

## KEY QUESTIONS

### the big six

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## How is Italy's ODA budget structured?

### Foreign Ministry manages main ODA budget line; Ministry of Interior covers costs of hosting refugees

The budget law indicates that Italy will spend €5.1 billion (US\$5.7 billion) on ODA in 2019. This would be a slight decrease from US\$5.9 billion in 2017. In 2017, 31% of ODA went toward the cost of hosting refugees in Italy, funding for which is provided by the Ministry of Interior. These costs continuously and significantly increased between 2012 and 2017, going from US\$226 million in 2012 to US\$1.8 billion in 2017. In 2019, the Ministry of Interior's budget for hosting refugees and migration-related assistance in third countries is set at US\$1.9 billion. Despite declines of incoming migrants, Italy still receives very high numbers of asylum seekers every year, who reach Europe via the Mediterranean Sea. Due to its geographic position, the costs of hosting refugees in Italy are likely to remain at very high levels in the coming years.

The Ministry of Economy and Finance (MEF) manages the largest part of the ODA budget (40%, US\$2.3 billion in 2019). The MEF mainly contributes to Italy's development funding through contributions to the EU's general budget, which includes the Development Cooperation Instrument (DCI). The estimated share of the European Union budget destined for development assistance is US\$1.5 billion in 2019.

The Ministry of Foreign Affairs and International Cooperation (MAECI) manages the last part of the ODA budget (26%, or US\$1.5 billion in 2019). The main ODA-related budget envelope within the MAECI's budget is the program 4.2 'Development Cooperation' (US\$1.3 billion). It comprises 'chapters' of funding to Italy's development agency, AICS, and contributions to the European Development Fund. It also includes several 'chapters' of contributions to the UN and other multilaterals.

Overview: 2019 ODA Budgetary sources, in millions

	€	US\$
<b>Ministry of Economy and Finance (MEF)</b>	<b>2,012</b>	<b>2,278</b>
<b>3.1 Contributions to the EU general budget</b>	<b>1,296</b>	<b>1,461</b>
<b>3.2 International economic and financial policy</b>	<b>562</b>	<b>634</b>
Assessed contributions to multilateral development and funds	452	510
Capital increases to multilateral development banks	116	131
Contribution to the IFFIm	27.5	31
Contribution to World Bank offices	0.1	0.1
Other	2.5	2.7
8.2 Debt relief	106	119
<b>Ministry of Foreign Affairs (MAECI)</b>	<b>1,334</b>	<b>1,504</b>
<b>4.2 Development cooperation</b>	<b>1,163</b>	<b>1,311</b>
Transfers to AICS	513	578
Multilateral and emergency initiatives	645	727
Staff costs	2.7	2.9
Monitoring and evaluation	1.5	1.7
<b>4.4 Economic cooperation and international relations</b>	<b>3.2</b>	<b>3.5</b>
<b>4.6 Peace and international security</b>	<b>90</b>	<b>101</b>
<b>4.7 European integration</b>	<b>5</b>	<b>6</b>
<b>4.8 Cooperation on migration</b>	<b>63</b>	<b>71</b>
Other	9	10
Ministry of Interior	1,679	1,893
<b>Other ministries</b>	<b>52</b>	<b>59</b>
Ministry of Health	15	17
Ministry of Environment	17	19
Ministry of Education and Research	19	21
Ministry of Economic Development	1.2	1.3
Ministry of Infrastructure and Transport	0.1	0.2
<b>TOTAL</b>	<b>5,077</b>	<b>5,723</b>