

KEY QUESTIONS

the big six



How much ODA does Italy provide?

The government has committed to gradually increase ODA to 0.4% of GNI by 2021, but the 2019 budget indicates decreases in coming years

In 2018, Italy spent US\$5.0 billion on total ODA (current prices), making it the eighth-largest donor country among members of the Organisation for Economic Co-operation and Development's (OECD) Development Assistance Committee (DAC). This corresponds to 0.24% of Italy's GNI, making Italy the 18th-largest donor in relative terms.

These numbers are based on the new methodology for measuring ODA loans which the OECD DAC will apply to ODA reporting for 2018 onward. Preliminary ODA figures for 2018 using this new methodology were first released in April 2019. This methodology, called 'grant-equivalent' methodology, provides a more accurate way to count donor efforts in concessional ODA loans because only the 'grant' portion of loans, expressed as a monetary value, is counted as ODA. The impact of this methodology reform on Italy's ODA is currently small. According to the previous methodology, known as the 'cash basis' methodology, net ODA was 2% below ODA figures using the new methodology.

To allow for comparison overtime, the OECD still publishes net ODA disbursements according to the cash basis methodology. Following sharp decreases between 2008 and 2012 due to the economic crisis, Italy's ODA doubled between 2012 and 2017, reaching a peak of US\$5.9 billion

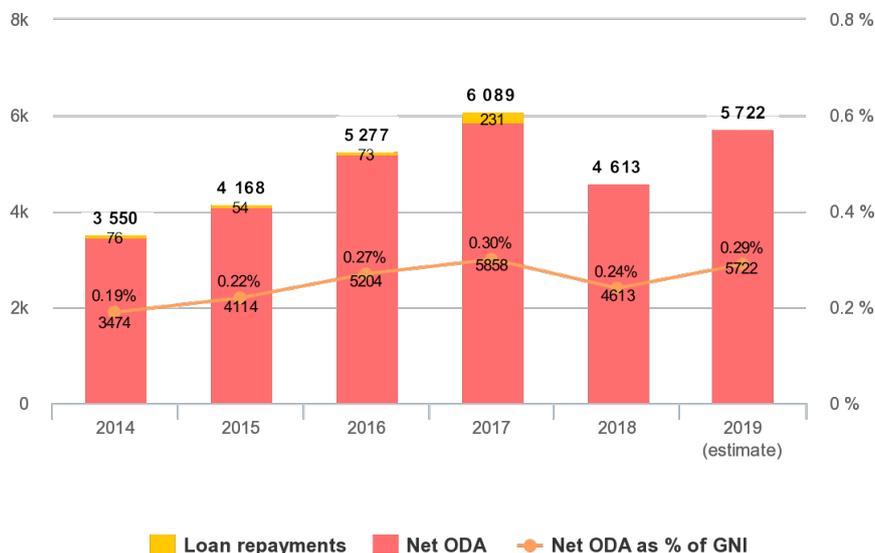
(constant prices). Between 2017 and 2018, ODA decreased by 21%. These fluctuations were largely driven by changes in the costs of hosting refugees in Italy, but also stemmed from the establishment of an Italian development agency in 2016.

Due to its geographic position, Italy has been at the front-line of refugees reaching Europe by sea. ODA-reportable costs of hosting refugees in Italy rose significantly in the last years: while in 2012 they were only US\$226 million (or 9% of net ODA), in 2017 they reached US\$1.8 billion, accounting for 31% of Italy's net ODA. In 2018, refugee costs decreased for the first time since 2012, to US\$1.1 billion. When excluding these costs, net ODA between 2017 and 2018 still decreased by 12% (from US\$4.1 billion to US\$3.6 billion in 2018). Despite declines in arrivals, the Italian Ministry of Interior has budgeted US\$1.9 billion for 2019 for hosting refugees as well as to "assistance to countries in the field of migration and asylum".

Despite reaffirmation in September 2018 from the current government to gradually increase the ODA/GNI share to 0.4% by 2021, the budget after 2019 further undermines this commitment. The new budget law approved in December 2018 after long discussions with the EU over Italy's public deficit indicates a gradual decrease of ODA from €5.1 billion (US\$5.7 billion, 0.29% of GNI) in 2019 to €4.6 billion (US\$5.2 billion or 0.26% of GNI) in 2021, given a projected growth rate of 1%. ODA levels as a share of GNI are expected to drastically decrease over the next years, which has prompted concerns from civil society.

ITALY'S GROSS/NET ODA DISBURSEMENTS*

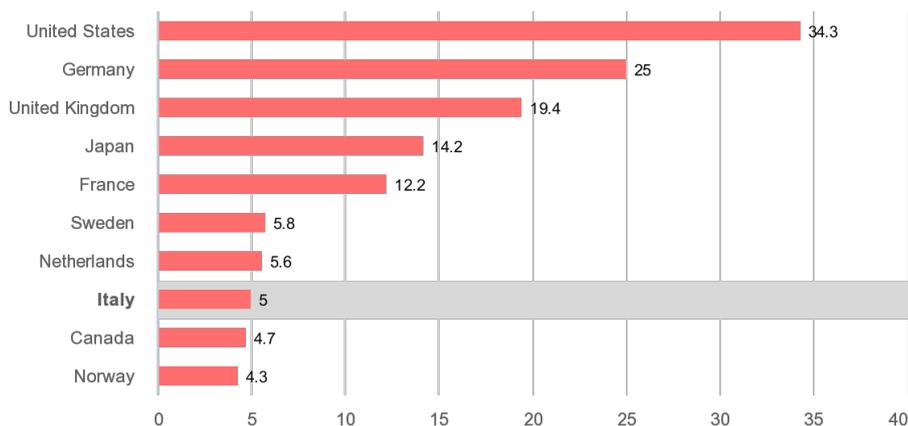
US\$ millions; in 2017 prices



Source: OECD table DAC1. 2018 number according to preliminary data (April 2019).
ODA estimates for 2019 based on government data.

TOP 10 DAC DONOR COUNTRIES, 2018

Total ODA Disbursements; US\$ billions; in current prices



OECD DAC preliminary data (April 2019).

TOP 20 DAC DONOR COUNTRIES, 2018

Total ODA as % of GNI



Further information: 2017 prices

To compare ODA levels in any given year with ODA levels provided in other years, figures need to be adjusted to account for inflation and exchange rate fluctuations. The OECD provides data that accounts for these fluctuations. In this profile, and unless indicated otherwise, figures are stated using 2017 prices.