

0.22% GENUINE AID/GNI

0.29% TOTAL AID/GNI

ITALY



“Public opinion in our country must be made more aware of how strategic development aid is. We have long been committed to allocating 0.7% of GNI to this. It is time, gradually, to meet this commitment.”

Marina Sereni, Deputy Minister of Foreign Affairs and Development Cooperation, Vita magazine, June 2022

MAIN CHANGES IN 2021

In 2021, Italy went through the third government change since March 2018. However, with respect to development cooperation, leadership continuity was ensured by the Ministry of Foreign Affairs and Development Cooperation, Luigi Di Maio; Marina Sereni became Deputy Minister for Development Cooperation.

The 2021 G20 Rome summit made progress in several areas that speak to development cooperation, including a voluntary framework to support Integrated National Financing Frameworks, the official acknowledgement of the Finance in Common Summit (FiCS) of public development banks, and an ad hoc summit on health and pandemic preparedness together with the EU.

This groundswell of interest in the development agenda was then confirmed by the allocation of more resources for development cooperation in the budget law for 2022, including a climate fund worth EUR 840 million annually for five years. Initial figures for 2021 also indicate an increase, from 0.22% to 0.28% ODA/GNI (grant equivalent measure). CSOs reacted positively to this welcome but highly volatile increase, which was largely due to COVID-19 expenditures, debt relief and refugee costs. The Afghanistan crisis left a definite mark on Italian public opinion and development cooperation. Given Italy's direct involvement in the country's affairs, support for refugees from Afghanistan is still very high on the agenda.



CASE STUDY

Dialogue with CSOs in the response to the Afghanistan crisis is a good practice that speaks to the multistakeholder approaches incorporated in the sector legislation and mirrors what happened the previous year during the COVID-19 pandemic. There was full recognition of the role the Italian CSOs had been playing in the country for many years: at a time of crisis civil society provided exceptional resources that helped save lives. Despite the challenges, dialogue with CSOs on the Afghanistan crisis continues in 2022 and has informed the debate on reviewing Italy's policies on emergency response

THE GOVERNMENT'S RELATIONSHIP WITH CSOs

The centrepiece for CSO involvement is the National Council for Development Cooperation (CNCS) and its working groups, which are mostly CSO-led and bring together a great variety of development actors. After the government reshuffle in early 2021, the dialogue process regained momentum, and a major item on the agenda was the multi-year draft plan, which went through several consultation rounds. CSOs were immediately involved in the aftermath of the Taliban's retake of Kabul, with a first crisis meeting on 26 August. Discussions covered the most urgent items including support for local partners who needed to leave the country. In terms of resources, there were no major new allocations for CSOs; these materialised only the following year as part of the call for proposal launched in 2020.

TRENDS AND PROJECTIONS FOR 2022 AND BEYOND

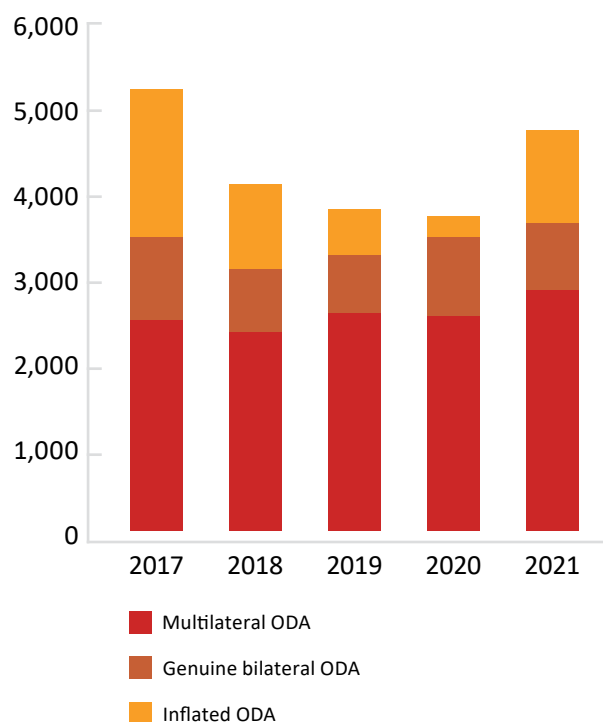
The abrupt government crisis and early general elections in September 2022 are jeopardising the efforts in place to reinvigorate Italy's development cooperation. For a more comprehensive assessment, a full review later in the year is needed; however, it is hard to expect a major aid increase in the budget law for 2023.

Worthy of note is the second National Conference on Development Cooperation, mandated by the sector legislation, in June 2022, which displayed renewed support for development cooperation from the national leadership, including the President of the Republic and key Cabinet members, who spoke in favour of the 0.7% target in line with CSO messages and especially with the Campagna 070 platform. Other trends to watch include Italy's support for Ukraine after Russia's invasion (through a budget support agreement of EUR 110 million in additional resources), the CSOs call for proposals of 2020 reaching the decision phase, an action plan on global citizenship, the DAC Mid-term peer review, and initial consultations for a more inclusive general planning process.

RECOMMENDATIONS TO THE ITALIAN GOVERNMENT

- Renew commitments to increasing ODA levels steadily from 0.28% in 2021 to 0.70% in 2030, including by ad hoc legislation.
- Revamp the Italian national plans on development effectiveness, including commitments for all the actors acknowledged by the national legislation.
- Implement the national programme on policy coherence for sustainable development drafted in 2022.
- Consolidate multi-stakeholder dialogue and support for CSOs in line with the DAC Recommendations on Enabling CSOs.
- Further develop inclusive programming to enhance the democratic ownership of Italy's development cooperation.

ITALY – GENUINE AND INFLATED ODA (€ million, constant 2020)



ODA TO LDCS (€ million, constant 2020)

Year	ODA to LDCs	%GNI	% ODA
2017	1080.495	0.06	19.9
2018	1046.097	0.06	24.5
2019	1114.132	0.06	28.2
2020	938.9	0.056267	24.3

AID MODALITY (€ million, constant 2020)

Year	Bilateral (gross)	Grants	Loans	Loans (% of gross bilateral)
2017	2968.5	2693.9	274.6	9.2
2018	1877.9	1804.0	73.9	3.9
2019	1349.9	1242.5	107.4	8.0
2020	1231.1	908.6	322.6	26.2

ODA TO CLIMATE FINANCE (€ million, constant 2020)

	ODA for mitigation	ODA for adaptation	Total climate finance	Adaptation finance as % of climate finance	Climate finance as % of ODA
2017	105.6	108.4	214.0	50.6	3.9
2018	56.9	46.6	103.5	45.0	2.4
2019	74.4	71.0	145.4	48.8	3.7
2020	136.3	182.6	318.9	57.3	8.3

ODA TO SUPPORT GENDER EQUALITY (€ million, constant 2020)

	Bilateral allocable	Total screened	Not screened	None	Significant	Principal	Significant (% of screened)	Principal (% of screened)
2017	1065.0	767.5	297.5	376.9	363.6	27.0	47.4	3.5
2018	878.0	655.2	222.7	282.0	318.9	54.4	48.7	8.3
2019	857.1	706.8	150.2	348.3	300.0	58.5	42.4	8.3
2020	935.3	821.8	113.5	457.1	334.6	30.1	40.7	3.7

ODA TO SUPPORT CSOs (€ million, constant 2020)

	Non-CSO	CSO Earmarked	CSO Core funding	Total bilateral CSO support (% bilateral)	Total bilateral CSO support (% ODA)	Core bilateral CSO support (% bilateral)	Core bilateral CSO support (% ODA)
2017	2555.3	78.9	120.6	7.2	3.7	4.4	2.2
2018	1556.6	107.6	123.3	12.9	5.4	6.9	2.9
2019	1002.6	92.7	121.6	17.6	5.4	10.0	3.1
2020	967.8	71.3	106.7	15.5	4.6	9.3	2.8