

## 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**

In August 2019, Italy formed a new government, comprising of the Five Star Movement and the center-left Democratic Party, which forced the far-right League party into opposition. The new coalition was triggered by a no confidence motion, initiated by the right-wing League to bring down the government that it had formed with the Five Star Movement since June 2018. Matteo Salvini (former minister of the Interior and current federal secretary of the League) hoped to trigger new elections by October, however before then, the Five Star Movement and the center-left Democratic Party had reached a coalition agreement that forced the far-right League party into opposition.

Giuseppe Conte survived the change of government and is now in his second mandate as Prime Minister of Italy. After the government change, Conte announced that there would be a more 'responsible approach' to governing. He promised more investment and a better economy. He also proposed to work with Brussels to reform the budget and immigration laws. Furthermore, Mr. Conte stated that Italy would ask Europe to increase investments in Africa and intensify cooperation there, in order to control the flow of unregulated migration. Conte has 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 Luigi Di Maio (Five Star Movement's leader). Within the MAECI, the Deputy Minister of Foreign Affairs, Emanuela del Re (Five Star Movement), manages development policy. Del Re was appointed in Au-

gust 2018 and again reappointed in September 2019. She supervises the MAECI's Directorate General for Development Cooperation (DGCS), which is in charge of defining the strategic direction of development programs and is headed by Giorgio Marrapodi as the Director-General since January 2018. Del Re also supervises the work of AICS and the development bank.

- The **Ministry of Economy and Finance** (MEF), led by Roberto Gualtieri (Democratic Party-PD), 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. In addition, the MEF 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 the limited capacity that could negatively impact program implementation. In 2018, the ceiling was increased to 240. The Italian diplomat Luca Maestriepieri is leading AICS since April 2019.

The 'Cassa Depositi e Prestiti' (CDP) operates as The **Ital-**

**ian 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 embassies on 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 consul-

tation 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 organizations, 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

