

KEY QUESTIONS

the big six

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How is the Italian ODA budget structured?

Ministry of Foreign Affairs (MAECI) manages the main ODA budget line; Ministry of Interior covers the costs of hosting refugees in Italy

In 2018, Italy's ODA is expected to stand at more than US\$4.8 billion (€4.4 billion). This is a decrease from US\$5.6 billion in 2017, largely driven by expected decreasing costs of hosting refugees in the country. Almost a third of ODA (32% in 2018) covers the costs of hosting refugees in Italy; these funds are provided by the Ministry of Interior. These costs continuously and significantly increased between 2012 and 2017, going from US\$221 million in 2012 to US\$1.9 billion in the proposed 2017 budget. In 2018, the government's budget proposal sees a decline for the first time, planning US\$1.6 billion for the year. Unlike other countries in Europe, Italy still receives very high numbers of asylum seekers every year, who reach Europe through 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, despite seeing slight declines.

The Ministry of Economy and Finance (MEF) manages the largest part of the ODA budget (39%, US\$1.9 billion in 2018). The MEF mainly contributes to Italy's development funding through contributions to the EU's general budget (which includes the Development Cooperation Instrument, DCI, receiving in total US\$1.2 billion in 2018), as well as other multilateral development banks and funds. It also manages debt-relief programs.

The Ministry of Foreign Affairs and International Cooperation (MAECI) manages the last third of the ODA budget (27%, or US\$1.3 billion in 2018). The main ODA-related budget envelope within the MAECI's budget is the program '4.2 Development Cooperation' (US\$1.2 billion). It comprises 'chapters' for funding to Italy's development agency, AICS, and contributions to the European Development Fund. It also includes several 'chapters' for contributions to the UN and other multilaterals.

Overview	millions	millions
2018 ODA Budgetary sources	€	US\$
Ministry of Economy and Finance (MEF)	1,700	1,881
Contributions to the EU general budget	1,088	1,203
International economic and financial policy	562	622
Assessed contributions to multilateral development and funds	422	467
Capital increases to multilateral development banks	110	122
Contribution to the IFFIm	28	30
Contribution to World Bank offices	0.1	0.1
Other	3	3
Debt relief	50	55
Ministry of Foreign Affairs (MAECI)	1,198	1,325
Development cooperation	1,049	1,161
Transfers to AICS	514	569
European Development Fund	470	520
Multilateral and emergency contributions	42	47
Staff costs	9	10
Monitoring and evaluation	2	2
Other	12	13
Economic cooperation and international relations	25	27
Peace and International Security	96	106
Other	28	31
Migration cooperation	13	15
European integration	0.1	0.1
Other	15	16
Ministry of Interior	1,402	1,550
Costs of hosting refugees	1,402	1,550
Other ministries	69	77
Ministry of Health	32	35
Ministry of Environment	32	35
Ministry of Education and Research	5	5
Ministry of Economic Development	1	1
Ministry of Infrastructure and Transport	0.2	0.2
TOTAL	4,369	4,833