

## KEY QUESTIONS

### the big six



#### How much ODA does Italy provide?

**Italy's ODA has been increasing since 2012, but costs for hosting refugees inflate ODA levels.**

Following sharp decreases between 2008 and 2012 due to the economic crisis, Italy's ODA has been steadily increasing since 2012. In 2016, it spent US\$4.9 billion (in 2016 prices),<sup>1</sup> ranking as the eighth-largest donor country. This corresponds to 0.26% of Italy's GNI.

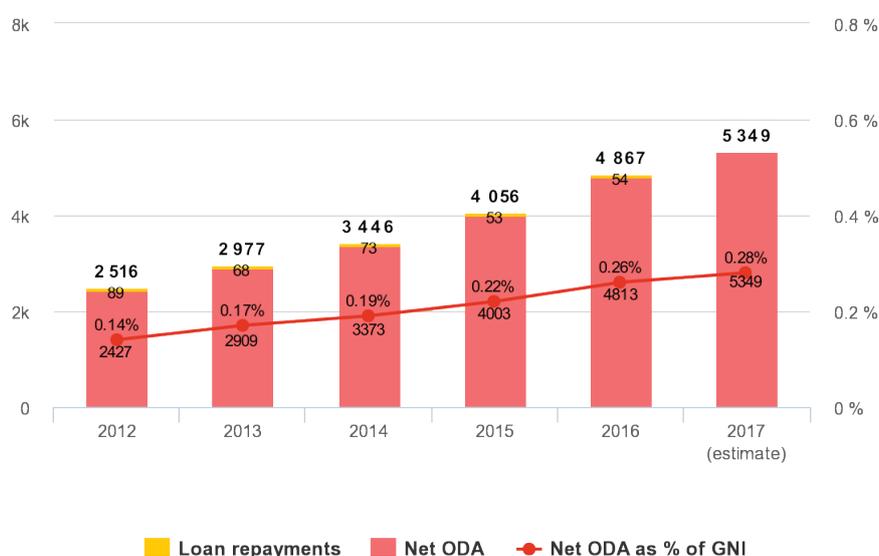
Between 2012 and 2016, Italy's spending for development increased by 93%. This increase is the result of two dynamics: a significant rise in costs of hosting refugees in Italy, some of which is reportable as ODA, and the political will of former Prime Minister Matteo Renzi's government to use development cooperation as a tool to strengthen Italy's international standing. The government – which was replaced in December 2016 by Prime Minister Paolo Gentiloni – pledged to gradually increase the ODA/GNI share to reach 0.3% by 2020. 2017 will be an

important year as Italy holds the G7 presidency (the leaders' summit took place in May, other high-level events are scheduled throughout the year) and general elections will be held at the latest by May 2018.

Since 2011, Italy has been at the frontline of the refugee crisis in Europe, as high numbers of asylum seekers continue to reach the continent by crossing the Mediterranean Sea. ODA-reportable costs for hosting refugees in Italy rose from US\$219 million in 2012 to US\$1.7 billion in 2016, when they accounted for 34% of Italy's ODA. However, unlike several other donor countries, Italy so far does not use its development budget to cover those costs. The funds are instead additional to planned development funding, thus 'inflating' Italy's ODA levels. In parallel, funding for development programs abroad is also increasing: when excluding in-country refugee costs, net ODA went up by 5% between 2015 and 2016.

#### ITALY'S GROSS/NET ODA DISBURSEMENTS

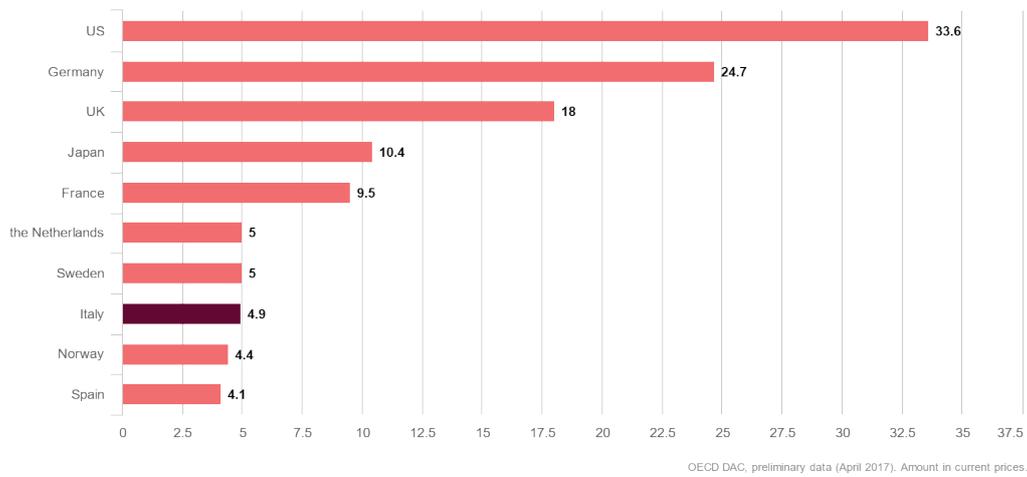
US\$ millions; in 2015 prices



OECD DAC. 2016 data according to OECD preliminary data (April 2017). ODA estimates for 2017 are based on government data.

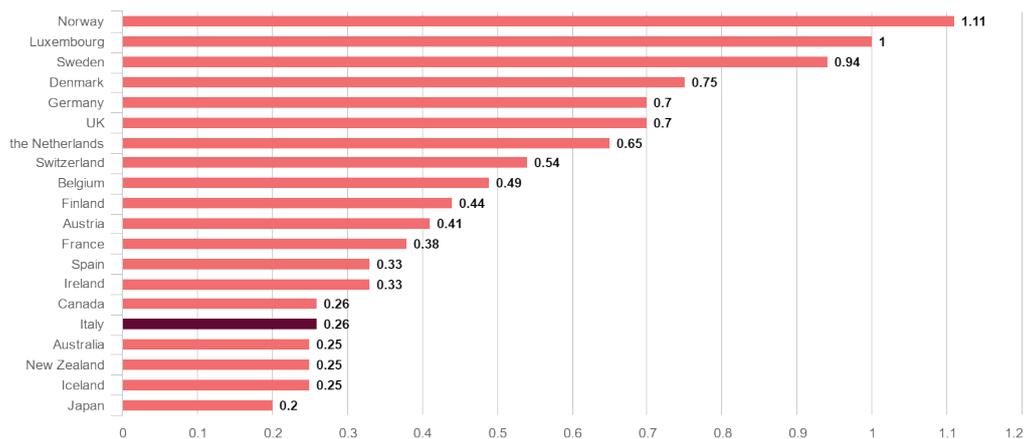
TOP 10 DAC DONOR COUNTRIES, 2016

Net ODA disbursements; US\$ billions; 2016 prices



TOP 20 DAC DONOR COUNTRIES, 2016

Net ODA as % of GNI



<sup>1</sup> '2016 prices' refers to the actual ODA amount disbursed in 2016. This figure is commonly used when comparing ODA across donors in 2016. To compare ODA levels in 2016 with ODA levels provided in previous years, figures need to be measured in constant prices. This means that the ODA amounts for each year are adjusted to take into account the effect of inflation and of exchange rate fluctuations. In this profile, we generally state ODA figures in '2015 prices', meaning that we use 2015 as a base year, to ensure data is comparable over time.