

## KEY QUESTIONS

### the big six

# 4



## Who are the main actors in Italy's development cooperation?

**The MAECI leads on strategy; Italy's new development agency, AICS, implements bilateral programs; embassies play a key role on the ground**

The new government of Italy is based on a coalition of the anti-establishment 5-Star Movement and the right-wing League. In 2019, there is a risk of early election if the coalition decides to dissolve due to disagreement on essential matters. The Italian prime minister, currently Giuseppe Conte (Movement 5 stars), engages in development when it comes to high-level commitments or international conferences. Conte appointed Pietro Benassi, former Italian ambassador to Germany, as his diplomatic advisor.

In 2014, Italy's development cooperation system was profoundly restructured. The reform aimed to better align development policy with foreign affairs. Amongst other new initiatives, the Italian Agency for Development Cooperation (AICS) and a new development bank were established.

Within government, two main 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 Enzo Moavero Milanesi (no party affiliation). Within the MAECI, the Deputy Minister of Foreign Affairs (Emanuela del Re) manages development policy. She supervises the MAECI's Directorate General for Development Cooperation (DGCS), which is in charge of defining the strategic direction of development programs. Its Director-General is Giorgio Marra-podi since January 2018. Del Re also supervises the work of AICS and the development bank.
- The **Ministry of Economy and Finance** (MEF), led by Giovanni Tria (no party affiliation), is also a key player: the MEF prepares revenue and financial analysis for the MAECI, oversees and assesses the economic and financial effects of laws and policies, and jointly with the MAECI controls the ODA budget, as well as relations with and contributions to multilaterals.
- MAECI and MEF are also members of the **Interministerial Committee for Development Cooperation** (CICS), established in 2014 as part of the reform. The

CICS represents the institutional setting for interaction among different ministries involved in development cooperation and aims to ensure coherence of policies and approaches. The CICS usually meets twice a year to approve the three-year Programming Guidelines for Italian Development Cooperation and the overall ODA budget. The CICS is chaired by the prime minister and composed of the minister of foreign affairs, the deputy minister of foreign affairs, and representatives from other ministries, including Finance and Environment. **The Joint Development Cooperation Committee** ('Comitato Congiunto') decides on operational issues, including on funding for projects over €2 million (US\$2.3 million). It is chaired by the MAECI and composed of the heads of MAECI's DGCS and AICS.

**AICS** was set up in January 2016. It is in charge of developing, supervising, and directly implementing programs. The agency may only autonomously approve project funds of up to €2 million (US\$2.3 million). AICS' staff was initially limited to 200, prompting concerns from Italian civil society organizations (CSOs) about limited capacity that could negatively impact program implementation. In 2018, the ceiling was increased to 240. The position of director has been vacant since government elections in 2018; Leonardo Carmenati is leading AICS as deputy director general.

The 'Cassa Depositi e Prestiti' (CDP) operates as The **Italian development bank and has a new mandate as an international financial institution (IFI)** for development cooperation since 2014. Since 2016 the CDP also manages the **Revolving Fund for Development Cooperation (FRCS)**. In total it manages resources of €5.4 billion (US\$6.1 billion) and since 2017 is authorized to use its own resources up to 1€ billion (US\$1.1 billion) per year. CDP's focus in development cooperation is the management of the FRCS on behalf of the Italian government; direct lending to sovereign and multilateral entities, working with the private sector and other partners in co-financing with multilateral development banks; and technical financial advisory to the Ministry of Foreign Affairs, AICS, and other Italian public institutions.

Embassies play a key role in programming bilateral funds on the ground. Allocations to partner countries are based on multi-year country programs developed by DGCS. To do so, the DGCS consults Local Technical Units and em-

embassies in the field. Priority sectors and allocations are outlined in these documents. Based on the country programs, the DGCS annually reviews and updates its guidelines for development cooperation. These guidelines define annual priority countries and key bilateral programs. At a country level, regional departments at DGCS' headquarters then develop and approve projects after consultation with embassies. Due to their close relations with partner-country stakeholders, embassies often have an influential role.

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 organ-

izations, CSOs, and public authorities. It expresses its views on the three-year programming guidelines 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 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

