

## KEY QUESTIONS

### the big six

# 4

## How is the Italian ODA budget structured?

**Foreign Ministry manages the main ODA budget line; Ministry of Interior holds high share of total ODA as it manages costs for hosting refugees**

In 2017, Italy's ODA is expected to stand at around €4.8 billion.<sup>2</sup> More than a third of ODA (36%) includes costs for hosting refugees in Italy, managed by the Ministry of Interior. The total costs for hosting refugees are expected to be US\$1.9 billion in 2017 (see budget). This means a continuous increase since 2015, when these costs were US\$983 million.

The Ministry of Economy and Finance (MEF) manages the largest part of the ODA budget (37%, US\$2.0 billion in 2017). The MEF mainly contributes to Italy's development funding through contributions to the EU's general budget (which includes the Development Cooperation Instrument, DCI), other multilateral development banks and funds, and managing debt relief.

The Ministry of Foreign Affairs and International Cooperation (MAECI) manages the last third of the ODA budget (27%, US\$1.4 billion in 2017). The main ODA-related budget envelope within the MAECI's budget is the program 4.2 for 'development cooperation'. It comprises 'chapters' for funding to Italy's new development agency, AICS, and contributions to the European Development Fund. It also includes several 'chapters' for contributions to the UN and other multilaterals. The budget for the 'development cooperation' program will increase over the coming years, with AICS's budget alone set to increase from €292 million in 2016 to €415 million in 2017 and €532 million in 2018.

Overview	millions	millions
2017 ODA Budget	€	US\$
<b>Ministry of Foreign Affairs (MAECI)</b>	<b>1.278</b>	<b>1.418</b>
European Development Fund	470	522
Voluntary multilateral contributions (mainly UN)	17	19
Core contributions to multilaterals	120	133
Bilateral cooperation through the AICS, of which	415	461
Development programs	392	435
Administration costs	22	24
Migration policies, of which	213	236
Fund for Africa	200	222
Other	13	14
Other channels	43	48
<b>Ministry of Economy and Finance (MEF)</b>	<b>1.768</b>	<b>1.962</b>
Contributions to the EU general budget	1.088	1.208
Multilateral development and funds	630	699
Other (mainly debt relief)	50	55
<b>Ministry of Interior</b>	<b>1.721</b>	<b>1.910</b>
In-country refugee costs	1.721	1.910
<b>Other ministries</b>	<b>52</b>	<b>58</b>
<b>TOTAL</b>	<b>4.819</b>	<b>5.349</b>

<sup>2</sup> Conversion using the 2015 OECD annual exchange rate to allow for comparison over time.