

KEY QUESTION

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Who are the main actors in Italian development cooperation?

The MAECI leads on strategy; Italy's new development agency will implement

Since December 2016, Prime Minister Paolo Gentiloni (Democratic Party, PD) leads the government. The Italian Prime Minister engages in development when it comes to high-level commitments or international conferences. He is a key stakeholder, particularly in light of Italy's upcoming G7 presidency in 2017, in which development issues related to migration, agriculture and food security are expected to feature prominently.

The 2014 law on cooperation profoundly restructured Italy's development cooperation system: it strongly aligns development policy with foreign affairs. Within government, two ministries are involved in development cooperation:

- The Ministry of Foreign Affairs and International Cooperation (MAECI) is responsible for defining the strategic direction of development policy. It is currently headed by Angelino Alfano (founder of the New Centre-Right party). Within the MAECI, the Deputy Minister of Foreign Affairs (Mario Giro) manages development policy. He supervises the MAECI's Directorate General for Development Cooperation (DGCS) and the work of the Italian Agency for Development Cooperation (AICS), as well as Italy's new development bank. The DGCS is in charge of defining the strategic direction of development programs. Pietro Sebastiani, its Director-General since August 2016, intends to restructure the DGCS internal offices.
- The Ministry of Economy and Finance (MEF), led by Pier Carlo Padoan (no party affiliation), is also a key player: it has control (jointly with the MAECI) over relations with and contributions to development banks and funds, and collaborates with the MAECI on ODA budget.

MAECI and MEF are also members of the Interministerial Committee for Development Cooperation (CICS), established in 2014 as part of the reform. The CICS usually meets twice a year to approve the three-year Programming Guidelines and Directions and the overall ODA budget. The CICS is chaired by the Prime Minister and composed of the Minister of Foreign Affairs, the Deputy Minister, and representatives from other ministries, including Finance and Environment. The Joint Develop-

ment Cooperation Committee (Comitato Congiunto) decides on operational issues, including on funding for projects over €2 million. It is chaired by the MAECI and composed of the heads of MAECI's DGCS and the development agency AICS.

Italy's new Italian Agency for Development Cooperation (AICS) was set up in January 2016 and is headed by Laura Frigenti. AICS is in charge of developing, supervising, or directly implementing programs. The agency may only autonomously approve funds of up to €2 million. Its staff number is limited by law to 200. Italian civil society organizations (CSOs) are concerned that this could limit the agency's capacity to implement the planned increase in development programs.

In addition, the 2014 reform introduced the first Italian development finance institution as part of the Bank of Deposits and Loans (CDP), a joint-stock company under public control that manages postal savings. It finances development projects through private and public financing (primarily blending MAECI and MEF resources with EU funding), risk-sharing, and capital-risk instruments, and is meant to improve "access, control, and coordination of the financial activities of banks and multilateral funds". The CDP is supervised by the MAECI.

Civil society is involved in the policy-making process mainly through the National Council for Development Cooperation (CNCS). It is a consultative body – introduced by the 2014 reform – which brings together 50 members of different backgrounds: private-sector organizations, CSOs, and public authorities. It expresses its views on the three-year programming guideline and other development issues. The CNCS currently divides its work into three groups ('Agenda 2030', 'private sector', and 'migration and development') that each meet every two months.

The parliament plays an important role in the budget process. The Italian parliament has two chambers: the Chamber of Deputies and the Senate. They examine, amend and vote on the draft budget bill developed by the government. The Foreign Affairs Committees of both chambers give recommendations on ODA budget amendments, while the Budget Committees of both chambers make the final decision.

ITALY'S DEVELOPMENT COOPERATION SYSTEM

