OECD-DAC PEER REVIEW
ITALY MEMORANDUM
2019
The Italian Government submits this Memorandum to the OECD Development Co-operation Directorate for the 2019 Peer Review of Italy’s development co-operation.

The Memorandum’s structure follows the OECD’s Peer Review Reference Guide.
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**EXECUTIVE SUMMARY**

1. Italy is committed to implement the 2030 Agenda for Sustainable Development across its domestic and foreign policies in a comprehensive and strategic approach to address global risks: economic strains, instability and security, persistent inequality, environment and climate change. These priorities were at the centre of the agenda of the Italian G7 Presidency in 2017.

Italy’s National Sustainable Development Strategy (NSDS) was endorsed at the highest level in December 2017. The NSDS integrates the three dimensions of sustainable development, addressing the interlinkages between the Sustainable Development Goals (SDGs) as well as the broader impact of domestic actions at global level.

In 2014 Italy undertook a comprehensive reform of development co-operation, which is integral and qualifying part of Italy’s foreign policy. Law125/2014 sets out clear governing principles and an innovative institutional and governance system for development co-operation. Policy coherence for sustainable development is a stated commitment, implemented through institutional co-ordination mechanisms.

Since 2014, Italy has focused its efforts to spread positive messages on development co-operation to gain political support and broader consensus. The National Conference on Development Co-operation was held in January 2018. It is held every three years, the aim is to inform and give citizens tools to engage critically with global development issues, raise awareness and contribute to increasing public and parliamentary support. In 2017 Italy defined a “National Strategy on Global Citizenship Education”.

2. The policy vision of Italy’s development co-operation is outlined in the Three-year Programming and Policy Planning Document (PPPD). The PPPD defines a comprehensive policy approach that makes the 2030 Agenda central to Italy’s policies to address global risks. The PPPD includes thematic and geographic priorities drawing on Italy’s wealth of experience and comparative advantage.

Law 125 commits Italy to apply the principles agreed at the Busan High Level Forum of the Global Partnership for Effective Development Co-operation in 2011 and confirmed in Nairobi in 2016. In this framework, Italy is pursuing a progressively more coherent and integrated approach for more effective engagement, focusing on: more inclusive planning and project development; strengthened dialogue and co-ordination with development actors; adoption of regional, sector-wide and programme approaches; greater emphasis on seeking out “best fit” implementers and effective partners; promoting inclusive partnerships.

3. Law 125 commits the Government to set a path to gradually align development co-operation allocations to Italy’s international commitments. Since 2013, Italy reversed the negative trend of the past years and increased its ODA levels.

At bilateral level, geographic and thematic allocations reflect Italy’s priorities outlined in the PPPD. Italy maintains its focus in the Mediterranean and Middle Eastern Region and Africa. At multilateral level, Italy is strengthening collaboration with multilateral organisations where they can best contribute to its development policy objectives.

Italy supports Domestic Resource Mobilisation and is a founding member of the Addis Tax Initiative. Italy contributes financially to the OECD Global Relations Programme, to the Customs Co-operation Fund of the World Custom Organisation, is a member of the Inter-American Centre of Tax
Administrations and has provided assistance within the framework of the “Tax Inspectors without Borders Programme”.

Italy recognizes the need to assist developing countries in attaining long-term debt sustainability through co-ordinated policies aimed at fostering debt financing, debt relief, debt restructuring and sound debt management.

4. Law 125 has created an innovative development co-operation system where responsibility, mandates and mechanisms are clearly defined, as part of a whole-of-government approach, at headquarters and country levels. Main structural changes include the creation of the Italian Agency for Development Co-operation and a Development Finance Institution and Development Bank (Cassa Depositi e Prestiti).

5. The annual country financial plan indicates the MFAIC allocations at project/country level based on the Three-year PPPD. The country financial plan is constantly monitored and allows adjustment of funding across sectors and projects and for quick response and adaptation to changing contexts or fragility situations. At country level, medium-term Indicative Country Programmes include context analysis, the identification of priority sectors and programmes negotiated with local Authorities, estimates of flows, modalities of intervention and financial instruments.

Italy is strengthening its participation to joint programming and since 2012 participates to the implementation of EU programmes through the so-called "delegated co-operation”. To this day, Italy has been awarded a portfolio of projects worth over Euro 200 million.

Italy is engaged in establishing a system to provide timely and adequate information on development co-operation in line with its commitments on transparency. In 2017, the Italian Agency for Development Co-operation joined the International Aid Transparency Initiative.

6. Law 125 makes explicit reference to the achievement of development results and to a clearly articulated chain of expected results from activities to impact. The annual Development Co-operation Progress Report outlines the activities implemented in the reference year, including the results achieved. Impact evaluation of development co-operation programmes / projects is a stated commitment.

Italy’s commitment to apply the effectiveness principles will be reflected in the three-year Action Plan for Development Co-operation Effectiveness currently under drafting. The Plan aims at developing results based frameworks, strengthening the use of country systems, improving predictability, boosting multi-stakeholders partnerships, reducing fragmentation.

7. At the Istanbul World Humanitarian Summit in May 2016, Italy took specific commitments to deliver on the ambitious changes called for in the Agenda for Humanity and adopted the Grand Bargain. These commitments reflect Italy’s policy for humanitarian assistance aimed at: ensuring the respect of human rights law and international humanitarian law; contributing to an effective, efficient and, when possible, sustainable humanitarian response; preventing protracted conflicts and reducing disaster risks; promoting a multi-sectoral, holistic and co-ordinated response to humanitarian crises; fostering communities’ resilience and empowering women and girls as agents of positive transformation; promoting localization and increasing flexibility and predictability in the humanitarian response; ensuring that an adequate percentage of the humanitarian budget is dedicated to neglected crises.
Following the commitments taken at the WHS, Italy started a re-organisation process to improve synergy between humanitarian and development actions. In order to ensure better coherence to a comprehensive Nexus strategy, a “nexus approach” is adopted also at national level. In this regards, Italy has already introduced significant elements of flexibility and complementarity in its programming and financing of humanitarian and development co-operation actions.

With an overall humanitarian allocation of Euro 131.5 million in 2018, the humanitarian budget almost doubled since 2015 (Euro 73 million). The overall increase of Italy’s humanitarian budget was accompanied by a steady increase of funding available for Italian CSOs, whose share reached 47% in 2018 (31% in 2015 and 42% in 2017).

Italy considers localisation a key driver to enhance efficiency and sustainability of humanitarian programmes and implements the commitment taken in Istanbul to go "as local as possible" in the humanitarian response through direct funding to local CSOs.

An appropriate mix of instruments is used, including humanitarian and development funding, to support recovery and resilience building in crisis contexts. In order to apply the commitments taken at the WHS, Italy is steadily increasing un-earmarked contributions.

The main tool at disposal of the Italian Co-operation to ensure rapid response is the Emergency Bilateral Fund. Another fundamental tool for rapid crisis response is the United Nations Humanitarian Response Depot (UNHRD) operated since 2000 by the WFP in Brindisi. New fast-track procedures allow a rapid response mechanism in case of disaster.
1. Global efforts for sustainable development

1.1 Efforts to support global sustainable development

Leadership and support for global agendas and commitments

Italy has played an active role in the negotiation of global frameworks for sustainable development and was particularly influential in shaping the SDGs on equality, health, gender, and migration governance.

Italy is committed to implement the 2030 Agenda for Sustainable Development across its domestic and foreign policies in a comprehensive and strategic approach to address global risks: economic strains, instability and security, persistent inequality, environment and climate change. These priorities were at the centre of the agenda of the Italian G7 Presidency in 2017. The G7 Finance Track concentrated its efforts on four “pillars”: Growth and Inequalities, IFI Coordination, Security as Global Public Good, and International Taxation.

In 2016 Italy launched the process for defining the National Sustainable Development Strategy (NSDS/Italy). A multi-level consultation process guided by the Ministry of Environment Land and Sea engaged ministries, regions and local governments, CSOs and key stakeholders in a co-ordinated response to the challenges posed by the 2030 Agenda and global risks.

The NSDS was endorsed by the Inter-ministerial Economic Planning Committee (CIPE), chaired by the Prime Minister, in December 2017.

The NSDS integrates the three dimensions of sustainable development, addressing the interlinkages between the Sustainable Development Goals (SDGs) as well as the broader impact of domestic actions at global level. It is organized in the five core areas of the 2030 Agenda: People, Planet, Prosperity, Peace and Partnership. Each area identifies a set of strategic priorities and objectives such as poverty, inequality, unemployment, education and social progress, climate change and resilience to climate impact and to other challenges.

The NSDS recognizes that global challenges can be faced only through a joint effort of the international community and that Italy has to help partner countries to reach the same goals that have to be reached domestically. Priorities take into account the objectives of development co-operation in all external and internal policies which are likely to affect developing countries.

The NSDS is foreseen to undergo an annual review and monitoring process. A Plan of Action has been developed to include quantitative targets at 2030, as well as monitoring mechanisms to measure the impact of policies on the NSDS objectives. Implementation is linked to the National Plan for Reform and economic policy and public finance documents set by the Government, mainly the Economic and Financial Document (DEF).

The Italian National Institute for Statistics (ISTAT) is a key institution in the SDGs monitoring process. ISTAT participates to the work of the UN Statistical Commission and has the task of co-ordinating the production of indicators for measuring the SDGs implementation and adapting the SDGs indicators to the national context. ISTAT presents a periodic update of the indicators (istat/information-note).

In 2015 the Parliament Chamber of Deputies established a permanent “Committee on the Implementation of the 2030 Agenda and SDGs”. This shows the attention paid to monitoring the international commitments and to ensuring that domestic policy, global action and development co-
operation objectives are aligned with the 2030 Agenda. In 2016 the Committee carried out a survey to assess Italy's engagement in global health, in view of Italy's G7 Presidency in 2017.

In 2014 Italy undertook a comprehensive reform of development co-operation, which is integral and qualifying part of Italy’s foreign policy. The reform took place just before the adoption of the 2030 Agenda and complies with its objectives. Law125/2014 sets out clear governing principles and an innovative institutional and governance system for development co-operation, described in the following chapters.

Priority issues for global agendas and commitments

Italy has identified a set of priority issues to champion at European and international level, balancing its own interests with the interests of developing countries.

Development-Peace-Stability. Conflicts, fragility and crises pose a risk to regional and global security: what happens in contexts of fragility can, and increasingly does, have ripple effect elsewhere, including forced migration and violent extremism. Development co-operation remains crucial to drive change in fragile and conflict/crisis-affected contexts, reaching those left most behind. Italy is engaged in supporting stabilisation processes, for example in Syria and neighbouring countries (EU Madad Trust Fund), Libya (Stabilisation Facility for Libya), Somalia (Multi-Partner Trust Funds), Afghanistan (Afghanistan Reconstruction Trust Fund), Turkey (EU Facility for Refugees in Turkey), and Colombia (EU Trust Fund for Colombia).

Italy maintains its commitment to stand by and focus in Africa. Italy’s participation in the principal UN and EU-led peace-keeping missions in Africa, its efforts in local institution-building activities, its struggle against illicit and human beings trafficking, its action to foster the stabilisation in Libya and elsewhere, show Italy’s level of engagement. Italy strongly believes it is necessary to find shared solutions to the biggest challenges in the area of peace, freedoms, human rights, democracy and security, and to promote socio-economic development in African countries through investment, employment generation, education, training, cultural exchange. Italy welcomed the recent peace agreement between Ethiopia and Eritrea which considers a significant step that will pave the way for a constructive dialogue between the two Countries with a view to fostering peace and prosperity to the benefit of the whole region.

Forced migration has become a more than ever pressing issue for developed as well as for developing countries that Italy addresses across policy areas and in a comprehensive manner. Following the New York Declaration for Refugees and Migrants (September 2016), Italy has participated to the intergovernmental negotiations on the Global Compact on Refugees and on the Global Compact for Migration.

Law 125 states that the Italian co-operation “in promoting local development supports migratory policies agreed with partner countries founded on the protection of human rights and respect for European and International standards”. Italy adopts an approach founded on the principles of partnership and shared responsibility: protecting human rights; investing, to address the root causes of forced migration; valuing, valorising the positive contribution of safe and orderly migration to inclusive growth and sustainable development.

In 2015 Italy participated to the creation of the EU Emergency Trust Fund for stability and addressing root causes of irregular migration and displaced persons in Africa. In 2017 Italy established the “Fund for Africa”, aimed at enhancing the dialogue on migration with a number of African partner countries, through financing interventions to improve migration management, fight trafficking of human beings, provide protection and support to the most vulnerable, tackle the root causes of forced
migration through development co-operation. In 2017 Italy contributed Euro 3 million to the Council of Europe Development Bank (CEB) Migrant and Refugee Fund (MRF). The MRF helps CEB Member States to address the challenges linked to migrants and refugees. Italy also committed Euro 45 million over a three year period (2017-2019) to the European Investment Bank (EIB) Economic Resilience Initiative (ERI), aimed at supporting the Southern Neighbourhood and Western Balkans regions to absorb and respond to crises and shocks, such as the Syrian refugee crisis, while maintaining strong growth: Euro 30 million of this amount have been contributed while the remaining Euro 15 million tranche is due in 2019.

In 2017 the Foreign Minister chaired the first international Conference “A shared responsibility for a common goal: solidarity and security”, attended by high level representatives of African and UE countries and followed by a second Conference in 2018. The Conference launched a strengthened partnership between European and African countries, aimed at promoting an integrated policy approach combining solidarity, development and security.

Environment and Climate Change. Recognising the threat climate change presents to sustainable development, Italy played an active role in the negotiation of the UN Framework Convention on Climate Change (UNFCCC) Paris Agreement. Italy is engaged in implementing the Paris Agreement objectives, by strengthening support to developing countries, including small island developing states, building international partnerships and contributing to multilateral banks and funds, including the Global Environment Facility and the Green Climate Fund.

1.2 Policy coherence for sustainable development

Commitment to policy coherence for sustainable development

The National Sustainable Development Strategy will have a key role in ensuring policy coherence. Monitoring and review mechanisms are being set up to allow measuring domestic and international policy impacts.

The Prime Minister’s Office is responsible for co-ordinating the social, economic and environmental policies for the NSDS implementation and the monitoring and review process for the achievement of its objectives. At this aim a “National Commission for Sustainable Development” was established in March 2018. The Commission, headed by the Prime Minister or by a nominated delegate, approves an annual progress report on the NSDS implementation. Every year each Ministry carries out an analysis of coherence between the actions planned for the following three years, the NSDS guidelines and the results achieved in the previous year, and submits a report to the Prime Minister’s Office.

Law 125 states that “Italy shall make an utmost effort to guarantee that its policies, even when not directly linked to development co-operation, shall be coherent with the purposes and fundamental principles of the Law, in order to foster the achievement of development goals”. Therefore, in the new Italian Development Co-operation system PCSD is a stated commitment, implemented through institutional co-ordination mechanisms.

At the Ministry of Foreign Affairs and International Co-operation (MFAIC) a Vice Minister is responsible for development co-operation: the Vice Minister participates to the meetings of the Council of Ministers when the agenda tackles topics that may have a direct or indirect impact on the coherence and effectiveness of development co-operation policies and actions. A PCSD contact point is appointed within the MFAIC Directorate General for Development Co-operation (DGCS).
The *Inter-ministerial Committee for Development Co-operation* (CICS) is tasked with ensuring co-ordination of policies and programs and coherence of domestic policies with the objectives and targets of development co-operation. It is chaired by the Prime Minister and composed by the Minister of Foreign Affairs and International Co-operation, the Vice Minister for Development Co-operation and representatives of line Ministries (Interior, Defence, Economy and Finance, Economic Development, Agriculture, Environment, Infrastructure and Transport, Welfare, Health, Education).

The *National Council for Development Co-operation* (CNCS) facilitates dialogue between policy makers and stakeholders that are part of the so-called “Italian Development Co-operation System”: central, regional and local Administrations, public and private entities, academia and research centres, CSOs, non-profit organisations, businesses, micro-finance institutions, migrants’ associations, are represented in the Council and provide a crucial contribution to policy planning and decision-making.

The CICS and the CNCS are favouring a more systemic whole-of-government and whole-of-society approach to development co-operation in which each player plays its role and provides valuable informed inputs for development co-operation policies and strategies. A more structured dialogue and the exchange of knowledge and experience among different actors offered the opportunity to take advantage of the different perspectives, reflect on how to enhance synergies and ensure coherence, to reduce conflicts between interacting policy and activity domains. The reforming process of the “Third Sector”, almost completed, contributes to reinforce the operability of a whole-of-government and whole-of-society approach.

**Priority issues for policy coherence**

Through the above mentioned multi-layer mechanisms, Italy is able to better analyse the coherence between domestic policies and development objectives. The CICS and the CNCS operate through working groups that reflect key issues for policy coherence for sustainable development.

The CICS operates through 5 working groups: i) “Migration and Development” (co-ordinated by the Ministry of Interior); ii) “Private Sector in development co-operation”, with special focus on energy (co-ordinated by the Ministry of Economic Development; iii) “Vocational Training, Secondary Education and Academia” (co-ordinated by the Ministry of Welfare); iv) “International Co-operation, Environment and Sustainable Development” (co-ordinated by the Ministry of Environment Land and Sea); v) “Sub-Saharan Africa” (co-ordinated by the Ministry of Foreign Affairs and International Co-operation).

The CNCS operates through 4 working groups: i) “Follow up of the 2030 Agenda, Policy Coherence, Effectiveness and Evaluation”; ii) “Policy Guidelines of Italian Development Co-operation”; iii) “Role of the private sector in Development Co-operation”; iv) “Migration and Development”.

The working groups are set up with cross-government and multi-stakeholders participation. This has facilitated overcoming the idea that PCSD is only about development co-operation and the responsibility of the MFAIC, rather than a relevant issue in day-to-day work across all policy areas, especially when decision making at political level involves the overall coherence of domestic, foreign and development co-operation policies.

Migration is a test-case for policy coherence. The main challenge is to reinforce the vision of migration as a driving force behind economic and cultural growth. Efforts have been made but more has to be done to operationalize the new mechanisms breaking down silos between sectoral policy fields and fully embracing a whole-of-government approach.
1.3 Global awareness

Efforts towards raising global awareness and citizenship at home

Law 125 states that Italy promotes development education, citizens’ awareness and participation to international co-operation and support to sustainable development.

In this framework, Italy has defined a wide-reaching communication and global citizenship education policy aimed at: i) raising awareness among public and private actors, public opinion and citizens on sustainable development, using all means of communication; ii) fostering transparency and accountability and show people where money is going, for what purpose and with what results; iii) favouring widespread knowledge of current and future expected trends in relation to the SDGs, and global citizenship education focused on young generations; iv) promoting research and innovation for sustainable development and the diffusion of good practices in Italy and abroad.

In 2018 Italy developed a “National Strategy on Global Citizenship Education” (GCE). An inclusive and participated approach engaged national, regional and local administrations, CSOs and other actors. A working group was set up, composed of representatives of the Ministry of Education, University and Research, the Ministry of Foreign Affairs and International Co-operation, the Ministry of Environment Land and Sea, the Agency for Development Co-operation, the State-Regions Conference, CSO alliances and individual NGOs working for global education (i.e. the network DEAR CONCORD), the Italian Alliance for Sustainable Development (ASviS), Universities and Research Centres, other representatives of the civil society (co-operatives, associations of volunteers, citizens' interest groups) and Local Authorities.

The document provides an overview of the main international and national definitions of “Global Citizenship Education”, describes the critical issues associated with GCE and the different areas of interest (e.g. formal/non formal education, etc.) and defines GCE role in promoting education, raising awareness and promoting citizen involvement in international co-operation and sustainable development. It will be followed by a Plan of Action for the Strategy’s implementation. The Italian Co-operation identifies GCE as a cross-cutting, as well as specific priority linked to the implementation of the SDGs.

Since 2014, Italy has focused its efforts to spread positive messages on development co-operation to gain political support and broader consensus. For instance, Expo 2015 was an excellent opportunity to bring development-related issues up front, put the centrality of sustainability at the top of the political agenda and raise the awareness of citizens over crucial themes – food, energy, water – as shown by the Chart of Milan, the legacy of EXPO presented to the UN Secretary General in October 2015. More than 40 events on development co-operation were organised, along with other events in the framework of the European Year for Development.

Law 125 establishes a National Conference on Development Co-operation to be held every three years. The aim is to inform and give citizens tools to engage critically with global development issues, raise awareness and contribute to increasing public and parliamentary support. The National Conference was held in Rome in January 2018. The active role and concrete engagement of civil society and key stakeholders were crucial for the success of the Conference.
The 2018 National Conference on Development Co-operation: “Co-opera: The Future we Want”

The Conference represented a unique opportunity to convey positive messages to the public opinion, especially youth, on the role of international co-operation, to ensure strong understanding and commitment towards sustainable development and to mobilise public support, better explaining why support to developing countries is directly in Italy’s national interest showing how this sector can also offer employment opportunities and represent an important experience for building “global citizenship”. The event gathered stakeholders, civil society, experts from the field, academia, companies, testimonials from the world of culture, and offered the opportunity for exchanging experience and knowledge and taking stock of the 2014 reform of the Italian Co-operation system.

Five key topics were discussed: 1) the youth as new actors in a global context; 2) the role of the private sector and innovative partnerships for decent jobs and sustainable development; 3) the role of communication: how to communicate development co-operation; 4) the link between migration and development and the key role of diasporas; 5) the challenges of social, environmental and economic sustainability in the development prospective.

Recommendations are outlined in a final Conference Communiqué [Co-opera : Manifesto]. In view of the next session of the Conference in 2021, the “Manifesto” calls for, among others, awareness-raising campaigns on the 2030 Agenda, outreach initiatives involving the media and a broader representation of actors within the National Council for Development Co-operation, specific actions in the field of policy coherence (drafting a national study to analyse the most critical issues), training and capacity building for youth and diaspora associations, as well as the promotion of public-private partnerships involving profit and non-profit actors and an enhanced engagement of the national Development Finance Institution (Cassa Depositi e Prestiti - CDP) in development co-operation.

There is a broad commitment by Italian institutions and civil society to uphold and promote participation, raise awareness and encourage widespread knowledge of the 2030 Agenda. Among others, the Italian Alliance for Sustainable Development (ASviS), gathering over 150 organizations in the economic and social field, provides thousands of readers and users with a continuous flow of information on the implementation of the 2030 Agenda in Italy and worldwide. From 2017, ASviS organizes once a year a national awareness-raising campaign, the Sustainable Development Festival, with events scattered across the country for 17 days, one for each SDG.

With regards to communication, the Italian Co-operation uses the Internet and social media to inform citizens, partners and communities on development co-operation activities. Following the entry into force of Law 125, the MFAIC website (http://www.esteri.it) was restructured and a “Development Co-operation Section” was set up. The Italian Agency for Development Co-operation (AICS) created its own website and publishes a blog magazine “Oltremare” (aics/oltremare) to communicate and inform a large audience on activities, programmes and events.
2. Policy vision and framework

2.1 Framework

Vision

Italy has a clear, top-level statement of the purpose of development co-operation, including humanitarian assistance, and a policy vision which serves as an over-arching framework for all development co-operation activities, aligned with the 2030 Agenda.

The first article of Law 125 sets out the fundamental goals of Italy’s development co-operation: eradication of poverty, reduction of inequalities, promotion of human rights and gender equality, support for democracy and establishment of the rule of law, peacebuilding, post-conflict stabilisation, democratic institutions strengthening.

Within this framework, the policy vision of Italy’s development co-operation is outlined in the Three-year Programming and Policy Planning Document (PPPD). A multi-stakeholder consultation process engaged institutional actors, private sector, CSOs, non-profit organizations, academia and research institutions, in the definition of development policies and in the elaboration of the PPPD which therefore reflects the perspective of a broad range of actors.

The Three-year PPPD 2016-2018, updated for the 2017-2019 period, defines a comprehensive policy approach that makes the 2030 Agenda central to Italy’s policies to address the current social, political and demographic changes, the growing destabilisation in certain areas, the raising number of refugees and forced displaced, the impact of climate change, the engagement in supporting peace processes. This approach strengthens the role of development co-operation and aims at leveraging and capitalising on Italy’s wealth of experience, drawing on comparative advantage and know-how of the diverse actors of the Italian development co-operation system.

Scope

Thematic and geographic priorities are defined in the PPPD (2016-2018 and 2017-2019) and are aligned with the 2030 Agenda and the SDGs:

- Humanitarian assistance, DRR and social protection (Goals 1, 11 and 13);
- Governance, rights and fight to inequality (Goals 5, 8, 10 and 16);
- Migration and Development (Goals 8 and 10);
- Health and education (Goals 3, 4 and 6);
- Agriculture and food security (Goals 1, 2, 6 and 12);
- Environment, climate change, energy (Goals 7, 11, 12, 13, 14 and 15);
- Cultural and natural heritage (Goal 11);
- Private sector development (Goals 7, 8, 9, 12).

Cultural heritage

Culture is an important component of the Italian development co-operation. Conflicts, terrorism and violent extremism have led to the destruction of cultural and world heritage. Comparative advantage in this field, recognized worldwide, puts Italy in a position to help raising a new global awareness of the role that cultural heritage can play in fostering peace and stability, promoting intercultural co-operation and interreligious dialogue. As an example, Italy is contributing to projects in Jordan to support the employment of youth, including Syrian refugees, in the protection of the archaeological site of Petra.
Two new strategic areas are given priority: i) data for development, strengthening national statistical systems and capacities in developing countries; and ii) domestic resources mobilisation, primarily in the field of taxation after Italy joined the Addis Tax Initiative in 2015.

Thematic priorities draw on Italy’s experience and comparative advantage, such as health, agriculture, protection of cultural heritage. Gender is a cross-cutting issue carefully addressed.

Geographic priorities reflect traditional historical, political and cultural ties and are often influenced by the geographic proximity. Also, Italy looks for ‘win-win’ situations, where criteria for country selection reflect both partner country’s context and needs, and Italy’s foreign policy choices and international commitments.

Building long-term resilience is a fundamental issue in Italy’s development and humanitarian agenda. The decision taken by the G-7 Summit in Taormina in May 2017, under Italy’s Presidency, goes in this direction. While confirming its support for the UN Secretary General’s call for urgent action against the risk of famine in countries like South Sudan and Somalia, Italy committed to strengthen the international humanitarian system to prevent, mitigate, better prepare for future crises and build resilience and to raise collective support for food security, nutrition and sustainable agriculture in Sub-Saharan Africa.

Italy is trying to keep its bilateral development co-operation programme focused on a limited number of countries and is adopting a more context-specific approach taking into consideration the wide diversity of its partners.

The PPPD identifies 22 priority partner countries for development co-operation, 11 are in Africa (Burkina Faso, Egypt, Ethiopia, Kenya, Mozambique, Niger, Senegal, Somalia, Sudan, South Sudan, Tunisia), three in the Middle East (Jordan, Lebanon, Palestine), two in Balkan area (Albania, Bosnia), three in Asia (Afghanistan, Myanmar, Pakistan), and three in Latina America (Bolivia, Cuba, El Salvador). Ten priority countries are classified as LDCs. AICS field offices are located in 20 partner countries, 10 have regional coverage.

An assessment of geographic priorities is periodically undertaken to keep the bilateral programme updated and focused. This requires sustainable exit strategies to facilitate a responsible withdrawal, including planning for and achieve interventions’ sustainability when programmes end, dialogue with partners and gradually reducing support, as well as planning for the reorganization of AICS Field Offices.

The AICS Annual Report 2017 provides a comprehensive picture of the main development co-operation activities and programmes.

2.2 Principles and guidance

Comprehensive approach

Italy takes a comprehensive approach to the social, economic, environmental, and governance dimensions of development, supported through thematic and sectoral policy guidelines.

A range of policy guidelines (available on AICS website) were developed in the past years and have been updated (Guidelines_disability2018). Others are being drafted (Gender mainstreaming, Humanitarian-Development Nexus) or are planned (Minors). Policy guidelines on gender focus on promoting gender based analyses to consider gender mainstreaming and empowerment as key
elements of project design. Policy guidelines on Energy for Development were approved by the CICS in January 2018.

The same multi-stakeholder consultation process adopted for drafting the three-year PPPD engages institutional, public and private actors represented in the CNCS in the policy guidelines drafting process. As an example, “Energy for Development” policy guidelines reflect the contribution of public and private actors represented in the “National Multi-stakeholder Platform on Energy and Development”, created in 2016. The cross-sectoral approach to the implementation of SDG7 (affordable and clean energy) helped identify synergies between sustainable energy, food, water, health, employment, climate change, equality and gender empowerment.

Poverty reduction and leaving no-one behind

Italy’s development co-operation policy pays special attention to the poorest, most vulnerable and farthest behind (PPPD_2016-2018 and 2017-2019).

Governance, rights and the fight against inequality. Italy makes reference to the EU Consensus principles and values guiding development action. Human rights protection is an integral and encompassing component of development co-operation initiatives, seeking to give those who live in poverty, those marginalised and excluded, the opportunity to enjoy their fundamental rights, such as the right to decent work. As an example, Italy is funding a multi-sectoral programme in Sudan aimed at promoting the rights and social protection of vulnerable groups and groups that are discriminated in migrant and host communities, strengthening access to education for children, women and people with disabilities in Khartoum and Red Sea state.

Gender equality and women empowerment is a priority across all areas of action consistently with the obligations under the Convention on the Elimination of All Forms of Discrimination against Women.

The approach to gender equality and women empowerment follows the “Roadmap for a gender-responsive economic environment” (g7italy/Gender) adopted in 2017 in Taormina by the G7 under Italian Presidency. As an example, the recently funded programme “Assistance to and Empowerment of Syrian Refugee Women and girls and vulnerable women and girls of Host Communities in Egypt, Jordan and Lebanon” aims at improving the livelihoods of women, both refugees and nationals of host countries, with a specific focus on improving access to sexual and reproductive health and rights, the prevention of gender-based violence, and the socio-economic empowerment of women, through activities oriented to income generation. The G7-sponsored 2X Challenge-Financing for Women Initiative that Italy joined in June 2018 is an example (see Chapter 3.4).

Youth and children. The approach followed to improve the living conditions of young people and children is based on protection against abuse - trafficking of young women, adolescents and children, child labour, child crime, sexual exploitation, violence and sexual diseases such as HIV/AIDS, discrimination with regard to citizenship rights. Italy holds a comparative advantage in juvenile justice, with programmes in Latin America and in the Middle East. More recently, programmes on birth registration are part of Italy’s strategy to tackle the challenge of “invisible children”. Besides focused interventions, Italy follows a non-sector prevention-based approach, engaging youth as “protagonists” in the society to become real “agents of change”, with special attention to increasing job and entrepreneurship opportunities, supporting education, vocational training and skills development.

Disability. The Italian co-operation has a long-date experience in the area of disability. The approach, in line with the UN Convention on the rights of persons with disabilities, seeks on the one hand to
promote targeted initiatives, supporting the fight against marginalisation and discrimination, favouring inclusive education, decent work and equal participation in the labour market, removal of physical barriers and accessibility to services, tackling disability in emergency situations and in the phase of delivery of humanitarian assistance. On the other hand, action aims at mainstreaming disability in development co-operation.

*Health.* Traditionally health has been a priority of the Italian Co-operation. The guiding principles include: ensuring access to health services for all and contributing to universal health coverage; the promotion of a culture of health and prevention; the fight against risk factors and impact of health emergencies; strengthening and recovery of national and subnational healthcare systems, such as in the wake of the Ebola epidemic in Western Africa and in vulnerable areas of Sudan or the support to “build from scratch” the health system in Somalia; the battle against pandemics, HIV/AIDS, tuberculosis and malaria in particular; the prevention of non-transmissible and chronic diseases.

The three-year PPPD for 2017-2019 pays special attention to the theme of mental health. In developing countries mental illness generally leads to greater poverty, discrimination and social exclusion. Furthermore, the stigma surrounding mental illnesses prevents people from seeking and receiving proper treatment. Italy has a long-standing tradition of excellence in the field of mental health.

An innovative approach to mental health is being experimented in Egypt, building on a model that moves away from relying primarily on psychiatric hospital-based medical care. The creation of a mental health centre in a small village was the first step towards transferring mental health services from mostly urban-based psychiatric hospitals to community-centred treatment. The project confirmed the need to be more focused on expanding mental health services and awareness in the underprivileged areas that have limited access to services, to target the most vulnerable and most emarginated and “reach the hardest to reach”.

*Education.* In 2017 during the G7 Italian Presidency, Italy shared the importance of the role education plays in the sustainable development agenda, as highlighted in the Taormina Progress Report, "Investing in education for mutual prosperity, peace and development". The recommendations included in the Report are being taken into account in drafting the three-year PPPD for the 2019-2021 period, to be translated into actions.

Since 2005, Italy is a founding partner of the Global Partnership for Education (GPE), supporting least developed and low-income countries to build strong and sustainable education systems, exploring its comparative advantage in the fields of early childhood development, vocational training and tertiary education. Italy is also engaged in protecting the right to quality education of refugees and migrant children and has entered in partnership with UNICEF, UNHCR, WFP and UNRWA to contribute to meet the educational needs in humanitarian and fragile contexts. As such, children affected by the crisis in Syria received special support through programmes involving also neighbouring countries like Lebanon and Jordan.

*Improving lives through better statistics.* Although the leave no-one behind perspective is mainstreamed into the development programming, existing challenges relate to targeting specific groups of excluded/marginalised/vulnerable people and countries or areas within countries. This requires data and information to identify where the need is greatest and criteria still to be defined to measure the results of development co-operation projects and programmes from a leave no-one behind perspective or in relation to poverty, inequality, vulnerability, and exclusion.
Italy supports the PARIS 21 and the Global Partnership for Sustainable Development Data, aware that the capacity to produce national data and statistics is a crucial prerequisite for an effective SDG monitoring system at the country level. Italy is engaged in the implementation of projects to strengthen partner countries’ statistical capacities (such as Ethiopia, Mozambique, Burkina Faso, Myanmar), also in partnership with ISTAT, to identify and respond to the needs and priorities of marginalised and vulnerable people. The improvement of the statistical sector is fundamental for human rights protection such as, for instance, the right to identity in countries where the registration of births and population is not systemic.

**Fragility and risk**

Italy formally adopted the New Deal for Engagement in Fragile and Conflict Affected States, as a framework for implementing global commitments on aid effectiveness in fragile and conflict-affected areas. We look to the New Deal as a means of supporting the SDGs implementation in those contexts.

Italy is an active member of the “International Network of Conflict and Fragility” (INCAF) and its working groups and of the “International Dialogue of Peacebuilding and State-building” (IDPS). Italy endorsed the 2016 Stockholm Declaration that renewed the commitment to scaling up efforts to tackle conflicts’ root causes.

Our efforts are currently focused in Somalia through the New Partnership Agreement (NPA) adopted in London in May 2017. The NPA has provided a valuable framework for mutual accountability between the Somali Government and Development Partners and the fundamental requirements for a successful dialogue between the parties. As a result, the Italian Co-operation intervenes in Somalia through the NPA, which confirms the principle of an integrated action taking into account the political, security, humanitarian and economic reconstruction aspects, the need for co-ordination between donors and the Somali ownership of Country’s development and stabilisation through the “Somalia Development Reconstruction Facility” (SDRF). The main tool for assistance is co-funding multi-donors trust funds established during the “New Deal” 2014-2017 plan of action.

Institutional strengthening in Fragile States is not only essential for paving the way to a better future for the population, but also the most effective strategy to reinforce peace and security at international level. That is the reason why assistance to countries affected by protracted crises was increased, with special reference to Syria, as well as to Mediterranean and West African countries dealing with significant migrants’ flows. Italy is also committed in Afghanistan, Pakistan, Myanmar, Iraq, Jordan, Lebanon (the latter three Countries, in particular, receive funds as individual states and in connection with the Syrian emergency) with a number of bilateral and multi-bilateral initiatives. The list also includes Colombia, where Italy contributes to the EU Trust Fund created to manage the post-conflict phase of the country.

### 2.3 Basis for decision-making

**Country, regional and global engagements and public goods**

Italy’s development co-operation decision-making is guided by the 2030 Agenda and by the EU Consensus which provides an integrated framework for EU and Member States development co-operation.

The Inter-ministerial Committee for Development Co-operation (CICS) guides Italy’s decision-making, based on the three-year PPPD. The PPPD sets out strategic objectives and priorities and provides the focus for Italy’s development co-operation efforts at global, regional and country level.
Funding allocations are guided by a stated commitment to effective development co-operation principles. Law 125 commits Italy to apply the principles agreed at the Busan High Level Forum of the Global Partnership for Effective Development Co-operation in 2011 and confirmed during the High-Level Meeting in Nairobi in 2016.

**Partnership approach**

Law 125 recognises the role of different actors – regional and local governments, foundations, academia and research institutions, CSOs, diaspora and non-profit organisations, private sector – their diversity and complementarity and the contribution that each actor can provide based on comparative advantage and experience. This multi-stakeholder “systemic” approach is at the heart of Italy’s development co-operation reform.

In this framework, Italy is pursuing a progressively more co-ordinated and inclusive approach for more effective engagement, focusing on: more inclusive planning and project development; strengthened dialogue and donor co-ordination; stronger engagement with development actors; adoption of regional, sector-wide and programme approaches; greater emphasis on seeking out “best fit” implementers and effective partners; fostering inclusive partnerships.

The CNCS proved to be a useful instrument to engage actors in the development process and to advance dialogue. As an example, the value of diaspora’ links with countries of origin and its contribution to development are being increasingly recognised. In 2017, the CNCS proposed to convene the first National Summit of Diasporas. Government, migrant associations, stakeholders and experts shared ideas and experiences to identify better ways to enable and empower diaspora communities, and promote them as development actors. The Summit was held in December 2017.

**MigraVenture Programme**

Italy is experimenting innovative approaches in the field of migration and development, looking at the role of diaspora and migrants’ associations which Law 125 includes in the so-called “Italian Development Co-operation System”. The MigraVenture Programme, sponsored by the International Organisation for Migration in partnership with Etimos Foundation and funded by the Italian co-operation, is an example. The programme aims at promoting the role of diaspora and private sector by supporting migrant entrepreneurs who wish to start or expand an entrepreneurial activity in their countries of origin and facilitating access to risk-capital financing instruments (micro-equity).

AICS partners with many civil society and non-profit organisations. Eligible organisations enter into a Register based on capacity, experience and comparative advantage. The Register is open also to non-Italian organisations and is periodically updated. As of June 2018, 220 organisations are registered. The objective is to more effectively engage with a broad range of actors and strengthen complementarity and coherence with development co-operation policy and priorities.

The main objective is to work with the partners best able to achieve effective and efficient development results in a particular context. Selection procedures guide partners’ identification. The call for proposals launched in 2017 (Euro 40 million) addressed to CSOs and non-profit organisations contained specific requirements at sector and country level in line with the thematic and geographic priorities indicated in the three-year PPPD, while 17.5% of the total amount was allocated to non-priority countries, with particular reference to LDCs. In 2017, AICS launched a Call for proposal (Euro 7.1 million) to award projects aimed at promoting Global Citizenship Education. As a result of the call, AICS awarded 17 projects implemented by Italian CSOs.

Italy has withheld up to 5% of its annual contributions (Euro 7 million for the 2017-2019 period) to the Global Fund to fight AIDS, TB and Malaria, to fund projects implemented by CSOs, academia and research centres selected through calls for proposals. Projects are synergic and complementary with
the GFATM activities, with particular reference to Objectives 1 and 2 of the Strategy 2017-2022 “Maximize impact against HIV, TB and malaria”, are focused in African countries and harmonised with the CCM strategy at country level.

The development debate is giving increasing importance to territorial partnerships, which Italy pioneered and the OECD praised as original in Italy’s development co-operation practice. The engagement of regional, autonomous provinces and local authorities as development actors is being reinforced, acknowledging their capacity to enhance public service delivery, promote decentralisation processes, good governance, “glocal” and local development. Regional and local authorities are on the forefront of services provided to migrants, from reception to integration and their co-operation is sought to foster migrants’ contribution for development in their countries of origin. In 2017 an amount of approximately Euro 7 million was allocated to projects promoted by regional and local entities aimed at supporting decentralisation processes and multi-level governance, and improving access to basic services such as health, nutrition, water, sanitation and hygiene, social protection.

In 2017 AICS launched the first call for proposals (Euro 5 million, later increased to Euro 6.2 million) supporting partnerships between the private sector, CSOs and diverse actors to co-finance innovative entrepreneurial initiatives and business start-ups in partner countries, aimed at promoting inclusive business and sustainable production and consumption models.

Italy is engaged in strengthening the collaboration among its partners through triangular co-operation, which offers the opportunity to share knowledge and experience, although challenges faced in the implementation need to be carefully addressed. Programmes reflect special relationships between Italy and the partner countries involved, the partner country / provider and the third country / beneficiary and focus on capacity building, technical assistance and training: projects implemented with Brazil in Bolivia (ended in January 2018) and Ecuador (ongoing), both aimed at protecting the Amazon rainforest from the plague of arsons, underline the attention Italy pays to triangular co-operation.

**Multilateral co-operation**

Italy engages with multilateral partners to increase the reach and scale of development assistance, to leverage expertise and financing, to co-ordinate multi-stakeholder efforts, and to build global consensus on shared challenges. In this respect, Italy is strengthening collaboration with multilateral organisations where they can best contribute to its development objectives.

Italy takes into consideration the assessment of multilateral organisations’ performance. The assessment is based on its participation to the Organisations’ governance bodies and MOPAN evaluations (Italy joined MOPAN in 2017). Main elements of the evaluation are: coherence and co-ordination; efficiency and effectiveness; impact and support to countries ownership; accountability.

Three main criteria apply in the annual repartition of core funds among multilateral organisations: i) support to the organisations hosted in Italy (Rome and Turin UN poles); ii) fulfilment of multi-year pledging commitments (GFATM, GAVI, Global Partnership for Education); iii) support to main UN Agencies (UNDP, UNICEF, etc.). In some cases, voluntary contributions are lightly earmarked based on alignment of Italy’s priorities with those of the Organisation.

A new element for evaluation is the convergence with the 2030 Agenda as well as genuine willingness of UN organisations to support and apply the UN Secretary General vision for reform and cross-pillar integration (development, human rights, peace and security).
Italy is a founding partner of the Global Fund to fight AIDS, Tuberculosis and Malaria (GFATM). In 2014 Italy reconfirmed its contribution to the GFATM for the 2014-2016 period (Euro 140 million), after some years of serious budget reductions. Italy supports the GFATM strategy for the period 2017-2022, transitioning from an approach focused on the treatment of diseases to one that targets the roots of the problems of the poorest and most vulnerable groups, which are not solely healthcare related, in line with Italy’s bilateral programmes in the health sector. This includes addressing women’s, children’s, and adolescents’ mental and physical health, sexual and reproductive health, gender violence, and favouring girls’ education.

Being aware that immunisation is one of the most cost-effective health interventions and one of the best investments in developing countries, in 2006 Italy joined the Global Alliance for Vaccines Immunisation (GAVI), whose mission is to save children’s lives by increasing equitable use of vaccines in lower-income countries. Since then Italy has supported this innovative partnership, both through innovative financing mechanisms (International Finance Facility for Immunisation and Advance Market Commitment) and ordinary grants. Through its representation in the Board and in the Audit and Finance Committee, Italy has pushed the Alliance to deliver on its goals: increasing coverage; promoting competition and improving the health of vaccine markets and taking care of countries transitioning out of its financial support.

Allocations to Multilateral Development Banks (MDBs) and Funds are guided by consideration of national sectoral and geographical priorities, by the Institutions’ performance and by the general objective of remaining among the major donors, consistently with Italy’s role in the international financial arena. Italy has always participated in the capital increase of Multilateral Banks and has broadly maintained its contribution to Multilateral Funds.

At policy level, Italy’s priorities consistently pursued across MDBs have included: focus on poverty and inequality, differentiation of instruments by recipients’ capacity and graduation, IFI co-ordination, budget discipline, resource optimisation, better alignment of priorities and selectivity, fight to corruption and money-laundering.

As previously noted, during the Italian 2017 G7 Presidency the Finance Track concentrated its efforts on four pillars. Under the first pillar, Growth and Inequalities, Italy worked with its G7 partners to define a common operational framework that aims at inspiring G7 member-led actions in identifying policies and measures to promote a more inclusive growth by exploiting synergies between macro-economic and structural policies, while mitigating potentially adverse effects on equity.

Under the second pillar, IFI co-ordination, great emphasis has been given to the need for the MDBs to work as a system, with the aim to enhance the effectiveness and the efficiency of their collective action including how to scale up their impact, mobilise private finance, better align their approaches and practices and support domestic resource mobilisation. To this purpose, Italy has been promoting the importance of developing a common framework on the concept of “value for money” and on the “additionality” of their investments with the private sector, including harmonised metrics and a joint reporting format to capture key dimensions of economic efficiency and effectiveness.

Under the third and fourth pillar, Italy has built on the existing G7 agenda, achieving notable progresses, such as the Declaration on fighting tax crimes and other illicit financial flows and the Fundamental Elements for Effective Assessment of Cyber-security for the Financial Sector.
Synergies between multilateral and bilateral assistance

Cassa Depositi e Prestiti (CDP) actively promotes joint initiatives with the MDBs to co-finance with its own resources development projects promoted by multilateral organisations in developing countries, with a view to achieving a leverage effect on the resources mobilised, crowding-in private finance across a broad spectrum of sectors and themes. Among the proposed initiatives there are those financed under the framework of European External Investment Plan (EIP) launched in 2017 by the European Commission, where CDP acts jointly with other Development Finance Institutions and MDBs. Moreover, as member of a number of organisations (such as the International Development Finance Club, the European Long-Term Investors Associations, the European Platform for Blending in External Cooperation, the Climate Action in Financial Institutions and The Montreal Group), CDP aims at supporting joint initiatives promoted by such networks.
3. Financing for development

3.1 Overall ODA volume

ODA targets

Law 125 commits the Government to set a path to gradually align development co-operation allocations to Italy’s international commitments. This provision should avoid unexpected severe budget cuts that occurred in the past and heavily affected Italy’s development co-operation efficiency and effectiveness.

Since 2013, Italy reversed the negative trend of the past years and increased its ODA levels, raising the ODA/GNI ratio from 0.17% in 2013 to 0.30% in 2017.

<table>
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<th>2013</th>
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<th>2016</th>
<th>2017</th>
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<tr>
<td><strong>Net ODA (USD million)</strong></td>
<td>3,430.07</td>
<td>4,009.18</td>
<td>4,003.37</td>
<td>5,087.39</td>
<td>5,868.92</td>
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<tr>
<td><strong>GNI</strong></td>
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<td>2,141,436.91</td>
<td>1,811,822.37</td>
<td>1,852,102.63</td>
<td>1,946,056.81</td>
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<td>0.17</td>
<td>0.19</td>
<td>0.22</td>
<td>0.27</td>
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ODA trends and plans to meet targets

ODA trends and plans are included in the Economic and Financial Document (Documento di Economia e Finanza - DEF). The DEF is the main instrument for financial and economic planning and sets out the public finance and economic strategies for the mid-term and the overall targets to reach in the following three years. It is submitted to the Government and approved by Parliament every year in April and updated in September. The 2018 DEF confirms the trend of gradual ODA alignment to meet the ODA/GNI targets. The recent “2018 DEF Update”, submitted to the Parliament last September, includes an update of the targets for development co-operation to be reached in the 2019-2021 period: 0.33% ODA/GNI in 2019, 0.36% in 2020 and 0.40% in 2021.

Italy reports ODA flows to the OECD-DAC according to DAC rules and directives. Italy has actively participated to the ODA modernisation process and updating of the statistical system, contributing to the negotiations on issues such as peace and security and in-donor refugee costs. Italy has supported the creation of new purpose codes and policy markers aligned with the SDGs, to better track flows on key topics such as nutrition, food security, disability, migration, decent work, and domestic resources mobilisation.

3.2 Bilateral ODA allocations

Italy’s share of bilateral ODA increased over the last three years: 46% of total ODA in 2015; 48% in 2016; and 53% in 2017. This is also due to the increase of in-donor costs for basic assistance to asylum seekers and refugees that were reported as ODA in line with the OECD-DAC Directives (30% of total ODA in 2017). In-donor refugee costs are borne by the Ministry of Interior and covered under its budget. Therefore expenditures do not affect the MFAIC development co-operation allocations.

The Revolving Fund. Following the entry into force of Law 125/2014, more emphasis has been given to granting concessional loans to partner Countries through the Revolving Fund (RF). The MEF and the DGCS, supported by Cassa Depositi e Prestiti (CDP) which manages the RF, carried out a deep analysis of undisbursed resources related to ODA loans granted in the past to partner Countries. As a result, a total stock of about Euro 300 million was identified as funds to be written-off which, consequently, are available to finance new development programmes through ODA loans.
Moreover, during 2018 the Revolving Fund activities were diversified by introducing innovative financing instruments which will allow to increase both the resources made available to partner Countries as well as the Italian ODA. In particular, the Revolving Fund may now operate by granting ODA loans to partner Countries in co-financing with additional resources made available by CDP in its role of Italian Development Finance Institution as provided for by Law 125. A first Blended Loan was recently approved by the Joint Committee for granting an ODA loan to Tunisia up to Euro 50 million to support local SMEs: Euro 30 million comes from the Revolving Fund resources and up to Euro 20 million is provided by CDP.

**Concessional loans.** In October 2018, the estimated amount available in the RF for concessional loans (sub-account pursuant to article 8 of Law 125/2014) for new initiatives was about Euro 60 million.

In the 2019-2021 period we can assume that the equivalent sum of repayments will amount to around Euro 260 million while the amount of disbursements in the same period could be estimated around Euro 225 million.

**Loans for joint ventures.** At the date of September 30, 2018, the amount available in the RF for loans for joint ventures (sub-account under article 27 of Law 125/2014) was Euro 107.4 million. For the next three years, repayments are expected to be about Euro 625,000.

No disbursements are presently envisaged for new operations over the coming three years. Some amendments to the Law are under study, to foster the increase of flows to partner Countries and more closely link development co-operation and internationalisation of Italian businesses from the perspective of a broader vision of development co-operation as strategic investment also in the interest of the “Italian System”.

**Geographical allocations**

Italy maintains its focus in the Mediterranean and Middle Eastern Region and Africa. In 2017, over 42% of regionally allocable bilateral ODA was directed to Middle East and North Africa, 30% went to Sub-Saharan Africa, 8% to Asia and 20% to Latin America. Two new Embassies have been opened in Africa, in Niger (Niamey) and Guinea (Conakry).

In 2017, 17 priority countries feature in top 22 recipients of bilateral aid. Geographic allocations reflect development co-operation priorities as well as policy choices and commitments at international/European level related to conflict and post-conflict situations, stability and economic recovery, emergency and humanitarian assistance (Iraq, Libya, Syria, Turkey). In some cases they reflect Italy’s commitments related to debt cancellation / conversion operations that heavily impact on the overall ODA amount countries receive (Argentina).

Italy is committed to reach the ODA/GNI target of 0.15-0.20% for Least Developed Countries (LDCs) and is strengthening its engagement in African LDCs. In 2017, 10.4% of bilateral ODA went to LDCs (it was 12.5% in 2016). However, the total amount of bilateral ODA towards LDCs in real terms raised to USD 334.14 million in 2017 (it was 312.6 million in 2016 and 296.5 million in 2015).

Italy is among the main contributors of the EU Emergency Trust Fund for stability and addressing root causes of irregular migration and displaced persons in Africa (over Euro 100 million).

In 2017 the Italian Government established the “Fund for Africa”, with an allocation of Euro 200 million for 2017. The initiative aims at enhancing dialogue and co-operation with selected African countries (Libya, Ivory Coast, Egypt, Eritrea, Ethiopia, Ghana, Guinea, Libya, Niger, Nigeria, Senegal, Somalia, Sudan and Tunisia), to reinforce partner countries’ capacities in migration management, fight trafficking of human beings and improve the living conditions of the population. Programmes
are implemented by AICS, International Organisations such as IOM and UNHCR, and through the EU Trust Fund. The total ODA-eligible disbursements in 2017 amounted to a Euro 131.4 million. The Fund for Africa has been replenished with the amount of Euro 30 million for 2018 and Euro 50 million for 2019.

**Thematic allocations**

Thematic allocations are aligned with partner countries’ priorities and included in Indicative Country Programmes agreed at country level. Allocations reflect Italy’s priorities outlined in the Three-year PPPD, including cross cutting issues (such as disability, gender).

Italy is strengthening its engagement with and support to civil society and this is reflected in ODA annual allocations for CSOs (including EGC): Euro 15.5 million in 2015, Euro 24.5 million in 2016, Euro 47 million in 2017.

According to the gender marker reported in DAC statistics, in 2017 35% of country allocable aid address gender equality (32.5% in 2015). In 2017, 13% of total bilateral ODA (USD 3.2 million) had gender as a “principal or significant” score.

In 2017, 31% of country allocable ODA activities addressed the environment and 20% targeted climate change mitigation or adaptation as a significant or principal objective (11.9% in 2016).

**3.3 Multilateral ODA allocations**

In 2017 Italy allocated 47% of total ODA as core contributions to multilateral organisations. Moreover, Italy channelled 17% of its bilateral ODA (38% excluding refugee costs) for specific projects implemented by multilateral organisations (multi-bi/non-core contributions).

40% of multilateral allocations is Italy’s pro-quota contribution to the EU Commission development activities through the EU budget. The remaining funds are managed by the Ministry of Economy and Finance through multilateral development banks and innovative funding mechanisms (AMCs, IFFIm), while the European Development Fund (EDF) is managed by the MFAIC.

In recent years Italy managed to ensure a certain level of continuity and predictability of voluntary funding to International Organisations, notwithstanding the annual budgeting structure. Starting from the Budget Law of 2013, a relevant measure in this respect has been the issue of a multi-year funding legislation for Multilateral Development Funds.

We also tried to concentrate on fewer strategic multilateral partners and phased out core financial support to some recipients (UNEP, UNCCD, UNIDO, WHO, UNHABITAT). Engagement with selected partners (IOM, UNHCR) has facilitated developing synergies with the bilateral programme. Moreover, given the 2030 Agenda’s focus on integrated, multi-sectoral action, Italy is considering to increase its contribution to pooled, multi-agency funds, reducing funding to individual organisations.

**3.4 Financing for development**

**Financing for development**

*Domestic Resource Mobilisation* (DRM) is instrumental to financing the 2030 Agenda and the Addis Ababa Action Agenda (AAAA). In recognition of this, Italy is a founding member of the Addis Tax Initiative (ATI). Italy adopts a whole-of-government approach to increasing support for tax policy and administration reform in partner countries.
In particular, Italy contributes financially to the OECD Global Relations Programme, to the Customs Co-operation Fund of the World Custom Organisation, is a member of the Inter-American Centre of Tax Administrations (CIAT) and has provided assistance within the framework of the Tax Inspectors without Borders Programme (OECD and UNDP).

In 2017, the G7 Italian Presidency identified the fight against tax and other financial crimes and illicit financial flows as a key pillar of its programme, which resulted in the achievement of the high-level commitment among the G7 countries through the Bari Declaration on Fighting Tax Crimes and other Illicit Financial Flows. Based on the domestic expertise in this field, Italy supports capacity building initiatives for tax officials from developing countries.

Under co-ordination of the Ministry of Economy and Finance, several agencies and institutions (National Revenue Agency, Guardia di Finanza, Customs Agency) have signed co-operation agreements with and have provided technical support to partner Countries (such as the “Fostering Tax Transparency in Albania” project). Relying on its expertise in the area of investigation techniques against tax and financial crimes, the Guardia di Finanza hosts the OECD International Academy for Tax Crime Investigation in Rome. Since 2014, over 550 investigators from 80 countries have received training in the Academy. In 2017, following the G7 Bari Declaration, Italy sponsored and funded, along with Germany, OECD and Kenya, the Africa Academy Programme for Tax and Financial Crime Investigation based in Nairobi. The Africa Academy was established with the objective of addressing the specific needs of African countries in tackling illicit financial flows: the Academy has already organised four programmes and trained students coming from a large number of African countries.

Italy also funded a UNDESA project to strengthen the capacity of developing countries in Sub-Saharan Africa to deal with tax base protection and broadening issues, with a view to increasing domestic resource mobilisation for investment in sustainable development.

In line with the Addis Agenda, Italy recognises the need to assist developing countries in attaining long-term debt sustainability through co-ordinated policies aimed at fostering debt financing, debt relief, debt restructuring and sound debt management.

**Debt cancellation.** To date, as part of the Enhanced Heavily Indebted Poor Countries (HIPC) Initiative, Italy has signed 26 final debt cancellation agreements. The most recent agreement was signed with Chad in 2018.

The cancellation of debt of the remaining HIPC countries (Somalia, Sudan, and Eritrea) still seems remote. This applies particularly to Sudan, whose debt to Italy amounts to over Euro 800 million. Italy stands ready to sign the debt cancellation agreements under the HIPC framework with the remaining countries, once the relevant HIPC eligibility criteria and requirements are met and the multilateral agreements at the Paris Club are reached. Zimbabwe could also receive debt relief over the next few years, probably outside the HIPC framework.

**Debt conversion.** Between 2016 and 2018, debt conversion agreements were concluded with Albania (Euro 20 million), Cuba (Euro 13.4 million) and Tunisia (Euro 25 million).

In February 2016, during the International Conference “Supporting Syria and the Region”, Italy announced the conclusion within the next three years of debt conversion agreements with Jordan and Lebanon totalling USD 50 million, in order to help those countries to assist Syrian refugees. This commitment is part of a pledge worth USD 400 million that Italy will provide to countries in the region over the next years. The negotiation of the terms of the agreement with Jordan is underway.
Negotiations for other debt swap agreements (Indonesia and Syria), although opened in the same period, are not yet completed. As regards to the agreement with Syria it was considered appropriate to suspend negotiations.

In the 2019-2021 period, we expect to extend debt conversion initiatives to four countries that are relevant for Italy’s development co-operation - Jordan, Lebanon, Djibouti and Tunisia - for a total amount of Euro 84 million. The break-down is as follows: i) Jordan, Euro 20 million; ii) Lebanon, Euro 25 million; iii) Djibouti, Euro 14 million; iv) Tunisia, Euro 25 million.

The aim of these agreements is to allocate the resources freed up by the debt swap operations to finance development projects in education, health, water and environmental protection sectors.

Debt management. Italy is also active in the field of technical assistance to developing countries on debt management topics. Italy is part of the Public Debt Management Network (PDM Network), a joint initiative with the OECD and the World Bank, which aims at fostering a structured flow of information on all topics related to sovereign debt management, both in advanced and less advanced countries. The participation of the Italian Ministry of Economy and Finance to this initiative relies on its competence and expertise in managing public debt and process innovation in this field.

Remittances. Italy has taken major steps to reduce the cost of remittances and increase their use for development. In 2017 the average costs of remittances were below the global average.

ODA as a catalyst

Within the institutional and governance system laid down by Law 125, Italy has a Development Finance Institution, Cassa Depositi e Prestiti S.p.A. (CDP). This offers Italy the opportunity to engage with the private sector on innovative financing approaches and partnerships.

G7 - 2X Challenge Financing for Women

Cassa Depositi e Prestiti (CDP) joined the G7-sponsored 2X Challenge Financing for Women Initiative. The initiative was announced in June 2018, and brings together the G7 DFIs with the aim of collectively mobilising, by 2020, USD 3 billion for investing in women empowerment activities that will provide women in developing countries with improved access to leadership opportunities, quality employment, finance, enterprise support and products and services that enhance their economic participation and access. The 2X Challenge endeavours to crowd-in additional investors (both private and public sector) to commit up to two times the 2X Challenge commitment. Through this initiative, Italy will contribute to achieve the above target, thus contributing to SDGs 5 and 10.

Italy provides support to the development of the private sector in partner countries, with special reference to SMEs. The main aim is job creation. Priorities include: innovative financial instruments to “leverage” private funds, increasing access to credit, transfer of technology and know-how, promoting inclusive business models, supporting programmes for women and youth entrepreneurs.

Constraints to growth of the private sector in developing countries often include lack of infrastructures and public services. As such, Italy has been very supportive of the European External Investment Plan (EIP) launched by the European Commission in 2017 to strengthen sustainable private sector involvement, investments in infrastructure and renewable energies, mainstreaming women’s empowerment into financing for development. Through CDP Italy aims at promoting programmes on sustainable energy and sustainable connectivity; micro, small and medium enterprises (MSMEs) financing; sustainable agriculture and rural development; sustainable cities and digital for development.
Over the course of 2018, three projects were submitted to the EIP Investment Windows (IW) by CDP. The projects were proposed jointly with other multilateral financial institutions and DFIs, including the European Investment Bank (EIB), the African Development Bank (AfDB), the International Fund for Agriculture Development (IFAD), the Agence Francaise de Developpement (AfD) and the Agencia Espanola de Cooperacion Internacional para el Desarrollo (AECID). The projects were approved by the EU-DEVCO Board on November 13, 2018.

In particular, two projects were presented under the MSMEs financing EIP IW. The first project focuses on financial inclusion and diasporas’ presence in Italy. The idea is to foster local MSMEs in the Maghreb and Sub-Saharan regions as a mean to poverty alleviation, job creation and growth. The project will support access to financing by MSMEs through local financial institutions and will build a system of investments/savings for the diasporas. The second project is a programme that promotes growth and job creation by helping local SMEs to progressively grow and graduate to broader capital markets. Also focused on Sub-Saharan and Maghreb regions, the project will provide technical assistance and financing to SMEs on a dedicated pan-African technological platform that connects SMEs across the continent with Europe. The platform is run by the local Stock Exchanges, also partners to their European peers.

Within the Sustainable energy and connectivity IW, CDP presented the third project to finance the development of small renewable energy plants to promote energy efficiency and fight climate change within a European platform.

Italy deploys development finance to promote initiatives designed to support and engage the private sector, such as the Climate and Sustainable Development platform funded by CDP and by the Italian Ministry of Environment Land and Sea. Importantly, CDP supports development finance projects using its own resources, possibly in blending and co-finance with international financial organisations and other DFIs. CDP’s sustainable development finance effort is complemented by SIMEST S.p.A., a subsidiary of the CDP Group. SIMEST provides technical and financial support to the national private sector’s internationalisation. The financial instruments managed by SIMEST include debt (soft loans) and equity investments (both directly and through a venture capital fund) to support investments in developing countries.

Italy is contributing to innovative finance mechanisms such as the International Finance Facility for Immunisation (IFFIm), the Advance Market Commitment (AMC) and the Green and Impact bonds and funds.

Both IFFIm and AMC are examples of multi-year binding commitments in the Italian development cooperation. Predictability and frontloading of resources are the most relevant positive features of these successful mechanisms.

In particular, IFFIm uses long-term donor pledges to issue vaccine bonds on the capital markets. The proceeds of vaccine bonds help ensure predictable funding and more efficient operations for GAVI, which nearly doubled its spending on immunisation programmes since IFFIm was launched in 2006. It also provides predictability for countries’ vaccine programmes. Italy is one of the major donors contributing with a total of Euro 499 million over a 20 year period.

Spearheaded by Italy, the pneumococcal AMC incentivises vaccine manufacturers to produce suitable and affordable vaccines for the world’s poorest countries, which in turn are able to better plan their immunization programmes knowing that vaccines will be available rapidly, in the quantities they need and at affordable prices. It is estimated that the pilot can prevent more than 750,000 childhood deaths by 2020. Italy is the major donor contributing with a total of USD 635 million (around Euro 450 million) over a period of 12 years.

In 2017, Italy supported as “Outcome Funders” the Humanitarian Impact Investment programme launched by the International Committee of the Red Cross (ICRC). This innovative mechanism has been created to encourage social investment from the private sector, to support the ICRC’s health
programmes in conflict affected countries. Funds are used to build and run three new physical rehabilitation centres in Nigeria, Mali and Democratic Republic of Congo over a five year period, providing services for thousands of people, in particular persons with disabilities. The programme includes training for the staff of the centres. At the end of the 5th year, the “Outcome Funders” - governments of Belgium, Switzerland, Italy, UK and "la Caixa" Foundation - will pay the ICRC according to the results achieved. These funds will in turn be used to pay back the social investors partially, depending on how well the ICRC performs in terms of efficiency of the new centres. Italy committed up to a maximum grant of Euro 3 million.

**Tracking and reporting beyond ODA flows**

Italy is participating to the work in the OECD-DAC to develop the measure of Total Official Support for Sustainable Development (TOSSD), which aims at tracking the totality of officially supported resources available for sustainable development.

Italy is also actively involved in the OECD-DAC work on measuring the mobilisation effect of official development finance interventions. Such work will support the implementation of the 2030 Agenda by better informing on how private finance can be mobilised to help achieve the SDGs (“from billions to trillions”). It is also expected to contribute to other ongoing processes such as measuring progress under the United Nations Framework Convention on Climate Change (UNFCCC) towards the commitment made by developed countries to mobilise USD 100 billion for climate action in developing countries.

The internal work is carried out jointly with CDP and SIMEST, and in close collaboration with Ministry of Environment, Land and Sea.

Italy is working towards refining the internal data reporting to be able to better track the amounts mobilised from the private sector.
4. Structure and systems

4.1 Authority, mandate and co-ordination

Authority and leadership

Law 125 creates a new governance system for development co-operation (Annex 2.1).

Since 2014 the Ministry of Foreign Affairs has been re-nominated Ministry of Foreign Affairs and International Co-operation (MFAIC), showing the will to relaunch the role of international co-operation.

The Minister of Foreign Affairs and International Co-operation and the Vice Minister for Development Co-operation: responsibility for development co-operation is assigned to the Foreign Minister, mainly planning, policy decision making and co-ordination, as well as political representation in international fora in the broader context of Italy’s external action in support of sustainable development. The Minister delegates the Vice Minister for all development co-operation related matters.

The Ministry of Economy and Finance (MEF) is responsible, in coordination with the MFAIC, for the relations with Multilateral Development Banks and Funds. The Italian Treasury, through its International Financial Relations Directorate (IFRD), provides policy guidance to the representatives in the governance bodies of the Institutions and ensures Italy’s financial participation. The MEF is also tasked with submitting to the Government the Economic and Financial Document (DEF) which is the main instrument for mid-term economic and financial planning, including development co-operation. According to Law 125, the Foreign Minister, in agreement with the Minister of Economy and Finance, has to submit to the Council of Ministers a proposal of gradual alignment of annual ODA allocations to the commitments Italy endorsed at international level.

Co-ordination

The Italian development co-operation system is co-ordinated and led with clear mandates as part of a whole-of-government approach. The reform has offered the opportunity for building a more open, inclusive and complex development co-operation system that embraces all institutional and non-state actors across more horizontal and co-operative relations, aligning resources and actions around a set of shared goals. More efforts need to be done to make the system more efficient and bridge the gap between the policy intent and practical implementation.

The already mentioned Inter-ministerial Committee for Development Co-operation (CICS) chaired by the Prime Minister is responsible for ensuring co-ordination of policies and programmes and coherence of domestic policies with the objectives of development co-operation.

At the operational level, the system is organised as follows.

The Directorate General for Development Co-operation (DGCS) within the MFAIC is in charge of assisting the Foreign Minister and the Vice Minister in planning and policy making, country programming, decision making on multilateral and multi-bilateral policy, humanitarian assistance and provision of loans. DGCS is also responsible for impact evaluation of development co-operation activities.

The Italian Agency for Development Co-operation (AICS) mandate, under MFAIC oversight, is to perform technical and operational activities related to formulation, appraisal, financing, implementation, monitoring and control of programmes and projects. At country level AICS operates through its field offices.
The Treasury Department (DT) of the Ministry of Economy and Finance performs supervisory and control functions on the Revolving Fund providing concessional loans. The DT, in agreement with AICS, defines the financial conditions of concessional loans and verifies the financial sustainability of the initiatives funded through loans.

Law 125 assigns Cassa Depositi e Prestiti (CDP) the role of Development Finance Institution. CDP is owned by the Ministry of Economy and Finance (84%) and by banking foundations (16%). It manages Italy’s postal savings. According to Law 125, CDP manages the Revolving Fund and provides financial advisory services to the Development Co-operation system. CDP is also in charge of developing and managing financial instruments for development, through agreements with European and International Financial Institutions. Importantly, CDP is allowed to use its own resources — within an annual expenditure capped to Euro 1 billion — to co-finance development projects with private, public and international actors. CDP can also use its own resources to invest directly into development funds promoted by European and international financial institutions and other international organisations. CDP has a key role to play on blending finance, taking advantage of the financial resources coming from EU regional financial instruments such as the European External Investment Plan and the European Fund for Sustainable Development. Furthermore, CDP blends its own funding with the Revolving Fund and other public resources, such as those of the Ministry of Environment, Land and Sea. These initiatives are part of the joint efforts aimed at promoting the Climate and Sustainable Development agenda.

4.2 Systems

Policy/programme approval mechanism

Law 125 sets out clear and transparent processes to take decisions on programming, policies and partnerships.

The Foreign Minister in agreement with the Minister of Economy and Finance submits the three-year PPPD to the approval of the Council of Ministers within March 31st every year, after endorsement of the Inter-ministerial Committee for Development Co-operation (CICS). Prior to CICS endorsement, the PPPD is submitted to the advice of the National Council for Development Co-operation (CNCS), of the Parliament and of the State – Regions Conference. Policy and programming guidelines are therefore no more binding only for the MFAIC but for the whole Italian system. An annual Progress Report is attached to the PPPD, providing details of the activities implemented in the previous year.

The PPPD 2017-2019 was endorsed by the Council of Ministers in March 2018. While acknowledging the advantages of a top-level and inclusive approval process, the multiple steps (5) and long duration of the process hinder the respect of the deadline fixed by the Law. In particular, the annual Progress Report on the activities implemented in the previous year that has to be attached to the PPPD is hard to be finalised before the end of March due to the time needed to collect information and data from all relevant Administrations and public institutions. More in general, although processes and procedures are in place and the division of roles is clear, improvements are needed and are being proposed to make the system more efficient and effective.

The Joint Committee for Development Co-operation (JC) is responsible for programmes/projects approval. The JC is chaired by the Foreign Minister and composed by the Director General for Development Co-operation, the AICS Director General and the Director General of the MEF Treasury (in relation to specific topics under MEF competence).
The JC approves all grant funded programmes whose value exceeds the amount of Euro 2 million, concessional loans and blending operations funded under the Revolving Fund, contributions to International Organisations and the annual country financial plan.

Programmes below the amount of Euro 2 million (grant) are approved by the AICS Director General and submitted to the JC for information.

Territorial partnerships are presented to the JC with a view to providing the Foreign Minister and policy makers with a comprehensive picture of development activities implemented by Regions and Municipalities to ensure co-ordination and coherence.

Humanitarian assistance operations are approved by the Foreign Minister.

The decision-making and approval process remains centralised at headquarters level. AICS field offices contribute to the annual country financial plan, multi-year Indicative Country Programmes and project/programme appraisal. Financial and administrative management falls under the responsibility of AICS Country Directors and no longer under the Ambassadors’ responsibility.

**Quality assurance**

Italy is actively involved in the international fora on effectiveness and in the debate on how to assess and measure SDGs targets attainment as well as on RBM. To keep up with the internationally agreed principles for effectiveness of development co-operation, Italy is currently drafting a new three-year Action Plan for Effectiveness of Development Co-operation, which identifies a set of internal indicators that will help improving the quality of interventions.

In 2016 AICS introduced a revised template as well as instructions for the preparation of financing proposals including a section on cross-cutting issues. AICS established a Verification Team (VT) aimed at improving the quality of programme/project documents and verifying compliance with rules, regulations and procedures. The aid effectiveness marker is applied for assessing ex ante how the principles will be implemented, as well as compliance with the PPPD guidelines, policy guidelines and relevant governmental policies or international agreements. Monitoring in the implementation phase keeps into account the aid effectiveness marker application.

Quality Assurance (QA) is considered an evolving process due to the continuously changing environment and the results emerging from the international community (i.e. the effectiveness process). Aware that QA cannot not be accomplished only through ex-ante evaluation, AICS is transforming the Team in a quality assurance body to better align the financial proposals with the needs and priorities. The QA Team revises the project proposal before its presentation to the approval bodies, meanwhile supporting the office network with suggestions and indications to increase programmes’ quality and impact. Moreover, Italy is moving from a sectoral approach to a more inclusive and holistic approach to address the problems as a whole, and this required revision and updating of guidelines on cross cutting issues, such as gender and disability.

Development specialists (gender, environment, etc.) contribute to quality assurance through strategic analysis at the identification stage and support project design, assessment and monitoring during the implementation.

**Transparency**

The annual Development Co-operation Progress Report is submitted with the three-year PPPD to the Inter-ministerial Committee for Development Co-operation and to the Parliament. The information provided in the Report informs policy making and planning (the annual updating of the PPPD builds
on the Progress Report) and is used for communicating transparently to the public about development co-operation activities, results and use of funds.

The Progress Report provides details on programmes and projects funded and implemented in the previous year, including relevant institutions and stakeholders engaged, number and position of officers and consultants involved and the indication of recipient organisations and private companies. The Report also indicates the remuneration of public staff and consultants engaged in development co-operation activities.

**Procurement, contracting and agreement making**

Agreements with partner Countries are negotiated by the MFAIC and follow international and diplomatic rules. Simplified approval procedures are adopted whenever there is a bilateral Development Co-operation Framework Agreement with the partner Country.

Agreements contain reference, in a specific annex, to the partner Country’s procurement and contracting rules and procedures where appropriate or to international rules and procedures (European Commission or World Bank).

**Risk management**

Italy is committed to implementing the Recommendation for Development Co-operation Actors on Managing the Risk of Corruption” (C(2016)156 adopted by the OECD Council in 2016) and is setting up/revising its systems for managing risks of corruption and for responding to actual instances of corrupt practices in development co-operation, including Code of Conduct, Training, Internal investigation functions, assessment of corruption risks, measures to prevent and detect corruption enshrined in ODA contracts, whistleblowing mechanism, etc.

AICS has a set of procedures to control activities including a Risk Management Manual (defining operational activities, roles, responsibilities, timing and reporting) and a Corporate Risk Registry, developed with an Enterprise Risk Management Model and in line with the Performance Plan ([AICS_PP_31gen18.pdf](#)). Risks are clustered into four categories: Compliance, Financial, Operational and Strategic. Management has an oversight role to determine that appropriate risk management processes are in place and that these processes are adequate and effective.

**4.3 Capabilities throughout the system**

Previous peer reviews urged Italy to address human resources issues which have impacted on the performance of development co-operation. Law 125 introduces crucial structural changes to improve the efficiency and effectiveness of development co-operation clarifying roles and division of labour between institutions.

Following the entry into force of Law 125, the organisational structure of the Directorate General for Development Co-operation (DGCS) within the MFAIC was revised according to its new role and functions. The number of DGCS offices/units was reduced from 12 offices and one unit to 6 offices and one unit (Annex 2.2).

Like all MFAIC Directorates, DGCS is run by a Director General and two Deputy Directors in charge of overall development co-operation policy planning and programming and humanitarian assistance. DGCS staff is composed by diplomats (currently 33) and by ministerial administrative and executive staff. Most of technical co-operation experts (38 out of 44) decided to move to the Agency and only six experts chose to continue to work in DGCS (four in 2018).
The Italian Agency for Development Co-operation (AICS) began operating in January 2016. Its headquarters is based in Rome. AICS runs another base in Florence and 20 field offices in partner countries. AICS is run by a Director General and two Deputy Directors, technical and administrative.

AICS Director General holds leadership experience in international development co-operation and is selected through public competition. He /she is designated by the Prime Minister upon proposal of the Foreign Minister and has a mandate for 4 years, renewable once for other 4 years.

The Agency’s Director General resigned in 2018 and the Deputy Director is currently in charge. At the date of this document, the selection procedure for the new Director is under way.

AICS is structured in two areas, technical and administrative, 13 offices and six geographic desks (Annex 2.3). According to Law 125, AICS has a staff of up to 200 units, in addition to technical co-operation experts previously working in DGCS and locally recruited staff up to 100 units.

At this date, AICS has a staff of 238 units, including local permanent staff in field offices (80 units). The staff is composed by 7 office managers, 117 technical and administrative officers, and 34 development co-operation experts. AICS plans to recruit 10 office managers and 60 technical and administrative officers. A three-year Human Resources Plan is in the process of being approved.
5. Delivery modalities and partnerships, globally, regionally and at country-level

5.1 Partnering

Relevance to development needs

Italy’s partnerships aim at promoting inclusive growth, job creation, social cohesion and sustainable development through investments in social and economic sectors, based on partner countries development needs and priorities, engaging a broad range of actors.

The above mentioned Multi-stakeholders Platform for Energy and Development is showing the potential of engaging public and private actors with a view to provide policy guidance and merge diverse experiences to promote innovative projects in partner Countries. Priority is given to the utilisation of renewables and off-grid energy systems, contributing to generation of local and national income and employment, such as the Energy Access for Local Development and Women Empowerment project in Mozambique. This is an off-grid initiative to be implemented by NGOs and Community Base Organisations with the Energy Fund Agency for Rural Electrification of the Government of Mozambique.

An example of public-private partnership

In 2017 Italy funded the project "Improving the sustainability and inclusiveness of the Ethiopian coffee value chain through private and public partnership". The Italian Development Co-operation, the Italian coffee roasting company Illycaffè, the Ernesto Illy Foundation and the United Nations Industrial Development Organization (UNIDO) joined forces to develop the value chain of Ethiopian coffee, making the production more inclusive and sustainable and benefitting both farmers and consumers. This public-private partnership aims at introducing new technologies to improve the quality and production capacity of small Ethiopian coffee growers and increase their income, advancing sustainable production, processing and international marketing.

Territorial partnerships between Italian and partner countries’ organised communities, being characterized by a vision of mutual development and by the ability of mobilising regional funds, show the capacity of contributing to sustainable development in both partner territories. In the last years, Italy has fostered the engagement of regional and local entities in development co-operation.

Partnerships with development banks, such as the World Bank, the African Development Bank (AfDB) and the Inter-American Development Bank (IADB), focus on synergies between Italy’s development co-operation priorities and those of the international financial institutions. The objective is to concentrate the resources on programmes in countries and contexts where the potential of the Italian contribution is strongest. Examples include the support for youth and female entrepreneurship in Mali (with AfDB), activities in Honduras on gender issues (Ciudad de las Mujeres Programme with IADB), and the Tubaniso Agribusiness and Innovation Centre in Mali (with the World Bank).

Predictability and flexibility in programming and budgeting

As previously noted, the Economic and Financial Document sets the overall ODA targets for development co-operation in the following three-year period.

Each year the financial allocations for the following three-year period are indicated for each line Ministry (e.g. Health, Environment, Economy and Finance) in a specific Annex to the MFAIC annual
provisional budget. This allows for a certain degree of medium-term predictability, although the Budget Law, which includes the ODA budget, is approved every year.

Following the approval of the Budget Law at the end of each year, MFAIC/DGCS receives ODA funds for running costs as well as for programmes, transferred for the major part to AICS. In addition, DGCS receives supplementary resources under ad hoc legislative measures for the financing of development and humanitarian activities linked to Italy’s civil and military presence in crisis or conflict-prone countries (these activities are ODA-eligible and reported to the OECD-DAC according to the Directives on ODA reporting).

Each year the Joint Committee endorses the annual country financial plan, which indicates the DGCS/AICS allocations at project/country level based on the Three-year PPPD. The country financial plan is constantly monitored and allows adjustment of funding across sectors and projects and for quick response and adaptation to changing contexts or fragility situations.

At country level, medium-term Indicative Country Programmes include context analysis, the identification of priority sectors and programmes negotiated with local Authorities, estimates of flows, modalities of intervention and financial instruments (such as the 2017-2019 Ethiopia-Italy Co-operation Framework). Indicative Country Programmes refer mainly to DGCS/AICS activities and funding, although they are planned to include all official interventions to reflect a comprehensive, coherent and co-ordinated approach of Italy’s development co-operation.

Joint approaches

The Treaty on the Functioning of the European Union requires Members States and the EU to co-ordinate their policies on development co-operation and consult each other on their programmes. Also, Law 125 commits Italy to “harmonise” its development policy with the development policy of the EU. In this context, joint programming is achieving increasing importance, together with programme-based approaches (such as the EU Trust Funds, in particular the EU Trust Fund for Africa) and pooled funding mechanisms.

At country level, Italy participates to the joint programming exercise in more than 20 countries, sharing the relevance of agreed documents including a common strategy aligned with the partner Country development priorities and implementing the division of labour, while keeping meanwhile a degree of flexibility in financial allocations. This is mainly due to the structure of the budgeting and approval process that does not favour multi-year programming. Italy is working with the EU and Member States to develop strategies grounded in shared knowledge, added value, lessons learned and joint analysis of the country context, also to pursue enhanced co-ordination and synergies in fragile and conflict-affected countries.

Italy is leading sectoral working groups within the Joint Programming exercise (such as Health WG, Gender Equality and Women’s Empowerment WG in Palestinian Territories). Italy is also supporting joint implementation with the EU and other Member States in order to promote more coherent, effective and coordinated development co-operation based on shared objectives identified at country level through joint programming (joint project formulation, joint sector policy dialogue).

Seeking complementarity with other Member States and efficiency on the basis of the EU Code of Conduct on Division of labour in Development Policy, Italy participates since 2012 to the implementation of EU programmes through the so-called “delegated co-operation”, which has become over the years a central element of the Italian development co-operation system. To this day, Italy has been awarded a portfolio of projects in Sudan, Ethiopia, Senegal, Libya, Tunisia, Niger, Burkina Faso, Lebanon, Jordan and Iraq worth over Euro 200 million, most of which coming from the
EU Trust Fund for Africa. The instrument of delegated co-operation has thus proved itself as a resource multiplier, while fostering complementarity not only between Italy and the EU, but also between the different actors of the Italian development co-operation system. A case in point are two programmes in Libya awarded to the MFAIC and to the Ministry of Interior: the first (“Recovery, Stability and Socio-economic Development in Libya”) aims to the development of local municipalities through small infrastructure projects; the second (“Support to Integrated Border and Migration Management in Libya”) is focused on capacity building in the area of integrated border control. The two programmes allow us to tackle the security-migration-development nexus.

**Accountability and Transparency**

In the past years Italy has made progress in establishing a system to provide timely and adequate information on development co-operation in line with its commitments on transparency. Following the entry into force of Law 125, the whole system is being reorganised.

Data reported to the OECD-DAC are published on Openaid Italia platform ([http://openaid.esteri.it/](http://openaid.esteri.it/)).

In 2017 AICS joined IATI and first published its data on the IATI Registry in June 2017.

In 2018 AICS made significant progress by moving up from the “very poor” to the “fair” category of the Aid Transparency Index ([http://www.publishwhatyoufund.org/the-index/2018/italy-aics/](http://www.publishwhatyoufund.org/the-index/2018/italy-aics/)).

AICS publishes “in real time” IATI data related to grants on its own platform Openaid AICS ([http://openaid.aics.gov.it/](http://openaid.aics.gov.it/)). The platform is also used to publish documents related to activities such as MOU, policy documents, country programmes, tenders and calls for proposals.

Relevant stakeholders are regularly consulted on policies, programmes and other topics related to development co-operation, both in Italy (through the previously mentioned CNCS Working Groups, and through periodic meetings with the Vice Minister, with DGCS and AICS officials) and in the field (through AICS field Offices and Embassies).

**Tied aid**

According to the OECD 2018 Report, Italy’s bilateral ODA to LDCs and non-LDC HIPC as covered by the Untying Recommendation, raised from 96.6% in 2013 to 99.8% in 2016.

In 2016, 95% of Italy’s total bilateral ODA was untied (covering all sectors and countries, beyond the scope of the Untying Recommendation). It was 88% in 2013.

Italy reports to the Export Credit Secretariat under the Agreement on Untied ODA Credits Transparency ex ante notifications (untied ODA Credits Bulletin Board) and ex post notifications on contracts awards. Italy also reports to the DAC ex ante untied notifications and ex post untied notifications on contract awards.

**5.2 Country level engagement**

**Mutual accountability and ownership**

Italy tailors its assistance to the country context, requiring a deep understanding of political, economic and social issues and drivers, and applies the principles of country ownership and mutual accountability, as stated in Law 125. Development co-operation is designed and implemented in close consultation with partner countries, and with a view to supporting local priorities.

Italy works with EU Member States and other development partners to improve co-ordination and use of development resources and country-led co-ordination arrangements to promote shared
accountability for progress against national objectives. AICS field offices hold regular meetings with the relevant stakeholders (CSOs, academia, the private sector) to boost harmonisation and alignment with partner Countries priorities and to facilitate the exchange of information.

The Open Aid Platform is in the process of being restructured to be a tool for improving timely tracking of development resources, which is a key aspect of mutual accountability. Italy is also supporting targeted initiatives to improve the availability of information. An example is the creation of a Centre in Rome, following the G7 on Environment held in Bologna on June 2017, to facilitate the voluntary exchange of information on ongoing initiatives in support of African countries, in particular on energetic efficiency and climate change. In Kenya, AICS is organising with the National Treasury training sessions for the staff of development co-operation providers (both multilateral and bilateral) on the use of the Electronic Project Monitoring Information System (e-ProMis). This is a platform for monitoring the implementation of development projects and programmes, through the collection and analysis of data on ODA allocations and disbursements.

**Effectiveness**

Italy’s commitment to apply the effectiveness principles is reflected in the three-year Action Plan for Development Co-operation Effectiveness, currently under drafting. The Plan builds on the experience of three Aid and Development Effectiveness Plans which, since 2008, have been catalysing a major behavioural change at headquarters and field level, incorporating effectiveness principles in the whole cycle of planning, executing and assessing development programmes. The new Plan aims at developing results based frameworks, strengthening the use of country systems, improving predictability, boosting multi-stakeholders partnerships, reducing fragmentation. The Plan includes a specific section referred to DGCS-AICS, and another section referred to other administrations, public institutions and actors of the development co-operation system, to engage all the stakeholders and accelerate progress in the implementation of the effectiveness principles. At this aim, an Advisory Committee for Development Effectiveness has been created, composed by representatives of MFAIC-DGCS, AICS, relevant Ministries, regional and local administrations, actors of the Italian Development Co-operation System (CSOs, non-profit organisations, private sector, academia, etc.). The Plan will include a set of results-based indicators to be referred to in the annual Progress Report on Development Co-operation.

Italy is actively involved in promoting effectiveness in the dialogue with partner Countries, other development partners and stakeholders. Besides contributing financially to the organisation of the High Level Meeting of the GPEDC held in Nairobi in 2016, Italy promoted two side events on “National development co-operation architectures for enhanced, inclusive partnerships” and on the “Kenya Italy Debt for Development Programme – KIDDP – a bottom up community demand-driven approach for inclusive development”.

In Kenya, AICS is co-chairing with the National Treasury the Development Effectiveness Group (DEG), a multi-stakeholder platform including development partners, central and local authorities, CSOs and the private sector. The DEG recently adopted the “Kenya Effective Development Co-operation Strategic Plan (2018-2022)”’. The Plan will guide the implementation at country level of the development effectiveness principles as re-stated in the HLM2 Nairobi Outcome Document.

Italy was actively engaged in the 2016 Monitoring Round of the GPEDC and, through AICS field offices, worked closely with partner governments in data collection. The monitoring report noted improvement in the timeliness of Italy’s reporting to the OECD-DAC and other criteria including: alignment with country priorities, use of country systems, predictability and untied aid. AICS at central and field level is currently engaged in the 2018 Monitoring Round.
Italy supports internationally agreed initiatives such as the New Deal in Fragile States. In March 2017, at the London Conference on Somalia, Italy confirmed its commitment to support the “Somali Development and Reconstruction Facility” in the framework of the New Partnership Agreement. In 2017 Italy joined the Sahel Alliance and committed to grant an annual allocation to the G5 Countries amounting to Euro 30 million for 2018 and 2019. In South Sudan, Italy joined the effort of other EU bilateral donors, under ECHO proposal, to set up a “South Sudan Donor Group (SSD-DG)” to complement other advocacies, like the UN and the NGOs, for a more efficient humanitarian response within the umbrella of the Humanitarian Country Team (HCT).

**Responsiveness and inclusiveness**

Italy relies on a mix of different instruments and partners to enable effective release of development assistance taking into consideration partner Countries’ needs and capacity, such as: budget support, project/programme support, pooled funds to provide more rapid response to emergencies and in fragile contexts. An example of mix of delivery instruments is the USD 400 million package Italy pledged during the 2016 London Conference for supporting Syria and the Region. The pledge included grants (humanitarian and development), soft loans and debt conversion.

An example of harmonisation among partners as well as alignment with partners Countries’ priorities, is the “Education Sector Support Fund” in Mozambique (FASE), which receives financial contributions from ten donors (including Italy) to support the effective implementation of the 2016-2018 Education Strategic Plan. FASE provides evidence of the level of consensus and co-ordination between the agenda of the Ministry of Education and the donor agencies and has become an effective forum to discuss prominent issues such as gender equality in education, leading to deep sector reforms. This shows the important contribution of external support to the education sector in Mozambique at policy and strategy level through a continuous capacity building process.

Programmes are designed with a participatory approach at national, sub-national and local level after consultation with relevant stakeholders. Inclusiveness of marginalised and vulnerable groups and individuals is promoted at all levels, as cross-cutting issue in every programme or through targeted initiatives, such as the “Bridging the Gap” initiative – inclusive policies and services for equal rights of persons with disabilities – implemented in 5 countries in Africa and Latin America. The partnership is composed by three EU Member States’ development agencies: Austria, Italy and Spain, as well as by the International Disability and Development Consortium and the European Disability Forum.

**Conditionality**

Development co-operation programmes are negotiated with partner country’s authorities and conditions are publicly available. However, Italy has revised any unnecessary condition that may add a burden for the partners and hamper the smooth programmes’ implementation.

Conditionality of Italian co-operation activities is generally linked to a set of rules that partner Countries and partner Organisations must adhere to in order to receive contributions, such as transparency, respect of human rights principles, recognition of civil society organisations and the commitment from the beneficiary of the contribution to act in order to prevent fraud and corruption and to monitor the use of the funds to avoid mismanagement or direct or indirect financing of illegal activities. These rules are clearly indicated in the agreements and may include project-specific conditions agreed with the partner Country which, if not met, could hamper the success of the initiative.
6. Results management, evaluation and learning

6.1 Management for development results

Results oriented policies and strategies

Following the 2014 Peer review recommendations Italy has worked to improve understanding and application of results-based management (RBM) and to include objectives and expected results into programming and budgeting processes.

Law 125 makes also explicit reference to the achievement of development results and to a clearly articulated chain of expected results from activities to impact. The objectives of Italy’s development co-operation policies and programmes are defined in the three-year PPPD and are aligned with the SDGs and with the objectives of partner countries. The annual Development Co-operation Progress Report annexed to the PPPD outlines the activities implemented by the MFAIC in the previous year as well as by other public institutions, including the results achieved, measured through a set of qualitative and quantitative indicators of effectiveness. The Action Plan for Development Co-operation Effectiveness, currently under drafting, will include a set of results oriented indicators.

Approach to results measurement

The draft three-year Action Plan for Development Co-operation Effectiveness foresees the introduction of RBM in the development co-operation activities carried out by DGCS and AICS. This includes the approval of a policy paper, a feasibility study, policy and procedures for the introduction of RBM at the various level of the programme cycle, operational manuals and staff training. The process will be completed by 2021.

Meanwhile, efforts are being made at project and programme level to make explicit reference to the achievement of development results. We draw on relevant quantitative and qualitative indicators to monitor the implementation and assess progress against expected objectives aligned with partner countries’ priorities. Use of indicators is mandatory in all projects and we rely on national data and statistics to the maximum extent. We foster the use of SDG indicators to measure development results at country level supporting partner-country-level results frameworks, where they exist. Results Frameworks are included in a number of projects especially when working with other partners (multilateral organisations, EU, other donors).

Use of results information

During the ex-ante assessment phase attention is paid to the relationship between objectives, activities, results and budget. Programmes include systems for monitoring and reporting which enable central and local offices to check on the progress and to use results information and lessons learned to design new programmes.

Moreover, one of outcomes of the introduction of RBM as foreseen in the draft three-year Action Plan for Development Co-operation Effectiveness will be the production of an Annual Report on Results.
6.2 Evaluation system

Evaluation policy and evaluation function

Law 125 attaches high relevance to the evaluation policy, which article 20 explicitly describes as one of the main DGCS functions in assisting the Foreign Minister and the Vice Minister for Development Co-operation, with particular regard to “impact evaluation of development co-operation interventions and assessment of the achievement of planned objectives, relying on external independent evaluators”.

At the same time, the Law indicates that AICS performs technical and operational activities related to management and control of development co-operation initiatives.

Following the re-organisation of the MFAIC in 2017, the DGCS Office in charge of evaluation has been organised in two Work Units: Work Unit I - Evaluation and Effectiveness; Work Unit II – budget, transfer of financial resources to the Agency and supervision of the Agency. Communication is no longer under the responsibility of this Office.

In 2018 the Evaluation and Effectiveness Work Unit started preparing a “Guide for the Evaluation of Development Co-operation Interventions” (the most recent guidelines were edited in 2010). The main purpose of the Guide is to clearly define roles and responsibilities (e.g. impact evaluation, programmes/projects evaluations, planning taking into account the lessons learned from evaluations, use of findings as a management tool, etc.).

In terms of expertise, since most evaluation experts moved to the Agency, the Evaluation and Effectiveness Work Unit presently relies on one part-time expert, one administrative official and one junior diplomat who assists the Head of the Office. In order to strengthen the quantitative and qualitative level of expertise, different solutions are being considered taking into account that the legislation does not allow DGCS to hire experts.

Independence of evaluations

As mentioned above, evaluations are implemented by external independent evaluators. In October 2016 the Joint Committee approved the Guidelines for recruitment of external qualified consultants in line with the recently reformed national legislation on the awarding of public contracts. Until 2017, the external evaluations completed were funded under the previous system (Law 49/1987).

The main challenge in 2018 was the creation of a new roster of evaluation service providers. The selection criteria for the roster aim at promoting the participation of new providers (researchers and experts) from academic institutions and from the private sector. Awarding the evaluations is based on the principles of non-discrimination, transparency, rotation and equality so as to ensure the impartiality and independence of the process. The new roster is digital and permanently “open” (for the first time not “manual”) and will contribute to re-launching the evaluation activities after the reform of the Italian development co-operation. Moreover, the new system will allow a more in-depth understanding of the Italian evaluation community and facilitate the exchange of information and research on methodology and issues related to evaluation.

Planning and budgeting for the evaluation of development assistance activities

Since 2014 the DGCS has adopted three-year rolling evaluation plans (previously annual). In 2017 the DGCS submitted to the JC approval the 2018–2020 Evaluation Plan, which is based on defined criteria: strategic priority of the initiative in relation to the partner Country or to the area of intervention; continuity in the specific areas of intervention in the partner Country; initiatives in emergency or fragile situations due to conflicts or environmental/climatic disasters; magnitude of the financial
contribution. The Plan includes project and programme as well as thematic evaluations such as the evaluation of the Country Programme in Senegal and the evaluation of projects implemented by CSOs. The operational arrangements related to the evaluation activity, including funding and administrative procedures, are defined in the Bay-laws of AICS.

The financial resources for the evaluation “channel” (the others being the multilateral, bilateral and emergency) are allocated annually. The funds not disbursed during the year remain in the budget line and can be used in the following years. This financial flexibility and the possibility to increase the future annual allocations allow Italy – once the new system will be fully operational – to undertake a considerable number of evaluations every year. In terms of amounts allocated, the JC approved Euro 677,244 in 2016, Euro 1,000,000 in 2017, and Euro 500,000 in 2018. Pending the launch of the new roster and the assignment of evaluations, most of these financial resources are presently available. This budget line is also used to finance the yearly contribution to MOPAN.

**Evaluation partnerships and strengthening capacity**

The draft Action Plan for Development Co-operation Effectiveness includes the increase of joint evaluations in partnership with recipient countries.

In 2016 Italy carried out a joint Mid-term Review of the bilateral Country Programme with the Government of Senegal (2014-2016).


**6.3 Institutional learning**

**Learning from and using evaluation findings**

Italy is intensifying its efforts to use findings from evaluations to continually improve future policies, programmes and projects, as well as accountability towards the public.

To this end and to promote an "institutional culture" of evaluation, Italy is carrying out a more systematic dissemination of evaluation results. DGCS and AICS publish on their websites the evaluation reports. The reports are also published on the DAC Evaluation Resource Centre (DEReC) website.

DGCS and AICS organise seminars to share and analyse the results of the evaluations, both in the field and at headquarters. Experts and officials responsible for the initiatives evaluated, along with the other stakeholders, attend these seminars which offer an opportunity for learning and drawing lessons. When defining new projects, AICS takes into account lessons and recommendations from past evaluations.

**Knowledge management**

Italy is strengthening its capacity to engage with research institutions, academia, development networks and experts with the aim of supporting institutional learning. Learning efforts include the participation in different communities of practice, among others on gender, migration and development, food security etc. Conferences and seminars on specific topics are organised.

Studies and surveys carried out by international organisations, universities, think thank and research centres as well as the results of project/programme evaluations are shared and analysed with the
management and the staff as well as with relevant stakeholders, also in the meetings of the above mentioned CNCS working groups, to influence policy and decision making. Results and findings are increasingly taken into consideration in the policy planning and programming process and translated into operational instructions for the staff, administrative and programme officers, to draw on knowledge and experience to build future programmes. It was the case of the “Towards sustainable migration” study.

Towards sustainable migration (sustainablemigration)
Turning the challenge of migrations into an opportunity. A study undertaken by the Italian Centre for International Development of the University of Tor Vergata in co-operation with the Italian Agency for Development Co-operation, published in 2017, calls for a systemic and long-term response to migration and the underlying factors driving it. The study recommends migration policies be conceived in a manner consistent with development policies and in partnership with countries of origin. Such policies should be set out to encourage the positive effects migration can have in both origin and destination countries.
7. Humanitarian assistance

7.1 Strategic framework

Humanitarian policy and strategic framework

Italy’s humanitarian assistance policy is based on humanitarian needs and founded on the principles of humanity, impartiality, neutrality and independence. The policy is also guided by the internationally recognized principles of “Good Humanitarian Donorship (GHD)”, as well as by the International Human Rights Law and International Humanitarian Law.

In 2012 the Italian Cooperation adopted the “Guidelines for Humanitarian Aid” designed to provide a policy, strategic and operational framework for humanitarian aid interventions, in line with the abovementioned principles and laws.

In 2014, Law 125 has stated that humanitarian aid shall be delivered according to relevant international agreements to provide relief and support to populations hit by natural or man-made disasters.

Along this line, at the Istanbul World Humanitarian Summit (WHS) in May 2016, Italy took specific commitments to deliver on the ambitious changes called for in the Agenda for Humanity (Italy-commitments.pdf). Italy subscribed 76 individual commitments in the framework of the 5 core responsibilities set in the Agenda and adopted the Grand Bargain and the “Charter on inclusion of persons with disabilities in humanitarian action”.

Those commitments reflect Italy’s policy for humanitarian assistance which aims at: ensuring the respect of human rights law and international humanitarian law; contributing to an effective, efficient and, when possible, sustainable humanitarian response; preventing protracted conflicts and reducing disaster risks; promoting a multi-sectoral, holistic and co-ordinated response to humanitarian crises; fostering communities’ resilience and empowering women and girls as agents of positive transformation; promoting localization and increasing flexibility and predictability in the humanitarian response; ensuring that an adequate percentage of the humanitarian budget is dedicated to neglected crises.

Taking into account the increasing humanitarian needs, Italy has identified some criteria to define its comparative advantage in humanitarian assistance: expertise at national level; presence and expertise of CSOs on the ground; co-ordination partnerships with International Organizations and operational tools that allow rapid response; specific agreements for joint response between MFAIC and the Civil Protection.

Coherence between humanitarian aid and development co-operation in crisis contexts

Italy believes that an integrated approach between humanitarian action, sustainable development, and conflict prevention/peacebuilding is key to better address protracted crises in the current global scenario.

In this context, Italy aims, where possible, to enhance the long-term sustainability of humanitarian interventions, by linking them to development cooperation and by creating adequate synergies among humanitarian, development and conflict prevention/peacebuilding.

Following the commitments taken at the WHS, Italy started a re-organisation process to improve synergy between humanitarian and development actions. Italy is fully engaged in the implementation
of the EU pilot process in Sudan as member of the “Nexus Working Group” and actively contributes to country’s selected priorities (such as nutrition).

In order to ensure better coherence to a comprehensive Nexus strategy, a “nexus approach” is adopted also at national level. In this regards, Italy has already introduced significant elements of flexibility and complementarity in its programming and financing of humanitarian and development co-operation actions.

Italy is planning to adopt specific Policy Guidelines on the Humanitarian-Development Nexus, to endorse general principles and define concrete steps to operationalise it in line with Italy’s commitments at international and European level.

**Overall humanitarian budget and trends**

Each year the Budget Law defines the financial envelope for humanitarian assistance. Additional resources (approximately 1/3 of the overall humanitarian budget) can be provided through specific legislative measures related to Italy’s participation to international peace operations. Additional resources were also disbursed until 2017 through the so called “La Pergola Law” (linked to the implementation of European policies for financing development co-operation programmes) or through specific measures approved by the Government or by the Parliament, as it happened in 2014 for the Syrian crisis (through a contingency reserve for unforeseen expenditures).

With an overall humanitarian allocation of Euro 131.5 million in 2018, the humanitarian budget almost doubled since 2015, when the Parliament approved the allocation of nearly Euro 73 million.

The overall increase of Italy’s humanitarian budget was accompanied by a steady increase of funding available for Italian CSOs, whose share reached 47% in 2018 (31% in 2015 and 42% in 2017) and un-earmarked contributions.

7.2 Effective programme design

**Criteria for who, what and where to fund**

The Italian humanitarian response is humanitarian needs-based and founded on Humanitarian Response Plans. Italy is committed to providing an effective humanitarian response that follows the three phases of humanitarian assistance: priority need (relief); emergency (recovery and rehabilitation); post-emergency (linking relief and rehabilitation to development), with the aim to safeguard human life, relieve suffering and uphold human dignity. The Italian co-operation provides its humanitarian response through bilateral and multilateral channels. For both channels, decisions are based on i) partners’ capacity to address most urgent needs and deliver results; ii) other donors’ response, and iii) comparative advantage on the ground.

Humanitarian interventions responding to consolidated, flash or emergency appeals launched by International Organisations are based on an initial assessment of local needs, with the support of AICS field offices and in close coordination with the Italian Embassies, other donors, International Organisations and CSOs. Needs assessments generally take into consideration data on vulnerability, such as the Human Development Index, the INFORM index for risk management, and needs assessments by UN and International Organisations.

Considering the protracted and man-made nature of many humanitarian crises and taking into consideration the need of improving predictability of humanitarian assistance, a budget proposal is
submitted to the approval of the Joint Committee at the beginning of each financial year. The proposal indicates the main areas of intervention and the financial allocations for the year.

Italy also committed on multiyear planning (2/3 years) for specific crises. It was the case for: Syrian crisis (2016/2018); El Nino (2016/2017); Myanmar/Rohingya crisis (2017/2018); Iraq (2016/2018); Central African Republic (2017/2019); Lago Chad (2017/2019); Niger (2018/2019); Yemen (2017/2018).

**Approach towards localising the response and affected communities participation**

Italy considers localisation a key driver to enhance efficiency and sustainability of humanitarian programmes and firmly supports all initiatives aimed at promoting broader inclusiveness to improve the response capacity as well as crises risk prevention. We implement the commitment taken in Istanbul to go "as local as possible" in the humanitarian response through direct funding to local CSOs.

Italy works to strengthen partnerships and consortia between international and local CSOs, which is fundamental to enhance the capacity of local CSOs and reduce competition.

Italy also funds the International Federation of Red Cross (IFRC) programmes, which are implemented in partnership with local Red Cross / Crescent societies, notoriously among the first responders in case of emergency (Euro 3.3 million in 2016; Euro 2 million in 2017; Euro 2.5 million in 2018).

### 7.3 Effective delivery, partnerships and instruments

**Tools available for protracted crises and recovery**

Italy uses an appropriate mix of instruments, including development funding, to support recovery and resilience building in crisis contexts. The three-year (2016-2018) USD 400 million package Italy pledged during the 2016 London Conference to support Syria and the Region confirms the effort to use a mix of both humanitarian and development instruments.

In order to apply the commitments taken at the WHS, Italy is steadily increasing un-earmarked contributions. In 2017 Italy more than doubled its annual contribution to the Central Emergency Relief Fund of OCHA (CERF) from Euro 1 million (2015) to 2.5 million (2018) and from 2014 supports the Global Fund for Disaster Risk Reduction (GFDRR) with an annual contribution of Euro 2 million. Italy also supports cash-based programming, which represents a new frontier for humanitarian response and for multi-sectorial approach.

**Rapid response tools and mechanisms**

The main tool at disposal of the Italian Co-operation to ensure rapid response is the Emergency Bilateral Fund (EBF). The EBF is a revolving fund yearly financed through voluntary contributions to specific International Organisations (ICRC, IFRC, UNHCR, UNICEF, WFP, FAO, OCHA, OIM, WHO) and is jointly managed with the concerned agencies. This instrument ensures timeliness and flexibility in the humanitarian action. In the case of new and unexpected crises, the organisation can propose to the Italian Co-operation, or likewise Italy can ask the organisation, to use part of funds for emergency interventions. Through this mechanism, Italy actively supports humanitarian interventions in response to the Humanitarian Response Plans, Flash Appeals and other response plans launched by humanitarian multilateral actors. A significant portion of the humanitarian budget, Euro 17.5 million in 2018, is allocated to the EBF.
Another fundamental tool for rapid crisis response is the United Nations Humanitarian Response Depot (UNHRD) operated since 2000 by the WFP in Brindisi. The UNHRD is a storage of humanitarian items (medicines, tents, other relief supplies) to be used in the aftermath of a disaster. Upon request of the Italian Cooperation, WFP organizes charter flights within 36-72 hours to the affected area. Italy also supports the health sector in emergency situations by providing contributions “in kind” in partnership with WHO and the UN Humanitarian Response Depot in Brindisi.

Moreover, new fast-track procedures approved in 2016 allow a rapid response mechanism in case of disaster, enabling AICS HQ or field offices to call for relief projects to be implemented by CSOs already active on the field. Multilateral programmes and CSOs projects can be adjusted to the evolving circumstances and related humanitarian needs, without increasing the approved contribution.

Italy is part of the EU Civil Protection Mechanism. This Mechanism enables co-ordinated assistance from the participating States to victims of natural and man-made disasters.

**Partnerships with the humanitarian community**

Regular meetings take place between DGCS, AICS and the Consortia representing the Italian CSOs, to discuss issues of mutual interest, humanitarian funding, geographic areas of intervention, as well as advocacy messages. Consultations with the CSOs take place before and after the International pledging Conferences.

Italy established partnership agreements with some UN Agencies to enhance its humanitarian response (i.e. WFP and WHO in relation to UNHRD). Regular meetings take place with the humanitarian community to foster dialogue, share information from the field and best practices and jointly define operational strategies.

**Co-ordination with other donors, UN and local systems**

Recognising the comparative advantage of each player as well as the necessity of working together, Italy shares information and analysis with other humanitarian stakeholders (UN system, ICRC, IFRC, CSOs, think tanks...). Italy supports the co-ordination role that OCHA has within the UN system and takes the Global Humanitarian Overview, as well as the Humanitarian Needs Overviews and the Humanitarian Response Plans as main points of reference when defining its humanitarian response.

Both the MFAIC and AICS take part in the monthly Working Party on Humanitarian Aid and Food Aid (COHAFIA) to share information on needs assessments, analysis and humanitarian assistance interventions. Italy also attends international meetings and pledging conferences on specific crises. The Donors support groups meetings attended by Agencies and Organisations represent an opportunity for sharing information on challenges and best practices.

Italian Embassies and AICS field offices take part in local co-ordination mechanisms and cluster meetings.

**7.4 Organisation fit for purpose**

**Co-ordination across government**

As foreseen by the Operational Guidelines on Humanitarian Assistance Interventions, a Steering Group for Emergency and Humanitarian Assistance can be convened at the MFAIC upon request of the DGCS to ensure a co-ordinated response to complex humanitarian crises and natural disasters. The Steering Group is open to representatives of the Civil Society, Civil Protection, the Italian
Committee of the Red Cross, the Ministry of Defence and sub-national Administrations (Regions and Municipalities).

Co-operation with the Italian Civil Protection remains a strategic pillar of the Italian humanitarian architecture.

Co-ordination is also ensured at field level by the Head of Mission.

**Approach to civil-military co-ordination**

Italy seeks to promote a civil-military approach linking peace, security, humanitarian assistance and development.

International security rules and regulations guide the use of military to carry out civil protection and civil defence activities, to provide assistance to the population and humanitarian relief in emergency situations following natural and man-made disasters, where specific technical capacities and assets are needed for a more effective and rapid response. In the Civil Protection Code, militaries are classified as “Operational Structures”.

Italy is working to increase awareness of humanitarian principles and development co-operation purposes amongst military and law-enforcement personnel. The recent Law (145/2016) governing Italy’s participation to international peacekeeping missions allows the deployment of military and civilians for development co-operation and humanitarian assistance in sudden onset and protracted crises, “based on the guidelines of the Three-year Programming and Policy Planning Document”.

In 2015, Italy was among the first Countries to endorse the “Safe Schools Declaration” to implement the “Guidelines for Protecting Schools and Universities from Military Use during Armed Conflict”. Over the years, Italy has continued to push for more endorsements and application in the official training material. In 2016 Italy launched the Unite for Heritage Task Force for the preservation of cultural heritage in crises situations. The Task Force brings together cultural heritage experts and the Italian Carabinieri specialised in the fight against the illicit trafficking in cultural property.

Since 2005 the Centre of Excellence for Stability Police Units (CoESPU) in Vicenza offers qualified training for UN peacekeepers through specific modules on rule of law, international humanitarian law, protection of civilians, protection of cultural and historical heritage, preventing sexual and gender based violence in conflicts.

The Ministry of Defence can participate to the National Steering Group for Emergency and Humanitarian Assistance. Moreover, it can support the MFAIC through the provision of military flights to transport humanitarian goods to crisis affected areas. The use of military flights is carefully evaluated in compliance with international laws and standards on civil-military co-ordination.

**Humanitarian staff and systems**

Emergency relief interventions are decided by the Foreign Minister or by the Vice Minister and implemented by AICS. The competent MFAIC Directorate General for Development Co-operation is charged with submitting both bilateral and multilateral proposals for emergency and humanitarian interventions to the Foreign Minister or the Vice Minister.

The staff of the Humanitarian Assistance and Emergency Office is currently composed by 5 units: 2 diplomats, 3 administrative officers. An expert is based at the UN Humanitarian Response Depot in Brindisi. Diplomats carry out field visits and represent Italy in all international events (Pledging conferences, donors support groups, EU Working Group COHAFA) and bilateral meetings with other
Member States and International Organisations). They are supported by technical expertise provided by AICS.

The AICS Emergency and Fragile States Office is in charge of providing technical support to the DGCS in assessing the situation on the ground and in the identification of the humanitarian projects; it is also in charge of implementing all activities related to funding, management and monitoring of humanitarian projects. These tasks are currently performed by 9 officials, coordinated by a supervisor. Moreover, humanitarian experts (such as the head of programme and the administrative expert) are recruited on an ad hoc basis and dispatched on the field to support the Agency field offices in managing and monitoring bilateral programmes. Both teams meet regularly and exchange views to perform their work in a coordinated way. They also carry out joint field visits and participate to international events (Pledging conferences, donors support groups, EU Working Group COHAFA).

7.5 Results, learning and accountability

Monitoring own performance and the impact of programmes

Since 2009, Italy has started a process to standardise proposals and reporting formats, in order to simplify and harmonise them, including simplified project formats for CSOs projects and for bilateral programmes managed by field offices.

In October 2016 new formats were approved for bilateral projects, introducing more flexibility in the selection of indicators and – at the same time – requesting a more precise definition of the indicators in order to improve the analysis of results achieved.

Regarding multilateral programmes, Italy does not request multilateral organisations to use a specific reporting format, while a narrative report is highly recommended according to templates used by partner organisations. In the framework of the Grand Bargain work-stream 9 on “Reporting requirements”, Italy is taking part to the “Harmonised Narrative Reporting Pilot” for the three countries proposed: Myanmar, Somalia and Iraq. The first two calls for proposal (Iraq and Somalia) with the 8+3 Template were launched in January 2018.

An on-line platform to manage calls for proposals to fill in CSOs project proposals and monitoring reports is planned to be set up.

Communicating results

Web platform and social networks are uploaded with updated news and information on humanitarian programmes and events. Information on humanitarian initiatives are published on the MFAIC website. Fundings Decisions (“Delibere”), calls for proposals and relevant documents are published on AICS website. Italy regularly publishes information on humanitarian programmes also on https://webgate.ec.europa.eu/hac and https://fts.unocha.org websites and press releases concerning humanitarian interventions.

As IATI member, in 2017 AICS started to publish data on humanitarian assistance in the IATI register. The same data and information on activities and programmes are published on AICS Open Aid platform.

Each year Italy provides data to the CSO Consortium “AGIRE” for the publication of the Annual Report on the Italian Humanitarian Assistance (“Il Valore dell’Aiuto”). The report is officially presented to the public on the occasion of a formal event taking place at the Italian Parliament in the presence of Italian media and other interested parties.
ANNEX 1. PROGRESS AGAINST 2014 OECD/DAC PEER REVIEW RECOMMENDATIONS

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<tr>
<th>RECOMMENDATIONS 2014</th>
<th>PROGRESS AGAINST RECOMMENDATIONS</th>
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<tr>
<td><strong>1. Towards a comprehensive Italian development effort</strong></td>
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<tr>
<td>1.1 In order to be more effective in voicing its concerns and support for global solutions, Italy is encouraged to consistently address a limited number of risks at international level and in its dialogue with its partner countries.</td>
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<tr>
<td>1.1 Italy is committed to implement the 2030 Agenda for Sustainable Development across its internal and external policies in a comprehensive and strategic approach to address global risks: economic strains, instability and security, persistent inequality, environment and climate change. These priorities were at the centre of the agenda of the Italian G7 Presidency in 2017. The G7 Finance Track concentrated its efforts on four “pillars”: Growth and Inequalities, IFI Coordination, Security as Global Public Good, and International Taxation. In 2016 Italy launched the process for elaborating the National Sustainable Development Strategy (NSDS), endorsed at the highest political level in 2017. The NSDS identifies a set of strategic priorities and objectives such as poverty, inequality, unemployment, education and social progress, climate change.</td>
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<tr>
<td>1.2 Italy still needs to identify key policy areas to focus efforts, designate a mechanism with a clear mandate on PCD, and build systems for monitoring, analysis and policy feedback.</td>
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<td>1.2 In the Italian Development Co-operation system, policy coherence for sustainable development (PCSD) is a stated commitment, implemented through institutional mechanisms with clear mandates. In particular, the Inter-ministerial Committee for Development Co-operation is tasked with ensuring co-ordination of policies and programmes and coherence of domestic policies with the objectives and targets of development co-operation. The NSDS will have a key role in ensuring coherence between domestic and external policies. Monitoring and review mechanisms will measure domestic and international policy impacts.</td>
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<td>1.3 Developing whole-of-government strategies at partner country level would facilitate a co-ordinated approach to Italian development co-operation and contribute to synergies between the different levers of Italian engagement.</td>
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<tr>
<td>1.3 Law 125 has introduced a development co-operation system that is co-ordinated and led with clear mandates as part of a whole-of-government approach. These innovations have offered the opportunity for building a more open, inclusive and complex system that embraces all institutional and non-state actors across more horizontal and co-operative relations, aligning resources and actions around a set of shared goals.</td>
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| **2. Italy’s vision and policies for development co-operation** |
| 2.1 A formal medium-term, results-oriented and widely owned strategic vision for development co-operation would provide clarity for Italy’s government, other stakeholders, and partners in priority countries. |
| 2.1 The policy vision of Italy’s development co-operation is outlined in the Three-year Programming and Policy Planning Document (PPPD). The PPPD is endorsed at the highest political level. A multi-stakeholder consultation process is adopted to engage institutional actors and relevant stakeholders in the elaboration of the Document which therefore reflects the perspective of a broad range of actors. The PPPD defines a comprehensive policy approach that makes the 2030 Agenda central to Italy’s policies to address the current social, political and demographic changes, the growing destabilisation of certain areas, the raising number of refugees and forced displaced, the impact of climate change, the engagement in supporting peace processes. This approach aims at leveraging and capitalising on Italy’s wealth of experience, drawing on comparative advantage and |
| 2.2 Italy should maintain its geographic focus, and develop guidance on how to concentrate the aid programme in the sectors which coincide with its comparative advantages and partner countries’ development priorities. |
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| 2.3 Gender equality and the environment should become explicit components of development activities, with improved guidance and targeted training for staff at headquarters and in partner countries on how to mainstream these themes. |
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experience of the diverse actors of the Italian development co-operation system.

2. Italy maintains its focus in the Mediterranean and Middle Eastern Region and Africa. Thematic priorities draw on Italy’s strengths (such as cultural heritage), and are aligned with partner countries’ needs and priorities.

2.3 Gender equality and women empowerment is a priority issue across all areas of action. Policy guidelines on gender are in the process of being revised to reflect the need to promote gender based analyses and consider gender mainstreaming and empowerment as key elements of project design.

3. Allocating Italy’s official development assistance

3.1 To comply with its international commitments, Italy needs to implement the path it has set for increasing steadily its ODA/GNI ratio.

3.2 Italy needs to carefully manage the exit from non-priority countries in order to keep its bilateral development co-operation programme focused on a few countries, and plan how it will maintain its level of engagement in Africa.

3.3 Concentrating on fewer strategic multilateral partners would enable Italy to engage with these partners over a longer term with predictable funding, and enhance synergies with the bilateral aid programme.

3.1 Law 125 commits the Government to set a path to gradually align development co-operation allocations to Italy’s international commitments. Since 2013, Italy reversed the negative trend of the past years and increased its ODA levels, raising the ODA/GNI ratio from 0.17% in 2013 to 0.30% in 2017. The 2018 DEF (Economic and Financial Document) confirms the trend of gradual ODA alignment to meet the ODA/GNI targets.

3.2 Italy is trying to keep its bilateral development co-operation programme focused on a limited number of countries and is adopting a much more context-specific approach taking into consideration the wide diversity of its partners. This also requires adopting sustainable exit strategies to facilitate a responsible withdrawal, including planning for and achieve interventions’ sustainability when programmes end, dialogue with partners and gradually reducing support.

Italy is strengthening its engagement in Africa and this is reflected in ODA allocations: as an example, Italy is among the main contributors of the EU Emergency Trust Fund for Africa.

3.3 Italy is strengthening collaboration with multilateral organisations where they can best contribute to its development policy objectives. In recent years Italy managed to ensure a certain level of continuity and predictability of voluntary funding to International Organisations, notwithstanding the annual budgeting structure. Italy has tried to concentrate on fewer strategic multilateral partners and phased out core financial support to some recipients. Engagement with selected partners has facilitated developing synergies with the bilateral programme.

4. Managing Italy’s development co-operation

4.1 In contemplating different institutional arrangements for its development co-operation, Italy should maintain the balance and co-ordination between policy and operational aspects, ensure that expertise is close to programming, keep transaction costs low, and avoid institutional fragmentation.

4.2 Italy needs to elaborate a human resources plan for its development co-operation to match staffing needs and competence with DGCS’s general objectives, clarify the roles and division of labour between institutions and staff, and elaborate a human resource policy for local staff with appropriate training.

4.1 Law 125 creates an institutional and governance system for development co-operation that ensures political oversight and co-ordination at all levels. The Law clearly defines roles and responsibility regarding policy planning and implementation aspects.

DGCS is in charge of supporting the Foreign Minister and the Vice Minister for Development Co-operation in planning and policy making, country programming, decision making on multilateral and multi-bilateral policy, humanitarian assistance and emergency operations, provision of loans and impact evaluation of development co-operation activities.

The Italian Agency for Development Co-operation (AICS) is responsible for formulation, appraisal, financing, implementation, monitoring and control of programmes and projects.
Cassa Depositi e Prestiti (CDP) has the role of Development Finance Institution.

4.2 The organisational structure of the Directorate Generale for Development Co-operation (DGCS) within the MFAIC has been revised according to its revised functions. The number of DGCS offices/units was reduced from 12 offices and one unit to 6 offices and one unit.

AICS is structured in two areas, technical and administrative, 13 offices and six geographic desks. According to Law 125, AICS has a staff of up to 200 units, in addition to development co-operation experts previously working in DGCS and locally recruited staff up to 100 units. A three-year Human Resources Plan is currently in the process of being approved.

5. Italy's development co-operation delivery and partnerships

5.1 Italy is encouraged to strengthen STREAM documents with appropriate analysis and estimates of future aid flows, and expand them to include all official interventions.

5.2 There is ample room for Italy to promote sector-wide and programme approaches in its partner countries, and untie further its aid in line with international commitments.

5.3 The aid effectiveness marker has the potential to increase staff awareness of aid effectiveness and stimulate further progress, provided it is carefully monitored, with its results acted upon.
6. Results and accountability of Italy’s development co-operation

6.1 The draft three-year Action Plan for Development Co-operation Effectiveness provides for the introduction of RBM in the development co-operation activities carried out by DGCS and AICS. Meanwhile, efforts are being made at project and programme level to make explicit reference to the achievement of development results. AICS draws on quantitative and qualitative indicators to monitor the implementation and assess progress against expected objectives aligned with partner countries’ priorities. Use of indicators is mandatory in all projects and we rely on national data and statistics to the maximum extent.

6.2 Since 2014, Italy has adopted three-year evaluation plans. The 2018-2020 Evaluation Plan is based on defined criteria: strategic priority of the initiative in relation to the partner country or to the area of intervention; continuity in the specific areas of intervention in the partner country; initiatives in emergency or fragile situations due to conflicts or environmental/climatic disasters; magnitude of the financial contribution. DGCS and AICS organise seminars to share and analyse the results of the evaluations, both in the field and at headquarters. Experts and officials responsible for the initiatives evaluated, along with the other stakeholders, attend these seminars which offer an opportunity for learning and drawing lessons. When defining new projects, AICS takes into account lessons and recommendations from past evaluations.

6.3 The Italian Co-operation is committed to undertake a learning process to improve the impact and the effectiveness of its actions. To this end, studies and surveys carried out by international organisations, universities, think tanks and research centres as well as the results of project/programme evaluations are shared and analysed with the staff as well as with relevant stakeholders. Results and findings are increasingly taken into consideration in the policy planning and programming process and translated into operational instructions for administrative and programme officers, to draw on knowledge and experience to build future programmes.

6.4 Italy has defined a wide-reaching communication, awareness-raising and development education policy aimed at:
   i) raising awareness on sustainable development, using all means of communication; ii) fostering transparency and accountability and show people where money is going, for what purpose and with what results; iii) favouring a widespread knowledge of current and future expected trends in relation to the SDGs and promote global citizenship education; iv) promoting the diffusion of good practices in Italy and abroad.

   In 2017 Italy developed the “National strategy on Global Citizenship Education”.

   Italy uses the Internet and social media to inform citizens, partners and communities on development co-operation activities. Following the entry into force of Law 125, the MFAIC website was restructured and a “Development Co-operation Section” was set up. The Agency created its own website and
publishes a blog magazine, “Oltremare”, to communicate and inform a large audience on activities, programs and events. According to Law 125, the Foreign Minister convenes a National Conference for development co-operation every three years. The aim is to inform and give citizens tools to engage critically with global development issues, raise awareness and contribute to increasing public and parliamentary support. The first National Conference was held in January 2018.

7. Italy’s humanitarian assistance

7.1 Law 125 states humanitarian assistance be delivered in line with the GHD principles of humanity, independence, neutrality and non-discrimination. Taking into account the increasing humanitarian needs, Italy has identified some criteria to define its comparative advantage in humanitarian assistance: expertise at national level; presence of CSOs on the ground; relations with beneficiaries at national and local level; co-ordination with I.I.OO. and donors.

7.2 Following the WHS, Italy started a re-organisation process to improve the quality and to ensure synergy between humanitarian and development actions. As an example, Italy is engaged in the implementation of the EU pilot process in Sudan as member of the “Nexus Working Group”. Considering the protracted and man-made nature of many humanitarian crises and taking into consideration the need of improving predictability, a budget proposal is submitted to the approval of the Joint Committee at the beginning of each financial year. The proposal indicates the main areas of intervention and the financial allocations for the year. Italy also committed on multi-year planning for specific crises (Syrian crisis; El Nino; Myanmar/Rohingya crisis).

In order to implement the commitments taken at the WHS and to improve the predictability and flexibility of funding, Italy has steadily increased un-earmarked contributions. In 2017 Italy more than doubled its annual contribution to the Central Emergency Relief Fund of OCHA and since 2014 provides an annual contribution to the Global Fund for Disaster Risk Reduction. Italy started to contribute to the OCHA “Country Based Pooled Funds” and uses the “Emergency Bilateral Fund”, which is a revolving fund yearly financed through voluntary contributions to specific International Organisations.

Flexibility at the operational level has been improved through the adoption of new procedures allowing for the launch of calls for proposals open to local international and consortia of CSOs. The adoption of longer term initiatives (12 to 24 months) goes towards the direction of higher predictability, sustainability, efficiency and effectiveness.

Regular meetings are convened between MFAIC, AICS and the Consortia representing the CSOs to discuss issues of mutual interest, humanitarian funding, geographic areas of intervention, as well as advocacy messages. Consultations with the CSOs take place before and after the International pledging Conferences. Regular meetings take place with the humanitarian community at the MFAIC to foster dialogue, share information from the field and best practices and jointly define operational strategies (especially in the MENA region: i.e. Libya, Syrian crisis, Palestine).
ANNEX 2. ORGANISATIONAL STRUCTURE

2.1 THE ITALIAN SYSTEM FOR DEVELOPMENT CO-OPERATION
2.2 ORGANISATIONAL STRUCTURE OF THE DIRECTORATE GENERAL FOR DEVELOPMENT CO-OPERATION (DGCS)

DIRECTOR GENERAL

CHIEF OF STAFF

DEPUTY DIRECTOR GENERAL
General affairs and development co-operation policy guidance

DEPUTY DIRECTOR GENERAL
Bilateral development co-operation and humanitarian assistance

UNIT FOR STRATEGIES, GLOBAL PROCESSES AND INTERNATIONAL ORGANISATIONS

OFFICE I
Development co-operation policies within the European Union

OFFICE II
Development co-operation programming and policy planning; ODA reporting

OFFICE III
Effectiveness evaluation; budget and supervision of AICS

OFFICE IV
Development co-operation policies in Africa

OFFICE V
Development co-operation policies in the Middle East, Europe, Asia and Latin America

OFFICE VI
Humanitarian assistance and emergency
2.3 ORGANISATIONAL STRUCTURE OF THE ITALIAN AGENCY FOR DEVELOPMENT CO-OPERATION (AICS)

DIRECTOR GENERAL

DEPUTY TECHNICAL DIRECTOR

OFFICE II
Institutional relations and communication

OFFICE I
Programming and general business

DEPUTY ADMINISTRATIVE DIRECTOR

OFFICE IX
Legal affairs

OFFICE X
Financial resources, budget and accounting

OFFICE XI
Human resources

OFFICE XII
Procurement and IT resources

OFFICE XIII
Logistics and Maintenance

Geographical Desks

West and Central Africa

Near East

East and Southern Africa

Central and Latin America

North Africa and Balkans

Asia

OFFICE III
Opportunities and economic development

OFFICE IV
Human development

OFFICE V
Environment

OFFICE VI
Rural development

OFFICE VII
Emergency and Fragile States

OFFICE VIII
Public-Private Partnerships

OFFICE IX

OFFICE X

OFFICE XI

OFFICE XII

OFFICE XIII

Afghanistan
Kabul

Albania
Tirana

Bolivia
La Paz

Burkina Faso
Ouagadougou

Cuba
Havana

Egypt
Cairo

El Salvador
San Salvador

Ethiopia
Addis Ababa

Jordan
Amman

Kenya
Nairobi

Lebanon
Beirut

Mozambique
Maputo

Myanmar
Yangon

Pakistan
Islamabad

Senegal
Dakar

Somalia
Mogadishu

Sudan
Khartoum

Tunisia
Tunis

Vietnam
Hanoi

West and Central Africa

Near East

East and Southern Africa

Central and Latin America

North Africa and Balkans

Asia

Afghanistan
Kabul

Albania
Tirana

Bolivia
La Paz

Burkina Faso
Ouagadougou

Cuba
Havana

Egypt
Cairo

El Salvador
San Salvador

Ethiopia
Addis Ababa

Jordan
Amman

Kenya
Nairobi

Lebanon
Beirut

Mozambique
Maputo

Myanmar
Yangon

Pakistan
Islamabad

Senegal
Dakar

Somalia
Mogadishu

Sudan
Khartoum

Tunisia
Tunis

Vietnam
Hanoi
## ANNEX 3. GLOSSARY AND ABBREVIATIONS

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>AAAA</td>
<td>Addis Ababa Action Agenda</td>
</tr>
<tr>
<td>AICS</td>
<td>Italian Agency for Co-operation and Development</td>
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<tr>
<td>AsVIS</td>
<td>Italian Alliance for Sustainable Development</td>
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<tr>
<td>CCM</td>
<td>Country Coordination Mechanism (GFATM)</td>
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<tr>
<td>CDP</td>
<td>Cassa Depositi e Prestiti</td>
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<tr>
<td>CEB</td>
<td>Council of Europe Development Bank</td>
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<tr>
<td>CICS</td>
<td>Inter-ministerial Committee for Development Co-operation</td>
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<tr>
<td>CNCS</td>
<td>National Council for Development Co-operation</td>
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<tr>
<td>CSOs</td>
<td>Civil Society Organizations</td>
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<tr>
<td>DEF</td>
<td>Economic and Financial Document</td>
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<tr>
<td>DEG</td>
<td>Development Effectiveness Group</td>
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<td>DGCS</td>
<td>Directorate General for Development Co-operation</td>
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<tr>
<td>EBF</td>
<td>Emergency Bilateral Fund</td>
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<tr>
<td>EIP</td>
<td>European External Investment Plan</td>
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<tr>
<td>GCE</td>
<td>Global Citizenship Education</td>
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<tr>
<td>GFATM</td>
<td>Global Fund to fight Aids Tuberculosis and Malaria</td>
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<tr>
<td>GPE</td>
<td>Global Partnership for Education</td>
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<tr>
<td>GPEDC</td>
<td>Global Partnership for Effective Development Co-operation</td>
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<tr>
<td>HIPC</td>
<td>Heavily Indebted Poor Countries</td>
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<td>IATI</td>
<td>International Aid Transparency Initiative</td>
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<td>ICRC</td>
<td>International Committee of the Red Cross</td>
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<tr>
<td>IDPF</td>
<td>International Dialogue of Peacebuilding and State-building</td>
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<tr>
<td>INCAF</td>
<td>International Network of Conflict and Fragility</td>
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<tr>
<td>ISTAT</td>
<td>National Institute for Statistics</td>
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<tr>
<td>JC</td>
<td>Joint Committee</td>
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<tr>
<td>LDCs</td>
<td>Least Developed Countries</td>
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<tr>
<td>LRRD</td>
<td>Linking Relief and Rehabilitation Development</td>
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<tr>
<td>MEF</td>
<td>Ministry of Economy and Finance</td>
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<tr>
<td>MFAIC</td>
<td>Ministry of Foreign Affairs and International Co-operation</td>
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<tr>
<td>MRF</td>
<td>Migrant and Refugee Fund</td>
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<tr>
<td>NPA</td>
<td>New Partnership Agreement</td>
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<td>NSDS</td>
<td>National Sustainable Development Strategy</td>
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<td>ODA</td>
<td>Official Development Assistance</td>
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<tr>
<td>PCSD</td>
<td>Policy Coherence for Sustainable Development</td>
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<td>PPPD</td>
<td>Programming and Policy Planning Document</td>
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<tr>
<td>RBM</td>
<td>Results-based Management</td>
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<td>RF</td>
<td>Revolving Fund</td>
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<tr>
<td>QA</td>
<td>Quality Assurance</td>
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<tr>
<td>SDGs</td>
<td>Sustainable Development Goals</td>
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<tr>
<td>WHS</td>
<td>World Humanitarian Summit</td>
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