic, by signing a new agreement that will include co-financing methods from several bodies to ensure proper planning of conservation activities.
- In **Algeria**, the ICR, which has had an agreement with the *École Nationale Supérieure de Conservation et de Restauration des Biens Culturels* of the Algerian Republic since 2015, is developing a course on the restoration of stone materials from archaeological sources for the students of the *École*.
- The **ICR** is also developing a project led by **Morocco's** Directorate of Cultural Heritage, in partnership with the Italian Embassy in Morocco, the Italian Agency for Development Cooperation, and the Moroccan Ministry of Economy, Finance and Administrative Reform. The project involves training the staff responsible for conserving and restoring the mosaic complex at the Maison de Venus within the Volubilis archaeological site in the Meknès province, funded by the Moroccan government. Feedback from the Rabat authorities is awaited.

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- The **CRAST – Centre for Archaeological Research and Excavations in Turin**, with which the ICR has been collaborating for years, has requested the Institute’s support to conduct a “Course on archaeological excavation methodology” in **Iraq**, aimed at Iraqi officials of the State Board of Antiquities and Heritage. The course is to take place at the Italian-Iraqi Cultural Centre for Archaeological Sciences and Restoration in Baghdad and possibly at the site of Seleucia on the Tigris (Iraq).
- The **SBC Foundation** is setting the terms and methods of collaboration on an international cooperation project with **Jordan**, led by AICS, to launch training programmes at the Regional Institute for Conservation and Restoration (RICR) in Jerash, with Roma Tre University at the helm.
- The **SBC Foundation** will engage practitioners from the North African region for the 4th edition of the International Heritage School, dedicated to the use of technology in archaeology.
- The **Egyptian Museum of Turin** has many established relationships with **Egypt** and numerous active collaborative activities. It coordinates the archaeological mission at the Saqqara archaeological site and is a partner in the one at Deir el-Medina, led by the French IFAO. The Egyptian Museum is working with the SBC Foundation and UNESCO to train Egyptian museum professionals. It has also coordinated an international project with the Louvre, British Museum, Neues Museum, and Rijksmuseum on the reorganisation of the Cairo Egyptian Museum.
- The **MAXXI Museum in Rome** has launched the MAXXI MED project to create a new museum hub in Messina for training and research focused on the contemporary art scene of the **Mediterranean**, providing opportunities for dialogue and exchange with countries on the southern shore.

SUB-SAHARAN AFRICA

The MIC can help enhance African countries’ abilities to protect, promote, and sustainably manage their rich cultural heritage, including for tourism, by tapping into its potential for economic and social development, business creation, job creation, and economic growth.

- Between 2014 and 2020, the ICR carried out seven campaigns in **Sudan** for the conservation of the Temple of Mut at Jebel Barkal, in Nubia. It has nearly finished restoring the wall paintings in the main hall, implemented protective measures, and conducted surveys. The activity is currently on hold due to the geopolitical situation. Should the deadlock be overcome, it would be desirable to resume cooperation to complete the restoration and enhancement of the site.
- In June-July 2022, the Carabinieri of the Artistic Heritage Protection Unit conducted a course for nine **African Union** countries on the protection of cultural heritage.
- The SBC Foundation, in partnership with ICCROM, is carrying out the “Undertaking Business in Culture” project under the ICCROM Youth.Heritage.Africa initiative. This aims to help young cultural and creative entrepreneurs turn their ideas into solid, sustainable projects by boosting their business skills. In the first edition, 17 participants from 13 African countries (**Botswana, Ethiopia, Ghana, Kenya, Liberia, Mozambique, Nigeria, Rwanda, Sierra Leone, South Africa,**

Tanzania, Uganda, Zimbabwe) and 3 Italians were selected for an online training programme held in September-December 2023.

- The SBC Foundation, together with ICCROM and in partnership with the MAECI, is finalising a training programme for officials from African countries working on the inscription of sites and elements on **UNESCO's lists of tangible and intangible heritage**, with the aim to share with Africa the expertise that has enabled Italy to lead the World Heritage list.

CENTRAL AND SOUTH AMERICA

The SBC Foundation is working with the IILA to outline the fourth edition of the online exchange and advanced training programme. In 2021, it completed two training projects (museums and local areas, participatory practices and sustainability), involving an average of 80 professionals from 21 countries. In 2023, it held a course in Mexico with the Carabinieri of the Cultural Heritage Protection Unit on risks and security measures for cultural heritage in disasters, aimed at about 60 public officials from 7 countries (Bolivia, Costa Rica, Ecuador, Guatemala, Mexico, Peru, and the Dominican Republic).

In 2024, the SBC Foundation and the General Directorate for Education, Research and Cultural Institutes (DGERIC) of the Ministry of Culture will hold the final design workshops for the ArcheoCuba project in Cuba. Funded by AICS with roughly €1.8 million, the project aims to support over 40 Cuban officials in preserving the urban historical landscape and tackling the effects of climate change in local development programmes. The Municipality of San Felice Circeo is the lead partner; the other partners are: Arci Culture Solidali, the Department of Environmental Biology at Sapienza University of Rome, Circeo National Park, and for the Cuban side, the Oficina del Historiador of Havana and the Oficina del Conservador of Matanzas.

ASIA AND FAR EAST

The ICR has worked in Afghanistan on the restoration of the Gawar Shad Mausoleum (14th century), for the twinning of Matera-Bamyan and on training Afghan staff, with UNESCO and AICS.

Within the framework of the scientific and technological cooperation agreement between the Italian Republic and the Republic of India, the ICR is working on a research project and knowledge exchange called "Joint science and technology cooperation Italy-India: Network of Excellence 2021 - 2023", focused on the protection and conservation approach to cultural heritage, both as intervention and training methods in conservation and restoration, in partnership with the University of Ca' Foscari, Nadir, SABAP Venezia e Laguna, Indian Institute of Technology Kanpur, Indian Institute of Technology Roorkee, Archaeological Survey of India. The activity began in April 2023 with an initial survey in India, followed in September by a reciprocal visit from the Indian partners to Italy. In December 2023, a new visit to India was planned.

Talks are underway between ICR and Armenia on the nearing completion of the restoration of the Mother Cathedral of Echmiadzin's interior to provide advice on the wall paintings, as part of strengthening bilateral cultural cooperation between the two countries.

Since 2023, the ICA has been involved in two projects in Armenia. The first, funded by the European Research Council (ERC), is titled "Armenia Entangled: Connectivity and Cultural Encounters in

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Medieval Eurasia 9th-14th Centuries (ArmEn)", and the second, led by the Italian Archaeological Mission in Armenia, with the support of MAECI, is "The Making of the Silk Road".

9. THE EFFECTIVENESS OF COOPERATION ACTION: A RESULTS-BASED APPROACH

In line with the international debate on the subject, and in accordance with national legislation, Italy places the utmost importance on the principles of development effectiveness, namely: ownership of development processes; focus on results; inclusive partnerships; mutual accountability.

To honour this commitment, in 2019, AICS and DGCS prepared an “Effectiveness of Interventions Plan 2020-2022” aimed at facilitating the implementation of the four effectiveness principles, with attention also to humanitarian crises, fragile situations, and the “leave no one behind” principle. The Plan specified clear indicators to check compliance with the effectiveness principles and ensure activities and achieved results align with them.

In the next three years, a new Effectiveness Plan will be prepared, which will include a review and alignment of objectives and indicators with the priorities outlined in this document. The Plan will particularly focus on updating compliance checks to the principle of ownership of development processes by partner countries, measured primarily through:

- alignment with partner countries’ national development programmes (and the Country Results Framework) by increasing the number of budget support initiatives and by using national systems;
- an increase in Multi-Year Country Programmes;
- Reducing the fragmentation of interventions.

The Plan will also benefit from AICS’s increasingly widespread tendency to identify and formulate initiatives with a results-oriented approach. In this regard, besides the mentioned Efficiency Plan, it is worth mentioning some key developments in the Italian cooperation system over recent years concerning the effectiveness of aid: in 2020, the approval of procedures for initiatives led by non-profit entities based on a results-driven approach; in 2021, the presentation to the Joint Committee of a document titled Public Development Cooperation – Towards Results-Oriented Sustainable Development Management; the recent presentation (December 2023) to the Joint Committee of the Operational Manual for the Sustainable Development Results Approach.

These efforts outline a challenging and necessary pathway for successful cooperation. They are part of a context where every participant in cooperation must contribute, starting with the Working Party 1 of the CNCS, named “Follow-up to the 2030 Agenda for Sustainable Development: policy coherence, effectiveness, and evaluation”. In the international context and as part of the Global Partnership for Effective Development Cooperation¹⁴ platform, the Italian Cooperation will also participate in monitoring activities in Partner Countries “Monitoring round”).

¹⁴ In this regard, refer to the Final Statement of the High-Level Meeting of the GPEDC in December 2022.: [//https://www.effectivecooperation.org/Summitoutcomedocument](https://www.effectivecooperation.org/Summitoutcomedocument)

10. POLICY COHERENCE FOR SUSTAINABLE DEVELOPMENT WITHIN THE FRAMEWORK OF THE 2030 AGENDA AND THE NATIONAL STRATEGY FOR SUSTAINABLE DEVELOPMENT

The principle of Policy Coherence for Development (PCD) emerged in the international debate in the early nineties. The core idea is to ensure that a country's development cooperation policy goals and outcomes are not undermined by the impacts of its other policies on developing countries, but rather, that these policies support the development objectives.

The principle has evolved in line with international debate and has become central to the 2030 Agenda paradigm, which places Policy Coherence for Sustainable Development (PCSD) among the goals of the 2030 Agenda (17.14). SDG indicator 17.14.1 measures progress through a composite framework that identifies national elements for long-term, cross-cutting, multi-level, and multi-stakeholder governance. Based on the 2019 Ministerial Recommendation document, the OECD defines PCSD as an approach aimed at integrating the three dimensions of sustainable development (economic, social, and environmental) within the planning cycle of national, international, and development cooperation policies. Its aim within the 2030 Agenda is to advance towards integrated implementation paths, in line with the principles of indivisibility, transversality and universality of the Sustainable Development Goals, looking at the national sphere as well as that of development cooperation (Policy Coherence for Development).

Operationally, PCSD consists of a range of tools designed to highlight the interdependencies between sectors and policies, to include and balance the impact of domestic policies on third countries, and to account for the policies' impact on future generations, in keeping with the principle of sustainable development. PCSD examines the dynamics of inter-institutional relations at various levels of government, suggesting structural mechanisms for coordination and collaboration (whole-of-government). In this regard, PCSD aims to influence planning and assessment processes and recommends an integrated approach across sectors that is open to civil society and non-state actors (whole-of-society).

PCSD is one of the key tools adopted by the Ministry of the Environment and Energy Security within the framework of implementing and reviewing the National Sustainable Development Strategy (NSDS). Building on the principles and goals of the 2030 Agenda, the 2019 OECD Recommendations, and at the European level, the EU Council Conclusions on the Agenda, the Ministry of the Environment and Energy Security began in 2019 to reflect on PCSD, leading to the creation of the National Action Programme for Policy Coherence for Sustainable Development (Annex 1 of the NSDS). This is the outcome of a comprehensive participatory process carried out with state and non-state actors and identifies processes, coordination mechanisms, and tools to align policies for sustainable development at all levels.

With the approval of the NSDS (CITE Resolution No. 1/2023), PCSD has become an integral part of the Italian regulatory system, making Italy the first country to adopt an action programme that sets out a multi-level governance system for sustainability with tools and work paths that can be monitored and verified.

Within this framework the Recommendation of 27 May 2022 was adopted during the eighth meeting of the National Committee for Development Cooperation following a proposal from

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Working Party 1 “2030 Agenda”. The Recommendation welcomes the National Action Programme for Policy Coherence for Sustainable Development, calling for its full implementation in development cooperation policies, thereby ensuring a consistent integration of the external and internal dimensions of the 2030 Agenda.

11. IMPACT ASSESSMENT

Under Article 20, paragraph 2 of Law 125/2014, the Directorate General for Development Cooperation (DGCS) assists the Minister of Foreign Affairs and International Cooperation and the Deputy Minister for Development Cooperation in assessing the impact of development cooperation initiatives and in checking the achievement of planned goals, also using external independent evaluators.

Impact assessment is key in measuring the effectiveness of development cooperation initiatives and is increasingly a core part of the decision-making and management process. Therefore, evaluation activities aim to check the impact of cooperation efforts understood, as per the OECD-DAC definitions, as “the extent to which the intervention has generated or is expected to generate significant positive or negative, intended or unintended, higher-level effects”.

Impact assessments are entrusted to independent evaluators chosen through public tender procedures. Their aim is to ensure transparency and accountability in development cooperation activities, encourage learning from good practices that can be applied to new cooperation initiatives, and enhance the quality of interventions by guiding future development cooperation strategies towards truly strategic planning.

To this end, the DGCS develops an evaluation plan that can be modified and updated as necessary. The DGCS has started drafting the new Three-Year Evaluation Programme for 2025-2027. The new Programme will favour a thematic and/or sectoral approach to ensure flexibility – to adapt to the changing global context – and coherence of initiatives to overcome the fragmentation of actions. This will be achieved through ongoing dialogue with stakeholders, in line with Italian foreign policy, and in the spirit of Law 125/2014.

The outcomes of recent evaluations have shown high learning potential, both in terms of good practices identified and lessons learned. The recommendations that have emerged have been received and analysed by the DGCS together with AICS, as the implementing body. The resulting management response process allows for the development of corrective actions both in terms of strategic choices and operational management methods to enhance the development cooperation activity.

Additionally, the findings from assessments have shown the need to consider the impact that their implementation aims to trigger, even during the initiative's design phase. Over the next three years, in line with results-based management, it will be necessary to identify outcome and impact indicators for each programme, plan proper monitoring mechanisms, and pay more attention to communication strategies (both for raising awareness where needed and for sharing the outcomes of monitoring and interventions).