





## Towards a comprehensive Italian development effort

### *Italy is a small donor in Senegal, but ties between the countries go beyond aid*

Italian development co-operation in Senegal is long-standing but small. Senegal is one of Italy's 22 priority countries, consistently featuring in the list of its top 15 recipients. From 2014-17, Italy's aid averaged USD 14 million per year. This corresponds to 1.4% of all donors and 2.3% of DAC donors, placing Italy outside the top 10 donors in Senegal. Levels of Italian co-operation are similar to, though smaller than, those of Belgium, Germany, Korea and Luxembourg, and far behind several large donors. Rural development, private sector development and education are Italy's focal sectors, with a cross-cutting priority on gender equality.

Links between Italy and Senegal are not limited to bilateral government-to-government co-operation. Italian civil society organisations (CSOs), including from the diaspora, regional entities and research institutions are part of the Italian co-operation system. The Senegalese diaspora in Italy contributed an estimated 19% of total remittance flows to Senegal in 2017 (The World Bank, 2018<sup>[6]</sup>). For Senegal, trade relations with Italy are sizeable, at more than 2% of imports and exports in 2017 (World Integrated Trade Solution, 2019<sup>[6]</sup>).

### Italy's policies, strategies and aid allocation

#### *Italy has used the joint EU strategy to adjust focus*

Italy's last officially approved country programme for Senegal covered the period 2014-16. It then postponed the elaboration of a new strategy to ensure coherence with the Joint European Strategy for Senegal 2018-23, signed in December 2018 by European partners and the Senegalese government. In the European strategy, Italy confirmed its sectoral focus on rural development and employment and narrowed the focus of its third sector on education, all the while mainstreaming gender equality. Italy's development co-operation programme reflects Senegalese priorities well. Contrary to intentions in the joint Italy-Senegal 2016 review (AICS Dakar Office, 2016<sup>[7]</sup>), Italy did not expand its engagement in the health sector. Instead, it included new activities on border and migration management, that fall under the remit of Italy's Ministry of Interior and implemented in collaboration with Italian civil society organisations.

#### *Italy can define its added value and reflect the contributions of all Italian actors in its new country strategy*

Developing a new country strategy is a great opportunity for Italy to set out its added value as a smaller donor. Italy supports pilot initiatives and innovative approaches targeting vulnerable populations, including poor women as well as out-of-school and children with disabilities. Government authorities and partners appreciate this contribution and, in some instances, already have or intend to replicate successful approaches. However, in order to maximise its impact, Italy could assess how best to increase the likelihood of replicating successful initiatives, together with the Senegalese Government. Supporting Senegal's development beyond projects, i.e. through broader sector approaches, might also help Italy identify potential for synergies between projects, within and across sectors, and build on its good contributions to inclusive development.

A new Italian country strategy should also reflect the full extent of government co-operation, as recommended in the 2014 peer review. The Joint European Strategy illustrates this challenge: while Italy indicated allocations for its focal sectors, it did not provide amounts for Italian activities on border management or migration management. It is also not clear whether the strategy reflects co-operation that is planned between the Ministry of Environment and Senegal.<sup>4</sup> A whole-of-government strategy is

important for a coherent Italian approach, and would build on the clear awareness of priority issues in the Italian embassy.

Finally, a new strategy could highlight the role and added value of all co-operation actors. For instance, Italy's multilateral co-operation is a useful complement to its bilateral efforts, using limited funding to pilot initiatives and support policy change. Within the Italian system, civil society, decentralised co-operation, the Senegalese diaspora and the private sector all contribute to Senegal's development. The strategy could specify how their actions link to government-to-government co-operation with Senegal and other countries in the region.

Italy's co-operation engages with a number of countries in the region, and to a small extent with regional institutions such as the Senegal River Basin Development Organisation (OMVS) and the Economic Community of West African States (ECOWAS). The AICS office in Dakar also covers co-operation with Sierra Leone, Guinea, Guinea Bissau, Mali and Mauritania, and regional monitoring also includes Cape Verde and The Gambia. The 2014 West Africa strategy for Italian co-operation analyses the challenges in the region (Ministry of Foreign Affairs, 2014<sup>[8]</sup>). Co-operation responses are bilateral or multi-country delivered through multilateral organisations' programmes. Regional institutions or cross-border action do not feature in the West Africa strategy.

### ***Close ties between both countries have potential to enhance Italian financing for Senegalese development***

Italy's aid allocations have remained stable, at relatively low levels. Since 2014, Italy committed to providing around EUR 15 million per year, continuing this trend in 2017 and confirming it for 2018-20 in the joint European strategy. This comprises one-third in grants and two-thirds in loans,<sup>5</sup> for which Italy regularly monitors debt sustainability. The government appreciates the high degree of concessionality of Italy's loans.

It was clear, however, that the Senegalese Government, Parliament and civil society expect more of Italian support and technical expertise, considering the close ties between Senegal and Italy. In order to increase its weight as a donor significantly, Italy would have to double its annual allocations, a challenging prospect considering the projected ODA trends. Nonetheless, the potential for stronger Italian co-operation engagement also exists beyond ODA, in the large Senegalese diaspora and existing trade relations. Italy could build on its efforts to include the diaspora in the innovative programme "*Plateforme d'appui au secteur privé et à la valorisation de la diaspora sénégalaise en Italie*" (Platform to support the private sector and to benefit from the Senegalese diaspora in Italy - PLASEPRI) to mobilise greater engagement by the Italian private sector, and to increase the development impact of remittances. Other opportunities lie in AICS's creative communication for the Senegalese and Italian public using a variety of media.

## **Organisation and management**

### ***The embassy and AICS have managed the transition well***

In Senegal, Italian co-operation has succeeded in managing the institutional transition of development co-operation from the embassy to AICS with limited impact on operations. The creation of AICS through Law 125/2014 defines clear lines of accountability between the ministry and the agency (see Chapter 4). While work was required to ensure the shift of legal responsibility for Italian projects, the embassy and AICS ensured that there was no interruption, or significant impact, on co-operation.

The embassy and AICS Dakar co-operate well. An important factor in this close collaboration is the ambassador's strong experience in Italian co-operation. Nonetheless, AICS recognises it could do more

to raise awareness among partners and stakeholders of the new institutional roles within Italian co-operation.

### ***Procedural delays at headquarters are undermining project delivery***

It was clear that AICS Dakar would benefit from timelier backstopping from AICS headquarters, which is not yet operating at full capacity (Chapter 4). Currently, AICS headquarters does not always have the technical and administrative capacity to react quickly to requests for approval, leading to long delays in procurement and disbursement. Although project extensions are possible, delays often frustrate partners, impede the co-ordination of activities within and across projects, and make annual systematic reporting more challenging. Ultimately, delayed activities may also lose relevance or no longer match priorities.

### ***Highly motivated staff compensate for weak human resource management***

AICS staff in Senegal demonstrate strong commitment and personal motivation. Partners expressed their great appreciation of the staff, stressing that they were very accessible, attentive and gave quality advice. On the other hand, human resources management is creating risks for staff retention, well-being and performance. Local staff have no access to training or performance management. They also expressed frustration about the very few opportunities for professional development and their low pay compared to other embassies. Staff were not aware of any grievance mechanisms in place.

Most Italian and local staff are on short-term contracts (Table C.1), which do not offer stability or visibility. With the exception of the director, there is no rotation foreseen from one country office to the other or to headquarters. In practice, experts hired for AICS Dakar can apply to other AICS positions abroad, but cannot work at headquarters unless they secure a permanent contract. There is also no integrated and formal knowledge management system to ensure that learning is systematically shared internally and externally. These various factors create substantial risks for AICS's capacity to deliver high-quality development co-operation over the long term.

**Table C.1. AICS staff in Dakar**

	Italian contract	Senegalese contract, but social security contributions paid in Italy	Senegalese contract
Permanent	Director of agency (1)		Administrative staff (4)
Long-term	Mission expert (1)		
Short-term	Mission expert (4)		
Fixed-term		Italian experts (6)	Fixed-term administrative functions and drivers (4)
Part-time	Italian experts with flexible working arrangements (5)		Part-time local contracts hired via temporary employment agency (3)
Other: one-year trainee in framework of Italian fellowship programme funded by Rome	UN DESA* fellow (2)		

Note: \* United Nations Department of Economic and Social Affairs.

Source: AICS Dakar.

## Partnerships, results and accountability

### *Ownership and alignment are at the heart of Italian co-operation*

The Senegalese Government expressed great appreciation for Italy's respect for and proactive support of Senegalese country leadership and ownership. Projects on education and agriculture are well aligned with Senegal's priorities. Implementation of the Italian programmes relies directly on Senegalese civil servants, local authorities and existing community structures, building their capacity in an effort to ensure sustainability. AICS engages in wide stakeholder consultation from the project design stage onwards, based on its strong networks and knowledge of operating in some of the hardest to reach parts of Senegal, such as Casamance. In 2015 and 2016, Italy and Senegal undertook joint reviews to reinforce mutual accountability. While calls for proposals managed from Rome are only open to Italian NGOs, those managed from AICS Dakar for emergency or humanitarian programmes are eligible to local organisations (Chapters 5 and 7). Both modalities provide partnering arrangements with local authorities and/or Senegalese NGOs. In its projects, Italy has also strengthened co-operation between Italian research institutions (on applied research for agriculture) and think tanks (on gender budgeting).

On cross-cutting issues, Italy distinguishes itself among partners through its work on gender equality and inclusion. In addition to managing gender-focused projects and mainstreaming in project design, the gender focal point co-ordinates performance monitoring, including reporting on AICS spending related to gender equality. Italy is also piloting a gender marker for NGO projects. Italy also aims to strengthen the link between natural resource management and agriculture, building on its expertise in this area. If well-co-ordinated, the possible engagement of the Ministry of Environment could be a further opportunity in this regard.

### *Italy takes responsibility for donor co-ordination*

Partners value highly Italy's strong contribution to donor co-ordination, as well as its readiness for engagement, its flexibility and its problem-solving approach. Italy presided over the G15 donor co-ordination group from 2016 to mid-2019, led the implementation of the EU gender action plan from 2011 to 2017, and co-chaired the joint European strategy private sector working group.

Co-operation with the EU is central to Italy in strategy and operations. Italy strongly supports EU Joint Programming, and the joint European strategy will guide Italy's new country programme. EU delegated co-operation, which today represents 16% of the Italian portfolio in Senegal, presents both opportunities and challenges. It affords AICS flexibility in its operations, such as partnering directly with local and international NGOs, recruiting experts under longer contracts, and developing broader partnerships. At the same time, as delegated co-operation becomes an increasingly important part of the agency's business model and portfolio, it will be important for AICS to define how it will ensure coherence and create synergies with Italy's bilateral co-operation.

### *Need for stronger results management*

Managing for development results is limited to project approaches. Italy's dedication to alignment and ownership also translates into project results frameworks, but stops there. Italy would benefit from making the link between activities and a broader country results framework as part of its new country strategy. Alignment with the SDGs and Senegal's national and sector results frameworks would make it easier to collect data and to enable Italy to communicate its contribution to Senegal's development outcomes. In this regard, Italy could benefit from current work by the OECD DAC results community on using the SDGs as a shared framework for results (OECD, 2019<sup>[9]</sup>).

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## Notes

<sup>1</sup> The OECD's States of Fragility Report 2018 considers Senegal to no longer be fragile (OECD, 2018<sup>[10]</sup>).

<sup>2</sup> Senegal ranks 10<sup>th</sup> out of 54 in the Ibrahim Index of African Governance, with steady improvements over the last ten years (Mo Ibrahim Foundation, 2019<sup>[12]</sup>). On Transparency International's 2018 Corruptions Perceptions Index Senegal ranks 67<sup>th</sup> of 180 countries (Transparency International, 2019<sup>[13]</sup>).

<sup>3</sup> In 2017, ODA constituted 4.4% of gross national income and 24% of central government expenses (The World Bank, 2019<sup>[14]</sup>).

<sup>4</sup> The Ministry of Environment indicates that it is currently negotiating a co-operation agreement (Ministry of Environment and the Protection of the Territory and the Sea, 2019<sup>[11]</sup>).

<sup>5</sup> A number of bilateral and multilateral donors provide loans to Senegal. Italy's share of all donors' gross loans in 2017 was 2.3%.