

OECD Development Co-operation Peer Reviews: Italy 2026



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Foreword

The Development Assistance Committee (DAC) conducts reviews of the development co-operation efforts of DAC members every five to six years. OECD DAC peer reviews seek to improve the quality and effectiveness of development co-operation policies, programmes and systems, and to promote good development partnerships for greater impact on poverty reduction and sustainable development in developing countries.

As set out in the [methodology](#) updated regularly and agreed to by the DAC, peer reviews focus on select areas critical to the quality of a member's development co-operation. These focus areas are decided in agreement with the member under review, drawing on a self-assessment submitted by the member as well as inputs from key partners. Based on these, staff from the Secretariat and two DAC members designated as peer reviewers conduct interviews with officials and parliamentarians, representatives of civil society, non-government organisations, the private sector and other relevant experts. This is followed by visits to up to two developing partner countries or territories, where the review team meets with the reviewed member's government representatives, senior officials and representatives of the partner country's administration, parliamentarians, civil society, the private sector and other development partners. The findings and accompanying recommendations are then discussed during a formal meeting of the DAC prior to finalisation of the report. During the process, the OECD Development Co-operation Directorate (DCD) provides analytical support and ensures consistency across reviews.

To support learning between DAC members, the report highlights valuable practices from Italy, from which peers can draw inspiration and learning. These are documented in further detail on the Development Co-operation [TIPs · Tools Insights Practices](#) peer learning page. Italy's [development co-operation profile](#) includes additional information on its policies, development financing, institutional arrangements, and management systems.

The analysis presented in this report is based on (1) a desk review, including Italy's self-assessment and written assessments and inputs provided by 24 partners (multilateral organisations, non-government and academic partners as well as partner governments); and (2) an extensive process of consultation with actors and stakeholders primarily in Italy and Ethiopia (listed in Annex C). In sum, a total of 113 organisations and external stakeholders were consulted as part of the review. The work was discussed during the meeting of the DAC on 12 March 2026 and revised to integrate comments. It reproduces in the section titled "The DAC's peer review recommendations to Italy" the recommendations approved by the Committee via written procedure on 18 March 2026.

Acknowledgements

OECD Development Assistance Committee (DAC) peer reviews serve both learning and accountability. This report is the result of an in-depth consultation and review process over June to November 2025. It was produced by a review team comprising peer reviewers from Germany (Andreas Pfeil, Permanent Mission of the Federal Republic of Germany to the OECD, and Thomas Piesch, Federal Ministry for Economic Development and Cooperation (BMZ) and Iceland (Þórarinna Söebeck and Pálína Matthíasdóttir, Ministry of Foreign Affairs of Iceland). From the OECD Development Co-operation Directorate, Lora Pissareva served as the lead analyst for the review, together with Emily Bosch, Agnes Hurwitz, and Emma Raiteri. Renwick Irvine, Team Lead Peer Reviews, oversaw the review. Samantha Proteau and Anne-Marie Trang provided logistical assistance to the review and formatted and produced the report. Stephanie Coic served as graphic designer. The report was prepared under the supervision of Robin Ogilvy, Head of Division, Reforms and Partnerships for Development Impact. The report was edited by Suzanne Parandian.

The team are grateful for valuable inputs from across the Development Co-operation Directorate – including from the Financing for Sustainable Development division, the Policies and Networks division, and the Global Partnership for Effective Development Co-operation –, and across the OECD, in particular the Directorate for Employment, Labour and Social Affairs; the Directorate for Financial and Enterprise Affairs; the Directorate for Public Governance; the Trade and Agriculture Directorate; and the Development Centre. Written submissions from a selection of Italy’s partners enriched and helped to focus the review, including comprehensive written submission from civil society organisations (CSOs).

The peer review of Italy benefited throughout the process from the commitment and dedication of representatives of Italy’s Ministry of Foreign Affairs and International Co-operation. The review team is also thankful to staff in Italy’s embassy and agency for development co-operation (AICS) in Addis Ababa, who ensured smooth contact with local counterparts as well as documentation, insights and logistical support.

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Abbreviations and acronyms

AgID	Agency for Digital Italy
AICS	Italian Agency for Development Co-operation
AVR	Assisted voluntary return
CDP	<i>Cassa Depositi e Prestiti S.p.A.</i> (Italy's development finance institution)
CICS	Inter-ministerial Committee for Development Cooperation
COVID-19	Coronavirus (SARS-CoV-2)
CNCS	National Council for Development Cooperation
CRS	Creditor Reporting System (database)
CSO	Civil society organisation
CTC	Coffee Training Centre
DAC	Development Assistance Committee (OECD)
DFI	Development Finance Institution
DGCS	Directorate General for Development Cooperation
EU	European Union
G7	Group of Seven
GDP	Gross domestic product
GNI	Gross national income
GRAf	Growth and Resilience platform for Africa
HDP	Humanitarian-development-peace
IBRD	International Bank for Reconstruction and Development
ITA	Italian Trade Agency
ICF	Italian Climate Fund
IFC	International Finance Corporation
IFI	International Financial Institution
IOM	International Organization for Migration
LDC	Least developed country
LIC	Low-income country

LMIC	Low- and middle-income country
MAECI	Ministry of Foreign Affairs and International Cooperation
MASE	Ministry of the Environment and Energy Security
MDB	Multilateral development bank
MEF	Ministry of Economy and Finance
NGO	Non-governmental organisation
NSDS	National Sustainable Development Strategy
ODA	Official development assistance
OECD	Organisation for Economic Co-operation and Development
PCSD	Policy coherence for sustainable development
PMO	Prime Minister's Office
PPPD	Programming and Policy Planning Document
PSE	Private sector engagement
PSEAH	Prevention of Sexual Exploitation, Abuse and Harassment
RBM	Results-based management
RSDS	Regional Sustainable Development Strategy
SDG	Sustainable Development Goal
SEAH	Sexual exploitation, abuse and harassment
SME	Small- and medium-sized enterprise
UMIC	Upper middle-income countries
UN	United Nations
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFCCC	United Nations Framework Convention on Climate Change
UNHCR	United Nations High Commissioner for Refugees
UNIDO	United Nations Industrial Development Organization

Signs used:

EUR	Euro
USD	United States dollar

Slight discrepancies in totals are due to rounding.

Annual average exchange rate: 1 USD = EUR

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
0.9043	0.8871	0.8473	0.8933	0.8775	0.8456	0.9509	0.9248	0.9246	0.8866

Executive summary

What are the opportunities for Italy's development co-operation in a context of heightened political attention, expanded engagement in Africa, and growing use of new financing instruments, while maintaining coherence, effectiveness and impact across an increasingly complex system? These dimensions underpinned the OECD Development Assistance Committee's (DAC) peer review of Italy, which was conducted by Germany and Iceland.

Italy's development co-operation is shaped by a strengthened political commitment to Africa. Since the launch of the Mattei Plan in 2024, Italy's development co-operation has entered a new phase, being placed more firmly at the heart of foreign policy and mobilised to address global challenges such as poverty, climate change and migration, while seeking greater engagement with the private sector. In this context, Africa – already a major focus of Italian co-operation – has been further consolidated as the central geographic priority, receiving 65% of Italy's bilateral official development assistance (ODA) in 2024. While this has increased the visibility and strategic relevance of Italian co-operation, stronger political steering through the Prime Minister's Office and an expanded set of priorities have also increased delivery demands across the system, heightening the need for greater transparency and continued efforts to streamline procedures, reinforce capacity of its human resource model, and strengthen results and learning frameworks to maximise impact.

Against a backdrop of global ODA reductions, Italy has sustained its ODA levels; however, current resourcing is not in line with its stated ambition and risks becoming less focused. While ODA levels have stabilised at 0.29% of gross national income (GNI) in 2024, they remain well below the international commitment of 0.7% of GNI reaffirmed in Italy's 2024-2026 Programming and Policy Planning Document (PPPD). As geographic ambition has expanded under the current PPPD, particularly through a growing number of priority partner countries in Africa, the absence of a commensurate increase in ODA has amplified the importance of clear country-level priorities and simplified delivery arrangements. Nevertheless, high public support for international co-operation should enable Italy to maintain a people-centred approach, with a sustained focus on poverty eradication, gender equality and inclusion, including in least developed countries and fragile contexts.

Italy's financing model is evolving, comprising an increasing share of concessional loans. Loans disbursed by the Italian Climate Fund and the Revolving Fund for Development Co-operation represented 11% of bilateral ODA in 2024. Greater use of sovereign loans should help Italy to scale up the size and ambition of its bilateral programmes, including for climate action, but also highlights the need to carefully assess the appropriate mix of grants and loans in low-income and fragile contexts. With a budget of EUR 4.4 billion, the relatively new Italian Climate Fund (ICF) represents a major strategic asset, offering significant scope to scale Italy's climate and development impact through instruments such as budget support, policy-based lending, and private sector engagement. Fully leveraging the ICF will require clearer articulation of where different instruments are most suitable, while prioritising highly concessional support to protect the poorest and most vulnerable, and continuing to manage potential debt sustainability risks.

Italy has strengthened whole-of-government co-ordination to support delivery, but institutional complexity continues to represent a challenge. Italy operates a dense co-ordination architecture,

including the Inter-Ministerial Committee for Development Co-operation (CICS), the Joint Committee (JC), and newer bodies linked to the governance of the Mattei Plan and the Italian Climate Fund. System-wide missions have emerged as a promising mechanism to align actors upstream and generate shared project pipelines. Nevertheless, infrequent meetings of the CICS limit its ability to effectively arbitrate on coherence issues across policy areas. In addition, the inclusive co-ordination in annual programming before projects reach the JC for formal approval can delay implementation. Building on existing co-ordination arrangements to clarify complementarities, further adapting to the Prime Minister's Office's enhanced role in Africa-related initiatives, and preserving clear lines of responsibility will be key to sustaining coherence and effectiveness.

The Italian Agency for Development Co-operation (AICS) remains a central operational pillar of Italy's bilateral development co-operation and a valued partner on the ground. Its technical expertise, flexibility and close relationships with civil society underpin Italy's delivery model. Yet, human resource limitations and centralised processes can constrain its responsiveness to partner country needs. The latest Convention between the Ministry of Foreign Affairs and International Cooperation (MAECI) and AICS seeks to clarify the division of labour, while striving to simplify procedures. Increased MAECI oversight will need to be balanced against the goal of improving efficiency to reinforce the competitiveness of Italian co-operation and AICS's credibility as a strong implementing partner, including for EU delegated co-operation.

Italy continues to advocate for multilateralism, channelling a substantial share (54%) of its ODA to and through multilateral organisations. Italy has demonstrated leadership through innovative financing approaches, debt-for-development swaps and support to multilateral development banks to expand their lending capacity. Safeguarding predictable, multi-year funding, including core and softly earmarked funding, to select multilateral partners, and engaging more strategically with other providers – including through delegated co-operation and blended finance approaches – would complement the reach of Italy's bilateral efforts and support priorities under the Mattei Plan. Italy's now well-established development finance institution, *Cassa Depositi e Prestiti* (CDP), positions it as a strategic partner for multilateral actors, including through co-financing with multilateral development banks, and in co-ordination with AICS, MAECI and the Ministry of Economy and Finance (MEF), can help overcome operational constraints, support delivery of larger programmes, and improve efficiency.

Migration and development are of increased strategic importance to Italy's international engagement. Italy has elevated migration and development as government priorities and was the first DAC member to develop dedicated guidance on the migration-development nexus. Migration is recognised both as a development challenge and as an economic opportunity. In practice, however, migration-related interventions remain fragmented across instruments and actors. Strengthening cross-government coherence, protecting human rights, engaging the diaspora more strategically, advocating for labour mobility, and maintaining a focus on fragile contexts in countries of origin will be essential to further advancing development outcomes.

Growing emphasis on private sector engagement marks an important evolution, increasing the need for system-wide co-ordination. Italy's development co-operation now brings together a wide range of actors involved in private sector engagement (PSE), including development, finance, trade and export promotion institutions. The expanded role of CDP in managing development finance is reflected in a growing number of country offices and instruments for PSE, reinforcing Italy's operational footprint, but also increasing demands on its staffing and institutional capacity. While the breadth of actors and instruments offers opportunities for scale and innovation, it also carries the risks of fragmentation and duplication, further heightening the importance of ensuring complementarity across the system. As Italy scales this agenda, supported by a growing interest from Italian companies, the forthcoming private sector engagement guidelines provide a welcome opportunity for articulating a clear whole-of-government vision while ensuring that development additionality and partner-country priorities remain at the core.

The DAC's recommendations to Italy

1. In line with international commitments reaffirmed in Law 125/2014, Italy should set out a clear path to reach the 0.7% ODA/GNI target, balancing sustained support for least developed countries - consistent with the 0.15-0.20% ODA/GNI target - with expanding geographic priorities.
2. To consolidate its shift toward larger, longer-term and more strategic programmes, Italy should accelerate full operationalisation of the Italian Climate Fund (ICF). This shift will require simplifying project approval processes, working with partners to develop robust project pipelines, and expanding the use of policy-based lending and budget support, including through the Revolving Fund, while ensuring that concessional finance remains aligned with partner-country debt sustainability.
3. To maximise coherence and effectiveness, Italy should build on its whole-of-government co-ordination architecture by:
 - strengthening the role of the Inter-Ministerial Committee for Development Co-operation (CICS) as the main forum for strategic dialogue and arbitration across policy areas
 - clarifying mandates and streamlining approval processes across existing co-ordination bodies, taking into account Italy's increased political engagement in relation to Africa following the Mattei Plan
 - using Joint Declarations and system-wide missions to develop comprehensive country co-operation frameworks for co-ordinated delivery.
4. Italy should ensure that oversight arrangements for the Italian Agency for Development Co-operation (AICS) are conducive to efficiency, flexibility and quality partnerships, including in partner countries and with civil society.
5. As a trusted multilateral partner, Italy should continue to provide predictable, flexible, multi-year funding to selected multilateral organisations, recognising the essential role they play in complementing bilateral efforts and supporting priorities under the Mattei Plan and private-sector engagement.
6. In line with its guidelines, Italy's comprehensive approach to the migration and development nexus should reinforce intergovernmental and whole-of-society co-ordination and policy coherence, including by continuing to:
 - support legal mobility schemes from and within sub-Saharan Africa
 - advocate for human rights, the protection of refugees and migrants
 - address fragility and drivers of migration in countries of origin and transit
 - align policies and investments with country programming.





7. Italy should build on the growing role of *Cassa Depositi e Prestiti* (CDP) by scaling the use of its instruments and reinforcing co-ordination and joint programming with AICS, the Ministry of Foreign Affairs and International Cooperation (MAECI) and the Ministry of Economy and Finance (MEF), using CDP's expanding number of offices, alongside AICS's established country presence.
8. Italy should build on its forthcoming guidelines to articulate a whole-of-government vision for private sector engagement that:
 - facilitates participation of private sector actors, while placing development impact and additionality at its core
 - clarifies mandates and strengthens co-ordination across actors, notably AICS, CDP, SACE, SIMEST and ICE and the Italian Trade Agency (ICE)
 - reinforces partnerships, including with the European Union
 - ensures more consistent reporting on financial flows.
9. Italy should continue to strengthen transparency, accountability, and learning across Italian co-operation through proportionate results-based management supported by ongoing efforts to design whole-of-government information systems and the use of strategic evaluations.
10. Italy should ensure that staffing and skills are aligned with the Italian co-operation's expanding portfolio, more diverse instruments, and larger programmes, including by:
 - ensuring competitive and supportive terms and conditions within AICS, and pursuing more sustainable alternatives to short-term contracts for core functions
 - ensuring that CDP has staffing, regional presence and internal capacities commensurate with its expanding role.

Infographic 1. Highlights from the 2026 Development Co-operation Peer Review of Italy

ITALY'S STRENGTHS...


<p style="text-align: center;">A strong political commitment and clear focus on Africa</p> <div style="text-align: center;">  </div> <p style="text-align: center;">The Mattei Plan places development co-operation at the centre of foreign policy, with Africa receiving 65% of bilateral ODA in 2024</p>	<p style="text-align: center;">A whole-of-system approach linking actors across Italy's development co-operation</p> <div style="text-align: center;">  </div> <p style="text-align: center;">System-wide missions signal collective commitment to partner countries and help align actors upstream to generate shared project pipelines</p>	<p style="text-align: center;">An expanding and innovative financing toolkit</p> <div style="text-align: center;">  </div> <p style="text-align: center;">The Italian Climate Fund and increased concessional lending (11% of bilateral ODA in 2024) support larger, longer-term programmes</p>	<p style="text-align: center;">A strong delivery model anchored in partnerships</p> <div style="text-align: center;">  </div> <p style="text-align: center;">Team Italy works closely with civil society, multilateral organisations and private actors to support delivery</p>
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... AND AREAS FOR IMPROVEMENT


<p>Align resources with expanding geographic ambition by setting a clear path towards the 0.7% ODA/GNI target and sharpening priorities</p> <div style="text-align: center;">  </div>	<p>Improve system efficiency by streamlining co-ordination across existing bodies, clarifying roles and simplifying procedures</p> <div style="text-align: center;">  </div>	<p>Ensure a more integrated approach to the migration-development nexus across instruments and implementing actors</p> <div style="text-align: center;">  </div>	<p>Strengthen implementation capacity within AICS and CDP and ensure staffing and skill levels match a more complex portfolio</p> <div style="text-align: center;">  </div>
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PROGRESS SINCE THE PREVIOUS PEER REVIEW

Italy fully implemented **2** of the **11** recommendations made in its last review in **2019**. The remaining **9** recommendations were partially implemented.



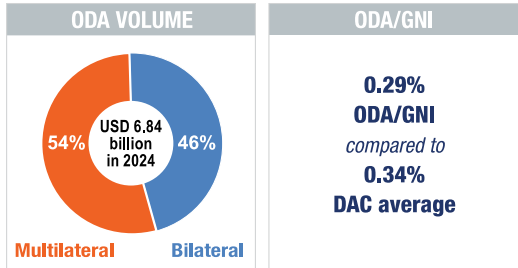
FULLY IMPLEMENTED



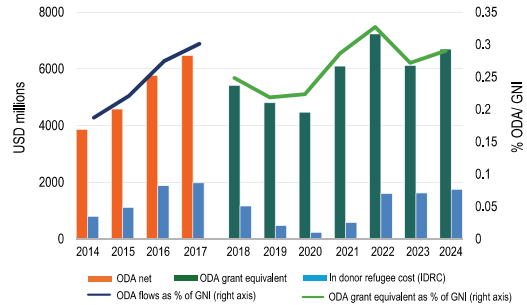
PARTIALLY IMPLEMENTED

Infographic 2. Italy's development co-operation at a glance

ITALY PROVIDES OVER HALF ITS ODA MULTILATERALLY AND RANKS 18TH OUT OF 33 DAC MEMBERS BY ODA/GNI IN 2024
 2024, current prices

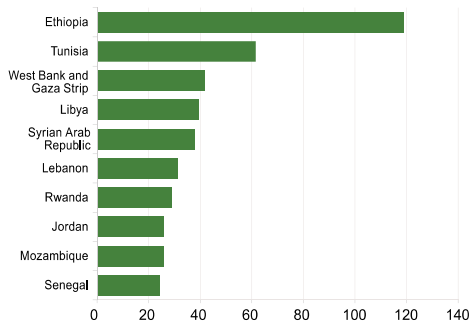


AMID GLOBAL DECLINES, ITALY'S ODA HAS STABILISED BUT REMAINS BELOW ITS INTERNATIONAL COMMITMENTS



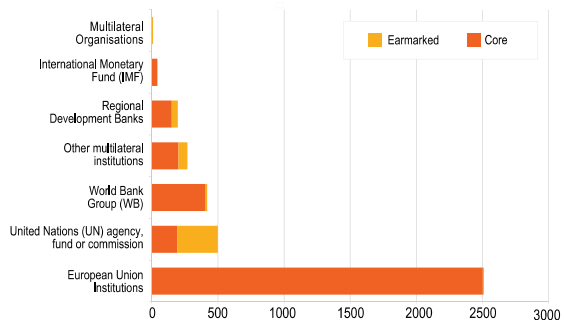
IN LINE WITH ITS STRATEGIC AND GEOGRAPHIC PRIORITIES, SIX OUT OF ITALY'S TOP TEN BILATERAL ODA RECIPIENTS ARE IN AFRICA

Average volume 2023-24 in USD million at constant prices

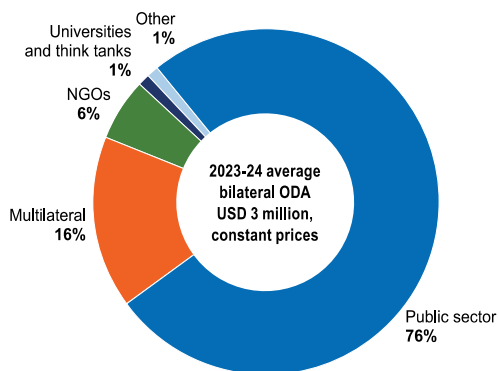


CORE FUNDING TO THE EU DOMINATES ITALY'S MULTILATERAL ODA, WHILE UN CONTRIBUTIONS ARE SPLIT BETWEEN CORE AND EARMARKED SUPPORT

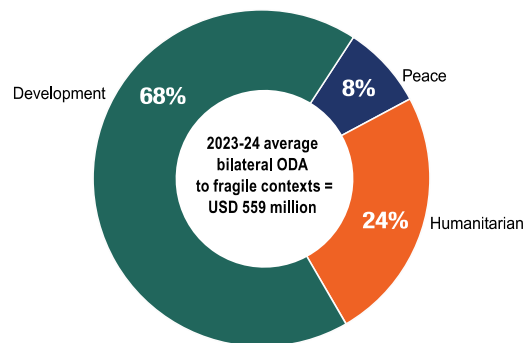
Average core and earmarked contributions 2023-24, gross disbursements in USD millions (2023 constant prices)



NATIONAL GOVERNMENTS ARE BY FAR THE MAIN CHANNEL FOR IMPLEMENTING ITALY'S BILATERAL ODA



ITALY SUSTAINS A DEVELOPMENT FOCUS IN FRAGILE CONTEXTS, EVEN THOUGH HUMANITARIAN AND PEACE SUPPORT RECEIVE MARKEDLY HIGHER SHARES THAN IN NON-FRAGILE SETTINGS



Findings

This report presents the findings of the 2026 development co-operation peer review of Italy and includes the relevant recommendations approved by the Development Assistance Committee (DAC). The report focuses on four areas of Italy's development co-operation that were identified in consultation with the Italian government and its partners. Firstly, it analyses Italy's overall development co-operation architecture and systems and the extent to which they are fit for purpose. It then considers Italy's whole-of-government co-ordination efforts, with a particular focus on Africa. The review also explores Italy's development co-operation strategies across the migration-development nexus, and finally, it examines its policies, instruments and partnerships supporting private sector engagement. For each of these areas, the report identifies Italy's strengths and challenges, as well as the opportunities and risks that lie ahead.

Context

A more stable political context, coupled with fiscal and structural constraints, shape Italy's domestic priorities and international engagement

Italy's current policy environment is shaped by a stable governing coalition. Since October 2022, the country has been governed by a centre-right coalition led by Prime Minister Giorgia Meloni of the *Fratelli d'Italia* (Fdi) party, supported by the *Lega* and *Forza Italia* parties. The coalition maintains a solid parliamentary majority and is expected to serve its full term to 2027. Despite Italy's tradition of unstable coalitions, political stability has improved markedly, partly driven by fragmentation within the opposition and the enduring popularity of the Fdi in national polls (Economist Intelligence Unit, 2025^[1]).

The Meloni government's policy agenda centres on economic stability, migration management and strengthening Italy's geopolitical role. Domestically, the government has prioritised fiscal consolidation, reforms in the labour market and public administration, and measures to support vulnerable households. It is also advancing a law-and-order agenda alongside efforts to streamline state administration (Balmer, 2025^[2]). Externally, migration remains a prominent political priority, alongside a focus on stability in the Mediterranean, energy security and strengthened partnerships with Africa and multilateral actors (IAI, 2025^[3]). Since its launch in 2023, the Rome Process has emerged as a key framework for Italy's migration approach, promoting dialogue with countries of origin and transit, and linking migration management with development co-operation and regional stability (ISPI, 2023^[4]).

Italy's external priorities are evident through its increased strategic engagement with neighbouring regions, particularly Africa. Italy's growing focus on the Mediterranean and Africa is framed around the "Mattei Plan for Africa" (*Piano Mattei per l'Africa*; hereafter Mattei Plan), which was officially announced in January 2024 at the Italy-Africa Summit (Italian Republic, 2023^[5]). The plan seeks to integrate political dialogue, development co-operation, migration, energy security, trade and investment under a coherent framework that positions Italy as a bridge between Europe and Africa (Michelino, 2025^[6]). Italy has also sought to anchor elements of this agenda in broader multilateral processes, including through its 2024 Group of Seven (G7) Presidency and close co-ordination with EU frameworks, both to internationalise key priorities and reinforce shared ownership with partners. The government also continues to reaffirm Italy's commitment to the 2030 Agenda for Sustainable Development and the European Consensus on Development (Italian Government, 2025^[7]). Italy's engagement in multilateral fora and its support for Ukraine following Russia's full-scale invasion remain consistent, despite some elements of past Euroscepticism persisting among some coalition partners (Economist Intelligence Unit, 2025^[1]).

Italy is the third-largest EU economy after Germany and France, and the eighth largest globally, with its gross domestic product (GDP) at approximately EUR 2 trillion in 2024 (Economist Intelligence Unit, 2025^[1]). GDP growth is expected to drop to 0.5% in 2025 from 0.7% in the previous year, and edge up again to 0.6% in 2026 and to 0.7% in 2027. Although global trade tensions and weaker industrial production could dampen growth, merchandise export values rose in the first three quarters of 2025, making Italy the fourth largest exporter globally. The unemployment rate stood at 6% in March 2025, near its lowest rate since prior to the global financial crisis (OECD, 2025^[8]). Public debt, at approximately 136% of GDP in 2025, is among the highest among Organisation for Economic Co-operation and Development (OECD) Member countries, leaving Italy vulnerable to market pressures. The fiscal deficit is projected at 2.9% of GDP in 2025, and expected to drop to 2.6% of GDP in 2027, thus moving below the EU's reference threshold of 3%, as the government balances tax cuts and social measures with gradual fiscal consolidation (OECD, 2025^[8]).

Longstanding structural constraints continue to shape Italy's economic outlook and policy choices. Low productivity growth, regional disparities between the industrialised north and less developed south, and demographic decline persist as key challenges to growth potential and public finances. The

ageing population exerts sustained fiscal pressure on pensions and healthcare spending, which are among the highest in the European Union (EU) as a share of GDP (OECD, 2024^[9]). Additionally, Italy's export-oriented and diversified economic base – with strong manufacturing, agri-food, design and luxury goods sectors – remains exposed to external shocks, including renewed US-EU trade tensions and global supply chain vulnerabilities (OECD, 2025^[10]).

Efforts toward energy diversification continue, with rising imports from North Africa and increased renewable deployment. According to Italy's updated 2024 National Energy and Climate Plan, renewable sources are projected to cover about 40% of total gross final energy consumption by 2030, with renewables reaching nearly two-thirds of national electricity generation (Ministry of Environment and Energy Security, 2024^[11]).

Italy's development co-operation rests on strong legal foundations with the Ministry of Foreign Affairs and International Cooperation playing a central co-ordinating role

Law 125/2014 anchors development co-operation as an integral component of Italy's foreign policy, while formally recognising a broad range of public and non-state actors as partners in its delivery. The law sets out the primary objectives of Italian development co-operation: poverty eradication, reducing inequalities, improving well-being and sustainable development; human rights, including gender equality, equal opportunities for everyone, democracy and the rule of law; and conflict prevention, peacebuilding, reconciliation and stabilisation processes, as well as institution building. The law also broadens partnerships, operationalises Italy's development policy, and creates more accountability and transparency (Italian Republic, 2014^[12]). The 2024-2026 Programming and Policy Planning Document (PPPD) establishes key priorities, focusing on 38 priority countries with an emphasis on the African continent (MAECI, 2025^[13]).

The Ministry of Foreign Affairs and International Cooperation (MAECI) sits at the centre of Italy's development co-operation system, with other ministries contributing to specific areas. Within the Ministry, the Directorate General for Development Cooperation (DGCS), is responsible for strategically steering, overseeing and co-ordinating the implementation of Italy's development co-operation policy, including international political representation in the broader context of Italy's support for sustainable development. The Ministry of Economy and Finance (MEF), in co-ordination with MAECI, is responsible for liaising with multilateral development banks and funds for funding, debt relief operations and soft concessional loans. The Ministry of the Environment and Energy Security (MASE) and the Ministry of Interior allocate official development assistance (ODA) to climate and biodiversity-related entities and activities, and for in-donor refugee costs, respectively (MAECI, 2025^[14]).¹

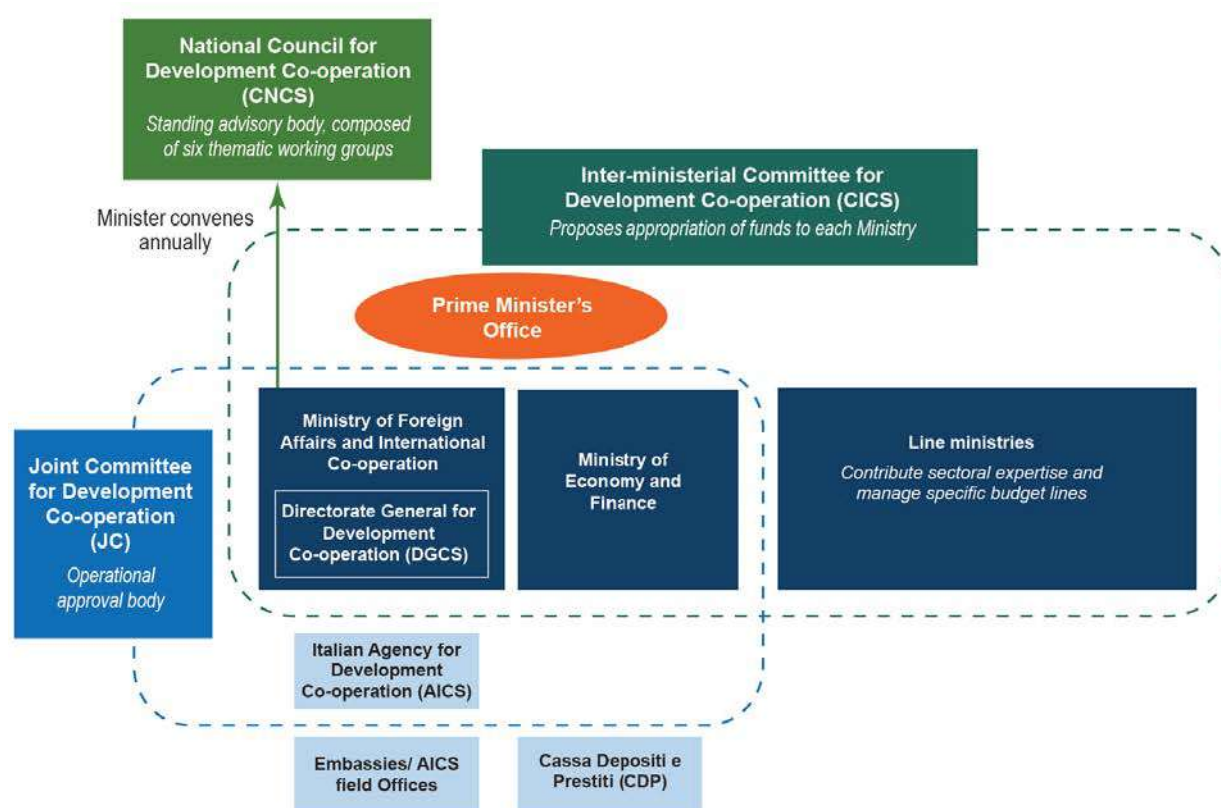
Italy delivers its bilateral development programmes mainly through the Italian Agency for Development Co-operation (AICS).² AICS reports to the MAECI and is mandated to perform technical and operational activities related to programme implementation. It operates in partner countries through its 20 country offices (MAECI, 2025^[14]). This arrangement is formally set out in the MAECI/AICS Convention (*Convenzione*) which was updated in August 2025 (MAECI, 2025^[15]).

As a relatively new development finance institution, *Cassa Depositi e Prestiti S.p.A.* (CDP) has seen its mandate expand rapidly in support of Italy's international development and climate finance objectives. Following Law 125/2014 and subsequent modifications, CDP was formally assigned the role of Italy's national Development Finance Institution (DFI), including the management of Italy's Revolving Fund for Development Cooperation³, co-financing with public, private and international partners, and providing financing to public and private sector actors through its "own resources"⁴ (CDP, 2025^[16]) (Italian Republic, 2014^[12]). As an EU-pillar assessed institution, CDP is also entrusted with implementing funds on behalf of the EU (CDP, 2025^[17]). Its mandate expanded further with the establishment of the Italian Climate Fund (ICF) in 2022, overseen by MASE, which designated CDP as the Fund's managing entity, thereby

strengthening its role in supporting sustainable development and climate-related investment, including through financing to private sector partners (MAECI, 2025^[14]).

Italy's development co-operation system is supported by several co-ordination and advisory bodies (Figure 1). The Inter-ministerial Committee for Development Cooperation (CICS), chaired by the Prime Minister, provides high-level policy direction for development co-operation and ensures coherence across line ministries. The National Council for Development Cooperation (CNCS), bringing together civil society organisations and networks, public institutions, local authorities and private-sector actors, serves as a permanent multi-stakeholder advisory platform. Through its six thematic working groups, it fosters dialogue and offers informed opinions on policy coherence, programming and effectiveness. The Joint Committee (JC) functions as the main operational approval body, authorising all multilateral initiatives, bilateral initiatives above EUR 2 million, and all concessional loans, thereby translating strategic guidance into concrete financing decisions (Italian Republic, 2014^[12]).

Figure 1. The Italian Development Co-operation System



Source: Based on MAECI (2025^[14]), Self-assessment for 2026 DAC Peer Review of Italy (DCD/DAC/AR(2026)1/12).

Towards a more fit-for-purpose institutional system

Poverty eradication is at the heart of Italy's renewed political commitment to development co-operation and should remain so as partnerships in Africa expand

The strong political support for Italian co-operation as a foreign policy imperative marks a significant change in Italy. The Mattei Plan elevates Italian co-operation to an indispensable instrument for achieving foreign policy goals by explicitly integrating political dialogue, development co-operation, migration, energy security, trade and investment. This approach is consistent with Law 125/2014, which establishes the high-level political vision of the President of the Council of Ministers at the core of Italy's co-operation system (Republic of Italy, 2014^[9]). The government's ambition to pursue multiple policy objectives, often relying on Italian co-operation as a key tool, also requires managing expectations, since it cannot address all challenges, ranging from irregular migration and climate change to food insecurity and poverty with a budget equal to just 17.6% of Italy's annual military expenditure⁵ (SIPRI, 2025^[18]).

Italy's development co-operation strategy emphasises its people-centred approach and objective to eradicate poverty, protect human rights, and prevent conflicts. The 2024-2026 Programming and Policy Planning Document (PPPD) is the main strategic document that guides programming (MAECI, 2025^[13]). Guidelines on gender equality and the empowerment of women and girls demonstrate how all parts of the Italian system are expected to implement and align to international commitments (AICS, 2021^[19]). Similarly, the Guidelines on Childhood and Adolescence reflect international standards and the UN Convention on the Rights of the Child, and suggest lines of action for development co-operation (AICS, 2021^[20]). Italy also led the way in approving a first Development Cooperation Disability Action Plan in 2013 (MAECI, 2013^[21]), followed by guidelines for disability and social inclusion in 2018 (AICS, 2018^[22]) and a Disability Handbook (AICS, 2024^[23]).

The 2024-2026 PPPD almost doubles the number of priority partners for Italian co-operation from 20 in the 2021-2023 PPPD to 38, with a focus on Africa (Table 1). Twelve of the eighteen new countries are in Africa, bringing the total of African priority partners to 23. Another additional country is in the Middle East, three are in Asia and one in Latin America (Colombia). Afghanistan and Myanmar were dropped as priority partners. Humanitarian assistance is not bound by the list of priority partners. The emphasis on Africa reflects the priority of the Mattei Plan, an approach of equal partnerships that goes beyond ODA and requires working through multiple channels and stakeholders (see Team Italy: A whole-of-government approach to co-ordinating development efforts, with a focus on Africa).

Table 1. The 2024-2026 Programming and Policy Planning Document expands Italy's priority partners to 38

Region	Priority partners	LDC or income-classification
Mediterranean and North Africa	Egypt, Libya* , Tunisia	2 LMIC, 1 UMIC (new)
East Africa	Eritrea* , Ethiopia*, Kenya*, Somalia*, Sudan*, Tanzania* , Uganda*	6 LDCs (3 new); 1 LMIC
West and Central Africa	Burkina Faso*, Chad* , Côte d'Ivoire* , Ghana , Guinea* , Mali*, Mauritania* , Niger*, Republic of the Congo* , Senegal	7 LDCs (3 new); 3 LMICs (new)
Southern Africa	Malawi* , Mozambique*, Zambia*	3 LDCs (2 new)
Eastern Europe	Armenia , Moldova , Ukraine	3 LMICs (new)
Western Balkans	Albania	1 UMIC
Middle East	Jordan, Iraq*, Lebanon*, Syrian Arab Republic* , West Bank and Gaza Strip*	3 LMIC, 1 UMIC, 1 LIC (new)
Asia	Kyrgyzstan , Pakistan* , Tajikistan*	3 LMIC (new)
Latin America and Caribbean	Colombia , Cuba, El Salvador	3 UMIC (1 new)

Note: Recently added priority partners are in **bold**. The asterisk (*) refers to partners that demonstrate high and extreme fragility according to the OECD's 2025 States of Fragility report.

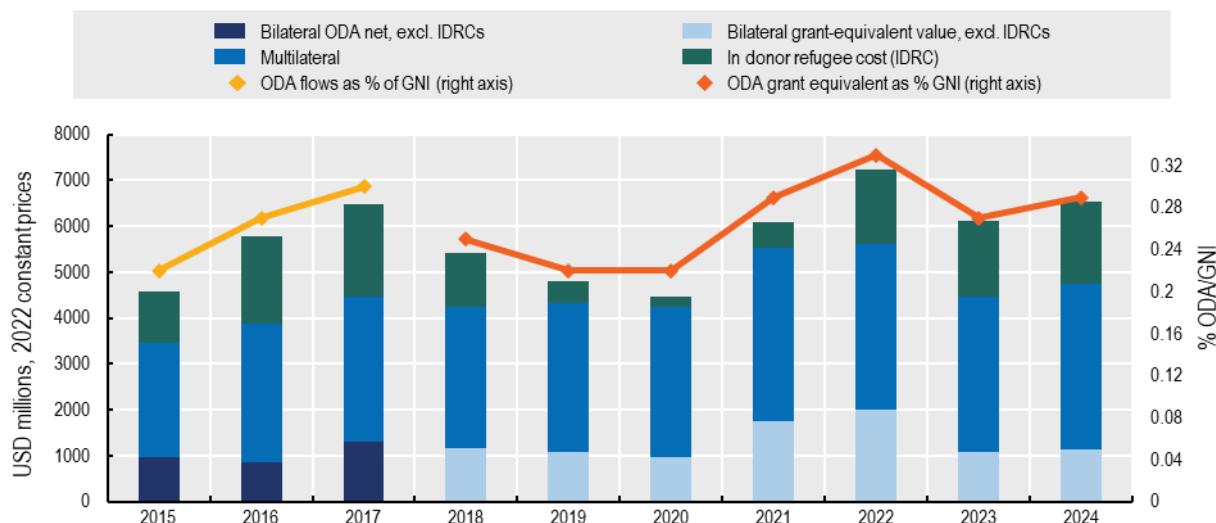
Source: MAECI (2025^[13]), Three-year Programming and Policy Planning Document, 2024-2026, https://www.esteri.it/wp-content/uploads/2025/07/Three-year-Programming_Policy-Planning-Documents_PPPD_2024-2026.pdf; OECD (2025^[24]), States of Fragility 2025, https://www.oecd.org/en/publications/states-of-fragility-2025_81982370-en.html.

The public is broadly supportive of Italy's development co-operation, providing a platform for stronger political support. According to a 2024 survey by Harris Interactive, 87% of Italians believed that Italy should provide financial support to developing countries, 71% thought that Italy's investments in the Global South had a positive impact on its global reputation and more than half (54%) thought that Italy should speak out more in favour of international co-operation for sustainable development (Harris Interactive, 2024^[25]). In a separate EU survey in 2023, 81% of Italian respondents thought that tackling poverty in developing countries was one of the European Union's main priorities – the fourth highest out of the 27 countries surveyed. Italy had the third-highest level of confidence that the European Union was successful in driving positive sustainable change in tackling poverty. Respondents cited peace and security, as well as migration as two of the top three areas in which the European Union should co-operate the most with partner countries (European Union, 2023^[26]). Although a separate survey did not cite global poverty as the primary concern of the Italian public, 56% of Italians believed that countries like Italy should allocate more resources to ODA as a moral imperative (Istituto Affari Internazionali, 2023^[27]).


Amid a global decline in ODA, Italy's stable aid levels enable it to reinforce its commitments to the poorest countries. Italy is among the few G7 members that have not reduced their ODA levels in recent years, although it is struggling to increase ODA levels to meet its commitments. This is especially important in the context of declining global ODA levels (OECD, 2025^[28]) and increasing needs. As recommended in the 2019 Peer Review, Italy has reversed the decline of its ODA, increasing it to 0.29% of gross national income (GNI), or USD 6.8 billion, in 2024 (Figure 2) (OECD, 2025^[29]; OECD, 2019^[30]). Nonetheless, Italy's ODA levels remain below the ODA/GNI average of 0.47% for Development Assistance Committee (DAC) Members in the European Union, as well as the international commitment of 0.7% ODA/GNI that Italy reaffirmed in Law 125/2014 (Italian Republic, 2014^[12]). To meet the international commitment of 0.7% of GNI, Italy would need to more than double its ODA levels, which current budget projections suggest is unlikely (Table 2).

Figure 2. Italy's ODA rebounded after 2020 due to in-donor refugee costs, but remains below its 2022 peak

USD millions, 2022 constant prices

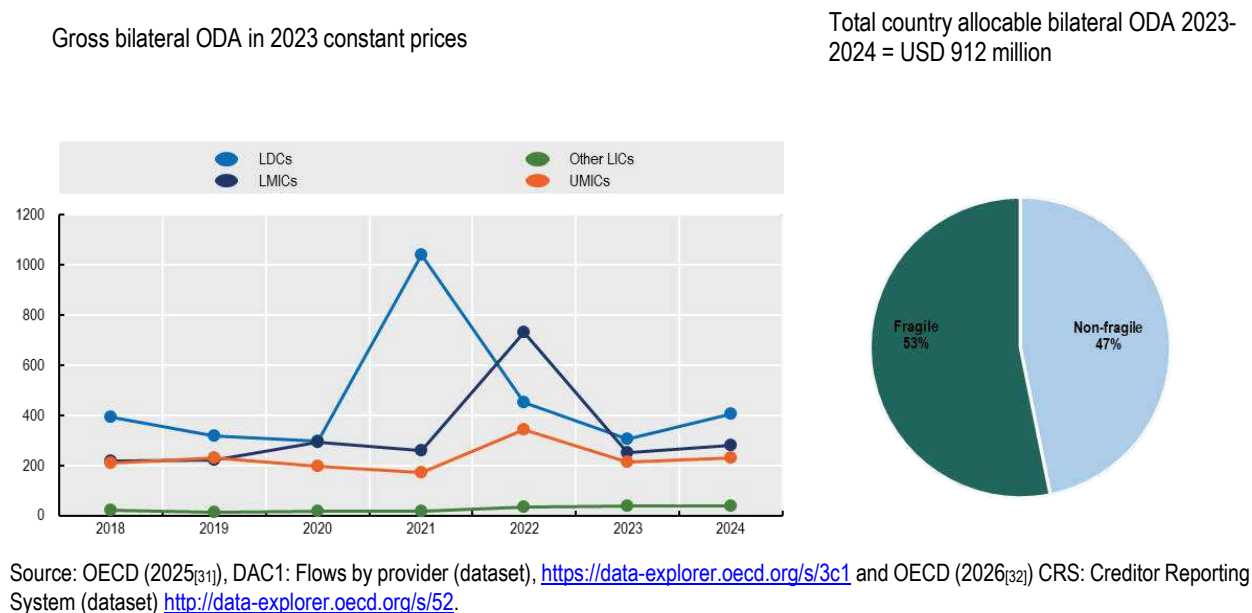


Source: OECD (2025^[31]), DAC1: Flows by provider (dataset), <https://data-explorer.oecd.org/s/3c1> and OECD (2026^[32]) CRS: Creditor Reporting System (dataset) <http://data-explorer.oecd.org/s/52>

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Italy's support for least developed countries (LDCs) and fragile contexts has remained robust, although decreasing as a share of GNI. Sixteen of Italy's 38 priority partners are categorised as LDCs, all of them in Africa,⁶ and 25 of the 38 are considered to be fragile or conflict affected. The 2022 mid-term review of Italy cautioned against decreasing support for LDCs due to competing priorities, including its focus on the Mediterranean, however, the data indicate levels have remained stable (OECD, 2022^[33]). In 2023, Italy allocated 0.04% of its GNI to LDCs, which is below the 0.15% international commitment UN members made in Istanbul, but after a peak in 2021 followed by a dip in 2022, the share of Italy's country allocable aid to least developed countries has steadily increased to reach 42% in 2024 (OECD, 2025^[34]). Confirming Italy's continued presence and investment in fragile contexts, 53% of Italy's bilateral country allocable ODA went to fragile states in 2023-2024 (Figure 3).

Figure 3. Italy's ODA flows are highest to least developed countries and fragile contexts



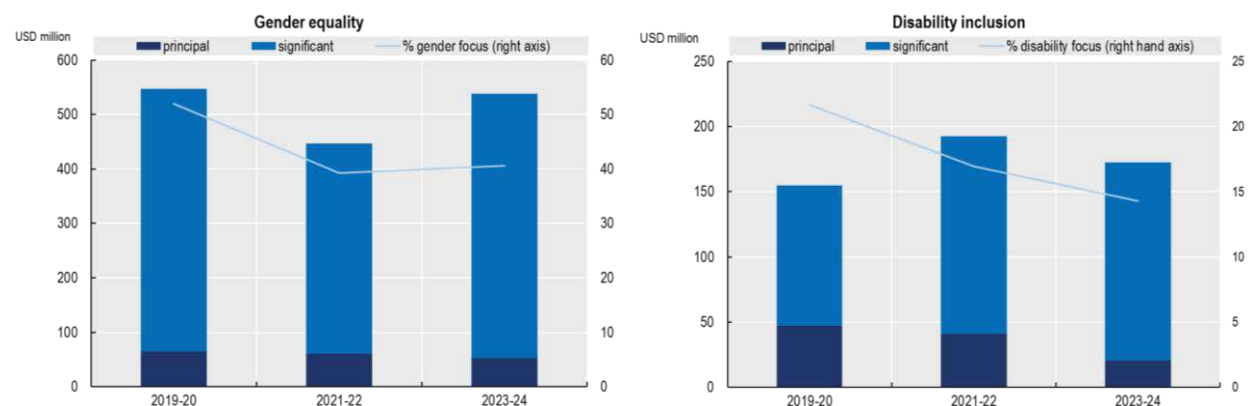
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Italy's average ODA per person living in extreme poverty is less in LDCs than upper middle-income countries (UMICs). In 2023, Italy's bilateral ODA distribution in terms of "ODA per person in extreme poverty"⁷ was USD 1.4 in LDCs, USD 3.1 in lower middle-income countries (LMICs) and USD 7.2 in upper middle-income countries (UMICs). In other words, Italy provided 5.2 times more ODA per person in extreme poverty in UMICs than in LDCs, and 2.3 times more in LMICs. These gaps across income groups are more pronounced for Italy than the DAC average, which is 4.5 times more ODA per person in extreme poverty in UMICs than in LDCs, and 1.8 times more in LMICs than in LDCs.

However, Italy's co-operation in partner countries demonstrates a continued focus on poverty eradication and support to the most fragile and vulnerable contexts. Given scarcer concessional finance, there is even greater clarity as well as a moral and political case to refocus ODA more specifically on eradicating poverty (Kenny, 2025^[35]) and not abandoning the most fragile and conflict-affected states. Italy's continued and increased presence in some of the most fragile regions, including the Horn of Africa, Mozambique, the Sahel, and the West Bank and Gaza Strip are a testament to its commitments outlined in its PPPD. Italy also aligns to the DAC average when it comes to gender equality and women's empowerment, committing 44% of bilateral allocable ODA, with 6% as a principal objective.⁸ At least 40% of Italy's commitments have consistently targeted gender equality, and one in ten have considered disability inclusion (Figure 4) (AICS, 2024^[36]). Within countries, Italy has also traditionally supported the poorest and most vulnerable people. For example, according to the latest annual disability report, in Ethiopia, 4.5% of bilateral spending targeted persons with disabilities not only as beneficiaries but as participants in planning interventions (AICS, 2024^[36]). In Ethiopia, as in its other priority countries, Italy – through multilateral and civil society partners – invests in the most vulnerable people, including youth and persons with disabilities, in support of job creation, health services in pastoralist areas, inclusive education and other basic services (MAECI, 2023^[37]).


Figure 4. Italy's reporting against the gender equality and disability inclusion policy markers is relatively stable

Bilateral allocable ODA commitments, 2023 prices



Note: Handbooks describing how to apply the gender equality and disability inclusion markers are available here: (DCD/DAC/GEN(2025)2) (gender) and (DCD/DAC/STAT(2020)48) (disability)

Source: OECD (2026^[32]), CRS: Creditor Reporting System (flows), <http://data-explorer.oecd.org/s/52>.

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Italy's development co-operation resources are set to remain relatively stable for the next few years once accounting mechanisms and the budget structure are factored in. Italy's draft 2026 budget proposal (Table 2) shows an apparent decline compared to 2025, but this reflects accounting adjustments (Senato della Repubblica, 2025^[38]; Italian Republic, 2022^[39]). A separate annual budget linked to the government's deliberation on international missions (often referred to, in practice, as the "International Mission Decree") covers stabilisation, peacebuilding and humanitarian assistance. This package has recently accounted for around 4% of Italy's total ODA. The 2026 Missions Decree budget proposal is not yet publicly available, but for 2025 the humanitarian and co-operation initiatives within the Mission Decree framework remained stable at EUR 251 million⁹ (Italian Republic, 2024^[40]). It should also be noted that these financial fluxes (national budget and the Mission Decree) do not capture the full set of resources supporting Italian development co-operation, which also includes allocations through the Revolving Fund for Development Cooperation and contributions from other actors¹⁰. Past peer reviews have highlighted the challenge in programming Italian development co-operation budgets given that the Missions Decree budget is not usually passed until halfway through the year in which disbursements are planned (OECD, 2019^[30]). However, due to the recent high-level attention given to defence and military spending, the International Missions Decree budget has recently been approved earlier in the calendar year, thus facilitating a joint budget programming process.

Table 2. Italy's cumulative ODA budget is made up of two main funding sources

	2025	2026	2027	2028
ODA Annex to the Budget Law (as per Law 125/2014, Article 14)				
Ministry of Economy and Finance	3 084 843 248	3 012 834 441	2 995 705 446	3 035 239 040
Ministry of Enterprise - Made in Italy	824 779	887 759	887 759	887 759
MAECI (accrual, includes DGCS resources, including those to be transferred to AICS for interventions)	1 071 916 680	1 198 095 764	1 181 594 026	1 183 591 289
Ministry of Interior	1 899 308 903	1 594 958 021	1 409 958 187	1 410 688 039
Ministry of the Environment and Energy Security (MASE)	540 960 895	566 424 944	300 382 188	252 326 148
Ministry of Infrastructure and Transport	89 881 957	89 881 957	99 881 957	99 881 957
Ministry of Universities and Research	18 379 714	18 379 714	18 379 714	18 379 714
Ministry of Health	14 511 988	14 511 988	14 511 988	14 511 988
International Missions Decree (as per Law 145/2016)				
Humanitarian and development co-operation	251 000 000	251 000 000 ¹	251 000 000 ¹	251 000 000 ¹
Total EUR	6 971 628 163	6 746 974 588	6 272 301 265	6 266 505 934

Note: ¹ International Missions Decree budget for 2026 and beyond has not yet been proposed. For the sake of comparison, this table assumes that 2026-2028 will be equal to 2025.

Source: Italian Republic (2024^[40]), ODA Allocations 2025-2027, https://www.rgs.mef.gov.it/Documenti/VERSIONE-//attivita_istituzionali/formazione_e_gestione_del_bilancio/bilancio_di_previsione/bilancio_finanziario/2025-2027/APS_2025_LB.pdf; Italian Republic (2022^[39]), 2022 Budget Law, <https://documenti.camera.it/leg18/dossier/pdf/ID0016dvol2.pdf>; Italian Republic (2025^[41]), Budget Law estimated allocations 2026-2028, https://www.rgs.mef.gov.it/Documenti/VERSIONE-//attivita_istituzionali/formazione_e_gestione_del_bilancio/bilancio_di_previsione/bilancio_finanziario/2026-2028/APS_2026_LB.pdf.

Italy's expanded geographical focus and programme ambitions will necessitate a changing use of modalities, including increased lending

Sovereign loans will be critical to Italy's efforts to increase the size of programmes. A key objective of AICS's Effectiveness Plan, adopted in 2020, was to move towards large-scale programmes (AICS/DGCS, 2019^[42]). Starting in 2024 with the Italy-Africa Summit, along with the 2024-2026 PPPD framework, Italy is piloting large-scale, multi-year investments in priority sectors as part of the Mattei Plan (MAECI, 2025^[14]; MAECI, 2025^[13]) (see Team Italy: A whole-of-government approach to co-ordinating development efforts, with a focus on Africa). Italy has made positive strides in increasing the programme size, with the average size of new projects disbursed by AICS, as measured by Creditor Reporting System (CRS) commitments, increasing over the past five years from USD 881 000 in 2018 to USD 2.5 million in 2024.¹¹ The Ministry of the Environment and Energy Security (MASE) is also likely to see significantly larger projects, reflecting increased loan allocations from the Italian Climate Fund (Box 1).

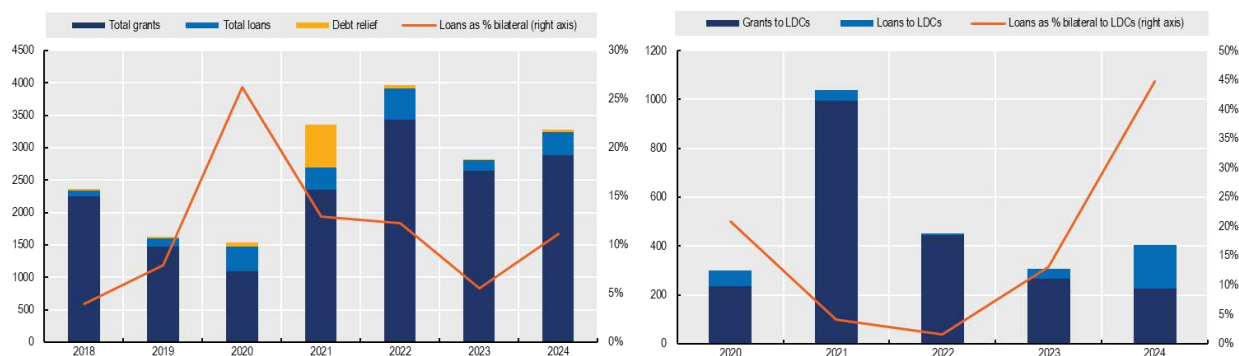
In the absence of additional finance, it will be difficult to reconcile the increase in priority countries and the political imperative to pilot larger flagship programmes. Excluding imputed in-donor refugee costs that are counted as ODA, as well as non-programmable humanitarian assistance, it leaves Italy with a maximum of USD 1.3 billion in bilateral ODA per year (based on 2024 flows) over which it has some flexibility. If current levels of ODA were allocated equally to the 38 priority partner countries and territories, each priority partner would receive USD 26 million per year, compared to an illustrative USD 48 million for the previous smaller group of 20 countries.

Italy's financing model is changing, with loans via the Italian Climate Fund and the Revolving Fund for Development Cooperation becoming the main instruments available to increase Italy's bilateral portfolio. In 2023, loans accounted for 6% of bilateral ODA flows, rising to 11% in 2024¹² (Figure 5). Meanwhile, following a spike in 2021 and 2022 due to the pandemic, grants to LDCs have decreased (from USD 359 million in 2018 to USD 224 million in 2024). However, ODA loans to LDCs have increased (from USD 30 million in 2018 to USD 182 million in 2024) and are expected to grow further via the Italian Climate Fund. These shifts are already visible in programming (Figure 5). For example, the Joint Declaration on

the Ethiopian-Italian Cooperation Framework 2026-2028 sets out a total commitment of EUR 210 million in concessional loans and EUR 40 million in grants¹³. While the volume of grants remains unchanged from the previous 2023-2025 co-operation framework, concessional loans have doubled (MAECI, 2023^[37]) As a result, only 16% of Italy's ODA disbursed in Ethiopia in the 2026-2028 framework will be in the form of grants.

Figure 5. The proportion of loans as a percentage of bilateral ODA, particularly to LDCs, is increasing and expected to continue

Gross bilateral disbursements in USD millions, constant 2023 prices



Source: OECD (2025^[31]), DAC1: Flows by provider (dataset), <https://data-explorer.oecd.org/s/3c1> and OECD (2026^[43]) DAC2a: ODA disbursements to countries and regions (dataset), <https://data-explorer.oecd.org/s/3yl>.

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The shifting balance between grants and loans may pose debt sustainability challenges in the future if concessional finance is disconnected with partner-country debt sustainability. The growing share of loans within the Italian co-operation portfolio represents a shift in Italy's overall approach to development co-operation. Italy provides highly concessional soft loans¹⁴ via the Revolving Fund for Development Cooperation and it launched a debt conversion initiative for Mattei Plan focus countries and LDCs over the next ten years as part of the Sevilla Platform for Action. It also announced the introduction of debt pause clauses for all African countries in the event of climate shocks.¹⁵ Italy's highly concessional loans are currently financing nine low-income countries already in debt distress, including Ethiopia where it has one of the largest country programmes (World Bank, 2025^[44]). Zero-interest concessional loans with long grace periods do not impact debt sustainability in the short-medium term, especially when invested in productive sectors. However, with debt sustainability pressures increasing across many low-income countries, relying more heavily on lending may not be a viable substitute for declining grant volumes for partners most in need.

Italy is increasingly complementing its long-standing, small-scale and civil society-driven co-operation model with larger programmes and loan-based operations in priority countries to enhance impact and country ownership. To date, Italian co-operation was primarily delivered via partnerships with multilateral organisations and Italian civil society organisations (CSOs). While multilateral development banks and some UN entities are likely to continue to be key partners in co-financing and lending operations, by their nature loans increase country ownership which may translate into less direct implementation by Italian actors, such as CSOs. Following international organisations, the Italian public has the second highest degree of trust (63%) in civil society organisations as the most effective actors in reducing poverty, ahead of government (55%) and the private sector (53%) (Istituto Affari Internazionali, 2023^[27]). This reflects historic reliance on civil society as a key partner for implementation and explains

why Italy is looking to complement its sovereign loans with larger CSO programmes, for example in Côte d'Ivoire.

The shift away from direct implementation by Italian actors may reduce bottlenecks in decision making and disbursements between headquarters and country offices but also comes with initial challenges. For example, in Ethiopia delays in disbursements and programme implementation were linked to the late approval by the Ethiopian parliament of a sector budget support programme. Loans to sovereign governments and non-sovereign financial institutions will require stronger upstream co-ordination between AICS and CDP to identify synergies across programming and leverage AICS's long-standing country experience. This should include prioritising dialogue with other development partners and ministries of planning and finance in partner countries. Italian system-wide missions to partner countries launched in 2024 are an initial step in this process (Box 2). Once these mechanisms are in place, loans are expected to enable smoother implementation.

Box 1. The Italian Climate Fund: Advancing development and sustainability goals

Mandate and financing of the Italian Climate Fund (ICF). The 2022 Budget Law established the Italian Climate Fund in the budget of the Ministry of Ecological Transition (the current Ministry of the Environment and Energy Security) to contribute to the achievement of the objectives established within the framework of international agreements on climate, biodiversity, and environmental protection. The Italian Climate Fund, the largest public climate and environment fund of any EU country, was endowed with EUR 4.2 billion in concessional loans starting from 2022, with an additional EUR 200 million in grants starting in 2024. The funds are managed by the Italian development finance institution, *Cassa Depositi et Prestiti* (CDP) (Italian Republic, 2022^[39]; MAECI, 2025^[14]). Funding for multilateral replenishments of global climate funds and for the United Nations Framework Convention on Climate Change (UNFCCC) are budgeted separately under the Ministry of the Environment and Energy Security (MASE) and amounted to USD 118 million between 2021-2023.

ICF as the climate pillar of the Mattei Plan. In late 2024, a Prime Minister's Office decree designated at least 70% of the ICF as the climate pillar of Mattei Plan:

to accelerate the transition to a low greenhouse gas emission economy and to increase the resilience of territories to the impacts of climate change, through [promoting]...projects that ensure sustainable development with a high climate impact in the sectors of renewable energy, energy efficiency, sustainable infrastructure, sustainable agriculture, sustainable management of natural resources, and institutional capacity building in African countries" [translation] (Italian Government, 2024^[45]).

Early commitments and disbursements. Nearly two years were needed to define the parameters of the ICF, identify viable projects, establish due diligence frameworks and create partnerships. In 2024, only EUR 179.7 million (USD 194.3 million) in concessional sovereign and non-sovereign loans were disbursed. According to CRS data, concessional disbursements included:

- a subscription to a bond to finance climate change mitigation projects for the West African Development Bank (EUR 100 million)
- a policy-based loan to Rwanda to tackle climate change (EUR 50 million)
- a new credit facility through the Republic of Türkiye's (hereafter Türkiye) Industrial Development Bank (TSKB) to support the green recovery from the 2023 earthquake (EUR 29.7 million).

Scaling up the ICF. The ICF's contribution to Italian development co-operation became apparent in 2025, when commitments exceeded the amount set out in the Budget Law (Table 3). The Budget Law specifies that the ICF is a revolving fund with an initial allocation of EUR 840 million for each year from 2022 to 2026, plus EUR 200 million from the Energy Ministerial Decree (concessional only) to reach a

total of EUR 4.4 billion. An additional EUR 40 million per year has been allocated from 2027 onwards for grants. For the ICF to reach the overall ceiling allocated by law, it would need to disburse EUR 628.5 million, including highly concessional financing, per year until 2031¹⁶ and beyond. In reality, resources not used in a given year may be reprogrammed for subsequent years and due to the nature of a revolving fund, which is “*fed by the allocation of public resources and the repayment of sums returned by the beneficiaries who have benefited from it... when the beneficiary begins to repay the financing received, the fund is regenerated thanks to the sums returned*” (Italian Republic, 2022^[39]). Due to the long tenor typically associated with ICF financing, the sums returned or reflows would likely only become available in 10-15 years.

Table 3. Evolution of the Italian Climate Fund

In EUR thousands, not adjusted for inflation

	2022	2023	2024	2025	2026	2027	2028-2031
Maximum allocations according to 2022 Budget Law ¹	840 000	840 000	840 000	840 000	840 000	40 000	40 000
Additional funding from Energy Missions Decree (Decree-Law 181/2023)			200 000 000				
Budgets allocated in 2025 and 2026 laws valid until 2028	420 000	420 000	420 000	420 000	420 000	160 000	
Commitments (CRS data)	-		413 830	557 659 (expected)			
Disbursements (CRS data)			179 650	384 180 (expected)			

Note: ¹ Paragraph 488 of the 2022 Budget Law allocates EUR 840 million each year from 2022-2026 (EUR 4 billion for interventions [2022–2026] and EUR 40 million per year for grants and expenses) and EUR 40 million from 2027 onwards. The Energy Missions Decree (Decree-Law 181/2023) provided an additional EUR 200 million in 2024 for concessional financing.

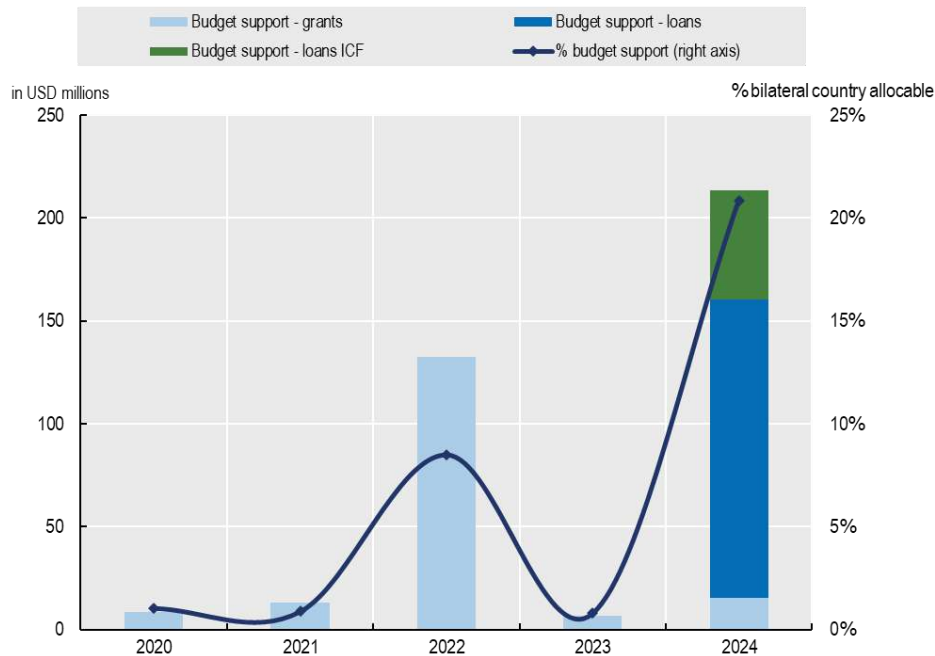
Source: Based on OECD (2025^[31]), DAC1: Flows by provider (dataset), <https://data-explorer.oecd.org/s/3c1>; Italian Republic (2025^[41]), Budget Law estimated allocations 2026-2028, https://www.rgs.mef.gov.it/Documenti/VERSIONE-attivita_istituzionali/formazione_e_gestione_del_bilancio/bilancio_di_previsione/bilancio_finanziario/2026-2028/APS_2026_LB.pdf; Italian Republic (2022^[39]), 2022 Budget Law, <https://documenti.camera.it/leg18/dossier/pdf/ID0016dvol2.pdf>; Italian Republic (2024^[40]), ODA Allocations 2025-2027, https://www.rgs.mef.gov.it/Documenti/VERSIONE-attivita_istituzionali/formazione_e_gestione_del_bilancio/bilancio_di_previsione/bilancio_finanziario/2025-2027/APS_2025_LB.pdf; Italian Republic (2024^[46]), State budget for the financial year 2025 and multi-year budget for the three-year period 2025-2027, <https://www.normattiva.it/atto/caricaDettaglioAtto?atto.dataPubblicazioneGazzetta=2024-12-31&atto.codiceRedazionale=24G00229&tipoDettaglio=originario&qId=e955da2f-c6f0-4e83-a406-f713add15098>.

The expansion of sovereign lending under the Italian Climate Fund is likely to make budget support a more significant instrument of Italian co-operation in the coming years. As seen in Figure 6, Italy’s overall budget support has increased from a low base in terms of both volume and the proportion of its country-allocable ODA. From 2015 to 2021, Italy provided an annual average of USD 12.8 million in budget support. The spike in 2022 is largely due to general budget support in the form of a USD 115.7 million grant given directly to the Ukrainian government. In 2024, CDP disbursed funds from the Ministry of Economy and Finance for sector budget support totalling EUR 83.5 million to Ethiopia’s green and energy sector, as well as EUR 50 million in general budget support to the Tunisian government. Separately, the Italian Climate Fund extended a policy-based loan totalling EUR 50 million to the Rwandan government to tackle climate change. Considering the potential for Italian Climate Fund disbursements to triple compared to 2024 levels (Box 1), alongside existing policy-based loans disbursed in Kenya and recently approved sovereign loans in Côte d’Ivoire, Morocco, Mozambique, and Senegal, it is likely that the uptake of this modality under the Italian Climate Fund will increase. To manage the associated risks and capitalise on

the opportunities for increased dialogue relating to policy-based loans and budget support, Italy is encouraged to increase its engagement with bilateral and multilateral partners.

Figure 6. Budget support is rising, driven in part by the Italian Climate Fund

USD disbursements



Note: For simplicity, general budget support and sector budget support are combined in this graph; they are roughly equivalent in volume over this five-year period.

Source: OECD (2025^[31]), DAC1: Flows by provider (dataset), <https://data-explorer.oecd.org/s/3c1> and OECD (2026^[32]) CRS: Creditor Reporting System (dataset) <http://data-explorer.oecd.org/s/52>.

StatLink  <https://stat.link/cxyaao>

The rise of CDP as a development finance actor creates opportunities for Italy's co-operation but requires improved upstream co-ordination

CDP's growing maturity as a development finance institution (DFI) has enabled Italy to be a source of financing to both public and private partners, including through its legal mandate to manage the **Revolving Fund for Development Co-operation and the Italian Climate Fund**. CDP combines its own resources (EUR 1 billion per year) with public funds of EUR 4.4 billion under the Italian Climate Fund (ICF) and EUR 5.2 billion under the Revolving Fund for Development Co-operation. In addition, it can leverage its resources through other instruments (EUR 500 million under the Plafond Africa and EUR 750 million mobilised under the Growth and Resilience platform for Africa – GRAf) (Table 7). The size and level of ambition of the ICF in particular could considerably raise the profile of CDP and reinforce its role as a DFI (Box 1).

The growing importance of CDP-managed finance necessitates stronger upstream collaboration and clearer operational interfaces with AICS. With CDP managing loans from the Revolving Fund for Development Cooperation and the Italian Climate Fund, which represent a sizeable and rising share of Italy's ODA, upstream co-ordination between the MAECI, AICS, MEF and CDP is increasingly essential to design large-scale, integrated programmes. For example, programme design and implementation will rely

on a carefully sequenced mix of grants, technical co-operation and concessional finance. In practice, AICS, via MAECI, often mediates across levels of administration during annual planning processes without necessarily providing any input in shaping CDP programmes in partner countries. Strengthening CDP's regional presence and systematising how CDP can make the best use of AICS's country expertise and implementation capacity could help close this gap. Italy's recent experience, such as the AICS/CDP co-designed soft loan in Tunisia, illustrates what more integrated approaches could achieve (MAECI, 2023^[47]). The forthcoming updated "Convention" between MAECI, AICS and CDP, which is expected to come into force on 1 January 2027, offers an opportunity to address bottlenecks and new challenges posed by the evolution of the international development co-operation framework, and update the division of labour in light of the experience gained over years of collaboration. Ideally, the next MAECI/AICS/CDP Convention should also address expectations related to enhanced transparency around CDP-managed finance, over which parliamentarians today do not feel they have adequate oversight.

Significant progress has been made to ensure that CDP has the resources to fulfil its growing mandate, as recommended by the 2019 Peer Review (OECD, 2019^[30]). Funding deployed by CDP to governments, multilateral financial institutions, enterprises and investment funds for development co-operation increased by 55% in 2024 compared to the previous year, totalling EUR 1.2 billion (CDP, 2025^[48]). This has been supported by an increase in staff working in international development co-operation, reaching 78 by the end of 2025, of which 10 were based overseas (MAECI, 2025^[14]). CDP's increased country presence has been made possible by its ability to recruit more flexibly than MAECI or AICS. In addition to three representative offices which opened in 2024 in Egypt, Morocco and Serbia, additional offices are planned in Côte d'Ivoire and Kenya by the end of 2026¹⁷. These offices are regional hubs co-located with other Italian co-operation entities to facilitate more integrated operations and a unified Italian presence abroad. Still, CDP's limited country presence makes it harder to develop in-depth familiarity with partner countries, suggesting the importance of leveraging Italian embassies and AICS offices to fill this gap. A similarity analysis¹⁸ that looks at bilateral disbursements from AICS and CDP by region and sector indeed suggests a low thematic convergence and an even lower geographic similarity, meaning that AICS and CDP have to date not operated in the same thematic areas and even less in the same regions. However, this may change as the Mattei Plan and the Italian Climate Fund expand CDP's investments in Africa (OECD, forthcoming^[49]).

Italy's high profile in development co-operation provides an opportunity for AICS to assume greater responsibilities and streamline processes with country offices

AICS currently implements projects on behalf of MAECI and the European Union, but there is potential for it to become a more significant implementing partner across Italy's development co-operation system. AICS is a valued development partner, with the flexibility to adapt within the overall country programme. It is also able to use development funding to address emergency situations in countries where it is no longer physically present, such as Afghanistan, South Sudan and Sudan, and work with municipalities when government agreements are not possible due to the political constraints, such as in Syria and Libya. A 2022 *Corte dei Conti* (National Audit Office) report commended AICS for its ability to run solid partnerships and projects with civil society, administrations, regions and municipalities, as well as EU delegated co-operation projects under the Directorate General for Development Cooperation (DGCS). For example, the Ministry for Disabilities and the Agency for Digital Italy (AgID) are interested in AICS implementing programmes on their behalf. Working more closely with other line ministries would also allow AICS to draw on their sectoral and technical expertise (see Team Italy: A whole-of-government approach to co-ordinating development efforts, with a focus on Africa).

The introduction of regular in-depth reviews ("deep dives") reflects a growing effort to enhance system-wide oversight, learning and engagement in programme implementation. MAECI, embassies and AICS, with the participation of CDP where relevant, recently started undertaking in-depth

reviews during which projects are assessed to determine what is working well, to better understand delays and to identify lessons. At the political and system-wide levels, these “deep dives” provide useful insights into implementation challenges, helping identify next steps for engaging with government counterparts at high level and strengthening embassy engagement. Nevertheless, they complement, rather than replace, the day-to-day operational and monitoring activities carried out by AICS offices.

Italy’s approval procedures are inclusive but lengthy, creating a clear trade-off between strong political buy-in and timely implementation. Approval processes and procedures, although time-consuming, reflect an inclusive process with strong political endorsement. However, ambitions to simplify and accelerate disbursement and implementation are confronted by complex and protracted approval procedures for guidelines and projects. As noted in the 2019 DAC Peer Review and the 2022 Mid-term Review, late approvals can push implementation timelines back (OECD, 2019_[30]; OECD, 2022_[33]) and result in low budget execution. Despite Italy’s aim to decrease “amounts not yet disbursed and residual amounts”, officials cite the particularly low (although exceptional¹⁹) budget execution rate in 2023 as a cause for concern. CRS data for the period 2020-2024, although not an exact proxy, suggest that 86% of Italy’s grants committed were disbursed over the same period, showing that execution generally follows commitments (OECD, 2025_[31]). A reflection as to how existing approval mechanisms are kept as simple as possible – including, where appropriate, through updates to Law 125/2014 – could help ensure the system remains agile and fit for purpose.

Heavy administrative procedures delay the implementation of CSO projects managed by headquarters. Calls for proposals managed by AICS headquarters can take more than a year to finalise. For example, a general call for proposals for CSOs and local authorities with a deadline of June 2024 for submitting proposals published its final ranking in July 2025 (AICS, 2025_[50]). This reduces the time available for implementation (typically 36 months), with little flexibility within the approved proposal to adapt the programme to any changing context or circumstances in the country in question during this period. The inefficiencies of the call for proposal process were already noted in the 2019 Italy Peer Review (OECD, 2019_[30]), while a 2022 *Corte dei Conti* (National Audit Office) report highlighted “the multiplicity of competitive procedures used for the allocation of grants” (Corte dei Conti, 2022_[51]). Such modalities make it challenging not only to adapt rapidly to changing needs but also to scale up successful approaches. In contrast, emergency or relief calls for proposals managed from country offices can be completed within a maximum of seven days and emergency calls within a maximum of thirty days. The emergency calls offer funding for 18-21 months (with the possibility of extension) and flexibility across the humanitarian-development-peace (HDP) nexus.

Centralised decision making from headquarters continues to constrain the ability of AICS country offices to ensure that calls for proposals align with local needs and emerging priorities (Figure 7). However, there are signs that Rome is making efforts to streamline procedures. In 2024, for the first time, a request for proposals with an increased overall budget of EUR 30 million was piloted for five CSO projects in the education and child protection sectors in Côte d’Ivoire, which is a new priority country and a Mattei Plan partner. The final decision on project funding was made in April 2025, five months after the December 2024 deadline for proposals. As larger calls become more common, they may be better managed by country offices and Italy could consider providing Italian CSOs with more programmatic or core funding. For current calls for proposals managed by AICS in Rome (Figure 7) AICS country offices are only minimally involved,²⁰ even when a proposed project or programme is in their own country, with final decisions resting with Rome. AICS country offices regularly consult CSOs in partner countries and encourage their collaboration in designing larger project proposals that address population needs. They could also provide more input into the project selection process.

Figure 7. Partnerships with Italian CSOs are primarily defined by calls for proposal



The 2025-2027 MAECI/AICS Convention supports a clearer division of labour with stronger MAECI oversight

The 2025-2027 MAECI/AICS Convention remains the central instrument for defining AICS's mandate, budget and ministerial oversight under Law 125/2014. The Law provides AICS with budgetary autonomy and the ability to determine the regulation and functioning of its organisation, under the guidance and supervision of MAECI. Accordingly, the 2025-2027 MAECI/AICS Convention sets out the objectives agreed with and assigned to AICS and the supervision and control functions exercised by MAECI (MAECI, 2025^[15]). The regular renewal of the Convention is an opportunity for DGCS and AICS, embassies and country offices to discuss and review how procedures might be simplified and made more efficient.

The new 2025-2027 MAECI/AICS Convention strives for greater coherence and to simplify procedures. A core objective of the recent Convention is to improve efficiency by setting targets (including to expand EU delegated co-operation by 25%) and to empower ambassadors to play a more significant role in development co-operation, particularly in Africa. Compared to the 2022-2024 MAECI/AICS Convention (MAECI, 2022^[52]), the 2025-2027 Convention grants MAECI stricter oversight of AICS's human resources, operations, communication and external relations, and proposes a shared, centralised database to better manage projects. Stakeholders and officials generally agree that common communication guidelines and ensuring consistent procedures across the Italian administration are necessary features of a well-functioning whole-of-government approach. Similarly, simplified procedures for allocating humanitarian assistance to CSOs as outlined in the Convention are welcome initiatives.

In practice, the good intentions of the 2025-2027 MAECI/AICS Convention may not deliver the efficiency gains it sets out to achieve for three reasons. First, it introduces enhanced oversight to an already complex institutional arrangement. The Convention sets out the involvement of DGCS in the selection of human resources, as well as in an extra step in providing documentation for projects under EUR 2 million. For example, a representative of the DGCS participates in the evaluation committees to select agency headquarters staff and personnel assigned to AICS offices abroad, as well as in the selection of senior managers. Another example relates to additional safeguards and mechanisms in the decision-making authority of the Agency Director. According to Law 125/2014, the Agency Director has autonomy in decision making for expenditures limited to EUR 2 million, provided for in the annual programming²¹. Previous practice has been to notify the Joint Committee of such programmes *ex post*. The 2025-2027

Convention requires AICS to share documentation concerning bilateral initiatives under EUR 2 million in advance for DGCS to comment within ten days²² (MAECI, 2025^[15]). In effect, all initiatives requiring financing must already be included in the yearly development co-operation programming carried out by DGCS before submission to the Joint Committee. While the additional step is meant to ensure better information sharing, the opportunity for DGCS to comment tightens oversight on what can be small amounts and adds ten days to the approval process.

Second, strengthening the role of embassies in development co-operation will require them to rapidly increase their development capacity. An embassy typically has limited dedicated staff time for development co-operation oversight, which is often covered alongside other responsibilities (e.g. by the Deputy Head of Mission).²³ While embassies may be more involved in countries where AICS is not present this may not always be the case in countries where AICS is already well-established. In Rome, as of December 2024, DGCS had a total of 34 diplomats and 13 external consultants covering a network of 20 country and project offices, ensuring a presence in 38 countries (MAECI, 2025^[14]). This figure increased significantly in 2025 with a cohort of junior staff entering DGCS (see below). However, this does not automatically translate into additional staff time at post. Assuming no additional human resources or significant reorganisation of responsibilities, the increased involvement of diplomats in countries might come at the expense of the rest of their portfolio and could duplicate existing responsibilities. Nonetheless, strengthening their strategic role in Italian co-operation remains an important feature of the Convention and if done well can have a positive outcome.

Third, the application of the 2025-2027 MAECI/AICS Convention may decrease the implementation capacity of AICS at a time when Italian co-operation seeks a higher profile, including via larger programmes and increased EU delegated co-operation. The Convention requires AICS to obtain prior approval to meet with political authorities from the Ministry, via DGCS at headquarters, and from the Embassy in partner countries. AICS must also inform DGCS or the Embassy, in advance, of meetings with local authorities or foreign diplomatic representatives.²⁴ The increased use of loans as a modality implemented by partner government authorities and the move towards larger programmes will require more interaction with partner authorities and development partners. In Ethiopia, where the government implements over 75% of Italian co-operation and where Italy would like to increase EU delegated co-operation by at least 25%, this will require greater collaboration with other bilateral development partners. Additional written guidance on the interpretation of the Convention sent to embassies and AICS encourages a flexible, context-aware approach. However, as written the current requirements set out in the Convention and guidance would still oblige Heads of Mission or their deputies to attend most meetings with government and development partners. Given the volume of engagements concerned, this risks creating scheduling bottlenecks and slowing implementation.

Italian co-operation currently benefits from AICS as an agency, whose value added could be further enhanced in line with international good practice. DAC providers note a number of advantages in having agencies. One is to prioritise development objectives within foreign policy, enabling long-term policy making that is more insulated from political cycles. Another reason is to separate policy and implementation functions, including the ability of the agency to implement on behalf of the rest of government. A further reason is to access EU and other international funding more easily. A standalone agency usually has greater visibility and branding with the domestic population and international partners. Agencies are typically known to be more flexible and less bureaucratic than government ministries. For example, in many cases employment contracts are not bound by public administration employment law and can offer more attractive terms and conditions to build and retain human capacity and expertise. What is clear from different DAC peer reviews is that many of these objectives remain challenging to achieve and require continuous dialogue to ensure that the structures and systems are able to deliver on the objectives (OECD, 2024^[53]).

Italy's support for multilateralism matters more than ever, and predictability is key

Italy has typically allocated a slightly higher share of its ODA to multilateral channels (54%) than to bilateral ones and works to strike a balance that accommodates both its international commitments and its bilateral ambitions. Italy's high multilateral ODA spend, as with other EU Members, is primarily due to EU contributions²⁵. While the vision for Mattei Plan could favour an increase in bilateral ODA, Italy recognises that implementing this vision requires the support of partners. In practice, Italy seeks to find a middle ground by combining bilateral and multilateral resources. It does this, for example, through co-financing agreements with financial institutions or regional development banks, such as topping up policy-based loans and parallel financing with the International Monetary Fund (IMF) or World Bank.

The strong leveraging effect of multilateral ODA is a key rationale for Italy's multilateral engagement. By launching the multilateral development banks' Capital Adequacy Framework Review during its 2021 G20 Presidency, Italy helped set in motion reforms that expanded lending capacity and demonstrated its proactive role in enhancing financial scale across the multilateral development bank (MDB) system. The creation of the African Development Bank's (AfDB) Piano Mattei/Rome Process Financing Facility, along with the United Arab Emirates, enables Italy to fund projects already identified in AfDB's pipeline, with each dollar contributed to the trust fund matched by at least one dollar from the bank.²⁶ Italy has also increased its contribution to the International Fund for Agricultural Development's (IFAD) 13th replenishment (IFAD13) by 30%, following its increase to the International Development Association's (IDA) 21st replenishment (IDA-21) by 25%. Along with other shareholders, Italy has also pledged hybrid capital to the International Bank for Reconstruction and Development (IBRD), thereby multiplying the bank's lending capacity²⁷ (MAECI, 2025^[14]).

Italy demonstrates leadership in topics of critical importance for partner countries and is encouraged to continue doing so. As part of the Sevilla Platform for Action, Italy's debt-for-development swap programme in Africa aims to convert and subsequently cancel all debt maturities of the debt of LDCs and LMICs over the next decade, with an expected result of EUR 269 million for local development projects (MAECI, 2025^[14]; United Nations, 2025^[54]). Italy is also part of the Global Hub for Debt Swaps for Development launched by Spain and the World Bank.²⁸ Through these platforms, Italy demonstrates international leadership on fiscal space and debt sustainability, particularly relevant for African economies. Debt-for-development swaps are ideally implemented upstream, before debt issues become acute; they should be anchored in the country's debt sustainability analysis and broader debt management strategies, and, where possible, channelled through country systems rather than special purpose vehicles or trust funds (OECD, 2025^[55]). As Italy increases the number of its priority partners, it could consider expanding similar programmes.

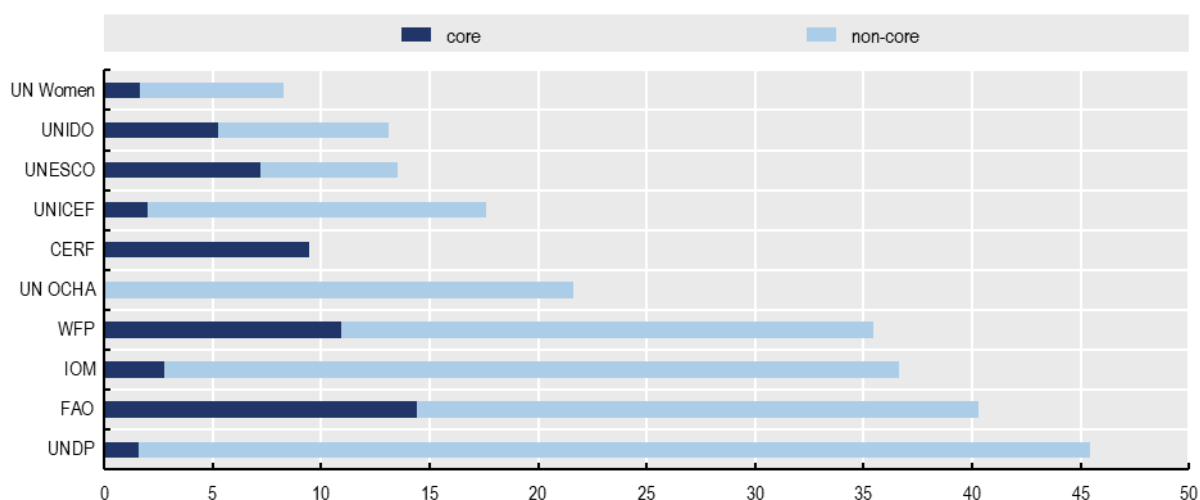
Multilateral entities have been key partners for Italy, enabling faster implementation and budget execution in partner countries while also leveraging the resources of others. According to data from 2015 to 2019, core outflows from multilateral partners complement Italy's bilateral aid, thereby diversifying its geographic and thematic reach when compared with bilateral ODA. Conversely, earmarked funding (multi-bi) has tended to extend the thematic reach of Italian funding in countries where Italy already has a geographic presence (OECD, 2020^[56]). This reflects the fact that country programmes tend to rely significantly on multilateral partners to implement programmes where they lack the capacity or thematic expertise. These types of partnerships are likely to become even more important as Italy expands its geographical reach.

Italy's reliance on multilateral partners underscores the need for more predictable core funding to sustain their effectiveness and relevance. A survey of 31 multilateral organisations and a desk review indicate that funding reductions disproportionately affect low- and lower-middle-income countries, particularly fragile and conflict-affected states (MOPAN, 2025^[57]).²⁹ Italy's lack of predictable core voluntary funding to UN partners reduces the flexibility and capacity of multilateral partners to support partner

countries that may be particularly vulnerable. It also contributes to multilateral partners' diminished relevance in partner countries as a convener and interlocutor (Figure 8). Regular strategic dialogues and annual planning involving relevant Italian ministries, for example in CICS, would strengthen these partnerships (see Team Italy: A whole-of-government approach to co-ordinating development efforts, with a focus on Africa). Although Italy has not publicly announced any major reductions, the draft budget for 2026 shows slight decreases in core contributions to the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the United Nations Industrial Development Organization (UNIDO), although in practice the actual disbursement will not change since the budget ceiling had not been reached in previous years (Senato della Repubblica, 2025^[38]). However, earmarked funding for migration, climate and humanitarian issues is likely to increase in line with foreign policy priorities. As it forges new partnerships, including with Gulf states, Italy should maintain its strong commitment to multilateralism, working with UN agencies and multilateral development banks to keep the focus on the most vulnerable, complementing its bilateral programming and continuing engagement in countries outside of Africa where bilateral support is being phased out or reduced.

Figure 8. Less than one-quarter of Italy's support to its top UN recipients is core, unearmarked support

Average disbursements in USD millions for 2023-2024, in constant 2023 USD



Source: OECD (2025^[31]), DAC1: Flows by provider (dataset), <https://data-explorer.oecd.org/s/3c1> and OECD (2026^[32]) CRS: Creditor Reporting System (dataset) <http://data-explorer.oecd.org/s/52>.

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To achieve its goal of expanding EU delegated co-operation by 25%, Italy will need to prioritise capacity building and streamline procedures. Although Italy is the EU Member State from which the EU's Technical Assistance and Information Exchange (TAIEX) instrument has mobilised the greatest number of short-term experts (EU, 2024^[58]), it implements a relatively small share of EU delegated co-operation projects through its pillar-assessed institutions, i.e. the Ministry of Interior, AICS and CDP. A team of five people in AICS is dedicated to EU delegated co-operation efforts, with two members of staff seconded to the Italian representative to the European Union in Brussels, and one person from DG-INTPA to Rome to help identify Global Gateway opportunities for Italian companies (see Policies, instruments and partnerships for private sector engagement). This emphasis on EU delegated co-operation aligns with broader EU trends, as the volume and share of the EU ODA delivered through budget support declines and partnerships through Team Europe Initiatives and EU delegated co-operation are the preferred option

for delivery (OECD, 2025^[59]). The efforts Italy is taking show that it is taking a more proactive approach to engaging with the European Union and Member States in Europe.

Italy could further strengthen its role as a valued partner in EU delegated co-operation by investing more in country-level partnerships and streamlining procedures. Even though AICS is a pillar-assessed entity, and its own systems can be used to implement EU delegated co-operation, it often defers to the EU's own procedures, which can lead to more complex and onerous processes as it aligns to the PRAG and associated EU rules. Together with limited human resources in some embassies and AICS country offices, this can discourage other EU Member States from collaborating in the same consortia with Italy. Partly for this reason, Italy's financial contributions to EU partnerships have tended to be relatively small. Streamlining processes and focusing on Italy's added value will therefore be important going forward. In Ethiopia, for example, the Italian government's influence as a political actor, its network of CSOs operating in hard-to-reach regions, and its innovative investments in the coffee value chain position AICS and CDP as desirable partners, even if the transaction costs may be higher compared to some other Member States (see Policies, instruments and partnerships for private sector engagement).

AICS staff demonstrate strong commitment, but steps are required to further professionalise the agency

AICS's staffing levels are set out in Law 125/2014 and were initially capped at 200. This was increased to 240 in December 2018 (Italian Republic, 2014^[12]). The maximum ceiling was not initially reached due to budgetary shortfalls and many vacancies, as well as a transition measure in the law whereby fifty experts from DGCS (a professional profile no longer foreseen by the new law) could move to AICS, helping to bridge the gap. In January 2023, 60 newly recruited officials (40 technical experts and 20 in administrative, legal, accounting, communication and ICT roles) joined the agency and underwent training with AICS and the National School of Administration. These staff members had previous experience in non-governmental organisations (NGOs), universities and international organisations, and have played a key role in strengthening headquarters operations and enhancing the co-ordination of field offices. By January 2025, AICS employed 197 staff at headquarters, with 27 deployed across 20 foreign offices – a 19% increase compared to January 2022.

AICS has exhausted all the flexibility available under public administration rules and is now forced to use short-term technical expert posts to fulfil permanent roles. Under the AICS Statute³⁰, Italian staff implementing Italian co-operation abroad fall into three categories: 1) the personnel assigned to overseas offices (including directors); 2) public administration officials seconded from other parts of the administration; and 3) non-public administration personnel employed via fixed-term private law contracts (Italian Republic, 2015^[60]). The number of temporary staff in the third category ("short-term experts") grew from 392 in 2022 to 498 in 2025. Their numbers are not established by law or decree, enabling AICS to open new project offices, as it did recently in Algeria. However, this comes at the expense of the long-term stability of the system and technical expertise available to the agency.

In country offices, locally employed AICS staff feel valued and are proud to work for Italian development co-operation. Local staff express high job satisfaction, although funded training and longer staff contracts would further enhance motivation. As with most locally employed staff, Italian experts hired in country have short-term (one-year) contracts and, unlike other agencies (e.g. AECID), they do not benefit from structured career paths or rotation mechanisms. Additionally, the lack of knowledge management systems makes it more difficult to retain Italian experts, ensuring continuity and facilitating institutional learning. These gaps create operational inefficiencies and hinder the agency's ability to leverage its in-house expertise fully. As a first step to tackling these challenges, the 2025-2027 MAECI/AICS Convention calls for skills development through joint training programmes, including internships at DGCS for new AICS staff.

Despite recent efforts to increase staffing levels and improve training, AICS lacks resources required to support MAECI and embassies in leading strategic dialogue and to meet growing demands both in countries and at headquarters. Despite many country offices having a Country Director, and in many cases a Deputy Director, AICS is not always resourced to support dialogue and co-ordinate actors at the local level, nor to provide inputs to inform DGCS policy. The MAECI/AICS Convention provides an opportunity to strengthen co-ordination and synergies between embassies and AICS offices in partner countries, which could support Italian co-operation and enable AICS to be a more attractive partner when it comes to EU delegated co-operation. Along with the increased demands due to new priority partners, it appears unlikely that there will be any additional capacity in AICS beyond short-term experts, without another amendment to Law 125/2014. However, relying on repeated amendments to the law to adjust human resource capacity is not a long-term solution.

A successful AICS recognises that its reputation, competitiveness and viability depend on having professional and motivated staff. This includes paying particular attention to improving staff well-being through transparent workforce planning and career development, better communication and providing more opportunities for staff to give feedback. Staff who feel empowered are more likely to stay with the organisation and promote it within their networks. While staff appreciate the opportunity to travel on missions to support the growing network of AICS offices, the conditions for travel often mean that they incur a financial cost because of the below-market per diem levels established by law and decree³¹. Italy is looking to find solutions to these challenges, understanding that making AICS an even more attractive workplace will also make it a more competitive actor in EU delegated co-operation.

Increased demand for results and accountability should help incentivise dialogue and learning across Italy's programming

Ongoing efforts to institutionalise results-based management show Italy's commitment to link programming with longer-term outcomes. DGCS and AICS have finalised guidelines and operational manuals on gender equality, results-based management (RBM) and impact. Following the 2019 DAC Peer Review recommendation to link programming with desired impact and long-term outcomes, Italy has developed guidance and established a theory of change³² that outlines outcomes and indicators for each sustainable development goal (SDG) with the associated standard indicators. Italy invested considerable effort into the development of its Operational Manual for an Approach to Sustainable Development Results, which was approved in 2023 and is designed to provide a theoretical and practical toolkit to manage programmes, interventions and projects implemented by AICS according to an RBM approach (AICS, 2023_[61]). AICS has trained over 200 implementing partners in Italy and in country offices, not only on tracking activities and costs but rather focusing on outcomes through results-based management. A 2021 AICS policy paper accurately sets out that “the results-based approach is a learning process that evolves over a considerable period of time” (AICS, 2021_[62]), underscoring the challenge of the shift in culture that managing for development results represents.

Partners continue to struggle with integrating results-based management, viewing it more as a compliance exercise. Proposals for non-humanitarian funding by AICS require CSOs to set out the intervention logic, including the overall outcome, specific objectives and outputs (i.e. the results) hoped to be achieved. However, this information does not appear to be used beyond the project in question. For example, country-level results from these interventions are not systematically communicated, even though doing so could encourage greater buy-in from CSOs. Using information emanating from monitoring visits and evaluation reports across the Italian administration to more systematically learn and disseminate lessons across programmes might encourage greater uptake of results-based management in the future. Regular monitoring of CSO projects is conducted every quarter by project implementers and more recently third-party monitoring has been put in place across AICS programmes.

Italy's current evaluation system provides structure and transparency but needs to respond to the changing development portfolio. MAECI is responsible for assessing the impact of development co-operation interventions and verifying the achievement of programme targets as set out by Law 125/2014 and publishes evaluation reports online. DGCS implements a rolling three-year evaluation programme based on defined selection criteria. The 2025-2027 programme prioritises initiatives implemented in countries identified under the Mattei Plan, as well as initiatives in climate, environment and energy, and gender equality (MAECI, 2025^[63])³³. This prioritisation aligns with requests from parliament and other stakeholders for more visibility and accountability for Mattei Plan initiatives, including complete project proposals, indicators, summary tables and verifiable reporting. In 2025, three evaluations were carried out covering projects or programmes in Egypt, Kenya and Tunisia. The Evaluation Office recently updated the three-year evaluation programme to include thematic evaluations in 2026 and 2027. Italy does not conduct country evaluations, nor does it commission impact assessments with other partners. Even if conducting impact evaluations is not feasible, other approaches can help assess development additionality and could help guide Italy as it experiments with larger programmes and scales up private sector engagement (Habbel et al., 2021^[64]). CDP reports annually on the impacts of activities supported through the Italian Climate Fund to the relevant committees, although annual reports are not currently published online. It is possible that reports and further information will be shared once there are sufficient and concrete results from ICF operations and investments, given that the fund only recently became operational.

Modernising systems for greater transparency, learning and accountability is a key objective for Italy. Two current challenges for Italy are the lack of a single system through which all of its interventions in a given country can be viewed and communicated, and the inability of the existing system to share learning on Italian co-operation initiatives across different country offices as well as with headquarters³⁴. With respect to the lack of a single information system, DGCS and AICS are currently working on creating a central database (“data warehouse”) capable of storing information on concessional credits managed by CDP, in addition to the activities of DGCS and AICS. Such a system would simplify the generation of country reports on programme implementation, as required in the MAECI/AICS Convention. It could also be accessed and used by other parts of the administration to provide embassies and AICS offices a more complete, whole-of-government perspective of Italy's different investments. In the absence of a tool at the central level, AICS Ethiopia is piloting “ActivityInfo” as a database into which monitoring data is entered, with the support of AICS headquarters. When overlaid with geolocalisation indicators, it can also show where Italian co-operation activities are concentrated in a partner country and how this corresponds to national indicators. The creation of a central database that eventually collects information across country offices would facilitate information sharing across country programmes.

Team Italy: A whole-of-government approach to co-ordinating development efforts, with a focus on Africa

The Mattei Plan provides renewed political momentum for a more integrated and coherent approach to Italy's engagement with Africa

The Mattei Plan marks a shift towards a more system-wide mobilisation of Italian actors in Africa (Italian Republic, 2023^[5]). While the Mattei Plan extends beyond development co-operation, it has elevated and re-energised the role of Italian co-operation within Italy's broader foreign policy approach to Africa, reflected, in part, by heightened interest from Italian companies seeking to engage and invest in partner countries, at a scale previously unseen (Fattibene, 2025^[65]). As such, the framework has also provided an impetus for piloting larger-scale, multi-year investments in selected priority sectors, often entailing participation from multiple line ministries, development finance institutions, multilateral partners, CSOs and the private sector (see Towards a more fit-for-purpose institutional system). Italy's legal and parliamentary framework continues to anchor development co-operation in its core mandate. Parliament and national

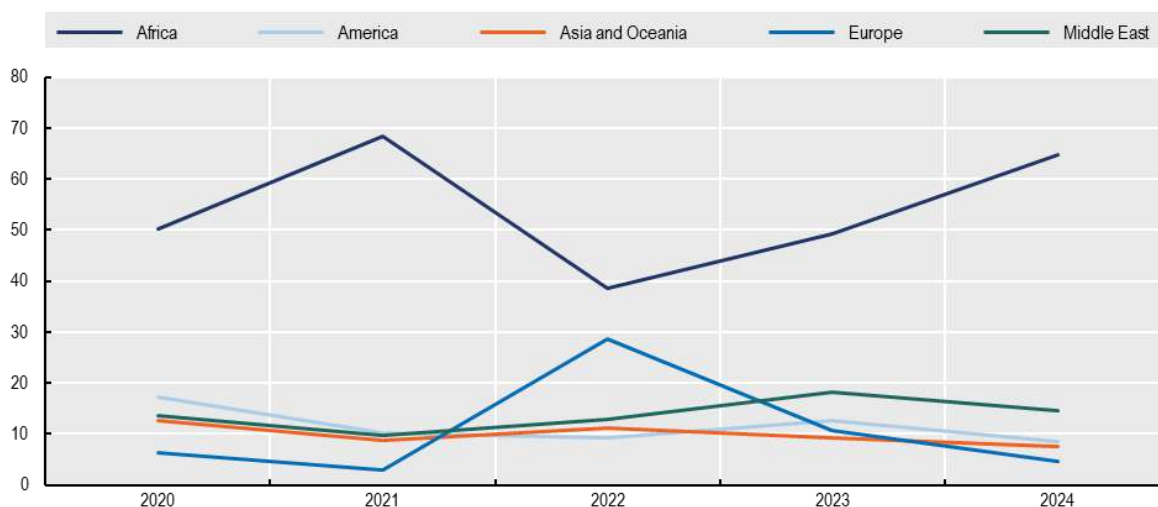
stakeholders retain an important role in reviewing and commenting on the draft three-year plans, helping ensure that partnerships and investments emerging across government maintain a strong poverty-reduction focus, in line with Law 125/2014 (Italian Republic, 2014^[12]).

The governance structure of the Mattei Plan signals a more politically steered and outward-facing approach to development co-operation in Africa. The Plan's steering committee, chaired by the Prime Minister, meets every four months and brings together ministries, Italy's largest state-owned enterprises, CSOs and other actors, mirroring to some extent the multi-stakeholder composition of system-wide missions (Box 2). A permanent task force, operating within the Prime Minister's Office (PMO), oversees implementation, fosters dialogue and synergies among development stakeholders, and facilitates co-ordinated action on strategic projects. Although the PMO does not deploy staff to embassies, its strategic steering has reinforced perceptions of stronger interministerial alignment in Rome and increased visibility in priority African partner countries. Early signs of operationalisation include the Joint Committee's decision to expand AICS's geographical footprint to additional African countries, including new field offices in Côte d'Ivoire and Uganda (MAECI, 2024^[66]), as well as plans to activate an AICS project office in Algeria.³⁵ In parallel, CDP, SIMEST (which supports Italian firms abroad), SACE (Italy's export credit agency) and Italian Trade Agency (ICE) offices were opened in Egypt in 2024. Further openings of CDP and SACE offices are planned in Morocco and Côte d'Ivoire, with the latter co-located within a broader embassy co-operation unit intended to act as a focal point for more integrated programme design and implementation, including in co-operation with partners such as the African Development Bank (MAECI, 2025^[14]). These combined elements indicate a system that is gradually repositioning itself in response to the Mattei Plan's heightened political and operational ambition, raising expectations within Italy and among African partners that this framework can provide clearer direction, stronger coherence and a more sustained presence in Africa.


Africa has consistently received the largest share of Italy's bilateral ODA in recent years, confirming its position as the clear regional priority (Figure 9). In 2024, Africa accounted for 65% of total bilateral ODA by region, with all other regions remaining comparatively stable over time.³⁶ An analysis of recent Joint Committee decisions also confirms a marked shift toward Africa, with over 50% of approved initiatives (in terms of volume) over 2024-2025 directed to the continent, including EUR 573 million to sub-Saharan Africa, of which EUR 300 million went to West Africa. While overall ODA allocations are coherent with the renewed push toward Africa under the Mattei Plan, a tangible increase in terms of ODA disbursements is not yet visible. However, a gradual decline in commitments to other regions can be discerned – a trend that is likely to accelerate as Italy expands its portfolio across an increasing number of African priority countries, while its ODA budget remains stable (see Towards a more fit-for-purpose institutional system).

Figure 9. Africa is clearly reflected as a key priority in Italy’s bilateral ODA

Bilateral ODA by geographic region, as a percentage total bilateral ODA allocated by region (gross disbursements)

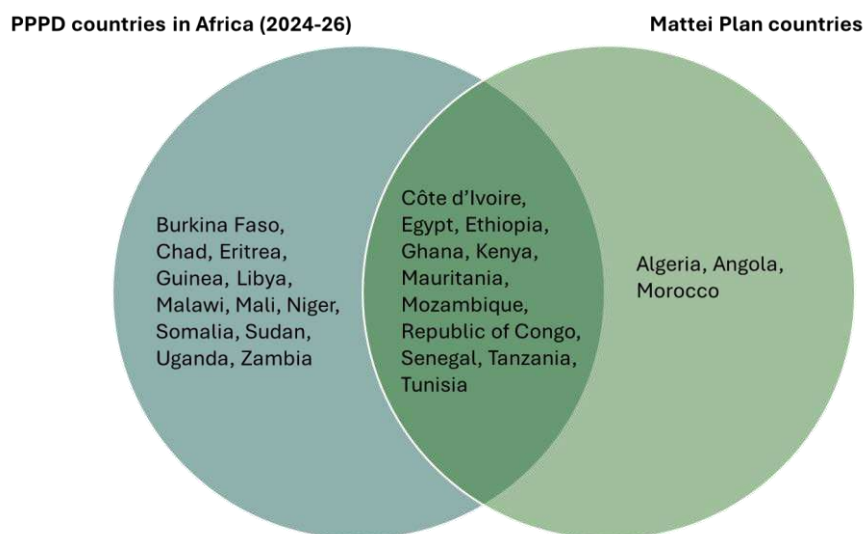


Source: OECD (2026^[43]) DAC2a: ODA disbursements to countries and regions (dataset), <https://data-explorer.oecd.org/s/3yl>.

StatLink  <https://stat.link/hw4v9l>

The PPPD and Mattei Plan frameworks overlap significantly in terms of geographic focus (Figure 10). Of the 23 PPPD priority countries in Africa, 11 are also covered by the Mattei Plan. The Mattei Plan focuses on 14 African countries in total, meaning that three countries are not covered in the PPPD portfolio. In 2023, three out of the top five African recipient countries of Italian bilateral ODA (Tunisia, Ethiopia and Mozambique) were both PPPD and Mattei Plan priority countries, accounting for a total of USD 153.3 million, or 34% of Italy’s bilateral ODA to Africa (OECD, 2025^[31]). This convergence suggests that the two frameworks are, and should continue to be, mutually supportive, offering an opportunity for more aligned political and programmatic engagement across Italy’s Africa portfolio.

Figure 10. Nearly half of Italy’s priority countries in Africa align with Mattei Plan countries



Source: Based on MAECI (2025^[14]), Self-assessment for 2026 DAC Peer Review of Italy (DCD/DAC/AR(2026)1/12).

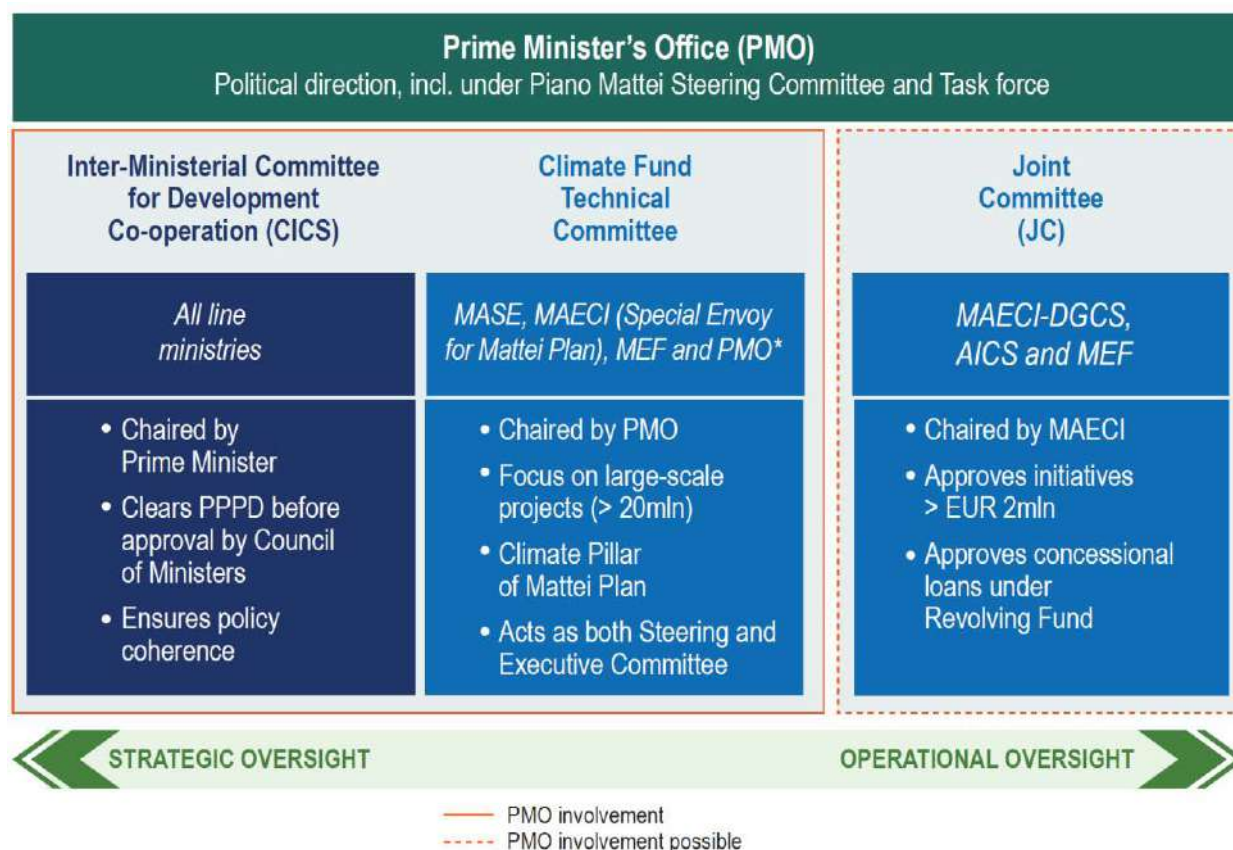
While the EUR 5.5 billion Mattei Plan envelope is ambitious, Italy recognises that it cannot deliver on it alone. The investment needs that the Plan seeks to address are considerably larger and will require mobilising additional resources, deepening partnerships and strengthening transparency (Simonelli, 2025^[67]). Scaling up activities will therefore require an increased reliance on loans from the Italian Climate Fund and more systematic engagement with Team Europe Initiatives, MDBs and other bilateral and third partners (Italian Government, 2025^[68]). Partnering with organisations such as CIHEAM, which is implementing agrifood work within the Mattei framework, demonstrate how Italy can leverage specialised institutions to crowd in both technical and private sector expertise through a triangular co-operation model (BARI, 2025^[69]).³⁷

However, overall awareness of the Mattei Plan among other development partners in Africa and elsewhere remains uneven, suggesting a need for clearer communication and visibility on priorities, funding channels and expected results. This underscores the importance of embassies as facilitators of system-wide alignment, helping translate Mattei Plan priorities into coherent engagement and partnerships at country level – a role that will require adequate development capacity and resourcing at country level (see Towards a more fit-for-purpose institutional system). While development co-operation and humanitarian assistance are not the only, or even the main instruments available for the Mattei Plan, Italian co-operation and diplomacy are the public-facing instruments of Italy abroad. As it increasingly shapes Italy's ODA profile in Africa, and involves multiple institutions beyond MAECI and AICS, transparent reporting on Mattei Plan allocations, delivery mechanisms and achievements will support Italy in showcasing its full contribution.

With increasingly politically steered programming Italy's complex development co-operation system is likely to face growing co-ordination demands

Italy's development co-operation architecture, underpinned by a whole-of-government approach through Law 125/2014, is likely to face increasing co-ordination pressures as mandates evolve across the system (Italian Republic, 2014^[12]). The Inter-ministerial Committee for Development Cooperation (CICS) brings together all line ministries, sets the strategic direction of development co-operation policies, ensures cross-government co-ordination on programming by clearing the PPPD as part of the process leading to its formal approval by the Council of Ministers, and is mandated to arbitrate potential conflicts between sectoral policies and development co-operation goals. However, it has met only three times since 2019, raising questions about its practical influence (MAECI, 2025^[14]). The Joint Committee (JC) has a narrower composition and approves all multilateral initiatives, bilateral initiatives above EUR 2 million and concessional loans, but heavy co-ordination requirements associated with annual programming preceding formal JC approval of projects can slow the pace of implementation, suggesting a need for more streamlined co-ordination. A further co-ordination challenge arises with the Climate Fund Technical Committee, the decision-making body for the climate pillar of the Mattei Plan, whose composition and financial weight make it a powerful new actor in the system (Figure 11). These co-ordination challenges are also likely to impact what remains a heavy and highly sequenced PPPD process, which risks becoming increasingly politicised as more actors have a stake in it. As the number of actors involved in Italian co-operation grows, and the PMO assumes an enhanced political role in development co-operation under the Mattei Plan, leading to rising demands and an elevated Italian profile in Africa, a reflection on whether existing co-ordination bodies and their mandates remain adequate could help ensure the system remains agile and fit for purpose.

Figure 11. Mandates and participation across relevant co-ordination bodies



Note: The PMO chairs the technical committee for the 70% of the ICF that is dedicated to Africa. For the remaining 30% of the Fund, governance is ensured through two committees, both composed of MASE, MEF and MAECI and chaired by MASE: 1) a Steering Committee, which approves the Fund's strategic direction, investment priorities and risk policies; and (2) an Executive Committee, which approves the Fund's operating procedures and individual interventions. CDP acts as the Fund's overall operational manager. The Joint Committee is chaired by the Minister of Foreign Affairs and International Cooperation, or by the Deputy Minister of Development Cooperation.

Source: Based on MAECI (2025^[14]), Self-assessment for 2026 DAC Peer Review of Italy (DCD/DAC/AR(2026)1/12); (Italian Republic, 2014^[12]); interviews.

High-level political initiatives are increasingly complementing Italy's traditional bottom-up approach to programming. Programming decisions shaped through high-level political summits or system-wide missions stand in contrast to the traditionally bottom-up approach to programming by AICS (Box 2). Examples of such flagship "top down" programmes include the Lake Boye urban renewal initiative in Ethiopia, the TANIT Project to contain desertification in Tunisia through hydric resilience and advancing climate resilience and transformation in African coffee across the continent. In the past year, diplomats and AICS officials from Italy and in country offices have been working to see how the two methods can coexist (Figure 12). AICS continues to assess proposals primarily against partner-country priorities articulated by public authorities and civil society, while identifying synergies with ongoing or planned initiatives. This process now increasingly unfolds alongside a stronger political steer conveyed through embassies and system-wide missions, with the Joint Committee ultimately approving each programme, reflecting a growing need to reconcile established programming practices with more top-down strategic objectives. This underscores the importance of ensuring clear, transparent and predictable decision pathways, particularly where political priorities need to be translated into operational choices and aligned with financing instruments. The National Council for Development Cooperation (CNCS), while advisory in

nature, could further support Italy's efforts by bringing a broader, multi-stakeholder perspective to bear on strategic discussions (Italian Republic, 2014_[12]).

Figure 12. Reconciling top-down and bottom-up approaches to Italy's programme design



Maintaining coherence with the PPPD and avoiding parallel prioritisation processes is likely to become increasingly challenging. At present, the Mattei Plan is being operationalised alongside existing planning instruments such as the PPPD and an annual programming exercise at country and headquarter level. Until recently, apart from centrally managed calls for proposal for civil society and local authorities and some cultural heritage programmes, programming has largely been driven from the bottom up: synergies were identified organically as country offices developed concept notes, with the Joint Committee serving as the main formal approval mechanism for annual programming and the resulting initiatives implemented within the context of Joint Declarations and - where applicable – subsequent country co-operation frameworks. While the political impetus and unifying force generated by the Mattei framework is important, there is a need to ensure they do not outpace programming choices made through already established channels. The evolution of the Lake Boye initiative in Jimma (Ethiopia) illustrates well the opportunities and risks of politically salient projects that were brought under the Mattei Plan umbrella.³⁸ While the initiative benefits from strong ownership at the highest political level in Ethiopia and demonstrates Italy's willingness to use country systems in more fragile contexts where many donors remain cautious, it also underlines the value of putting in place a robust risk management, predictable processes that reconcile top down and bottom up approaches to programming, and of maintaining a portfolio focused on poverty reduction and broad-based community benefits.

A better co-ordinated whole-of-government approach would also help harness contributions from other parts of Italy's development co-operation system and strengthen country-level coherence. Several line ministries, including interior, environment, agriculture, defence and education, as well as a multitude of specialised agencies implement programmes abroad under their own sectoral mandates, enriching Italy's offer but also generating risks of parallel programming when not fully aligned with MAECI/AICS planning (Table 4). These risks are particularly salient in politically sensitive areas such as migration, where lack of co-ordination across the system is more likely to attract public and media scrutiny (see Migration and development nexus). Italy's practice of embedding diplomatic advisers within line ministries – not uncommon among some DAC members, albeit less systematised³⁹ – offers a valuable mechanism to strengthen system-wide co-ordination and visibility of all Italian engagements in partner countries and could be more systematically leveraged. Italy also remains one of the few DAC members with a sizeable subnational co-operation channel, where local administrations are engaged as development actors – especially with regard to SDG implementation (Zupi, 2025_[70]). Yet fragmentation persists in some sectors, such as cultural heritage, due to limited visibility of ongoing initiatives and

occasional duplication. Italy is encouraged to build on recent efforts to strengthen upstream co-ordination in this area, including through clearer criteria on which Team Italy actors to involve, when, and with what responsibilities. Current efforts to develop a single, centralised DGCS/AICS information system (“Data warehouse”) could, over time, support a more comprehensive tracking of Italian engagement, provided there is interoperability and more systematic uptake across all implementing agencies (see Towards a more fit-for-purpose institutional system).

Table 4. Italy’s bilateral ODA to Africa by extending agency, 2020-2024

In EUR million (current prices)

Extending agency	2020	2021	2022	2023	2024
Ministry of Economy and Finance (including CDP)	190.13	688.38	151.69	54.09	328.68
MAECI-DGCS and AICS	120.82	179.00	279.04	209.70	255.15
Earmarked fiscal flows to CSOs or religious organisations	59.12	63.48	56.53	68.03	48.57
MAECI (other Directorates General)	41.67	32.13	71.64	50.24	43.37
Ministry of Environment and Energy Security	5.92	3.89	3.56	2.93	26.83
Universities and other public research bodies	8.38	9.43	12.05	12.77	14.80
Prime Minister’s Office	2.26	7.81	13.35	10.91	8.06
Local Administrations (Regions, Autonomous Provinces, Municipalities)	4.01	4.31	5.48	8.18	7.69
Ministry of Defence	0.81	0.93	1.10	0.01	1.18
Ministry of Health	-	14.75	-	0.21	0.17
Ministry of Education and Merit	-	0.10	0.05	0.03	0.14
Carabinieri	0.29	0.11	0.04	0.02	0.02
Ministry of Interior	4.96	2.77	3.45	-	-
Total bilateral ODA to Africa	438.37	1007.09	597.98	417.12	734.66

Note: ODA financed through the Italian Climate Fund (ICF) in 2024 is included in the Ministry of Economy and Finance category.

Source: OECD (2026_[32]) CRS: Creditor Reporting System (dataset) <http://data-explorer.oecd.org/s/52>.

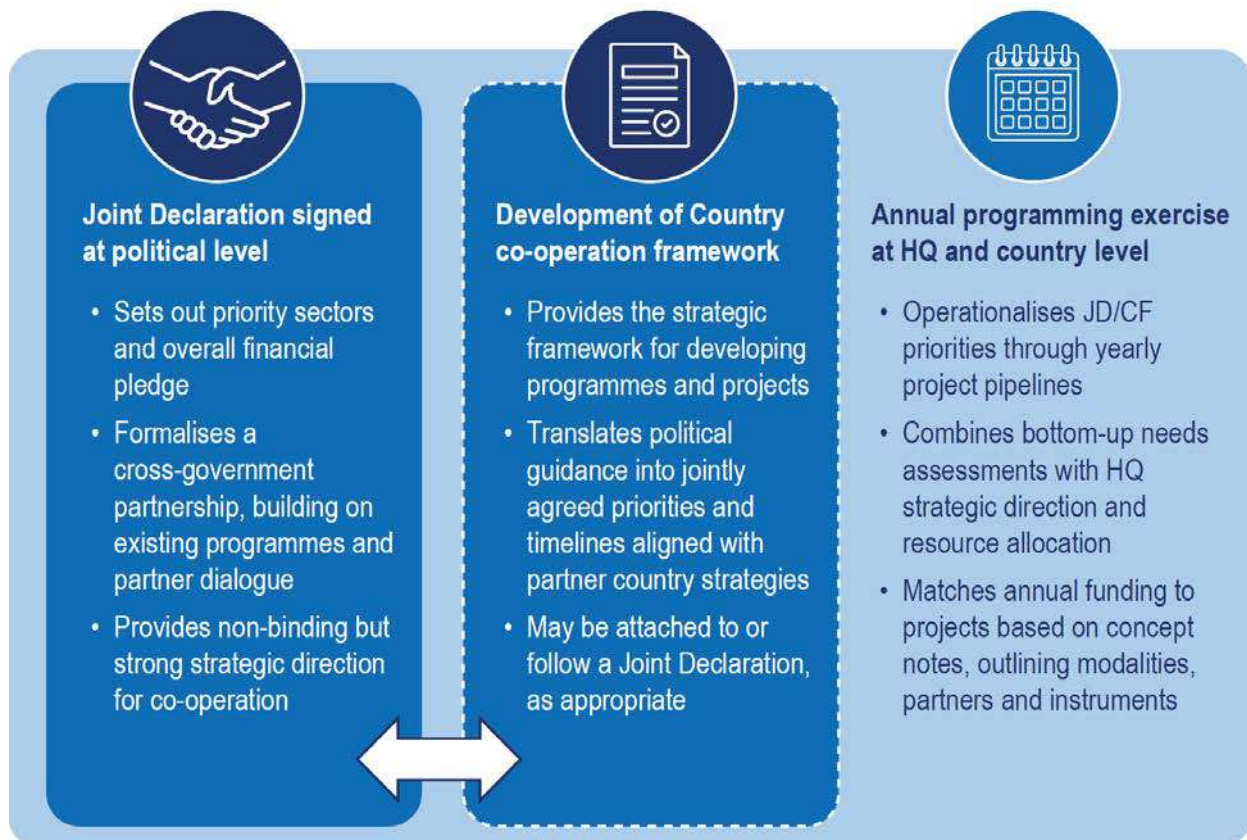
Joint Declarations help anchor Italy’s development partnerships in shared priorities, with scope to further clarify delivery and follow-up mechanisms

Joint Declarations have become an increasingly prominent tool in Italy’s bilateral engagement, providing the political framework to signal intent and establish priority areas with partner countries. Joint Declarations establish broad country financial envelopes and identify priority sectors, allowing Italy to adjust programmes as partnerships evolve. While centred on development co-operation, they also offer an entry point for broader partnership priorities. Since 2023, Italy has signed Joint Declarations with Ethiopia⁴⁰, Kenya⁴¹, Senegal⁴² and Tunisia – countries that sit at the intersection of the PPPD and Mattei Plan. These Joint Declarations have reinforced Italy’s political weight with key partners laying the foundation for engagement on broad sectoral priorities.

While Joint Declarations offer a useful political tool, they currently lack the operational guidance required to steer a whole-of-system delivery. The core strength of Joint Declarations is their flexibility. However, unlike full country strategies, they do not outline expected results, financial parameters or a division of labour among Italian actors, and thus need to be complemented by more detailed country co-operation frameworks (Zupi, 2025_[70]). Figure 13 outlines how Joint Declarations, country co-operation frameworks, and annual programming exercises at headquarters and local level currently work together to shape Italy’s engagement in partner countries. To date, however, only a few priority countries have updated co-operation frameworks in place, and these are often seen more as compilations of existing projects than as tools for dialogue, identifying synergies, or building awareness across the Italian system. Without these, there is a risk of fragmentation, with development co-operation moving on a “project-by-project” basis

rather than forming a coherent portfolio. In addition, lessons from other DAC Members suggest that the public-facing nature of country co-operation frameworks can provide leverage to ensure development-oriented work remains focused, even when political decision making may shift in other directions (OECD, 2026^[71]).

Figure 13. The role of Joint Declarations, Country co-operation frameworks and annual programming for Italy's engagement in partner countries



Note: Country Co-operation frameworks may also be referred to as Multiannual Indicative Programmes (MIP), Co-operation Frameworks, or Partnership Programmes, and all refer in the broadest sense to what is typically considered a multi-year country programme.

Source: Interviews.

Clearer programming guidance is needed to translate political steer into predictable country-level delivery. As more programmes originate from high-level political agreements, system-wide missions (Box 2), or financing instruments outside the Italian co-operation's direct purview (e.g. programmes financed through the Italian Climate Fund), project concept notes will increasingly require significant input from other parts of the Italian administration. The same is true for the subsequent elaboration of country co-operation frameworks, whose level of detail can vary while some outline only priority sectors (and thus remain very close to the nature of Joint Declarations), others specify each initiative to be financed under the programme. This gap is most visible during the transitional period between the signing of a Joint Declaration and the finalisation of a country co-operation framework - when there is one - such as the forthcoming 2026-2028 Ethiopia/Italy framework, whose preparation can take considerable time and leave embassies and AICS offices without a fully articulated roadmap. In this situation, system-wide missions could serve as a bridge to agree roles and sequencing, ensuring that Joint Declarations are underpinned by operational clarity rather than functioning as stand-alone political statements. Where the preparation of

country co-operation frameworks is delayed, it should at the very least be accompanied by interim guidance – notably on priority areas, preferred modalities and mechanisms for joint monitoring – to help maintain momentum and avoid fragmentation during transitional periods. Italy’s annual programming exercise provides a good entry point for doing this.

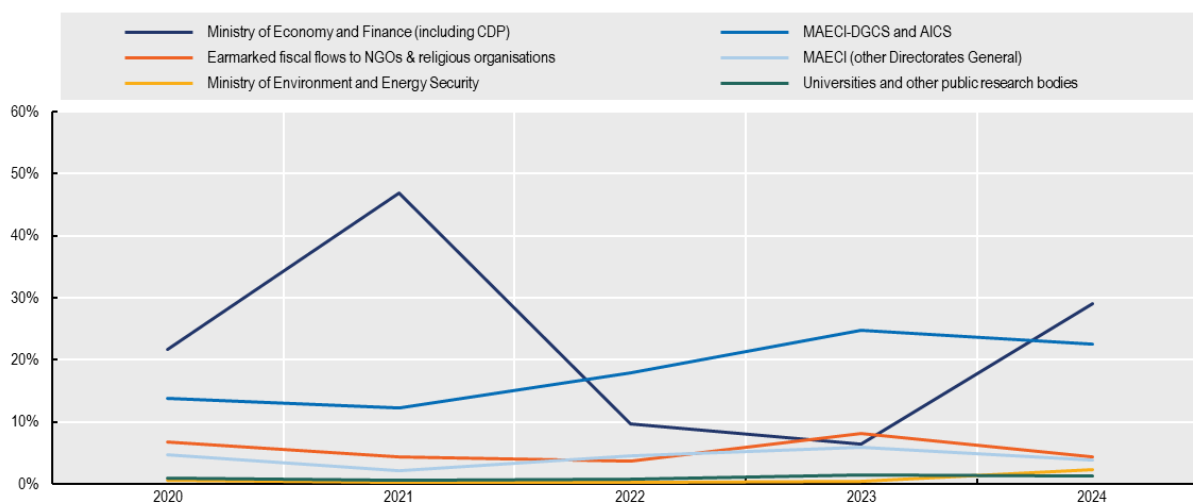
Joined-up delivery in partner countries will require increased co-operation, with system-wide missions as an opportunity to reinforce co-ordination

The *Sistema Italia* (Team Italy) model offers a promising foundation for more joined-up delivery. This system-wide approach reflects Italy’s ambition to bring together the many public and private actors involved in development co-operation under a shared vision and to translate it into more coherent action at country level. This includes Italy’s broad network of civil society organisations, universities and research institutions, a major asset which is highly valued both in Rome and by partner-country stakeholders. The depth of the Team Italy network gives Italy a distinctive comparative advantage: long-standing partnerships, local presence and strong context sensitivity translate into a trusted and reliable delivery ecosystem. If leveraged effectively, it positions Italy well to respond to partner country priorities in a more impactful way.


Italy’s increased focus on Africa has for now remained concentrated within a small number of key institutions. Figure 14 below shows that the increase in Italy’s bilateral ODA to Africa is driven largely by MAECI, particularly DGCS and AICS, and to a lesser extent by the Ministry of Economy and Finance, whose fluctuating contributions in recent years certainly also reflect to a large extent its focus on multilateral ODA. By contrast, other Team Italy actors maintain relatively stable and marginal shares, indicating that the shift toward Africa has not yet resulted in a system-wide reorientation.

Figure 14. Africa focus is driven primarily by MAECI and MEF, with limited shifts to date across other Team Italy actors

Italy’s bilateral ODA to Africa by selected extending agencies, as a share of total country allocable bilateral ODA (%)



Source: OECD (2025^[31]), DAC1: Flows by provider (dataset), <https://data-explorer.oecd.org/s/3c1>.

StatLink  <https://stat.link/c1h019>

In partner countries, Team Italy configurations vary, but often include embassies and AICS at the core, complemented – where present – by CDP, SACE, SIMEST, ICE and all actors with sector-

specific expertise based on the given context, such as for culture and science in Ethiopia. An increased presence of a broader range of actors in Africa, and their co-location, facilitates regular interaction and more integrated work across diplomacy, development co-operation and commercial activities. In 2013, for example, there was only one ICE office for all of sub-Saharan Africa in Johannesburg, but a decade later the agency operated eight offices in the region (ISPI, 2023^[72]). In Ethiopia, the co-location of the embassy and AICS with ICE has facilitated practical collaboration on some business-to-business (B2B) initiatives, as well as trade fair participation and support to local enterprises. However, capacity constraints, such as ICE's very limited staffing, have hindered more systematic engagement with Italian development co-operation efforts. Growing ambitions around private sector engagement underscore the need for more co-ordinated and adequately resourced configurations, enabling Team Italy to fully realise the benefits of its expanding presence. Ensuring a cohesive Team Italy will increasingly depend on better matching resources with ambition, for example through targeted pooling of resources or shared staffing arrangements in contexts where such solutions could strengthen collective delivery.

System-wide missions represent a significant and commendable effort to translate Italy's political vision into more coherent joint delivery on the ground. Led by MAECI's Director-General and involving AICS, CDP, line ministries, and private-sector representatives, with the active participation of the PMO/Mattei Plan Task Force, these missions embody the spirit of the Team Italy approach and send a strong signal of collective commitment to partner countries (see Box 2). They have also proven helpful in reinforcing dialogue between headquarters and country-based teams, notably when embassies and AICS offices in the country are able to sense-check mission outcomes and shape follow up actions, including concrete choices related to programming or partners for joint activities. Italy could build on this effort and maximise impact by using these missions as structured anchor moments to formalise shared priorities, clarify roles and responsibilities, and agree on expected results among all Team Italy actors. This would help scale up involvement across a broader range of actors and guide delivery rather than follow it, ensuring that the impetus generated from headquarters consistently translates into operational alignment at country level.

Box 2. System-wide missions as a driver for more unified engagement in partner countries

The breadth of Italy's development co-operation system brings valuable expertise but also increases co-ordination demands. With the Mattei Plan elevating expectations for unified engagement in Africa, Italy has put in place a mechanism that helps align actors upstream and foster joint programming and delivery.

Since 2023, Italy has introduced system-wide country missions (*Missione di Sistema*) as a practical tool to translate political ambition into co-ordinated delivery. These missions are led by MAECI's Director-General and bring together representatives of AICS, CDP, line ministries (e.g. finance, interior, agriculture, environment), Mattei Plan Task Force representatives from the PMO, Italian embassies, SACE, SIMEST, and major CSOs and enterprises, with their composition varying depending on country context and thematic priorities. Recent missions have involved 50-60 participants and covered several countries in one trip, such as the 2024 mission to South Africa, Mozambique, Zambia and Malawi.

A typical mission includes:

- **joint meetings with embassies, AICS offices and line ministry representatives** to align on priorities
- **high-level dialogue with partner governments**, often chaired by foreign ministers or presidents

- **interactions with multilateral partners**, IFIs, UN agencies, EU delegations and the private sector
- **field visits** showcasing Italian programmes across sectors (e.g. TVET centres, biodiversity initiatives, cultural heritage, health, digital innovation)
- **dedicated thematic sessions on key sectors of engagement**, such as agri-food, digitalisation, green transition, migration, private-sector engagement and cultural co-operation.

These missions have quickly become an important driver of Italy's programming. Authorities report that **more than half of newly developed initiatives originate from ideas generated during system-wide missions, demonstrating their value as a catalyst for generating project pipelines**. They also reinforce Italy's visibility and credibility with partner governments, who value the high-level nature of the delegations and the signal of sustained political commitment.

Strong leadership by MAECI plays a critical role in ensuring that mission objectives are clearly articulated from the outset and that all actors prepare jointly. The breadth of participation enriches dialogue with partner countries and reinforces Italy's collective presence on the ground. To fully capitalise on this potential, Italy's experience suggests the value of maintaining clear prioritisation and anchoring follow-up in established planning processes, so that missions remain focused, manageable, and strategically coherent. As these missions are also expected to take place more regularly, their scale is likely to place significant demands on staff across the system, underscoring the importance of predictable resourcing and realistic scheduling to support long-term sustainability.

Source: Interviews, MAECI (2025^[14]), Self-assessment for 2026 DAC Peer Review of Italy (DCD/DAC/AR(2026)1/12).

Migration and development nexus

Italy acknowledges that immigration responds to economic needs and can work in support of sustainable development

Italy has adopted policies, strategies and guidance that elevate migration and development as government priorities, with migration's growing political significance driving the focus and urgency of these efforts. Central to this approach is the Rome Process⁴³, which aims to enhance co-operation of European and other destination countries (e.g. Gulf States) with African countries.⁴⁴ This vision aligns with Law 125/2014, which, in addition to defining the objectives of Italian development co-operation, emphasises the role of immigrant communities and their ties to their countries of origin in shaping migration policies grounded in human rights and international standards. To operationalise these principles, MAECI and AICS have developed the Guidelines on Migration and Development (MAECI/AICS, 2023^[73]), the first of any such guidelines produced by a DAC Member (Box 3). Migration has evolved into a cross-cutting priority within Italy's development planning. In the 2024–2026 PPPD, migration and forced displacement are framed as a consequence of converging crises, including climate change, food insecurity, violent conflict and economic shocks. The PPPD prioritises investments in sectors such as energy, agriculture, education and job creation, especially for youth, to address the push factors driving migration and forced displacement (Table 5).

Italy faces a demographic crisis marked by rapid population ageing and workforce decline, reinforcing the economic case for regular migration. Italy's population of 59 million is projected to shrink by nearly half, to 32 million by 2100, with the share of those aged 65 and above rising from 24% to 38%. Public pension expenditure is the second highest of OECD Member countries, at 16% of GDP, with one-quarter not financed by pension contributions (OECD, 2025^[74]). Meanwhile, sub-Saharan Africa has

the world's fastest-growing population – expected to reach 2.5 billion people in 2050 – and is projected to be the only region in the world whose population will continue to grow after 2050 (World Bank Group, 2023^[75]). Between 2023 and 2060, the working-age population in Italy will decline by 34%, underscoring the need to mobilise untapped labour resources, including through regular migration (OECD, 2025^[76]).

Italy's current migration policy is a delicate balancing act that combines stricter border controls with efforts to create legal migration channels and address root causes of migration and forced displacement. The 2024-2026 PPPD embeds migration as a guiding principle for the planning, financing and governing of development co-operation. Regular migration pathways are central to Italy's external engagement and a key tool in its influence on EU migration policy. Italy's Memoranda of Understanding on migration, labour mobility and training operate within the broader EU Talent Partnerships framework in Bangladesh, Egypt, Morocco, Pakistan and Tunisia. Italy's first agreements were concluded in 2023 with Tunisia and India, followed by Pakistan, Bangladesh, Ethiopia, Uzbekistan and Ecuador in 2025.⁴⁵ These arrangements aim to relieve migration pressures while meeting Italy's labour needs through clear and accessible legal pathways in exchange for co-operation on irregular migration and human trafficking. Extending such mobility schemes to more countries in sub-Saharan Africa would be an important next step. While there is no clear evidence that awareness-raising campaigns are effective in deterring irregular migration, the International Organization for Migration's (IOM) Community Conversations Programme in Ethiopia found that providing credible information on regular migration pathways was one of the most impactful campaign messages (IOM, 2023^[77]).

Migration is increasingly central to Italy's economic strategy, with new policies designed to meet labour needs while responding to political pressures. Italy recognises the mutual benefit of migration to fill demand for labour in Italy. Italy's multi-year (2026-2028) labour migration admission plan, the *Flussi Decree (Decreto Flussi)*, sets the official quotas and rules for the entry into Italy of non-European workers⁴⁶. For example, seasonal migration increased by 103% in 2024 and the number of permits issued (17 000) represent a fourfold increase compared to 2019. Most quotas remain unfilled for various reasons, including the higher risk of irregular migration that may require employer/worker verification checks, thus impacting on the issuing of visas and sometimes delaying the rapid hiring that businesses require. While the creation of new legal pathways is welcome and there is an "out-of-quota" provision for certain groups (e.g. non-EU or third-country nationals who have completed vocational and civic-linguistic training abroad, including refugees and stateless persons, caregivers and pre-departure trainees), the current legislation is criticised by some sectors of civil society for significantly tightening asylum and protection requirements, particularly for people from "safe country" backgrounds, making it harder for that category to benefit from full procedural safeguards.

There are political and development risks of coupling labour mobility with development co-operation. Bilateral agreements on migration often involve expanded training and technical assistance programmes or new development co-operation activities. The bilateral protocol with Tunisia, for example, provides for the entry of 12 000 Tunisian workers over a three-year period. In exchange, Tunisia commits to strengthening port surveillance and containing or preventing departures (Ambrosini, 2025^[78]). Although training programmes rarely impact migration flows, they can increase the supply of qualified workers. For example, sharing know-how and encouraging innovation has helped enhance productivity and create decent work in Egypt's marble and leather industries⁴⁷. However, linking development co-operation to migration management may create unrealistic expectations of what ODA can achieve and introduces political risks by giving partner governments considerable leverage. Evidence suggests that the success

of migration diplomacy depends heavily on political stability in partner countries (European Migration Network, 2024^[79]).

Table 5. Migration and development milestones

Year	Month	Milestone
2014	August	Law 125/2014
2023	June	Italy's Migration and Development Guidelines approved by the Joint Committee
	July	Development and Migration Conference marks start of "Rome Process"
2024	January	Italy-Africa Summit sets out vision for Piano Mattei
	June	EU Pact on Migration and Asylum after approval by European Parliament and Council
	December	Italy's 2024-2026 PPPD approved by CICS
2025	October	EC presents First Annual Asylum and Migration Report
2026	June	Implementation of EU Pact, solidarity pools to be agreed

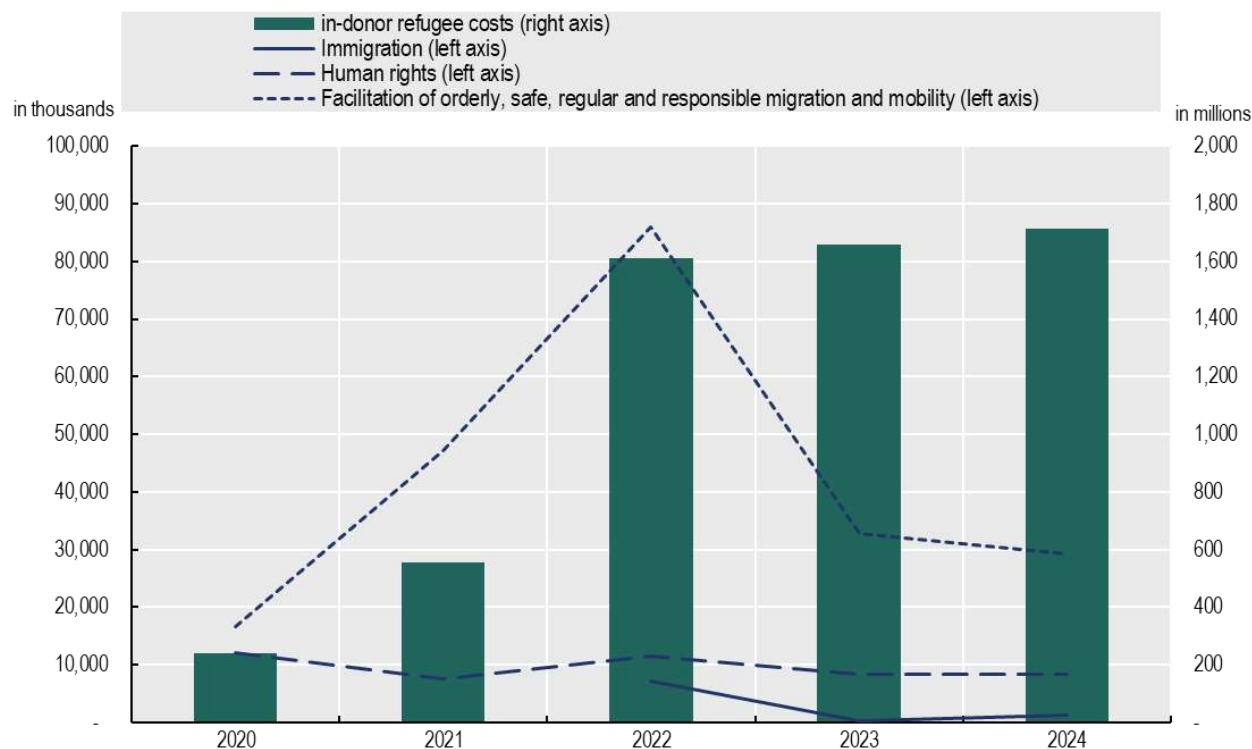
Addressing fragility and the root causes of migration is one of Italy's key priorities in its engagement with origin countries

While Italy's focus is on the root causes of migration, an important share of its ODA goes to transit countries. In line with EU approaches and the Rome Process (Italian Government, 2023^[80]), the Mattei Plan highlights the importance of addressing migration through strengthened co-operation and co-designed approaches between destination, transit and origin countries that bring mutual benefits. The growing interest in economic migration, supported by the private sector must be balanced, however, with a continuing commitment to address the plight of the poorest and most fragile contexts. So far Italy's financial commitments have covered a wide spectrum of short-term activities to support refugees and migrants in host and transit countries, although OECD data for 2023 show that key transit countries such as Libya, Tunisia and Türkiye are prioritised and amongst the top ODA recipients (OECD, 2025^[31]).


Italy's financial commitments and institutional contributions further illustrate the scope of its migration-related engagement. In addition to Italy's core contributions to the United Nations High Commissioner for Refugees (UNHCR), the United Nations Children's Fund (UNICEF) and the World Food Programme (WFP), which are managed by MAECI and amounted to an average of USD 25.7 million per year for 2020-2024, Italy's bilateral ODA for migration-related activities represented 1.5% of gross bilateral ODA (an annual average of USD 44.1 million)⁴⁸, during the period 2020-2024, while in-donor refugee costs amounted to USD 1.2 billion on average, or 44% of bilateral ODA⁴⁹ (Figure 15). Italy's ODA disbursements under purpose code 15190 on the facilitation of orderly, safe, regular and responsible migration and mobility represented 1.5% of gross bilateral ODA disbursements between 2018 and 2023 (OECD, 2025^[81]), with a peak in 2022.

Figure 15. Italy’s migration-related bilateral ODA rose in 2022 alongside a spike in in-donor refugee costs, while ODA in other areas remains low

2020-2024 USD gross disbursements (2023 constant prices)



Note: ODA for immigration (voluntary purpose code 15136) refers to immigration affairs and services, including alien registration, issuing work and travel documents to immigrants. Human rights (15160) broadly refers to “Measures to support specialised official human rights institutions and mechanisms at universal, regional, national and local levels in their statutory roles to promote and protect civil and political, economic, social and cultural rights as defined in international conventions and covenants.” ODA for the facilitation of orderly, safe, regular and responsible migration and mobility (15190) includes several measures. For more information on purpose code 15190, see (DCD/DAC/STAT(2025)30)
 Source: OECD (2025^[31]), DAC1: Flows by provider (dataset), <https://data-explorer.oecd.org/s/3c1> and OECD (2026^[32]) CRS: Creditor Reporting System (dataset) <http://data-explorer.oecd.org/s/52>.

StatLink  <https://stat.link/1azxv2>

Italy’s development co-operation prioritises peace and stability in fragile contexts, yet current funding patterns remain heavily skewed toward humanitarian assistance. According to the 2024-2026 PPPD, development co-operation efforts should support “peace, sustainable development and the growth” of partner countries. Italy recognises that many of its priority partners face fragility or instability, and therefore interventions must integrate governance, institution-building and rule of law considerations within peace and security strategies. Italy’s co-operation programming seeks to address this by stating that it will focus on the delivery of humanitarian assistance, recognising that conflict and crises lead to forced displacement and onward movements. ODA for countries exposed to the highest levels of fragility reached USD 485.2 million in 2023, or 17.3% of Italy’s gross bilateral ODA. However, the funds were primarily allocated for development co-operation (64%), followed by humanitarian assistance (28%), with peace accounting for just 8%, including 0.4% for conflict prevention, a subset of contributions to peace (OECD, 2025^[34]). This is below the DAC average of 10% of bilateral ODA allocated to peace objectives set in 2023. Given that 80% of forcibly displaced people originate from areas facing the highest levels of fragility (OECD, 2025^[24]), a continuing focus on such contexts through increased investments in peace and conflict prevention would help address the root causes of forced displacement.

Italy is still working to integrate migration and forced displacement as cross-cutting issues in development co-operation policies and activities. Italy has a long tradition of working in support of basic services, such as water, education and job creation, often complementing larger EU programmes. However, the link between AICS's work and migration management is not always explicit. In 2023, Italy committed USD 613 million of ODA to social infrastructure and services, including USD 258.3 million for education (Box 3). Yet funding for education and health fell in 2023 compared to 2022, mainly due to cuts in infectious disease control, basic sanitation, reproductive health and education facilities. In contrast, spending on higher education, which doubled in 2022 over 2021, stayed at the same increased level in 2023 (USD 108 million). There is some concern among CSOs that the increase in resilience programmes and climate smart agriculture investments, notably in the form of loans from the Italian Climate Fund would come at the expense of Italy's ongoing efforts to reach the most vulnerable through its dense network of CSOs in the most fragile areas. Ensuring that additional programmes come with additional resources and reinforce, rather than replace, existing efforts to support key services, such as health and education, will be important.

Box 3. Italy's comprehensive approach to migration in the Horn of Africa

Italy's [migration and development guidelines](#), approved by the Joint Committee, focus on strengthening migration governance, boosting the development impact of legal migration, mainstreaming migration across policies and ensuring protection for vulnerable people. They also reaffirm an overarching commitment to responsible and informed narratives that communicate about migrants, refugees and mobility in ways that are fact-based, balanced and conscious of social impact.

At country level, articulating what a comprehensive approach to migration and development would involve can be challenging. The Horn of Africa illustrates this complexity, functioning as a major region of origin for migration to Europe, a critical transit hub, and a host to large refugee populations. It is also characterised by significant circular and intra-regional mobility. Ethiopia alone, for example, hosts over 1.1 million refugees from Somalia, South Sudan and Sudan (UNHCR, 2025^[82]) along with 2.4 million people that are internally displaced (IDPs) (Internal Displacement Monitoring Centre/Norwegian Refugee Council, 2025^[83]).

Italy's comprehensive approach to migration and development in the Horn of Africa involves working through CSOs, research institutions, multilateral partners and local actors to address humanitarian needs, strengthen resilience and create opportunities for vulnerable populations. Key areas of engagement include:

- **Improving humanitarian assistance delivery** by advocating with development partners for flexible administrative measures that enable timely scale-up of humanitarian capacity in a challenging operational context without an Ethiopian-approved Humanitarian Response Plan in place since 2025.
- **Investing in early warning systems** through a new methodology developed by the CIMA Research Foundation and Vrije Universiteit Amsterdam, to anticipate flood-induced displacement in the Horn of Africa (Ethiopia, Somalia, Sudan) and inform preparedness for different scenarios including a two- to four-fold increase in annual displacement compared to today (CIMA Research Foundation, 2024^[84]).
- **Protecting the most vulnerable, including forcibly displaced people (internally displaced and refugees)** by supporting access to basic services, education, livelihoods and civil documentation. This is delivered through long-standing civil society partnerships in remote areas that assist highly vulnerable populations, including unaccompanied minors and youth at heightened risk of migrating.

- **Contributing to decent work and dividends for peace** through entrepreneurship development, providing credit lines to smallholder coffee producers and co-operatives, and promoting post-conflict recovery in Ethiopia's Wukro-Gheralta Belt of Tigray by restoring historical sites and developing inclusive community-based tourism initiatives.
- **Strengthening local infrastructure and water resilience** via Italy's contribution to the Rome Process and Mattei Plan Financing Facility at the African Development Bank, which funds climate-resilient, gender-sensitive water and sanitation services for drought-prone pastoralist communities in the Borena area of Ethiopia's Oromia region, home to numerous camps for internally displaced people.
- **Support regular pathways to migration** by advocating at EU level to ease restrictive visa measures in place since April 2025 for short-term visas, whereby Ethiopians cannot benefit from a multiple-entry Schengen area visa and treatment of visa requests are delayed from 15 to 45 days. Italy also supports scholarships at Italian universities for refugee students via [University Corridors for Refugees](#) (UNICORE 7.0).

Sources: CIMA Research Foundation (2024^[84]), Flood and Drought Displacement risk in Ethiopia, Somalia, and Sudan, https://api.internal-displacement.org/sites/default/files/publications/documents/2024_Habitable.pdf; UNHCR (2025^[82]), Operational Data Portal – Ethiopia, <https://data.unhcr.org/en/country/eth>; (Internal Displacement Monitoring Centre/Norwegian Refugee Council, 2025^[83]), Global Report on Internal Displacement, https://api.internal-displacement.org/sites/default/files/publications/documents/idmc-grid-2025-global-report-on-internal-displacement.pdf?_gl=1*1og6qhz*_ga*MTk1MTU1Njc1MS4xNzU3MzI0MzIz*_ga_PKV5S5L6N8V*czE3NjQwNzY1NzQkbzIkZzEkdDE3NjQwNzY5MjgkajU5JGwwJGgw.

Italy should pursue efforts to strengthen its advocacy for human rights, the protection of refugees and migrants, and labour mobility

Italy should remain engaged in the protection of migrants and refugees, including in host and transit countries. Italy's re-election to the UN Human Rights Council for the 2026-2028 term offers an opportunity to elevate the voices of those less represented and to advocate for human rights and the protection of refugees and migrants, including in efforts to combat irregular migration, in line with Law 125/2014 and the people-centred approach of the PPPD. In 2018, Italy adopted the UN's Global Compact on Refugees but abstained from the Global Compact for Safe, Order and Regular Migration.⁵⁰ Italy's Ministry of the Interior leads its management of mixed movements and in 2022 the country adopted a comprehensive approach to anti-trafficking (European Commission, 2025^[85]). It also spearheaded the adoption of the G7 Action Plan to Prevent and Counter the Smuggling of Migrants (G7 Italia, 2024^[86]). Italy manages EU co-funded regional development protection programmes for refugees and migrants which support host countries' efforts to provide adequate reception, access to international protection and durable solutions in mixed movement contexts. Together, MAECI, the Ministry of the Interior and NGOs such as Sant'Egidio also support the implementation of the humanitarian corridors for refugees and asylum seekers of various nationalities from Ethiopia, Iran, Jordan, Lebanon, Libya, Pakistan and Türkiye.

By opposing restrictive visa measures and migration-related conditionalities, Italy has positioned itself as a supporter of more equitable and development-friendly mobility frameworks. Italy's approach, as set out in the Mattei Plan, is based on equal relations and "non-predatory" co-operation. For instance, Italy voiced scepticism on the restrictions imposed on Ethiopian (and other African countries) visa applicants in 2024 under Article 25a, due to a lack of co-operation on readmission, and it continues to advocate for lifting these restrictions, which affect exchanges and partnerships between local partners. Such co-operative approaches are crucial at a time when member states are considering making preferential trade access conditional upon migration co-operation (Gijs and Gavin, 2025^[87]). Evidence suggests that conditionality is not an effective way to establish or strengthen equal partnerships or

co-operation, nor to stem irregular migration (Cassarino, 2025^[88]). Italy's leadership in this area positions it to actively advocate for greater regional and continental mobility within Africa, for example by supporting the African Union protocol on Free Movement of Persons within Africa (African Union, 2018^[89]) and other sub-regional instruments on freedom of movement. This would greatly expand economic opportunities for migrants and provide solutions for refugees. Another example is the EU programme supporting the free movement of persons and migration in West Africa. Currently in its second phase, it aims to strengthen the capacities of the Economic Community of West African States (ECOWAS) to implement the Free Movement Protocol, as well as enhancing the capacities of the national institutions of ECOWAS Member States and Mauritania in the areas of migration data and management. This includes labour migration, counter-trafficking and mixed migration, diaspora engagement and human mobility in the context of climate change.

Regional and local governments in Italy take part in global fora and play a critical role in integrating migrants economically and socially. Social capital in Italy is strongly tied to regional identity, with co-operation often rooted in shared language and traditions rather than national identity, with informal networks such as friendships and community ties often providing a foundation for inclusion (Sgroi et al., 2020^[90]). Building on this, regions and municipalities take part in the Global Refugee Forum and the Call to Local Action for Migrants and Refugees⁵¹ and have taken concrete steps to address vulnerabilities among migrant workers. Following a 2022 report estimating that at least 10 000 foreign agricultural workers live in informal settlements under exploitative conditions, a national commissioner was appointed to co-ordinate integration efforts, while eight municipalities adopted local action plans (2023-2026) as part of Italy's extended National Three-Year Plan to combat labour exploitation and *caporalato*, or the organised recruitment and employment of large numbers of workers, often irregularly, for low wages and in poor conditions (OECD, 2025^[91]). Cities also lead innovative social initiatives:⁵² Turin offers courses in language, mathematics, civic education and migration rights to isolated Arabic-speaking women from North Africa, while Milan pledged at the Global Refugee Forum to accelerate the inclusion of migrant and refugee children through early socio-educational interventions under its "First Steps in Milan" project. These examples show how local action has helped translate national priorities into practical solutions that foster both economic participation and social cohesion.

A coherent migration-development approach hinges on reducing remittance costs, enhancing diaspora engagement, and ensuring return programmes advance development outcomes

One way for Italy to make labour migration an explicit part of its migration-development strategy is by expanding efforts to improve migrants' access to affordable remittances services and reduce their costs. Migration is increasingly integrated into national development strategies, recognising remittances and diaspora investment as drivers of growth (UNDP, n.d.^[92]). Ethiopia's Homegrown Economic Reform Agenda, for example, seeks to attract diaspora investment and channel remittances into productive uses to offset balance-of-payment deficits (Federal Democratic Republic of Ethiopia, 2020^[93]). This could be achieved through different means including by increasing competition in both the sending and receiving countries and expanding the use of mobile payment services (World Bank Group, 2023^[75]). In 2023-2024, over 80% of the EUR 8.2 billion (annual average) in remittances sent from Italy went to just 19 countries, with the highest remittance levels in Africa going to Morocco, Senegal, Nigeria, Tunisia, and Egypt (Banca d'Italia, 2025^[94]). Italy has a new portal⁵³ to help senders determine the costs of remittances. Tackling structural challenges, including lack of transparency, and reducing the average cost of sending remittances – 4.3% in 2023, below the EU average of 5.5% but still above the SDG target of 3%, would demonstrate strong political will.

Unlocking the contribution of Italy's diaspora to the migration-development nexus requires a clear strategy with strong political buy-in. Italy's legal and policy framework recognises the value of diaspora

and the 2019 DAC Peer Review highlighted Italy's unique efforts to mobilise the diaspora for sustainable development. The CNCS's dedicated working group on Migration and Development, which includes members of the diaspora, was a key contributor of the 2023 migration and development guidelines approved by the Joint Committee. One objective of the guidelines is to support the social, political and intercultural networks and interactions of the diaspora with CSOs in the countries of origin and in Italy. Recent evaluations of migration and development projects involving diaspora underscore that successful engagement with diaspora communities requires structured outreach strategies that leverage their potential as investors, innovators and development partners. They also stress the importance of involving diaspora networks at the start when designing projects that address migration drivers.⁵⁴ Sectors such as energy, sustainable agriculture, training and digital skills are strategically important to the Mattei Plan and represent core areas of overlap within the migration-development nexus. (Microfinanza, 2025^[95]; Lattanzio KIBS, 2024^[96]; PuntoSud, 2025^[97]). The CNCS working group on migration and development is not regularly consulted nor involved in providing regular feedback as to how programmes associated with the Mattei Plan might fully reflect the migration and development guidelines.

For long-term impact, Italy's assisted voluntary return programmes could be meaningfully integrated into sustainable development approaches. In 2025, Italy launched a EUR 20 million assisted voluntary return (AVR) programme for Tunisia, Libya and Algeria, financed by MAECI/AICS and implemented by the Ministry of the Interior and IOM. Integrating AVR programmes into broader development strategies is essential to ensure that returns contribute to local stability and economic opportunities, thereby reducing the risk of repeated migration, and strengthening the resilience of host communities. Although Italy indicates that agencies such as the IOM, ministries and CSOs will contribute reintegration and development components to such programmes, Italy could do more to advocate for or provide additional resources to integrate AVRs into broader, sustainable development strategies that benefit host communities in countries of origin.⁵⁵

Greater cross-government collaboration on migration and integrated approaches, including at country level would yield greater impact

Despite sizeable migration-related ODA, Italy's compartmentalised engagement with partners hinders a more comprehensive approach. The comprehensive approach to migration and development observed in the Horn of Africa (Box 3) is not always apparent in headquarters. Since 2022, over 90% of bilateral ODA for migration-related activities is implemented via multilateral partners, including humanitarian organisations such as the UNHCR, IOM, UNICEF and WFP, as well as the World Health Organization (WHO), the United Nations Development Programme (UNDP), the European Bank for Reconstruction and Development (EBRD) and the International Labour Organization (ILO). MAECI's Directorate General for Italians Abroad and Migration Policies (DGIT) manages Italy's Migration Fund and the Readmission Reward Fund, which supports projects implemented by UNHCR, the IOM and other multilateral organisations in various countries of origin and transit, and includes assisted voluntary returns, multi-sector assistance and protection to refugees, vulnerable populations, other migrants and host communities (route-based approach), and capacity building of local authorities to manage migration. The interaction of multiple Italian actors with the same partners could create opportunities for a more coherent approach. Although these actors have different objectives, a more comprehensive approach to influencing partners would demonstrate that Italy speaks with one voice. Various parts of the Italian administration engage with the same CSO or multilateral partner on different topics – border control, returns, humanitarian assistance, private-sector development – and often in isolation from each other. Such compartmentalised dialogue limits Italy's ability to integrate migration as a cross-cutting issue in development co-operation policies and activities, in line with the Migration and Development Guidelines. There may be, for example, further opportunities to address refugee inclusion across Mattei Plan priorities in support of local integration, enhanced resilience, benefits for host communities, and formal labour-mobility pathways, as requested by host and transit countries.

As Italy’s migration portfolio expands, strengthening whole-of-government policy coherence and aligning policies and investments with MAECI/AICS programming at country level is critical to maximise impact (Table 6). The Ministry of Economy and Finance is the official interlocutor with the African Development Bank, while the PMO leads the new Multi-Donor Special Fund for the Mattei Plan for Africa and the Rome Process on Migration and Development – mechanisms that finance investments in agriculture, energy and infrastructure to address the root causes of migration. However, these operations often proceed through multilateral trust funds with limited visibility for AICS country offices, even when the investments take place in the countries where AICS is present. This highlights potential opportunities to link AICS programming with elements of Italy-funded AfDB operations. Likewise, while MAECI and AICS co-operate closely with the Ministry of the Interior on CSO calls for proposals financed through the administration fee charged to foreign citizens applying for citizenship in Italy⁵⁶, aside from the annual Inter-ministerial Steering Committee and annual MAECI planning to allocate funds, it is unclear how developmental perspectives are incorporated into the Ministry’s broader mandate for migration management, in particular in areas such as mixed-migration or multi-purpose reception centres (see also Team Italy: A whole-of-government approach to co-ordinating development efforts, with a focus on Africa and “Recommendation on Policy Coherence for Sustainable Development” in Annex B).

Table 6. Italy’s whole-of-society approach to migration and development

Public administration or entity	Involvement in migration and development	Instruments/amount
Prime Minister’s Office	Involved in CICS, Mattei Plan Steering Committee, and Climate Fund Technical Committee	Overall political direction, including at high-level summits and system-wide missions Rome Process and Mattei Plan Financing Facility trust funds of the African Development Bank to finance projects in pipeline (EUR 137 million)
DGIT (MAECI)	Assisted voluntary returns, multi-sector assistance and protection to refugees, vulnerable populations, other migrants and their host communities along the main migratory routes, capacity building of local authorities in management of migration flows, bilateral MOUs on migration and mobility	Migration Fund (EUR 29 million/year) Reward Fund for Repatriation (EUR 10 million/year) (both managed by IOM, UNHCR and other UN agencies) Contribution to IOM (at least EUR 1.9 million/year)
Italian co-operation (DGCS and AICS)	Addressing root causes of migration Humanitarian corridors Invests in decent job creation, regular pathways, basic services in fragile and conflict-affected states. Diaspora engagement, addressing root causes of migration, reintegration of returnees in countries of origin, integration and protection, leveraging migrants’ remittances and investments	Grants and loans (Revolving Fund) Technical co-operation Humanitarian assistance (~EUR 165 million in 2023) Examples include: Implementing EU delegated co-operation projects supporting training and micro-business (~EUR 40 million under EU-Africa Trust Fund Partnerships with UN agencies and Italian CSOs, including for protection and assistance of refugees and IDPs Funding of initiatives implemented by UN agencies (~EUR 27 million) in the areas of diaspora engagement, addressing root causes of migration, integration and protection, leveraging migrants’ remittances and investments, decent job creation Funding of initiatives implemented by CSOs (EUR 7 million) in the field of reintegration of returnees (ARISE and Investing in Senegal). Funding of initiatives implemented by IOM (EUR 16 million) and Ministry of the Interior (EUR 4 million) for the assisted voluntary return and reintegration (AVRR) programme in Libya, Tunisia and Algeria (see Ministry of the Interior) Funding of initiatives implemented by countries of origin (EUR 2.5 million) for migration governance in El Salvador
Ministry of the Interior	Managing mixed migration through support to police, training to manage borders, decreasing irregular migration to Italy	Assisted voluntary return (AVR) programme for Tunisia, Libya and Algeria (EUR 20 million in 2025) – managed with MAECI Fund for the reception of unaccompanied minors

		(EUR 138 million/year) Leasing management of detention and reception centres for irregular foreigners, expenses (EUR 1.2 billion/year) Asylum Integration Fund (EUR 499 million/year) International collaboration and assistance to third countries in immigration and asylum (EUR 24 million/year) Support to CSOs in countries of origin from citizenship application fees (EUR 1.5 million/year)
CDP	Italian co-operation plus Italian Climate Fund resources to support fragile countries in tackling climate change	Italian Climate Fund – concessional loans
Ministry of Labour	Enhance migrant employability through regular mobility channels Identifies priority sectors for partner countries to maximise supply and match to demand Promotes skilled labour mobility	Project: “Promotion of legal channels of entry into Italy - Pre-departure measures and job placement for third-country nationals” to train 3 500 third-country citizens, of which up to 1 000 Tunisian citizens” (EUR 13 million/2021-2027 from the EU’s Asylum, Migration and Integration Fund) Global Skill Partnership with World Bank Group
Ministry of Economy and Finance	Addressing root causes of migration via multilateral development bank replenishments, co-financing, and trust funds	Contributes paid-in and hybrid capital to MDBs and concessional fund replenishments of MDBs and contributions to dedicated MDB trust funds
Ministry of Education	Raise awareness on risk of migration Improve use of Italian language (Egypt, Tunisia, Algeria, Ethiopia) Work on TVET curriculum (energy, tourism, textiles, agrifood, electronics)	“Train the trainer” to teach Italian at the University of Foreigners of Siena (EUR 200 000) TVET in energy, tourism (EUR 5.1 million). MoUs also include collaboration in construction, hospitality, care, logistics, and specialised technical and maintenance services. Higher education technical fund Scholarships, including via UNICORE Language courses for adults through local networks 2023-2026 (EUR 5 million)
Diaspora	Sounding board for development policy, link to implementation in countries of origin	Remittances valued at EUR 8.2 billion (annual average)
Confindustria/ Private sector entities	Training centres funded by European/Italian companies to train workers in situ, creating a larger labour supply for key sectors	Training activities to build skilled labour in key sectors
Italian regions/ municipalities	Training programmes to address labour shortages	Examples include Piedmont region supporting training for vineyard workers; Abruzzo region offering training migrants to work in restaurant industry
European Union	Talent partnerships to facilitate labour supply and demand within key sectors such as hospitality, agriculture, construction, manufacturing, transport, care services, metalworking, ICT as well as textiles and shipbuilding	Delegation agreements between the European Union, AICS and IOM, supported by MAECI, Italian embassies, the Ministry of Interior, and the Ministry of Labour 2024 Memorandum with Egypt for a EUR 2 million EU-funded project (with possible Italian co-financing for EUR 1 million) to establish an Italo-Egyptian Employment Centre to train hospitality workers to be employed in both countries

Note: When no year is mentioned, this is for 2025. Instruments and volumes are indicative and not exhaustive.

Source: Based on MEF (2025_[38]), Draft Law: State budget for the 2026 financial year and multi-year budget for the three-year period 2026-2028, <https://www.senato.it/leggi-e-documenti/disegni-di-legge/scheda-ddl?did=59654>.

Policies, instruments and partnerships for private sector engagement

Italy’s growing engagement with the private sector is based on strong foundations, but requires enhanced and sustained system-wide co-ordination

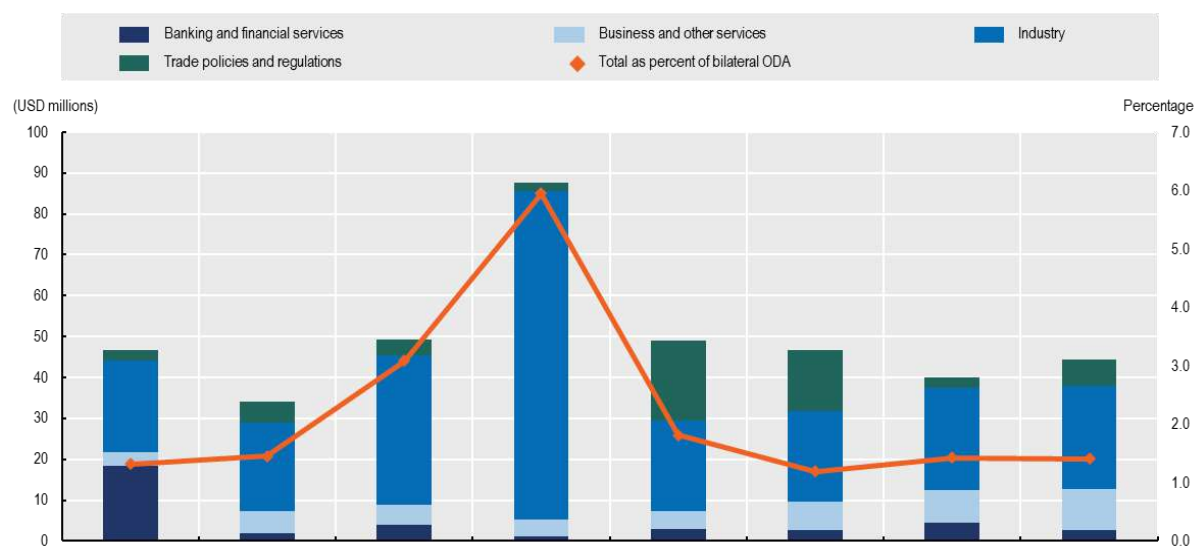
Private sector engagement (PSE)⁵⁷ is now a strategic priority for Italy. Law 125/2014 explicitly recognised the private sector as a partner in development alongside civil society, academia and local

authorities (Italian Republic, 2014^[12]). The 2024-2026 PPPD further defines a role for the Italian private sector as a catalyst for development (MAECI, 2025^[13]). The 2020 transfer of the international trade portfolio to MAECI created new institutional space to link development and trade, reinforcing the government's commitment to leveraging private sector contributions for development outcomes (Pelloni and Zupi, 2025^[98]). PSE is also a central dimension of the Mattei Plan, which presents the African continent as an opportunity for the internationalisation of the Italian private sector. This multi-layered recognition of the role of the private sector provides legitimacy and opens structured avenues for engagement across Italian development co-operation. The Italian private sector is also recognised by partner countries as a source of innovation, expertise and financing development.

Despite growing policy emphasis, private sector development continues to account for a relatively small share of Italy's bilateral ODA. Over the period 2017-2024, Italy allocated an average of 1.8% of its bilateral ODA to private sector development (USD 49.8 million), with a marked concentration on industry-related activities (Figure 16). After a temporary spike in 2020 allocations declined before increasing again slightly in 2024, bringing the share of private sector development to 1.4% of bilateral ODA. ODA for agricultural development, measured by a separate purpose code, was USD 60.3 million in 2024 (annual average of USD 42.8 million from 2017-2024), reflecting the importance of this sector in Italy's development co-operation. In addition, support to small- and medium-sized enterprises (SMEs) make up an important share of ODA earmarked for private-sector development, accounting for 23% in 2024 and an average of 50% over the 2017-2024 period (OECD, 2025^[31]).

Figure 16. Italy's ODA for private sector development has been stagnant in recent years and remains modest overall

ODA volume (USD millions), 2017-2024



Note: Private Sector Development (left axis) and Private Sector Development as a share (percentage) of bilateral ODA (right axis)

Source: OECD (2025^[31]), DAC1: Flows by provider (dataset), <https://data-explorer.oecd.org/s/3c1>.

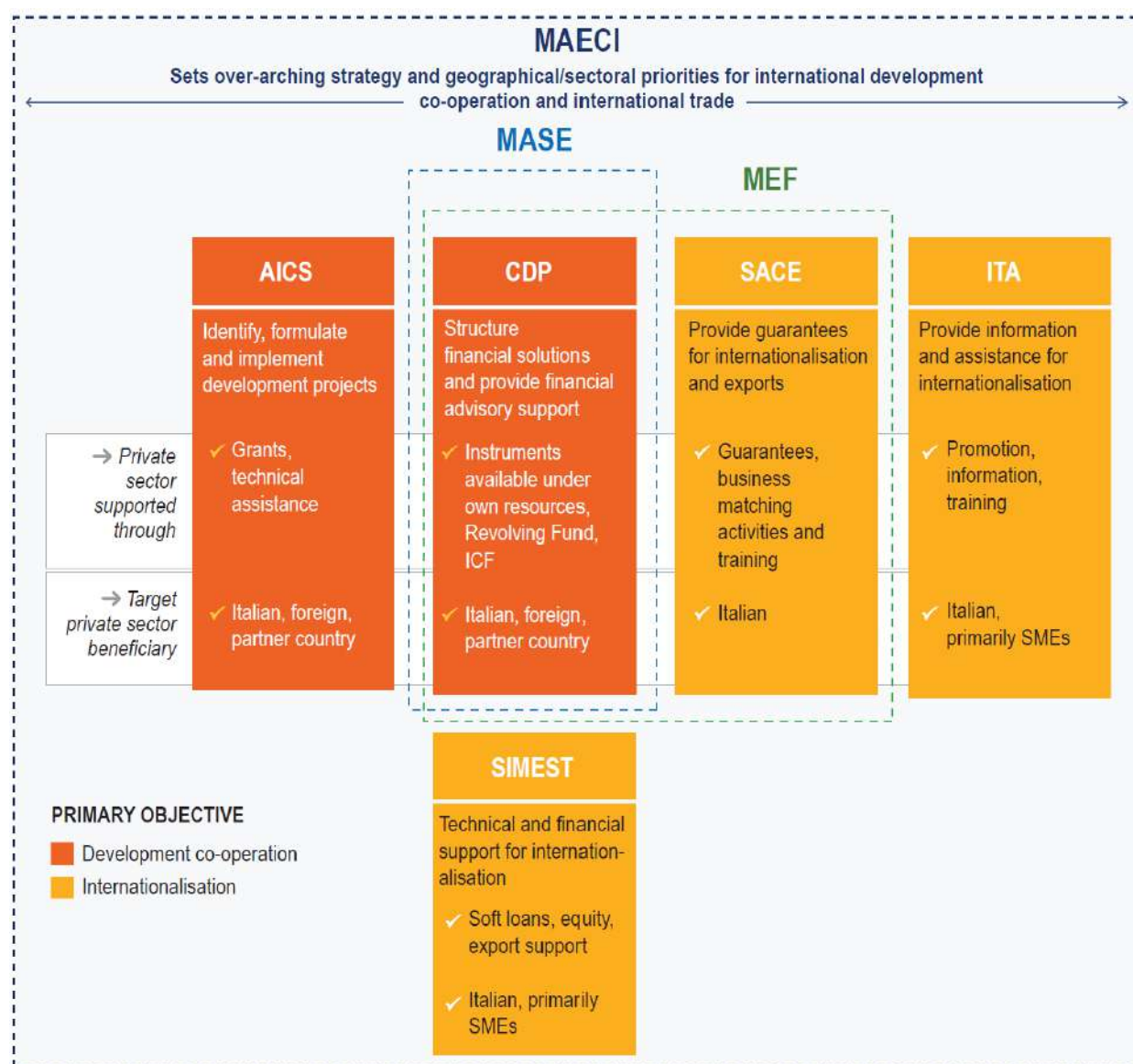
StatLink  <https://stat.link/3tvacp>

In addition to the established roles of MAECI, AICS and CDP, other actors are also active in Italy's PSE efforts. The internationalisation of Italian companies, rather than development co-operation, is at the core of the mandates of SACE, SIMEST and the Italian Trade Agency (ICE) (Figure 17).

- **SACE**, the insurance and financial group which also acts as Italy's export credit agency, provides guarantees for the private sector. SACE's guarantees for export and the internationalisation of Italian companies make up an important share of its operations: in 2024, over 86% of its completed guarantees (in terms of volume, principal and interest) were in this area (EUR 40 373.3 million out of a total of EUR 46 549 million) (SACE, 2025^[99]). In the same year, EUR 12.2 million was reported as ODA. SACE is an important player in advancing the Mattei Plan: between 2024 and mid-2025, it issued EUR 2 billion in guarantees to Italian companies, enabling EUR 16 billion of investments in strategic sectors in Africa (SACE, 2025^[100]). SACE also provides business-matching activities and training aimed at bridging the demand of local stakeholders in partner countries with the supply capabilities of Italian companies. In 2024, SACE hosted 70 business-matching meetings involving 95 foreign buyers and approximately 2 600 Italian companies (SACE, 2025^[99]).
- **SIMEST** is the company of the CDP Group that supports the international expansion of Italian companies through technical and financial support – including through soft loans for international expansion, equity investments and export support (SIMEST, 2025^[101]). Its efforts in this space are not reported as ODA.
- **ITA** (ICE in Italian) supports Italian companies, especially SMEs, in their internationalisation processes through promotion, information, assistance and training. Despite Italy's strategic prioritisation of Africa, only 3.3% of ICE's 2024 promotional activities focused on this region (ICE, 2025^[102]). ITA, together with the Ministry of Economy and Finance and the MAECI, also works to improve the procurement processes of multilateral development banks (MDBs), to facilitate engagement with industry and raise awareness.

At an institutional level, both the Ministry of Economy and Finance (MEF) and the Ministry of the Environment and Energy Security (MASE) also play a role in supporting private sector engagement, especially through overseeing the Revolving Fund for Development Co-operation and the Italian Climate Fund (ICF), respectively.

Figure 17. Various actors are involved in Italy's private sector engagement efforts



Note: MEF oversees financial governance of operations and is responsible for the financial supervision of the Revolving Fund (where CDP is designated as the managing entity). MASE oversees the Italian Climate Fund (where CDP is designated as the managing entity). SACE is wholly owned by MEF. SIMEST is owned by CDP (76% controlling stake) and a large group of Italian banks/business associations. ITA reports to MAECI, in close co-ordination with the Ministry of Enterprises and Made in Italy (MIMIT) – the two Ministries, as of 2020, share the activity of guidance and strategy concerning attracting foreign investments.

Revolving Fund = Revolving Fund for Development Co-operation; ICF = Italian Climate Fund

Source: SIMEST (2025_[101]), Annual Report 2024, https://www.simest.it/app/uploads/2025/05/Bilancio_Simest-2024_UK_pagine-distese.pdf;

MAECI (2025_[14]), Self-assessment for 2026 DAC Peer Review of Italy (DCD/DAC/AR(2026)1/12).

The breadth of actors involved in PSE provides flexibility, especially in a relatively new policy area, but also carries risks of fragmentation and duplication. Effective and ongoing co-ordination among PSE actors is vital to avoid duplication and competition between instruments. For concessional instruments, such as soft loans, it is essential to keep concessionality minimal and of a temporary nature (OECD, 2025_[103]). There is an opportunity to focus on sequencing and aligning different instruments based on their complementary roles (Zupi, 2025_[70]). For example, CDP can act as a lender to the same

companies that are backed by SACE guarantees, and which receive technical support from SIMEST and AICS. Such an approach is encouraged, and Team Italy can help facilitate this. In partner countries, the opening of Team Italy offices, with representation from AICS, CDP, ICE, SACE and SIMEST, is a positive development that fosters joint efforts between Italy's development co-operation actors, while providing the private sector with centralised access to them (Team Italy: A whole-of-government approach to co-ordinating development efforts, with a focus on Africa). The forthcoming Private Sector Engagement Guidelines provide an opportunity to clarify mandates, support complementarity of instruments, and better tailor support to the needs of different private sector players (i.e. multinationals, SMEs), while ensuring that development impact remains the central objective.

There is scope for stronger collaboration and co-operation between AICS and CDP to support private sector engagement. For example, from 2020-2025, the Support Programme for the Private Sector and for Financial Inclusion (*Programme d'Appui au Secteur Privé et à l'Inclusion Financière* [PRASOC]) in Tunisia, aimed to facilitate access to finance in agriculture, fisheries and the social economy. As the first mixed credit initiative between AICS and CDP, it successfully combined resources from the Revolving Fund for Development Co-operation (EUR 30 million), from CDP's own balance sheet (EUR 20 million), and through AICS' grant component (EUR 7 million) (MAECI, 2025^[14]). Such co-operation enables CDP and AICS to leverage their respective resources and comparative advantages, including AICS' presence in country offices, and should be replicated further.

While the Italian private sector's interest and awareness in engaging in development co-operation efforts has grown, there is a demand for more centralised information and delivery. Although Italy's development actors have an increasingly clear overview of their respective roles, instruments and responsibilities, and efforts are being made to present this to the private sector, Italian companies still lack a comprehensive, system-wide overview. This can result in missed opportunities for engagement for Italian companies as well as for actors in partner countries. Italian private sector entities in particular have expressed that it is challenging and time-consuming to engage with each development co-operation actor through different channels. In this respect, the Italian Court of Auditors has called for a strategic agreement between AICS, CDP, SACE, SIMEST and ICE, with the aim of providing companies seeking to internationalise with comprehensive information and visibility on existing financing and other relevant opportunities in line with the 2030 Agenda (Corte dei Conti, 2022^[51]). The new Action Plan for Italian Exports provides an overview of the export promotion tools available to MAECI, CDP, SIMEST, SACE and ICE in different high-potential markets (MAECI, 2025^[104]), and could serve as a blueprint for PSE efforts.

In seeking a more structured approach to private sector engagement, Italy would benefit from clearly articulating its strategy and ambitions to engage, develop and mobilise the private sector as well as to internationalise domestic companies. The three concepts of private sector engagement, private sector development and private finance mobilisation are distinct⁵⁸ yet closely intertwined, and all have sustainable development as the principal objective of development co-operation. However, the internationalisation of companies primarily serves Italy's commercial objectives, which may in some cases converge with development objectives. Still, using the internationalisation of Italian companies as a dimension of its development co-operation strategy may lead to potentially competing priorities. To avoid this, Italy needs to ensure that development additionality and impact remain at the core of its development co-operation efforts, and that these are grounded in the partner country's development priorities in line with the OECD DAC Blended Finance Principles and Guidance (OECD, 2025^[103]).

In partner countries, Italy has an opportunity to demonstrate how development impact and commercial goals converge in key sectors

Italy's approach to PSE builds on the recognised strengths of its national system, focusing on sectors of comparative advantage, such as agri-food, manufacturing, sustainable infrastructure and vocational training. This model operates across multiple levels, combining broader business environment

support with skills development and targeted entrepreneurship programmes, while drawing on the expertise across Italian value chains to reinforce local business ecosystems (MAECI, 2025^[13]). In Ethiopia, for example, Italy's partnership with the Entrepreneurship Development Institute (EDI) blends credit lines for women-led enterprises in the leather sector with technical assistance to financial institutions and “train-the-trainer” approaches that build national capacity (AICS, 2021^[105]). As Italy looks to deepen this type of engagement, ensuring that financial support is consistently matched with sufficiently robust and sustained technical assistance will be essential to maximise impact and meet the level of support that partners increasingly expect.

Platforms that connect Italian firms with local businesses are particularly valuable when they are grounded in partner country needs. The expanding use of business-to-business (B2B) and enterprise support mechanisms, such as in Ethiopia where AICS-supported exchanges in the leather and food processing sectors have enabled local SMEs to upgrade production and gain access to Italian markets, demonstrates how commercial and development tools can work in tandem (UNIDO, 2016^[106]). A similar approach underpinned recent efforts in Senegal, where CDP and SIMEST signed a Memorandum of Understanding with the Senegalese investment promotion agency APIX to establish a business matching platform and explore joint investments in areas such as infrastructure, agribusiness and energy (CDP, 2025^[107]). To maximise their contribution to local job creation and value chain upgrading, these platforms will need to systematically incorporate development impact criteria and be supported by strong follow-up and robust institutional anchoring in partner countries.

The centrality of SMEs to the Italian economy and their recognised sectoral expertise provides an opportunity to strengthen their role as key actors in Italy's development co-operation. There are signs that the increased spotlight on Italy's development co-operation, generated by the Mattei Plan, has helped shift the Italian business community's approach to the African continent, moving from caution to growing interest. While Italy's presence in Africa was generally limited to large energy, construction and infrastructure companies, an expanding number of SMEs have started entering diverse sectors, from agriculture and processing to pharmaceuticals, technology, engineering, food industries, fisheries, textiles, components and machinery (ISPI, 2023^[72]). Nevertheless, the Mattei Plan has been criticised for focusing more on the needs of large multinationals rather than those of SMEs (Fattibene, 2025^[65]). While the Plan seeks to promote integrated value chains that offer an entry point for SME engagement alongside Italian corporates, African enterprises and local stakeholders, SMEs are likely to face disproportionately higher risks in expanding their activities to partner countries. This suggests a need for tailoring existing instruments to their specific needs, including for risk mitigation instruments such as guarantees, and through more knowledge support (Fattibene, 2025^[65]). In response, the Mattei Plan has introduced a set of financial instruments, such as Misura Africa (SIMEST) and Plafond Africa (CDP), as well as strengthened SACE's engagement on the continent; however, these measures are recent and their effectiveness in supporting SME engagement will need to be assessed over time. A more systematic involvement of Italian SMEs may also be warranted through structured avenues for dialogue such as system-wide missions.

Italy's coffee strategy represents one of its most mature examples of integrated value chain development, combining bilateral and multilateral action with structured engagement of the private sector. Building on over 15 years of experience in the Ethiopian coffee sector (Box 4), and longstanding work in Kenya, Mozambique and Latin America, Italy has supported centres of excellence, strengthened quality control and traceability systems, promoted regenerative and agroforestry-based production, and built public-private management networks across producing regions. Coffee was elevated to a flagship theme during Italy's 2024 G7 Presidency, leading to two major initiatives: first, the Advancing Climate-Resilience and Transformation in African Coffee (ACT) programme, a Global Gateway flagship initiative, implemented with UNIDO and Italian coffee companies and intended to lay the groundwork for serving as the Secretariat of a possible future Team Europe Initiative on Coffee; and second, the Global Public-Private Coffee Fund, designed with CDP, the World Bank Group, UNIDO and the International Coffee Organisation

to mobilise climate-resilient investment at scale (MAECI, 2025^[14]). The model reflects Italy's growing emphasis on co-creation with private companies, leveraging corporate expertise and innovation capacity to complement public investments. Successfully replicating this approach in other countries or sectors will require predictable mechanisms for collaboration between AICS, CDP, private firms and partner country institutions, as well as clearer criteria for when Italy should lead, co-finance or align with existing platforms.

Box 4. Italy's partnership-based approach to supporting Ethiopia's coffee sector

Coffee is Ethiopia's most important export commodity, sustaining millions of rural livelihoods and serving as a cornerstone of foreign exchange earnings, generating USD 2.65 billion in 2024/25 and supporting the income of roughly 25 million smallholder farmers. Yet farmers, co-operatives and processors face persistent barriers to upgrading equipment and production systems, including limited access to credit, weak quality control infrastructure, insufficient technical expertise and growing climate-related pressures, with Ethiopia's arabica production expected to shift to the highlands over the next decades.

Italy's engagement in the Ethiopian coffee sector demonstrates the potential of a coherent and partner-led value chain approach that combines development co-operation with private sector expertise. At its core is the Ethiopia Coffee Training Centre (CTC) created in 2021 through a partnership between AICS, UNIDO, Illycaffé and the Ernesto Illy Foundation, operating under the authority of the Ethiopian Coffee and Tea Development Authority (ECTA). The CTC integrates research, training, quality control, laboratory services and market development, linking actors across the entire value chain. Italy's approach aligns fully with Ethiopia's national coffee strategy, which prioritises environmental protection, irrigation, sustainable production in lowland areas, and climate-smart practices.

In March 2025, the CTC was complemented by an innovative EUR 10 million revolving credit line, co-designed with the Commercial Bank of Ethiopia, that blends public and private financing to reduce risk for borrowers who typically lack collateral. The facility supports co-operatives, producers, processors and exporters to invest in upgraded equipment and improved production systems, with the emphasis on co-operatives reflecting Italy's broader experience that community-based economic structures can enhance local ownership, strengthen participation and support more durable livelihood gains. The initiative builds on more than 15 years of Italian engagement in Ethiopia's coffee-growing regions and draws on lessons from earlier work with national institutions, local groups and co-operatives – often in drought- or displacement-affected contexts – to reinforce long-term sector resilience.

Italy's integrated approach is generating tangible results across multiple dimensions of the value chain. The revolving credit line has already supported 11 successful applicants, including major co-operatives representing approximately two million farmers, with women constituting around 30% of the workforce. These investments, previously inaccessible due to collateral constraints, have enabled businesses to upgrade equipment, improve processing quality and adopt more climate-resilient production practices. The CTC has emerged as a national reference institution, strengthening Ethiopia's capacity to meet international quality standards and positioning the country to capture higher-value market segments.

Italy's role as a catalyst among donors is also becoming increasingly visible: its model has attracted interest from the World Bank and the African Development Bank, with discussions under way on possible co-financing mechanisms. More broadly, the initiative has helped build the foundations for a more engaged public-private ecosystem, with leading Italian companies, responsible for roughly 30% of the global coffee market (more in Africa), expanding their involvement in sustainable sourcing and value chain upgrading in Africa.

Italy's work in Ethiopia's coffee sector shows how a fully integrated value chain approach, aligned with partner-led strategies can combine high-quality technical support with innovative blended finance, thus reinforcing national ownership across the entire sector. Currently, plans are moving forward to replicate the CTC outside of the Ethiopian capital, starting in Jimma and Sidama. In parallel, discussions are underway on potential additional financing through the Italian Climate Fund to strengthen climate resilience in the coffee sector, notably through supporting the development of more climate-resistant coffee varieties and irrigation systems. UNIDO continues to play a mediating role, but Italy is leading efforts to shape this prospective initiative.

Source: MAECI (2024^[108]), Ethiopia Evaluation of the initiative: Strengthening the sustainability and inclusiveness of the coffee supply chain through public-private partnerships, https://www.aics.gov.it/wp-content/uploads/2023/05/Rapporto_Sintesi-Valutazione_Etiopia-Caffe-ENG.pdf; Coffee Training Center Ethiopia (2026^[109]), State-of-the-Art Coffee Training Center, <https://ctc.et/>; Interviews.

As Italy expands its private-sector engagement, it will need to underpin its focus on sectors of comparative strength with robust safeguards that uphold sustainable development objectives.

Deeper involvement of the Italian private sector across agricultural value chains, for instance, heightens the importance of systematic measures related to areas such as deforestation, responsible business conduct (RBC), or alignment with environmental, social and governance (ESG) criteria. Italy's PPPD signals the ambition to promote sustainable, inclusive and climate-aware private-sector engagement, broadly aligning its narrative with the SDGs and EU frameworks (MAECI, 2025^[13]). However, while the PPPD expresses intent, it stops short of defining the concrete safeguards, due diligence processes or screening tools needed to operationalise some of these principles in practice. As the Mattei Plan raises the visibility of Italy's engagement and creates stronger incentives for companies, including SMES, to operate in higher-risk markets, clearer expectations and safeguards will be increasingly important to avoid uneven application across sectors and delivery channels, not only to prevent environmental or social harm, but also to ensure that private-sector engagement contributes meaningfully to local economic development, including for the most vulnerable populations. Addressing existing gaps in this area would be particularly timely in light of forthcoming EU-level regulations on sustainable finance and corporate due diligence, building on AICS efforts to align private sector finance with Kampala principles and existing institutional strengths, including notably Italy's active and well-established national focal point for RBC (OECD, forthcoming^[110]).

Ensuring a coherent and co-ordinated use of different financing instruments, with a consistent focus on development impact, remains a key priority

Italy has several instruments available for PSE; although these are all relatively new and have remained underutilised to date. AICS's newest instrument, the *Misura Imprese Impatto* (Business Impact Tool), reflects an innovative and adaptive approach to PSE with potential to overcome some of the challenges of previous programmes (Table 7). It was developed as a response to the previous programme, *Bando Profit*, which was discontinued after three editions (2017-2019) due to its limited overall reach and complex application process.⁵⁹ The new *Misura Imprese Impatto* tool, with a larger budget of EUR 49.5 million, is a pre-commercial public procurement programme aiming to identify and fund innovative, sustainable and inclusive business solutions that address specific needs of partner countries, with a priority on Africa (AGID, 2025^[111]). Collaboration with the Agency for Digital Italy (AgID) allows for a more streamlined application process for participants. As a pre-commercial procurement programme it also means that it is not limited by the EU's *de minimis* regulation, providing an opportunity for both greater scale and innovation. Since the programme is at the very initial stages (the first information meeting took place in October 2025), AICS is encouraged to put in place strong monitoring and evaluation practices from the outset, based on clear results frameworks and transparent reporting. The programme's novelty also means that its success remains to be seen in practice, with potential challenges related to

implementing, following through on the procurement process and ensuring the development impact of funded projects in partner countries.

Although the Revolving Fund for Development Co-operation allows for financing and mobilising the private sector, its potential has not been fully tapped. The Revolving Fund provides both concessional loans to governments, public entities and international financial institutions, as well as dedicated financial instruments to support private sector development. Under the latter, the *Sviluppo+* instrument (EUR 70 million) provides medium- to long-term loans to companies (based in the European Union or OECD DAC partner countries with at least one office in Italy) to facilitate investment in companies in partner countries, with a strong focus on SMEs. Although launched in 2023, the first transaction of EUR 1.75 million was only approved in June 2025.⁶⁰ The low take-up of this instrument is partly due to a lengthy internal approval process, limiting the speed of implementation and the potential impact of projects. It also reflects overall low private-sector demand, driven in part by limited awareness of the instrument and the complexity involved in accessing it (MAECI, 2025_[14]). Crucially, as *Sviluppo+* loans are legally required to be at market rate, private sector players have been turning instead to the soft loans provided by SIMEST, underscoring the need for instrument complementarity. Beyond this, the Revolving Fund foresees two further private sector instruments: the granting of financing to public or private investors or international organisations, and the establishment of a guarantee fund for financing provided to companies in partner countries by CDP. These instruments are not yet operational, and Italy is encouraged to expediate the finalisation of this to leverage the momentum provided by the Mattei Plan.

The Italian Climate Fund can finance both public and private sector projects and provides Italy with a strong opportunity for PSE at scale. ICF's instruments – loans, guarantees, investments in equity and debt funds, and grants for project preparation of ICF projects (MAECI, 2025_[14]) – make it versatile for different contexts. To date, its support to the private sector has been limited. In 2023, CDP committed to providing a EUR 50 million loan to Türkiye's Industrial Development Bank (*Türkiye Sınai Kalkınma Bankası* A.S. [TSKB]), for the construction and rehabilitation of infrastructure for renewable energy generation.⁶¹ In 2024, CDP partnered with the International Finance Corporation (IFC)⁶² to provide a loan of USD 210 million to Eni's Kenyan subsidiary, to support its production and processing of advanced biofuels. This consists of USD 75 million from the ICF and USD 135 million from the IFC (Eni, 2024_[112]). While IFC began investing in June 2025 (IFC, 2025_[113]), the drawdown from the ICF occurred in August 2025.⁶³ The ICF can also be used to provide equity into blended finance funds which in turn can mobilise further private finance.⁶⁴ Given the ICF's full operational status since 2024 and its significant potential to finance the private sector, Italy is encouraged to accelerate the Fund's use for this dimension.

CDP is also increasingly empowered to use its own resources for PSE. A new financing mechanism for Africa (*Operatività Plafond Africa*), created in 2024, enables CDP to provide up to EUR 500 million in financing to the private sector working in Africa in activities that align with the priorities of the Mattei Plan, backed by an 80% guarantee from the Italian government (MAECI, 2025_[14]; Italian Republic, 2024_[114]).⁶⁵ The first transactions under the Plafond Africa instrument were approved in 2025, with total commitments equaling EUR 160 million.⁶⁶ The new mechanism aims to build on the lessons learnt from other PSE instruments to reduce procedural complexity for effectiveness and impact. Given its novelty, it remains to be seen whether this tool will result in rapid execution and results at scale, and it will be critical to increase awareness of it to the private sector.

Table 7. AICS and CDP provide Italy's main development co-operation instruments for private sector engagement

Programme	Objective	Instrument/ amount	Financing and governance	Status
AICS				
<i>Bando Profit</i>	Support innovative entrepreneurial initiatives in partner countries that integrate business strategies with the sustainable development of local communities	Financing or co-financing, capped at EUR 200 000 per project, through call for tenders in coherence with the <i>de minimis</i> threshold and in compliance with EU State Aid for enterprises regulatory framework	Managed and financed by AICS	Discontinued and reformed into <i>Misura Imprese Impatto – Bando Profit 4.0</i> (following three editions: 2017, 2018, 2019)
<i>Misura Imprese Impatto – Bando Profit 4.0</i>	Promote innovative, sustainable and inclusive business ideas in private sector, to foster sustainable development in partner countries	Acquisition by AICS of R&D services and prototypes of innovative solutions, through call for tenders for pre-commercial public procurement: <ul style="list-style-type: none"> Phase 1: EUR 100 000, max EUR 200 000 per project Phase 2: EUR 3 million, max EUR 5 million per project 	Managed and financed by AICS, in partnership with AgID Total size: EUR 50 million	Initial stages (October 2025)
CDP (international development co-operation)¹				
Sviluppo+ (Revolving Fund – Law 125/2014 Article 27a)	Support medium- to long-term financing to facilitate investment in the venture capital of companies located in partner countries	Loans, ranging between EUR 250 000 and EUR 10 million	Managed by CDP, with technical support from AICS Total size: EUR 110 million (EUR 70 million for Sviluppo+)	Operational since 2023
TBC (Revolving Fund – Law 125/2014 Article 27b)	TBC – not yet operationalised	Granting of financing to public or private investors or international organisations		Not yet operationalised
TBC (Revolving Fund – Law 125/2014 Article 27c)	TBC – not yet operationalised	Establishment of a guarantee fund for financing provided to companies in partner countries by CDP, EU banks and others		Not yet operationalised
Italian Climate Fund	Can finance both public and private sector projects in pursuit of the objectives stated in the international climate agreements of which Italy is a member.	Different instruments available: 1) loans; 2) guarantees to financial intermediaries; 3) investments in equity and debt funds; and 4) grants in the form of capital grants, interest subsidy grants, reimbursement of ancillary or instrumental costs related to interventions, and coverage of technical assistance expenses to projects financed through any of the other instruments of the ICF	Managed by CDP on behalf of MASE Total size: EUR 4.4 billion Minimum size: EUR 20 million (for instruments 1), 2) and 3) only)	Fully operational since 2023, with first disbursements in 2024
Plafond Africa	Finance private sector projects in Africa, relating to initiatives in line with Mattei Plan priorities	All forms of financing (backed by 80% state guarantee)	Managed and financed by CDP Up to EUR 500 million	Operational (since 2025)

Note: AgID = Agency for Digital Italy; MASE = Ministry of Environment and Energy Security.

1. In addition to the instruments listed in Table 7, CDP can support PSE through resources from its own balance sheet – which amount to approximately EUR 1 billion per year. This can be used to support governments and government entities, financial institutions, thematic funds and private companies. Further to this, CDP's own resources can also be used for additional targeted instruments. This includes Plafond Africa and the Growth and Resilience platform for Africa (GRAf) (in partnership with the African Development Bank Group).

Source: Parlamento Italiano (2022_[115]) (2022_[115]), Budget Law 2022 – Volume II, <https://temi.camera.it/dossier/OCD18-16133/le-leggi-legge-bilancio-2022-volume-ii-1.html>; Gazzetta Ufficiale della Repubblica Italiana (2022_[116]), DECRETO 21 ottobre 2022 Condizioni, criteri e modalità per l'utilizzo delle risorse del «Fondo italiano per il clima», https://www.gazzettaufficiale.it/atto/serie_generale/caricaDettaglioAtto/originario?atto.dataPubblicazioneGazzetta=2023-02-14&atto.codiceRedazionale=23A00878&elenco30giorni=false; Agenzia per l'Italia Digitale (2025_[117]) (2025_[117]), Soluzioni innovative per promuovere lo sviluppo sostenibile nei paesi della cooperazione internazionale, <https://appaltinnovativi.gov.it/soluzioni-innovative-per-promuovere-lo-sviluppo-sostenibile-nei-paesi-della-cooperazione-internazionale/>; MAECI (2025_[14]), Self-assessment for 2026 DAC Peer Review of Italy (DCD/DAC/AR(2026)1/12); CDP (2025_[16]), International Development Cooperation - MACFRUT 2025, https://businessmatching-images.cdp.it/web/panel/uploads/20250507-cdp_cis_macfrut.pdf.

In order to strengthen Italy's approach to PSE, improved reporting on mobilisation and use of private sector instruments will be critical. Although Italy is not currently focusing on bilateral private finance mobilisation, its efforts in this area are currently neither significantly nor accurately reflected in OECD DAC statistics. This is because Italy does not include its Private Sector Instrument (PSI) activities in its ODA, as these are reported as Other Official Flows. In 2023, CDP extended USD 153.3 million in the form of PSI to developing countries (51% loans, 49% equities). This marked a significant increase compared to 2022 (USD 17.4 million) (OECD, 2025_[34]). It is therefore necessary for Italy to develop reporting capacity under the revised PSI methods, ensuring donor efforts to extend PSI are accurately reflected in ODA. This aligns with the need for strengthened and expanded reporting to the OECD Creditor Reporting System (CRS) on private finance mobilisation. Tracking and disclosing financial flows are crucial to increase accountability and transparency, and to develop a strong evidence base on which instruments are working best (OECD, 2025_[103]).

To achieve greater scale and impact from PSE, Italy should continue strengthening its engagement with the European Union and other multilateral partners

Technical and structural factors impose constraints on the instruments CDP is able to deploy. Despite the increase in CDP offices, its in-country presence remains limited to date (see Towards a more fit-for-purpose institutional system); this can make establishing partnerships and originating or engaging with transactions more challenging. CDPs role is also impacted by the limited technical capacity and development finance expertise within Italy's development co-operation system. However, Italy has prioritised internal capacity building and institutional learning as key pillars of its approach to scaling private sector engagement, including blended finance, and continues to strengthen these efforts (MAECI, 2025_[14]). While CDP due diligence processes are in line with the standard practices of other European DFIs, its lengthy internal approval processes can add a significant reporting burden to partners with limited capacity. Finally, Italy's sovereign rating, which recently increased to BBB+ with a stable outlook (S&P Global, 2025_[118]), is still constraining both the range and concessionality of the instruments CDP can deploy. These factors can affect the structuring of transactions involving other providers of development finance.

Italy has started working with national and EU guarantees to increase the attractiveness of its financial support (MAECI, 2025_[14]). Guarantees have proven to be effective in terms of cost and mobilisation potential, thereby enabling larger financing volumes (OECD, 2025_[103]). Italy is therefore encouraged to keep pursuing this instrument (ETTg, 2022_[119]). In addition to Plafond Africa, the EFSD+ guarantee instrument also provides a way to meet private sector demand for guarantees and expand access to finance. In the Transforming and Empowering Resilience and Responsible Agribusiness (TERRA) programme, CDP provides credit lines and guarantees to financial institutions in Africa and Türkiye, supported by an EU guarantee under EFSD+ of up to EUR 109.5 million. This is complemented by technical assistance from the Food and Agriculture Organization (FAO), demonstrating the complementarity of different instruments through partnerships (FAO, 2025_[120]). Furthermore, through the Renewable Initiative and Sustainable Energy (RISE) programme, CDP provides debt financing to support the development of private investment and the sustainable transition of key economic growth sectors in

target countries across Africa. This is supported by an EFSD+ guarantee of up to EUR 132 million complemented by technical assistance and capacity building component of up to EUR 5 million (European Commission, 2025^[121]).

To overcome existing constraints and achieve greater scale, Italy positions itself as a strategic partner for multilateral actors, with a strong emphasis on co-financing. While co-financing agreements are not exclusively focused on the private sector, they provide a significant opportunity to leverage technical expertise and share risks, while also streamlining and accelerating processes. For example, agreements have recently been concluded with multilateral banks including the World Bank, the African Development Bank, the Asian Development Bank, the European Bank for Reconstruction and Development, and the Arab Bank for Economic Development in Africa (BADEA).⁶⁷ The Global Coffee Initiative, currently under development and promoted by CDP in partnership with the World Bank is particularly noteworthy. As a public-private platform for collaboration, it aims to originate, develop and co-finance projects for a sustainable global coffee value chain. The initiative is envisaged to have both a project preparation facility and a co-financing platform, thereby providing a comprehensive framework for support. In 2024, CDP and the African Development Bank Group also launched the Growth and Resilience platform for Africa (GRAf). This forms part of the Mattei Plan, demonstrating the momentum it brings to Italy's role in international development co-operation. The platform supports the African private sector through indirect investments deployed via investment funds, with a focus on high-impact areas including sustainable infrastructure, local SMEs and food security. In November 2025, CDG Invest, part of the Caisse de Dépôt et de Gestion (CDG) Group, joined the platform (MAECI, 2025^[14]; Italian Government, 2024^[122]).⁶⁸ As these agreements are all relatively recent, close monitoring will be needed to assess whether they deliver scale and development impact in practice. Italy could also consider further leveraging these by putting in place mutual reliance agreements with the partner organisations to simplify due diligence processes. If successful, these agreements can demonstrate how effective partnerships, which are central to blended finance, can help Italy overcome operational constraints and mobilise larger volumes of investment (OECD, 2025^[103]).

Italy is also looking to increase its participation in EU Team Europe Initiatives (TEIs) and the Global Gateway. In particular, Italy has engaged its domestic private sector in a number of flagship Global Gateway initiatives.⁶⁹ A sustainability-linked financing facility of the European Investment Bank (EIB) backed by a SACE guarantee also supports the Italian company Enel to develop renewable energy projects in Brazil, Colombia and Peru. This was the first joint EIB and SACE sustainability-linked transaction, illustrating the potential of a co-ordinated approach between different European actors (Enel, 2022^[123]). In these types of initiatives, a strong and co-ordinated Team Italy approach will be critical to leverage expertise from across the Italian system, including the private sector, under a broader EU action under Global Gateway. The appointment, in 2023, of a national co-ordinator for Global Gateway within MAECI is a positive development, facilitating interministerial and multistakeholder engagement, information sharing and co-ordination (MAECI, 2025^[14]). Moreover, in the Mattei Plan Task Force, a senior official has been seconded by the European Commission since January 2025 to enhance and maintain a constant dialogue between the different EU Global Gateway initiatives and Mattei Plan projects. Italy is encouraged to keep strengthening its engagement with TEI initiatives and the Global Gateway, and to highlight the benefits of these within its own system as well as in partner countries. Continued awareness on the involvement of Italian actors in development co-operation, including from the private sector, and the instruments available will continue to support these efforts (Zupi, 2025^[70]).

EU Team Europe Initiatives can also enable Italy to provide access to larger financing envelopes and reduce risks for investors. For example, the European Flagship Fund for the Reconstruction of Ukraine, launched at the Ukraine Recovery Conference 2025 in Rome, is a Team Europe initiative aiming to mobilise private capital for the reconstruction of Ukraine. It is backed by EUR 220 million in capital (from the European Union, France, Germany, Italy and Poland), which provides a first-loss buffer to attract private investors (European Commission, 2025_[124]).⁷⁰ As Italy embarks on its private finance mobilisation efforts, it is encouraged to work through existing platforms and initiatives as a powerful way to increase co-ordination, collaboration and standardisation – leading to scale and efficiency.

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Notes

¹ Starting in 2023, in-donor refugee costs have been reported under MAECI.

² Aside from AICS, local authorities, other public administrations, universities and research institutions also carry out bilateral projects financed either with their own resources or through the EU.

³ The Revolving Fund for Development Co-operation provides concessional loans to governments, public entities and international financial institutions (IFIs), along with dedicated financial instruments to support private sector development.

⁴ CDP can use private resources of the Separate Account (pursuant to article 22 of Law 125/2014) also referred to as CDP’s “own resources” or “Article 22 resources”, following the favourable opinion of the Joint Committee on the development initiative.

⁵ Total global ODA levels in 2024 (USD 212 billion) were equal to 7.8% of the world’s military expenditure (US 2.7 trillion).

⁶ These include Burkina Faso, Chad, Eritrea, Ethiopia, Guinea, Malawi, Mali, Mauritania, Mozambique, Niger, Senegal, Somalia, Sudan, Tanzania, Uganda and Zambia.

⁷ The metric “ODA per person in extreme poverty” calculates how much ODA each person in extreme poverty would receive if the total amount of ODA was divided evenly among those in extreme poverty. This metric does not account for how ODA actually targeted the poorest people within countries; it is a theoretical exercise to see how the total allocation of ODA aligns with levels of poverty. Aid per person in extreme poverty is calculated by dividing net ODA (bilateral and imputed multilateral) by the population in extreme poverty in each country. Group averages are calculated based on a weighted average of aid per person in extreme poverty and the number of people in extreme poverty for each country in the group. For

more information on this indicator, please see: https://www.oecd.org/en/publications/development-co-operation-report-2024_357b63f7-en/full-report/poverty-and-inequalities-focus-of-official-development-assistance-and-its-measurement_07565563.html#chapter-d1e16882-1c04ca6d6d

⁸ This is equal to USD 507.3 million of screened bilateral allocable ODA in support of gender equality on average per year. Italy screens 70% of bilateral allocable ODA activities against the DAC gender equality policy marker and could broaden this effort.

⁹ For 2025, the Missions Decree includes a budget line of EUR 251 million of which EUR 243 million is earmarked for co-operation initiatives to support communities affected by crises, to promote institutional stabilisation and prevent the emergence of new conflicts; and EUR 8 million for humanitarian demining activities. This 2025 budget is equal to the 2024 budget and includes EUR 90 million for Africa (Ethiopia, Somalia, Sudan, Burkina Faso, Mali, Niger, Mauritania, and neighboring countries, as well as Libya, Egypt, and Tunisia); EUR 84 million for the Middle East (West Bank and Gaza Strip, and Lebanon); EUR 12 million for Asia (Afghanistan, Myanmar, Bangladesh); and EUR 57 million for Europe (Ukraine, Moldova, Albania, Bosnia-Herzegovina and Albania). The bulk of the Missions Decree, EUR 1 465 billion and EUR 1.57 billion for 2026 and 2027 respectively, is not ODA and is linked to the deployment of Italian military personnel for the European Union, the North Atlantic Treaty Organization (NATO) and UN operations, as well as military training and security in Libya, Tunisia, Niger, Burkina Faso, Djibouti, Somalia, and Mozambique.

¹⁰ For example, decentralised co-operation by regions and municipalities, universities and allocations such as the “8 per mille” where Italian taxpayers devolve a compulsory 0.8% from their annual income tax return to an organised religion recognised by Italy or, alternatively, to a state-run social assistance scheme.

¹¹ Italy calculates a similar evolution in average commitment per MAECI-DGCS/AICS project, which increased by 68% from 2020 to 2024 (from EUR 882 463 to EUR 2.7 million).

¹² Note that 2023 also includes an ODA loan extended by SACE.

¹³ See <https://www.governo.it/en/articolo/meeting-ethiopian-prime-minister-abiy-ahmed/29344> for press release on the signing of the Joint Declaration between Italy and Ethiopia.

¹⁴ The standard terms and conditions are zero interest rate, 20+ year grace periods and 36–40-year tenors. For example, in 2024 loans extended to Ethiopia were granted with 0% interest rate and 16-year grace period.

¹⁵ See announcement by Prime minister Meloni at the Italy-Africa summit on 13 February 2026 in Addis Ababa, Ethiopia: <https://www.reuters.com/sustainability/climate-energy/italian-pm-meloni-offers-climateshock-debt-suspension-african-states-2026-02-14/>

¹⁶ Paragraph 488 of the Budget Law specifies that this will be a revolving fund with an allocation of EUR 840 million for each of the years from 2022 to 2026 and EUR 40 million euros from 2027 onwards.

¹⁷ CDP offices will be housed together with SIMEST and SACE. SIMEST (*Società italiana per le imprese all'estero SIMEST S.p.A*) is the company of the CDP Group that supports the international expansion of Italian companies. SACE is an insurance and financial group which also acts as Italy's export credit agency.

¹⁸ Cosine similarity analysis is calculated on the basis of total bilateral ODA across 2022-2023 (including PSI that is ODA eligible) and provides a score between 0 and 1, where 0 indicates low similarity and 1 indicates high similarity. The agencies compared were AICS and CDP focusing on recipients and sectors. In the geographic cosine similarity, Italy scores 0.08, while thematic similarity 0.16.

¹⁹ 2023 was an exceptional year as the current government took office in October 2022. This meant that the Joint Committee did not meet between September 2022 and January 2023 so it could not approve initiatives, with just the AICS Director approving a few new projects. This impacted budget execution rates well into 2023. “Deep dives” highlight that low budget execution may depend on several factors, both internal to Italy’s development co-operation procedures and external, such as the signature of Intergovernmental Agreements at approval stage; delays in project implementation, resulting from changes in the socio-political context and the time spent engaging and co-ordinating with relevant stakeholders.

²⁰ Country offices are asked to provide an opinion related to security and any other sensitive issues related to proposals.

²¹ See Article 17, paragraph 6 of Law 125/2014: It being understood that the Agency Director’s decision-making autonomy in respect of expenditures is limited to two million euros, he/she adopts Accounting Rules of Procedure, to be approved by the Minister of Foreign Affairs and International Cooperation in agreement with the Minister of Economy and Finance, in accordance with the principles of Civil Law, and meeting efficiency, effectiveness, transparency and celerity criteria in administration and accounting procedures, also consistently with the rules adopted by the European Union. https://www.aics.gov.it/wp-content/uploads/2023/04/LEGGE_11_agosto_2014_n_125_ENG-1.pdf

²² See Article 10, paragraph 4 of MAECI/AICS Convention: The Agency shall share in advance with the DGCS the documentation relating to bilateral initiatives amounting to up to two million euros, provided for in the annual program, which shall be decided upon by the Director of the Agency pursuant to Article 17, paragraph 6, of the founding law. The documentation shall include: i) a draft resolution; ii) an information note signed by the head of the Agency office; iii) a technical and economic evaluation form corresponding to the model in Annex 1; iv) the project document, including a detailed financial plan for activities; v) in the case of initiatives carried out directly by the partner country, a draft agreement or memorandum of understanding with the partner country corresponding to the model provided by the DGCS to the Agency; vi) in the case of initiatives pursuant to Article 24 of the founding law (State administrations, chambers of commerce, universities, and public bodies), a draft agreement. The DGCS may, within 10 working days of receipt of the documentation by the Agency, make any comments on the initiatives referred to in this paragraph [unofficial translation]. https://www.aics.gov.it/wp-content/uploads/2025/08/convenzione_maeciaics_20252027_firmata_e_protocollata.pdf (in Italian)

²³ In some cases, development co-operation functions within embassies are being strengthened thanks to “short postings” (3 months to 1 year) of DGCS staff dedicated to development cooperation full-time.

²⁴ See Article 14, paragraph 1 of MAECI/AICS Convention https://www.aics.gov.it/wp-content/uploads/2025/08/convenzione_maeciaics_20252027_firmata_e_protocollata.pdf (in Italian)

²⁵ This includes both contributions to the EU budget that are accounted for as ODA and to the EU Commission’s Multiannual Financial Framework (MFF) such as the current one under negotiation for the period 2028-2034.

²⁶ So far, five programmes were approved by the Financing Facility steering committee: in Ethiopia, the Borana Resilient Water Development for Improved Livelihood Program; in Angola, the Lobito Integrated Economic Corridor and the Eastern Region Agricultural Value Chain Development Project; in Kenya, eCooking Market Development Project; and a regional Technical Assistance Grant for the Promotion of Green Solutions and Strengthening Resilience.

²⁷ Italy has finalised a subscription of EUR 100 million in hybrid capital issued by the World Bank, to be paid in five tranches (EUR 20 million per year). Such pledges commit a shareholder to provide a certain amount of money to IBRD under the hybrid-capital instrument. The hybrid capital sits on World Bank's balance sheet. It can then use the "capital boost" to finance more loans, or to accept more risk for development projects in poorer countries or projects with global public goods characteristics (climate, health, etc.).

²⁸ As part of the Global Hub, Italy will share its technical expertise and participate in discussions on how to improve the implementation of debt swaps. With the advent of the Common Framework, debt swaps on public debt are not popular and no longer embedded in multilateral agreements. Qualified as bilateral, the Italian initiative provides additional relief and fiscal space to countries that do not want to ask for debt relief (to avoid stigma) but have liquidity issues. For more information see <https://www.worldbank.org/en/programs/debt-for-development-swap-knowledge-hub>. The *Banca d'Italia* (Bank of Italy) also provides opportunities for knowledge exchange with central banks and financial supervisory authorities from developing countries. More information on the knowledge exchanges and seminars/training is available here: <https://www.bancaditalia.it/compiti/ricerca-economica/cooperazione-tecnica-internazionale/index.html>.

²⁹ Regionally, sub-Saharan Africa and the Middle East are cited most frequently as directly impacted, followed by parts of South Asia. Few agencies indicate high-income countries or less crisis-affected regions as a focus for funding withdrawals, reinforcing that reductions are greatest where humanitarian and development needs are most acute. Countries and territories such as Afghanistan, Bangladesh, Cameroon, the Central African Republic, Nigeria, West Bank and Gaza Strip, Sudan, and Yemen, are repeatedly cited in public reporting as facing disproportionate programme loss and service gaps.

³⁰ Ministerial Decree No. 113 of 22 July 2015, adopted pursuant to Law No. 125/2014.

³¹ For more information see the rules on official travel for AICS staff: <https://www.aics.gov.it/wp-content/uploads/2024/10/Disciplina-delle-Missioni-del-Personale-AICS.pdf>.

³² See https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.aics.gov.it%2Fwp-content%2Fuploads%2F2023%2F05%2FTOC-FINALE_DTPI-2021-2023-11.12.2023_eng.xlsx&wdOrigin=BROWSELINK.

³³ Priorities also include multi-sector or cross-border programmes and AICs initiatives with civil society, local authorities, and for-profit organisations.

³⁴ At present, the central systems consist of the following modules: 1) SIGOV platform, which serves as the corporate project management information system. It collects data on development interventions, including budgets, expenditures, geographic location, implementation delays, and unspent funds; 2) BI Next-report system, a business intelligence and reporting tool that enables dissemination of information, dashboards, and analytical reports, both internally across the organisation and to DGCS. In fact, almost all DGCS staff is accredited as a user in the system, and new DGCS staff are routinely trained using the

Next-report portal to extract data and analytics; and 3) OPENAID portal (<https://openaid.aics.gov.it/>), which provides public access to project-level data on DGCS/AICS interventions, including geographic disaggregation by partner country, in line with open data and transparency standards.

³⁵ There is a distinction between AICS local offices and project offices or antennas. AICS local offices are formal structures, headed by a director, whose openings are authorised by the Joint Committee, and who are responsible for a defined geographic area, often covering more than one country. Project offices or antennas are more flexible arrangements, established by decision of the AICS Director, reporting to an AICS local office and supporting development and emergency operations in countries under secondary accreditation. Antennas are not a precursor to the establishment of a local office but operate as branches of an existing one.

³⁶ The temporary dip in allocations to Africa observed in 2022 stands out as an exception to this trend, with Italy's regional ODA distribution reflecting global shifts, at a time when significant resources were also absorbed by in-donor refugee costs linked to Ukraine.

³⁷ For example, in 2025, CIHEAM Bari launched the Sustainability and Innovation in the Italian Agrifood Sector programme under the Mattei Plan/AREA Africa initiative to support agro-food ecosystems in Ghana, the Republic of the Congo and Senegal, co-financed by the Ministry of Foreign Affairs and International Cooperation (MAECI). Under that programme CIHEAM Bari serves as the knowledge partner and implementing body for the public component, while BFI (an Italian private partner) fosters knowledge exchange and enhanced market linkages. See: <https://www.iamb.ciheam.org/news-events/sustainability-and-innovation-in-the-italian-agrifood-sector-insights-from-apulia/>.

³⁸ The original Lake Boye project ("Environmental Recovery and Sustainable Development of the Lake Boye Area in the Municipality of Jimma", Project 012838; EUR 6.5 million grant and EUR 8.5 million loan) was approved in 2023, with initial disbursements reported in the CRS. However, persistent procurement bottlenecks prevented implementation, with the Joint Committee revoking the project and initiating recovery of disbursed funds in May 2024, following discussions with Ethiopian authorities during a system-wide mission. In June 2024, a new programme ("Support Programme to the Federal Democratic Republic of Ethiopia for Environmental and Green Economy Development"; EUR 13.5 million grant and EUR 11.5 million loan) was approved as sector budget support.

³⁹ Several DAC members deploy diplomatic or foreign-policy advisers in political offices or ministerial cabinets outside the foreign ministry (notably in France and some Nordic countries), typically to advise ministers on international files and liaise with the foreign service. However, these arrangements are often cabinet-based and not systematically published or framed as whole-of-government co-ordination mechanisms. Italy's more formalised and publicly visible deployment of diplomatic advisers across line ministries therefore stands out in comparative perspective.

⁴⁰ The 2023-2025 Joint Declaration was accompanied by an Ethio-Italian co-operation framework, which identified and detailed sectoral strategies, methodologies, objectives and programmes, and defined their respective budgets. It involved a total budget of EUR 140 million. The 2026-2028 Joint Declaration will likewise be underpinned by an Ethio-Italian co-operation framework and will include co-operation agreements in specific areas in partnership with selected line ministries, for example, on agriculture with the Italian Ministry of Agriculture, Food Sovereignty and Forests.

⁴¹ See <https://nairobi.aics.gov.it/wp-content/uploads/2025/09/Dichiarazione-Congiunta-PIP-ENG.pdf>.

⁴² See <https://dakar.aics.gov.it/wp-content/uploads/2024/01/AMB-DAKAR.-Comunicato-Programma-partenariato-Italia-Senegal-2024.pdf>.

⁴³ See https://www.governo.it/sites/governo.it/files/Conclusioni_230723.pdf

⁴⁴ See also Mattei Plan decree law, Article 1, Paragraph 2: <https://www.normattiva.it/uri-res/N2Ls?urn:nir:stato:decreto.legge:2023-11-15;161!vig=2024-02-09> (in Italian).

⁴⁵ See list of MoUs here: <https://www.lavoro.gov.it/temi-e-priorita/immigrazione/focus-on/cooperazione-internazionale/pagine/accordi-migrazione-lavoro>.

⁴⁶ To determine quotas, the Presidency of the Council of Ministers consults with the relevant ministries (the Ministry of Foreign Affairs and International Cooperation, the Ministry of the Interior, the Ministry of Agriculture, Food Sovereignty and Forests, and the Ministry of Tourism). To define entry flows, the Ministry of Labor and Social Policies conducts an analysis of labour market needs, in consultation with national workers' and employers' organisations. Based on requests submitted by employers, the Ministry of Labor allocates quotas to the various provinces.

⁴⁷ See <https://www.ilo.org/resource/article/italy-brings-centuries-expertise-egypt%E2%80%99s-marble-and-leather-sectors>.

⁴⁸ This includes purpose codes 15136 (immigration), 15160 (human rights), and 15190 (facilitation of orderly, safe, regular and responsible migration and mobility). Note that purpose code 15136 is a voluntary purpose code.

⁴⁹ There was a spike in 2022 for projects in Libya, Moldova, the Sahel and Tunisia.

⁵⁰ While Italy adopted the non-binding Global Compact on Refugees in 2018, it did not endorse the Global Compact for Safe, Orderly and Regular Migration, reflecting domestic political sensitivities around broader migration governance.

⁵¹ See <https://mayorsmigrationcouncil.org/cta/>.

⁵² Italian municipalities, including Turin, Florence and Genoa have also instructed municipal kindergartens not to require any documentation relating to a regular residence.

⁵³ See <https://www.mandasoldiacasa.it/quanto-costa-inviare-denaro/>

⁵⁴ According to Italy's self-assessment, five diaspora associations have already registered in the AICS registry of eligible CSOs and twenty have received funding for projects in their respective countries of origin.

⁵⁵ Support for voluntary return of asylum seekers and refugees within the first 12 months is ODA-eligible, including pre-departure assistance for return and reintegration. In contrast, costs for forced returns, the return of rejected asylum seekers, and the return of migrants are non-ODA-eligible. Costs for voluntary return of refugees after the first 12 months are also non-ODA-eligible. See reporting rules on in-donor refugee costs in the statistical reporting directives [DCD/DAC(2024)40/FINAL], paragraphs 107-117, as well as Case 10 (https://www.oecd.org/en/publications/oda-and-non-oda-eligible-activities_5b102172-en/voluntary-return-assistance-for-persons-who-have-received-an-obligation-to-leave-the-french-territory_dbc31b8d-en.html) in the online toolkit. See also the OECD webpage on in-donor refugee costs

in ODA (<https://www.oecd.org/en/topics/sub-issues/oda-eligibility-and-conditions/in-donor-refugee-costs-in-official-development-assistance-oda.html>).

⁵⁶ As of 1 January 2025, all applications for the recognition of Italian citizenship submitted by persons of legal age are subject to a processing fee of EUR 600.

⁵⁷ Private sector engagement refers to activities that aim to engage the private sector (including the Italian private sector) to achieve development results. See the DAC Peer Review of Switzerland for more on defining private sector engagement: https://www.oecd.org/content/dam/oecd/en/publications/reports/2025/05/oecd-development-co-operation-peer-reviews-switzerland-2025_49f6928f/b83b7007-en.pdf.

⁵⁸ Private finance mobilisation refers to the causal link between private finance made available for a specific project and an official development intervention. (DCD/DAC/STAT(2025)25/REV1).

⁵⁹ *Bando Profit* was AICS' first instrument to engage the private sector in international development co-operation through financing and co-financing. Over three editions (in 2017, 2018 and 2019), the programme financed 47 business initiatives with a total value of EUR 13.2 million (see <https://www.aics.gov.it/fields-of-action/osc-profit-ed-enti-territoriali/area-imprese/?lang=en>). In doing so, it also contributed to increased awareness of the role and opportunities for the private sector. Despite this, the programme faced significant bottlenecks, leading to only a partial allocation of the financial resources and to the programme being discontinued. Challenges resulted from the cumbersome application process, and the complex public procurement process adopted by AICS (<https://www.corteconti.it/Download?id=67da398d-caeb-4e98-ba72-ed3b59023b24>). The low demand from the private sector has also, in part, been attributed to the small ticket size: the financing granted to individual companies by AICS was limited to EUR 200 000 over a three-year period by the *de minimis* regulation of the European Union.

⁶⁰ The first transaction was a loan to *Mista S.p.A* to subscribe to a capital increase in its Tunisian subsidiary to expand production capacity. For more information, see the resolution of the Joint Committee (n. 44 of 12 June 2025) here: <https://www.esteri.it/wp-content/uploads/2025/06/Elenco-Numerato-Delibere-con-Testi-III-Riunione-2025.pdf>.

⁶¹ This was provided under the Joint European Financiers for International Cooperation (JEFIC) framework, with the *Agence Française de Développement* also providing a loan of the same amount. For more information, see: <https://www.afd.fr/en/actualites/communiqu%C3%A9-de-presse/tskb-signed-new-loan-agreements-amounting-100-million-euros-afd-and-cdp-manager-italian-climate-fund-support-post-earthquake-green-economic-recovery-turkiye>.

⁶² The activities carried out under the Mattei Plan have contributed to a steadily increasing engagement of the International Finance Corporation (IFC) with Italian enterprises, to the extent that the decision was taken to open an IFC office in Rome in the course of 2025.

⁶³ In this context, the Italian Climate Fund has been criticised for benefitting energy multinationals like Eni's Kenyan subsidiary, rather than projects that more directly contribute to sustainable development in Africa. More information available here: <https://www.renewablematter.eu/en/italian-climate-fund-how-italy-is-really-contributing>.

⁶⁴ To date, the ICF has been used to provide equity into several funds to support the private sector. The Alliance for Green Infrastructure in Africa (AGIA), launched by the African Development Bank in partnership with the African Union, Africa50 and other partners, aims to develop and finance a pipeline of green infrastructure projects in Africa (see <https://www.afdb.org/en/topics-and-sectors/initiatives-and-partnerships/alliance-green-infrastructure-africa>). Italy has given preliminary approvals for commitments of EUR 35.3 million to the AGIA Project Development Fund, which will finance the earlier stages of the sustainable infrastructure project lifecycle. Similarly, EUR 30.7 million has been preliminarily approved for the Infrastructure Climate Resilient Fund, which aims to promote investments in African sustainable and climate-resilient infrastructure projects.

⁶⁵ The guarantee is issued by MEF directly. The Technical Committee of the ICF provides a green light for the issuance of the guarantee by MEF, in order to keep a sufficient level of co-ordination among the Mattei Plan initiatives.

⁶⁶ Under Plafond Africa, a first transaction of EUR 110 million was approved for the Amea Abydos II project in Egypt, and another EUR 50 million approved in favour of the ETC Group (Mauritius) with the objective to facilitate the refurbishment of industrial plants and the modernisation of their supply chains in target Piano Mattei countries in Africa.

⁶⁷ In 2025, the World Bank and CDP signed a framework co-financing agreement aimed at advancing sustainable development in Africa through numerous priority sectors. In 2025, CDP also signed a framework co-financing agreement with the Asian Development Bank, to use pre-established modalities to finance strategic projects in Asia and the Pacific. In 2025, Italy signed the Multilateral Special Fund for the Mattei Plan for Africa and the Rome Process on Migration, which is a multi-donor trust fund for high-impact and climate-aligned investments in Africa. Italy has allocated EUR 140 million to this, alongside USD 25 million from the United Arab Emirates (UAE). As part of the bilateral Italy-Africa Co-financing and Trust Fund Framework Agreement, still under finalisation, Italy has committed EUR 142 million in highly concessional loans and grants, to pursue joint priorities of Italy and the African Development Bank Group (see <https://www.afdb.org/en/news-and-events/joint-press-statement-between-italy-and-african-development-bank-group-g7-heads-state-and-government-summit-71929> and (DCD/DAC/AR(2026)1/12). In 2024, Italy also signed a framework agreement with the European Bank for Reconstruction and Development (EBRD) for initiatives in areas of common interest, with a particular focus on Africa (see https://www.esteri.it/en/sala_stampa/archivionotizie/comunicati/2024/02/tajani-firma-di-accordi-per-il-sostegno-dellitalia-al-settore-energetico-dellucraina/). In January 2025, SACE and the Arab Bank for Economic Development in Africa (BADEA) signed a strategic agreement to co-operate in the context of the Mattei Plan, with a focus on exchange of information, knowledge, expertise and resources (see <https://www.sace.it/en/media/sace-and-badea-signed-mou-to-support-initiatives-in-africa-under-the-mattei-plan>).

⁶⁸ Both CDP and the African Development Bank have pledged to GRAf on a non-binding basis up to EUR 200 million to be deployed into funds operating locally, with the intention of catalysing an aggregate amount of up to EUR 750 million over a five-year period. See (DCD/DAC/AR(2026)1/12) and <https://www.governo.it/en/articolo/statement-palazzo-chigi-growth-and-resilience-africa-fund/26331>.

⁶⁹ The Italian private sector is involved in the following flagship EU Global Gateway initiatives: Medlink: https://international-partnerships.ec.europa.eu/policies/global-gateway/medlink-decarbonizing-north-africa-and-eu-energy-sector_en; the South2Corridor: <https://international-partnerships.ec.europa.eu/policies/global-gateway/southern-hydrogen-corridor-connecting-north-africa>

[italy-austria-and-germany_en](https://international-partnerships.ec.europa.eu/policies/global-gateway/eu-africa-india-digital-corridor_en); the EU-Africa-India digital corridor: https://international-partnerships.ec.europa.eu/policies/global-gateway/eu-africa-india-digital-corridor_en; the project aiming at “Enhancing the Central American Electricity Market for Regional Integration”: https://international-partnerships.ec.europa.eu/policies/global-gateway/enhancing-central-american-electricity-market-regional-integration_en; the project on “Sustainable coffee: strengthening value chain and climate resilience in Africa”: https://international-partnerships.ec.europa.eu/policies/global-gateway/sustainable-coffee-strengthening-value-chain-and-climate-resilience-africa_en.

⁷⁰ At the Ukraine Recovery Conference 2025, Italy’s Ministry of Economy and Finance also announced an allocation of EUR 50 million to support the purchase of goods and services for Ukraine’s reconstruction, and a grant contribution of EUR 100 million for the International Finance Corporation (IFC)’s Economic Resilience Action (ERA) programme. See <https://www.mef.gov.it/en/inevidenza/Giorgetti-150-million-from-the-MEF-to-Ukraine-those-who-did-business-in-Russia-excluded-from-reconstruction-00001/>

Annex A. Progress since the 2019 DAC peer review recommendations

2019 Peer Review Recommendations	Progress
<p>1. Italy should allocate sufficient resources to implement its updated anticorruption plan and ethics code, including by accelerating the training of its entire workforce and implementing partners.</p>	<p style="text-align: center;"><i>Partially implemented</i></p> <p>The 2022 Mid-term Review noted the existence of a clear and detailed anti-corruption strategy, action plan and ethics code, as well as several training sessions for persons working in Italian development co-operation on the prevention of sexual exploitation, abuse and harassment (PSEAH), with AICS driving these improvements. These efforts have been complemented by expanded oversight mechanisms including a corruption-prevention focal point, a whistleblowing portal, and confidential reporting channels. Training on corruption risks, procurement, conflicts of interest and risk management has intensified for managers and individuals involved in procurement. This has been supported by updated audit tools and an ERM-based Risk Management Manual. Contractual safeguards and due diligence procedures have also been reinforced. Linking risk assessments more systematically to programme design and partner selection as well as providing systematic training on AICS's anti-corruption strategy, ethics code and whistleblowing mechanisms for all staff and partners (not just managers and those working in procurement) at country level would raise the visibility and usefulness of recent efforts. Moreover, recent reforms remain concentrated within AICS, as DGCS and embassies follow MAECI anti-corruption and ethics rules, pointing to further potential for system-wide harmonisation; and although CDP applies standard contractual safeguards against corruption, its expanding role reinforces the need for more coherent approaches across Italian co-operation actors.</p>
<p>2. In order to ensure the coherence of its policies with the sustainable development of partner countries, Italy should make full use of the mechanisms outlined in Law 125/2014 and implement its plans to assess, arbitrate, and monitor potential conflicts.</p>	<p style="text-align: center;"><i>Partially implemented</i></p> <p>Italy has taken steps to strengthen its institutional commitment to Policy Coherence for Sustainable Development (PCSD), notably through the National Sustainable Development Strategy (NSDS) and the 2023 National Action Plan on PCSD (PCSD NAP). However, the mechanisms established under Law 125/2014 to arbitrate and monitor potential policy conflicts in the transboundary dimension are not yet used to their full potential. The Inter-ministerial Committee for Development Co-operation (CICS), which holds the mandate to resolve inconsistencies between sectoral policies and development objectives, continues to meet infrequently and there is limited evidence on the concrete use of this body for assessing, arbitrating and monitoring potential conflicts.</p>
<p>3. Italy's new priority country strategies should be comprehensive and reflect whole-of-government co-operation activities.</p>	<p style="text-align: center;"><i>Partially implemented</i></p> <p>GPEDC data from the 4th monitoring round (2023-2026) show that in more than half of reporting countries Italy lacked an active country strategy. The 2024-2026 PPPD increases the number of priority partner countries and territories from 20 to 38, but only 11 countries have some form of comprehensive country strategy [Country Co-operation Frameworks or Multi-annual Indicative Plans (MIPs)]. Although AICS has opened new offices in Bogotá, Hanoi, Kyiv, Niamey, Abidjan and Kampala since the last peer review, country strategies have not kept pace with this expanding footprint. Moreover, the increasing use of Joint Declarations to define areas of engagement at the highest political level, which are then followed by the development of country co-operation frameworks, whose level of detail can vary and whose completion can take considerable time, further limits predictability.</p>
<p>4. Italy should move towards programmatic funding fully integrated into national programmes to achieve greater impact and influence.</p>	<p style="text-align: center;"><i>Partially implemented</i></p> <p>Multi-year country planning now takes place, which increases the potential for more programmatic approaches. Italy reports greater use of multi-year programmes and budget support, but project-type support remains dominant. In 2020, the volume of projects using programme-based approaches stood at USD 140.9 million, before gradually declining to USD 124.0 million in 2021 and USD 89.7 million in 2022. This downward trend continued in 2023, when volumes fell further to USD 71.9 million. In 2024, however,</p>

	<p>programme-based approaches increased significantly again, reaching USD 235.1 million. GPEDC data from the 4th monitoring round (2023-2026) show limited systematic use of partner-country public financial management (PFM) systems. Evidence of integration into national systems also remains uneven. According to the latest GPEDC data, Italy disbursed funds directly to the public sector in only four of the fourteen reporting countries and used partner-country PFM systems fully or almost fully in just two (Burkina Faso and Viet Nam).</p>
<p>5. Italy should find ways to capitalise on its strengths by maintaining and strengthening its support to its dense network of CSOs in the field through flexible, direct support, particularly in the most fragile contexts.</p>	<p style="text-align: center;">Partially implemented</p> <p>In the Italian co-operation system, civil society organisations (CSOs) are the main actors advocating for the most vulnerable in fragile contexts where AICS offices no longer operate. Calls for proposals managed by headquarters offer multi-year funding to CSOs but can take up to one year to finalise. The inefficiencies of the call for proposals process, the results of which are also approved by the Joint Committee, were already cited in the 2019 Italy Peer Review (OECD, 2019^[1]), while a 2022 National Audit report highlighted “the multiplicity of competitive procedures used for the allocation of grants” (Corte dei Conti, 2022^[2]). Such modalities not only make it challenging for non-governmental organisations (NGOs) to adapt rapidly to changing needs, but also to scale-up successful approaches. Emergency or relief calls for proposals managed from country offices are no longer screened for adherence to results-based management. Relief calls for proposals managed from country offices can be completed within a maximum of 7 days and emergency calls within a maximum of 30 days. The emergency calls offer long-term funding (18-21 months, with the possibility of extension) and flexibility across the humanitarian-development-peace nexus. Further proposals to streamline procedures will be approved in 2026. CSOs also participated in the 2024 system-wide missions in Africa, through which they actively contributed to shaping strategies in new priority countries. In one of those new countries, Côte d’Ivoire, a 2024 call for proposals at a larger scale (EUR 30 million) was opened to all CSOs operating in the country.</p> <p>In 2023, CSOs received USD 201.7 million of gross bilateral ODA, of which 44.2% was directed to developing country-based CSOs.</p>
<p>6. Italy should reverse its recent decline in ODA and comply with the obligation under Law 125/2014 to meet its national and international commitments, including to least developed countries.</p>	<p style="text-align: center;">Partially implemented</p> <p>Italy has reversed its previous decline in ODA, increasing its ODA to 0.29% of GNI (USD 6.8 billion) in 2024, from 0.27% in 2023. However, this remains well below both the DAC EU average (0.47%) and the international 0.7% target reaffirmed by Law 125/2014. Current budget projections make achieving this commitment unlikely. While Italy maintains strong support for least developed countries and allocates them a high share of bilateral ODA, a shift from grants to loans could pose future challenges in meeting the target.</p>
<p>7. In order to mobilise public and political support, Italy should develop and implement the action plan foreseen under its strategy for global citizenship education, backed by adequate resources.</p>	<p style="text-align: center;">Fully implemented</p> <p>The National Strategy for Global Citizenship Education (GCE) was approved by the CICS in June 2020 and resources allocated. The GCE Action Plan was developed through a participatory process and works to reinforce global citizenship education through the Ministry of Education’s focus on national school curricula. A call for proposals of EUR 21 million for communication and awareness raising was launched for CSOs in 2021, with many projects ongoing and an evaluation planned in the next year. The latest call for proposals for global education awareness worth EUR 20 million was finalised in early 2022 with awards granted for 24 months. DGCS participates in and organises events, conventions and communication campaigns in support of the sustainable development goals (SDGs) and to create greater awareness across multiple stakeholders (Rimini Meeting, “#InsiemepergliSDG”, Sustainable Development Festival, Codeway EXPO and the National Diaspora Summit, podcasts etc.).</p>
<p>8. In order to ensure a more strategic, whole-of-government approach to implement its policy vision outlined in the law, Italy should:</p> <ul style="list-style-type: none"> • Identify ways to enhance the medium-term strategic value of the PPPD • Complete its body of policy and operational guidance, in particular on its top priorities, including whole-of-government policy guidance on migration and development. 	<p style="text-align: center;">Partially implemented</p> <p>The Programming and Policy Planning Document (PPPD) is a three-year standing document that no longer requires annual revision and approval of the Council of Ministers, as recommended in the last peer review. As such, it offers a medium-term vision and strategy (adopted by CNCS, the Italian Parliament and to some extent other ministries and subnational governments as well as by all other stakeholders of Italian development co-operation) that favours multi-year planning. Instead of being annexed to the PPPD, the Annual Development Cooperation Report is now transmitted to the two branches of the Parliament and the Unified Conference by 31 October of the following year, after approval by the CICS. Still, the PPPD approval process remains heavy as it works to secure broad buy-in, which can limit flexibility. The absence of explicit financial commitments in the PPPD also makes prioritisation more difficult.</p> <p>Policies, strategies and guidelines on gender equality and women’s empowerment, childhood and adolescence, migration and development, and the humanitarian-development-peace nexus are now finalised.</p>

9. Italy should ensure that Cassa Depositi e Prestiti S.p.A. (CDP) has the framework, tools and resources to fulfil its mandate as a development finance institution.	<p style="text-align: center;">Fully implemented</p> <p>While the framework is in place, the legislation (Budget Law 2022) is not as flexible as is likely to be required for investments in partner countries and some instruments may soon require replenishments. As of end 2025, CDP has 78 staff members working on development co-operation, 10 of whom are abroad. CDP is still working to further increase its capacity in conducting risk assessments and identifying projects, but it scaled-up its disbursements significantly in 2025, thanks to the Italian Climate Fund. CDP also continues to face constraints in mobilising private finance.</p>
10. Italy should define and consult broadly on a medium-term human resources strategy to attract and retain qualified staff and ensure the well-being, engagement and professional development for all categories of staff in Italy and in field offices.	<p style="text-align: center;">Partially implemented</p> <p>Restructuring in DGCS aligns to PPPD priorities, and short-term assignments in priority co-operation posts abroad support embassies through expanded technical expertise and closer co-ordination with AICS offices. Increasing staffing levels at AICS require amendments to Law 125/2014. AICS was able to recruit 60 new officials in 2023 and provided initial training to strengthen headquarters and field operations. However, challenges remain, including reliance on short-term contracts and limited career paths.</p>
11. Italy should prioritise building a system to link projects and programmes with desired impact and long-term outcomes, including the SDGs. The system should also connect officials, partners and other stakeholders working on development co-operation with relevant information and evidence to improve decision making.	<p style="text-align: center;">Partially implemented</p> <p>Ongoing efforts to institutionalise results-based management show Italy's commitment to link programming with longer-term outcomes. The Operational Manual for an Approach to Sustainable Development Results was approved in 2023 and is designed to provide a theoretical and practical toolkit to manage programmes, interventions and projects implemented by AICS according to a results-based management (RBM) approach. It delineates a methodology based on the Theory of Change (ToC) built on the 2021-2023 PPPD strategic vision and objectives. Nonetheless, there are still challenges in integrating results-based management, with partners viewing it more as a compliance exercise. Italy's current evaluation system provides structure and transparency but remains limited in scope as the country expands its development portfolio. It will be important to show how evaluation results are used for system-wide learning given the emphasis on Sistema Italia (Team Italy) co-ordination and Piano Mattei. Equally, modernising systems for greater transparency, learning and accountability is a key objective for Italy, and still a work in progress.</p>

References

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- OECD (2019), *OECD Development Co-operation Peer Reviews: Italy 2019*, OECD Development Co-operation Peer Reviews, OECD Publishing, Paris, <https://doi.org/10.1787/b1874a7a-en>. [1]

Annex B. Progress against OECD legal instruments under the responsibility of the DAC

Recommendations adopted by the Development Assistance Committee (DAC)

DAC Recommendation on the Terms and Conditions of Aid

The average grant element of Italian official development assistance (ODA) commitments was 97% in 2022 and 99.7% in 2023, both above the grant element norm of 86%, thus meeting the requirements of Paragraph 2 of the Recommendation on the Terms and Conditions of Aid [OECD/LEGAL/5006]. At 0.29% in 2024, Italy's ODA commitments as a share of gross national income (GNI) were below the DAC average of 0.34%. This percentage does not meet the requirements of Paragraph 3 of the Recommendation.

In 2022-2023, Italy met the commitment on the special terms for least developed countries (LDCs) (Paragraph 8), exceeding the 90% norm. The grant element of bilateral ODA commitments to LDCs reached 99% in 2022 and 97% in 2023.

Table A B.1. Performance against commitments and DAC recommendations

Description	Target	2022	2023	2024
ODA as a proportion of GNI (%)	0.7	0.33	0.27	0.29
Total ODA to least developed countries, as a percentage of GNI (%)	0.15-0.20	0.05	0.04	0.05
Share of untied ODA targeted by DAC recommendation (%)	100	80.4	88.9	92.2
Share of untied ODA (all sectors and countries combined, beyond the scope of the Recommendation on Untying ODA) (%)		87.6	87.3	93.6
Grant element as a proportion of total ODA commitments (%)	>86	97	99.7	96.7

DAC Recommendation on Untying Official Development Assistance

In 2024, the share of *de jure* untied ODA commitments to countries and territories covered by the Recommendation stood at 92.2% (88.9% in 2023), excluding administrative costs and in-donor refugee costs [OECD/LEGAL/5015]. Overall, Italy's tied aid went primarily to Italian training and capacity building programmes, scholarships and emergency relief or medical assistance.

On average over the five-year period of 2019-2023, Italy awarded 10% of untied contracts (in terms of value) to domestic entities. This share serves as a proxy for *de facto* share of untying.

Regarding adherence to the transparency provision of the Recommendation, Italy consistently reports to the DAC Secretariat on its *ex post* contract awards. It does not, however, report to the DAC Secretariat *ex ante*.

Beyond the scope of the Recommendation, 93.6% of Italy's bilateral ODA commitments in 2024 (excluding administrative costs, scholarships and student costs in donor countries, development awareness and in-donor refugee costs), were untied (87.3% in 2023).

DAC Recommendation on the Humanitarian-Development-Peace (HDP) Nexus

Italy has shown progress in implementing the DAC Recommendation on the Humanitarian-Development-Peace (HDP) Nexus [[OECD/LEGAL/5019](#)]. The [Guidelines on the Humanitarian, Development and Peace Nexus](#), approved in 2023, help promote the nexus approach in the pilot countries identified in Italy's 2024-2026 Programming and Policy Planning Document (PPPD), i.e. Colombia, Ethiopia and Lebanon. This includes conducting joint analyses through a consultative process engaging all actors of the Italian development co-operation system, both locally and centrally, including civil society organisations (CSOs). In Ethiopia, Italy works to apply a fragility and conflict prevention lens to all its programming and the HDP nexus approach is evident in linking the overall country portfolio, including migration policies, with development objectives (Box 3). To support quick, effective and precise implementation, the Italian Agency for Development Co-operation (AICS) adopted two operational tools in consultation with the Ministry of Foreign Affairs and International Cooperation (MAECI), CSOs and academia: the [FAQs on the HDP nexus](#) (based on the Nexus academy's Essentials Course and the DAC-UN Dialogue) and an [Operational Manual for Joint Context Analysis in Situation of Crisis and Fragility](#) ([Operating Manual for Joint Context Analysis in Crisis and Fragility Situations](#) (2025) to guide country offices in drafting joint analyses for conflict and gender sensitive contexts and focusing on the comparative advantage and expertise of the Italian system

Italy endorsed the Compact on Women Peace and Security and Humanitarian Action (WPS - HA). In this framework, Italy committed to supporting local women-led organisations (WLOs) and local women's rights organisations (WROs). In 2023-2024, Italy committed USD 19.45 million to women's rights organisations and movements (OECD, 2025^[1]) and it has supported the [Women's Peace and Humanitarian Fund](#) since 2022, contributing EUR 3 million in 2023. In humanitarian contexts, 70% of commitments assessed against the Gender Marker had gender equality as a principal or significant objective in 2023-2024 (OECD, 2025^[1]).

Italy can readily programme and budget in an HDP continuum, with most emergency humanitarian assistance channelled to and through multilateral and civil society partners, while bilateral ODA tends to go towards the combination of relief, development and peace. Italy's concerted efforts to invest in and advocate for peace dividends in Ethiopia and other places has not necessarily translated into higher ODA for peace, which is defined by a group of sector codes¹. Italy continues to show clear leadership in protecting cultural heritage sites in all contexts at risk across the world, including in partnership with UNESCO and the International Centre for the Study of the Preservation and Restoration of Cultural Property (ICCROM). In 2023 and 2024, an annual average of USD 172 million was committed for disability mainstreaming (Disability Policy Marker 1 or 2) in all contexts (not just humanitarian).

Italy funded the [Conflict sensitivity operational toolkit](#), published by We World in December 2022. The Toolkit helps organisations to incorporate conflict sensitivity into their strategic and operational approaches, moving beyond a purely technical application of principles. Its modular design ensures flexibility across different areas of crisis response.

Local CSOs are eligible to receive direct humanitarian funding from the Italian co-operation and the formats for calls for proposal are currently being translated into English and French to facilitate the participation of local and national responders. Moreover, CSOs can attach specific administrative documents to the application in the official or commonly used language of the intervention country. In 2023-2024, Italy channelled an average of USD 31 million to the International Federation of Red Cross and Red Crescent Societies (IFRC).

Italy plans its contribution using data on current needs and crises from [INFORM](#), the OECD-DAC Fragility framework, the [World Bank Fragility Classification](#), and the [EU's Forgotten crisis assessment](#). Using data

and insights from multiple sources allows for the design of needs-based and context-sensitive HDP financing strategies.

Italy recognises that unearmarked and flexible funding allows for greater adaptability in allocating resources where they are needed the most, and it is committed to gradually increasing humanitarian unearmarked funding. In 2023, it provided USD 18.9 million to the Central Emergency Response Fund (CERF), positioning it as one of the top ten donors in that year. On average, Italy provided USD 28.7 million per year through civil society actors for humanitarian assistance in 2023 and 2024, with projects lasting up to 24 months.

DAC Recommendation on Ending Sexual Exploitation, Abuse and Harassment in Development Co-operation and Humanitarian Assistance

Italy has taken meaningful steps to strengthen its prevention of sexual exploitation, abuse and harassment (PSEAH) safeguards, particularly within AICS, but progress on the DAC Recommendation is not yet system wide [[OECD/LEGAL/5020](#)]. Recent measures include a review of its Ethics Code and an update of the PSEAH Code of Conduct, the recruitment of an independent Confidential Counsellor with a dedicated helpline, and periodic training for staff. Italy engages in international PSEAH fora, has co-signed several joint donor letters to the UN system, and in 2024 MAECI and AICS endorsed the Common Approach to PSEAH (CAPSEAH). These are significant building blocks, but they remain concentrated in AICS and multilateral policy dialogue, with less evidence that a common standard is in place for other actors involved in Italian co-operation (including the *Cassa Depositi e Prestiti S.p.A.* [CDP] and line ministries). There is also no evidence that sexual exploitation, abuse and harassment (SEAH) risk assessments are systematically integrated into programme design or operational guidance, nor that minimum standards apply consistently across geographic offices and instruments.

Italy's reliance on UN agencies, international non-governmental organisations (INGOs) and a wide range of Italian CSOs makes strong partner oversight essential. Italy expects implementing partners to have appropriate SEAH standards, and SEAH clauses are now included in many agreements. Italy started including - in humanitarian aid call for proposals - PSEAH activities among those eligible of receiving funds, to strengthen its partners' capacity to prevent and respond to SEAH. However, Italy's PSEAH compliance verification relies heavily on self-reporting, with no clear risk-based mechanism to assess or follow up on partners' systems, including smaller organisations with weaker safeguards.

Reporting and survivor-centred response mechanisms remain limited in scope and accessibility. The Confidential Counsellor provides an important institutional entry point for complaints and protection advice, and whistleblowing procedures exist, but there is little indication that beneficiaries or local communities are informed of these channels or that procedures are adapted to local contexts. Without accessible, well-communicated reporting options outside Italy, uptake is likely to remain low.

DAC Recommendation on Enabling Civil Society in Development Co-operation and Humanitarian Assistance

Civil society remains one of Italy's strongest assets in development co-operation, with strong evidence of sustained political recognition and operational reliance on CSO partnerships. The legislative framework under Law 125/2014 embeds inclusive multi-stakeholder engagement, broad eligibility for CSOs and structured consultation through the National Council for Development Co-operation (CNCS). Long-standing partnerships with Italian CSOs, academia, diaspora groups and faith-based organisations contribute to continuity, territorial presence and local trust. Italy also channels a relatively high share of its bilateral ODA directly to CSOs – 7.4% in 2023, above the DAC average of 1% (OECD, 2025^[2]) – and recent efforts to expand multi-year funding, streamline procedures and improve transparency reinforce the enabling environment. Italy's active participation in the DAC Community of Practice on Civil Society,

including work on due diligence harmonisation, further demonstrates sustained commitment to Pillar Two of the Recommendation [[OECD/LEGAL/5021](#)].

Italy has recently taken additional steps to operationalise the Recommendation, particularly on localisation and equitable partnerships. While direct funding to non-Italian CSOs is not permitted, local partners may manage portions of project budgets and direct funding is possible in the context of humanitarian assistance, provided formal partnership agreements exist. The introduction of multi-year calls and recent simplification efforts – including updated humanitarian procedures that reinforce the “do no harm” principle, strengthen risk sharing, streamline requirements and include faster response modalities – reflect an intent to reduce administrative burdens and improve partnership quality. The large 2024-2025 call for civil society projects in Côte d’Ivoire in education or social protection (EUR 30 million) placed explicit emphasis on local capacity and governance strengthening. In parallel, Italy has expanded its Global Citizenship Education efforts, backed by a National Strategy and Action Plan and a multi-stakeholder working group that helps ensure co-ordinated implementation and monitoring across ministries, local authorities, CSOs and evaluation bodies. These are meaningful advances, though many reforms remain in an early phase and their system-wide application is not yet assured.

Despite this progress, structural constraints still limit full alignment with the Recommendation. Policy dialogue with CSOs, while active, remains insufficiently institutionalised and is not consistently connected to programming decisions. Heavy reliance on project-based funding – with uneven use of multi-year modalities and calls for proposals launched without predictable annual cycles – undermines long-term planning and disproportionately affects smaller or local CSOs. Legal, linguistic and administrative barriers also continue to inhibit more direct support to local CSOs, even as Italy works to enhance local engagement through new monitoring indicators and a 2025 expert panel on localisation.

Civic space considerations, central to Pillar One, are acknowledged but not yet systematically integrated into country strategies, context analyses, or risk assessments. Italy participates in several co-ordination fora (COHAFA, INCAF, DAC Community of Practice on Civil Society), yet the translation of insights from these platforms into operational risk mitigation remains limited. As Italy expands its work in politically sensitive areas – including migration co-operation, private-sector engagement and high-visibility initiatives under the Mattei Plan – embedding structured civic space analysis into planning and dialogue processes will be increasingly important to avoid inadvertently reinforcing restrictive environments.

While Italy has begun strengthening internal accountability systems (Pillar Three) – including updated AICS administrative control guidelines, alignment with EU PRAG standards and participation in the DAC CoP subgroup on due diligence harmonisation – support to CSO-led self-regulation remains limited. Italy’s monitoring framework is still evolving and indicators on local CSO engagement have only recently been introduced. As a result, mechanisms to assess partnership quality, downward accountability and risk-sharing remain nascent.

DAC Recommendation on Gender Equality and the Empowerment of All Women and Girls in Development Co-operation and Humanitarian Assistance

Italy demonstrates sustained political commitment to gender equality, grounded in Law 125/2014 and reflected consistently across successive PPPDs. Italy also plays an active role in multilateral gender fora including the Group of Seven (G7), the DAC Network on Gender Equality (GENDERNET), the Social Institutions and Gender Index (SIGI) and the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW). The approval of the [2020-2024 Gender Guidelines](#), translated into four languages and developed through a multi-stakeholder process, has strengthened the policy framework, while AICS has expanded operational tools such as a gender glossary, a manual for gender analysis, and *ex ante* screening of all initiatives by gender focal points. These steps mark an institutionalisation of gender mainstreaming across the development system [[OECD/LEGAL/5022](#)].

Despite these advances, implementation remains uneven across instruments and institutions. The Gender Guidelines commit all development actors, including CDP, local authorities, CSOs, universities and the private sector, to mainstreaming gender, but the integration remains stronger in AICS-managed grants than in CDP-managed loans and blended finance, where gender analysis and markers are less systematically embedded. Similarly, while gender focal points and training initiatives have expanded, variations in institutional culture, capacity and mandate continue to limit whole-of-system consistency.

Progress on monitoring and accountability is notable but still partial. Italy systematically applies the DAC Gender Policy Marker, conducts *ex ante* gender analyses and publishes an annual gender report that enhances transparency. However, there is limited evidence that gender considerations systematically influence priority setting or risk analysis, particularly in fragile contexts where Italy increasingly invests and where gender analysis should be strongest, or that gender results are systematically tracked at outcome level.

Recommendations adopted by the Council under the DAC's responsibility (joint with other OECD committees)

Recommendation on Policy Coherence for Sustainable Development

Italy has strengthened its institutional commitment to Policy Coherence for Sustainable Development (PCSD), most notably through the [National Sustainable Development Strategy](#) (NSDS) and the [2023 National Action Plan on PCSD](#) (PCSD NAP), annexed to the NSDS, which together provide a formal, whole-of-government framework for implementing the Recommendation [[OECD/LEGAL/0381](#)]. They provide Italy with a clearly articulated strategic vision, backed by political endorsement from the Interministerial Committee for Ecological Transition (CITE) and supported by Law 125/2014 for the transboundary dimension. The PCSD NAP introduces several promising [tools](#) – coherence matrices, coherence fiches and strategic foresight processes – designed to screen policies against NSDS and sustainable development goal (SDG) objectives. It also foresees a sustainability dashboard to integrate monitoring frameworks and track PCSD results across government. These developments represent a significant advance in line with the DAC Recommendation (OECD, 2024^[31]). Nevertheless, many instruments are still being piloted or have not reached full operationalisation.

Italy has also expanded institutional mechanisms for whole-of-government co-ordination. The Interministerial Group for NSDS/PCSD, the National Working Group for NSDS Monitoring and the Interministerial Committee for Economic Programming and Sustainable Development (CIPESS) collectively support strategic alignment and monitoring. However, institutions relevant to development co-operation, particularly CICS and the CNCS, remain underutilised from a PCSD perspective. CICS, though mandated to arbitrate policy inconsistencies, meets infrequently, and CNCS retains a largely advisory role, with further potential for it to bring a whole-of society perspective to bear on PCSD discussions. Sectoral ministries continue to operate largely under their own mandates, sometimes independently of MAECI or the NSDS framework, creating risks of parallel or uncoordinated international engagement. Moreover, new political initiatives such as the Mattei Plan and the Rome Process increase co-ordination demands across the system and may also lead to increased scrutiny on policy coherence issues.

Localisation of the SDGs represents a major strength of Italy's PCSD system. Almost all regions and metropolitan cities have developed Regional Sustainable Development Strategies (RSDSs) within the strategic framework provided by the NSDS and the PCSD NAP. These strategies aim to translate PCSD principles into practice by guiding future planning and sectoral instruments and by linking strategic objectives with budgeting processes and evaluation systems. The RSDSs have also introduced institutional and governance innovations that promote policy integration and encourage inter-institutional

collaboration. To this aim, regions have established co-ordination mechanisms that bring together relevant actors across administrations and oversee the monitoring of RSDS implementation. Framework agreements between individual regions and the Ministry of the Environment and Energy Security (MASE) provide both financial and technical support to develop and implement the RSDSs. Many regions also participate actively in monitoring the NSDS and piloting coherence tools. For example, most regions have used horizontal and vertical coherence matrices for the design of the RSDS to assess positive and negative interactions between existing strategies and the objectives of the RSDSs. The National Forum for Sustainable Development (FSD), with more than 280 stakeholders, also provides an institutionalised platform for whole-of-society engagement.

Monitoring and reporting have significantly improved, particularly through the annual NSDS report, the vertical integrated assessment of RSDS contributions, and Italy's Voluntary National Review (VNR) process. The PCSD NAP monitoring and evaluation framework further anchors PCSD in Italy's institutional practice. Still, linkages between PCSD monitoring and development co-operation reporting remain limited, and the system does not yet systematically assess how domestic policies affect partner-country sustainable development. Strengthening these interfaces – especially between MASE, MAECI, AICS and CDP – would support fuller alignment with the PCSD Recommendation. Italy's increasingly outward-facing strategies (e.g. Piano Mattei, climate and energy partnerships, migration agreements) will require a more robust, routine assessment of transboundary impacts in the years to come, suggesting a need for reinforcing CICS or another body as the central mechanism to resolve trade-offs across government.

Recommendation for Development Co-operation Actors on Managing the Risk of Corruption

Italy has strengthened its anti-corruption architecture in recent years [[OECD/LEGAL/0431](#)], with AICS leading the most substantial developments. An updated code of ethics and a new PSEAH code (2023-2025) set clearer behavioural and safeguarding standards for staff and partners and represent a meaningful step toward professionalising integrity systems. These efforts are supported by an expanding set of oversight mechanisms, including a focal point for preventing corruption and transparency, a public whistleblowing portal, a confidential counsellor, and a guarantee committee for equal opportunities, which together enhance internal accountability and offer multiple entry points for confidential reporting.

Italy has invested heavily in training and awareness raising, with recurrent modules on corruption prevention, procurement, conflict of interest, transparency and risk management delivered across headquarters and field offices. The systematic identification of staff in high-risk situations or areas for dedicated training through the National School of Administration mark progress toward embedding a risk-management culture. Internal control functions have been strengthened through updated audit manuals, multi-year audit plans and operational audits in overseas offices, while the introduction of a risk management manual grounded in enterprise risk management (ERM) principles provides a more preventive and organisation-wide approach to risk mapping.

Contractual safeguards have also been reinforced. Bilateral agreements now include suspension/termination clauses and allow for on-site checks while due diligence on CSO partners systematically uses Italian compliance databases. In agreements with multilateral organisations, Italy signals a strong commitment to anti-corruption standards, including through provisions related to the recovery or reallocation of misused funds. While this reflects positive intent, such measures should be applied proportionately and in a manner that recognises and trusts the established governance and accountability systems of multilateral organisations. Taken together, these constitute important improvements, particularly as Italy scales up its use of diverse delivery channels and financial instruments.

Despite these advances, progress remains uneven across the broader development co-operation system. Most recent reforms are concentrated within AICS, while DGCS and embassies follow MAECI anti-corruption and ethics rules and CDP applies standard contractual safeguards against corruption; however,

a fully harmonised, system-wide approach to corruption-risk management and shared due diligence tools has yet to emerge. The current whistleblowing and oversight mechanisms would also benefit from greater visibility and accessibility, including by partners, in country offices, where AICS is co-located with other Italian development co-operation actors, as well as more consolidated reporting across institutions to detect systemic risks. Similarly, while AICS carries out an annual risk mapping exercise, the link between risk assessment and programme design, partner selection and country-level planning remains insufficiently institutionalised.

Finally, Italy contributes to anti-corruption efforts internationally, including support to the Istituto Italo-Latino Americano's (IILA) financial crime training and the OECD Academy for Tax and Financial Crime Investigation, showing commitment to addressing corruption risks beyond its own portfolio.

Recommendation on Environmental Assessment of Development Assistance Projects and Programmes

Italy has strengthened the technical basis for integrating environmental assessment into its development co-operation, particularly through AICS's revised appraisal system. AICS developed a ten-component development-effectiveness scoring system (currently under review following the introduction of updated appraisal and review procedures) that includes environmental sustainability and is supported by early, informal exchanges between thematic offices and field teams during project design. Two formal technical evaluation steps follow, during which sectoral thematic offices review proposals, including the correct assignment of policy markers and Rio markers. Cross-cutting or multi-sector initiatives trigger the involvement of additional thematic offices as needed. Within this system, the Environment and Land Use Office plays a central role, vetting environment policy markers and Rio markers across the whole grant portfolio and conducting environmental and sustainability assessments primarily for initiatives falling within its mandate to help identify and mitigate potential negative environmental impacts. Italy has also developed an extensive suite of analytical and operational tools such as the 2023 Environmental Mainstreaming and Screening Guidance, the Environmental Sustainability Matrix, sector-specific manuals (water, sanitation and hygiene; slum regeneration), and new guidance for carbon markets, covering all areas identified in the DAC Recommendation's Appendix [\[OECD/LEGAL/0458\]](#). These advances represent a meaningful step toward standardising environmental assessment across project design and approval.

However, implementation remains highly concentrated in AICS, with varying approaches across other parts of the system. CDP applies a group-wide impact assessment framework across its own financing and managed instruments, including the Italian Climate Fund and Plafond Africa, while environmental assessments for the Revolving Fund for Development Co-operation are carried out by AICS. Beyond these arrangements, clarity is still needed on how consistently screening tools are mandatory, applied early in the programme cycle, and used at field level. Italy's progress would be strengthened by formalising whole-of-system requirements for environmental screening, building capacity beyond AICS where needed, and ensuring that new country strategies and PPPD cycles embed environmental assessment as a compulsory, early step rather than an add-on.

OECD-DAC Declarations

OECD DAC Declaration on a new approach to align development co-operation with the goals of the Paris Agreement on Climate Change

Italy has markedly increased its climate ambition in recent years, with the Italian Climate Fund (ICF) emerging as a major driver of its international climate action. The ICF (EUR 4.4 billion over 2022-2026) is managed by CDP and primarily finances mitigation and adaptation projects in agriculture, energy, transport and water infrastructure. Projects to protect biodiversity and combat desertification are also included. It

applies Rio marker screening, assesses expected climate impacts *ex ante* and *ex post*, and requires consistency with partner countries' climate strategies. The ICF's structure, combining grants, loans, blended finance and technical assistance, provides a strong basis for supporting Paris Agreement-aligned transitions in partner countries, particularly in Africa where over half of ICF projects are concentrated. In line with the DAC Declaration [[OECD/LEGAL/0466](#)] and the United Nations Framework Convention on Climate Change (UNFCCC) pillars, Italy has also strengthened engagement on loss and damage, including a EUR 100 million pledge to the new Fund for Responding to Loss and Damage. Italy's overall climate finance portfolio also reflects a strong focus on LDCs and Small Island Developing States (SIDS) across both bilateral and multilateral channels.

Beyond the ICF, Italy has taken steps to strengthen climate mainstreaming across its development co-operation tools. AICS requires Rio marker screening for all operations and applies a two-stage process combining compliance checks and the integration of climate objectives, supported by thematic review from headquarters. Italy's climate-finance reporting framework follows UNFCCC and EU requirements, with AICS responsible for validation and quality control of all climate-relevant financial data reported to the DAC. Italy has also endorsed the Locally Led Adaptation (LLA) principles, introduced a new adaptation performance review tool, and advanced targeted adaptation initiatives such as support to early warning systems and climate-resilient agriculture. Italy continues to play an active role across the Rio Conventions, including a leading position under the United Nations Convention to Combat Desertification (UNCCD) and sustained engagement on biodiversity, which it increasingly seeks to integrate into a coherent climate-environment portfolio. Multilateral partnerships remain a core strength, including support to UNFCCC COP28 outcomes, the Fund for Responding to Loss and Damage, the Green Climate Fund, the Global Environment Facility, the Climate Investment Funds, the Global Shield, and long-standing collaborations with the World Bank's Energy Sector Management Assistance Program (ESMAP), the Promoting Africa's Green and Climate Resilient Development (AGREED) programme and the United Nations Industrial Development Organisation (UNIDO).

Italy is also contributing to broader global processes aimed at Paris Agreement alignment. Within Team Europe, it participates in joint programming discussions linked to the Global Gateway, and it plays a leading role in the coffee-climate nexus through the Team Europe Initiative (TEI) on Coffee in Africa, which embeds climate resilience at the core of value chain development. Domestically, Italy's updated National Sustainable Development Strategy and whole-of-government emphasis on ecological transition offer a supportive framework for international alignment.

CDP applies sustainability sector policies, including exclusion criteria and climate-alignment requirements, across both its own financing and the third-party resources it manages, including the Italian Climate Fund. System-wide Paris Agreement alignment remains incomplete, however, and there is limited evidence of a unified methodology across all actors for assessing whether ODA is consistent with partner countries' nationally determined contributions (NDCs), national adaptation plans (NAPs) or long-term decarbonisation pathways. Greater clarity on how these approaches are applied and co-ordinated across all actors would help ensure consistent alignment, in line with the DAC Declaration.

Planning tools pose an additional constraint. The absence of up-to-date country strategies and slow PPPD cycles limit the integration of climate objectives into multi-year programming, particularly in sectors where climate risks are high (agriculture, energy, water, infrastructure). Co-ordination challenges across ministries further risk fragmentation, as climate-relevant activities may take place in parallel without systematic alignment with MAECI/AICS planning or partner country climate goals.

Further reading

OECD, *Recommendation on Terms and Conditions of Aid*, [OECD/LEGAL/5006](#), <https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-5006> (accessed on 9 February 2026).

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OECD (2024), "Italy's strategic approach to policy coherence for sustainable development", [3]
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https://www.oecd.org/en/publications/development-co-operation-tips-tools-insights-practices_be69e0cf-en/italy-s-strategic-approach-to-policy-coherence-for-sustainable-development_8093629e-en.html (accessed on 11 February 2026).

Notes

¹ In the OECD's fragility framework, ODA to peace-related sectors are tracked using the following Creditor Reporting Sector codes: 15110 (*Public sector policy and administrative management*), 15111 (*Public finance management (PFM)*), 15112 (*Decentralisation and support to subnational government*), 15113 (*Anti-corruption organisations and institutions*), 15130 (*Legal and judicial development*), 15150 (*Democratic participation and civil society*), 15152 (*Legislatures and political parties*), 15153 (*Media and free flow of information*), 15160 (*Human rights*), 15170 (*Women's equality organisations and institutions*), 15180 (*Ending violence against women and girls*), 15190 (*Facilitation of orderly, safe, regular and responsible migration and mobility*), 15210 (*Security system management and reform*), 15220 (*Civilian peace-building, conflict prevention and resolution*), 15230, (*Participation in international peacekeeping operations*) 15240 (*Reintegration and SALW control*), 15250 (*Removal of land mines and explosive remnants of war*), 15261 (*Child soldiers (prevention and demobilisation)*).

Annex C. Organisations consulted during the peer review

Organisations and authorities consulted in Italy

1. ActionAid Italy
2. Association of Italian Organisations for International Cooperation and Solidarity (AOI)
3. Association of Volunteers in International Service (AVSI)
4. Banca Etica
5. Bonifiche Ferraresi International (BFI)
6. Carbon Sink
7. Cassa Depositi e Prestiti S.p.A. (CDP)
8. CESVI – Cooperation and Development
9. Christian Workers' Movement (MCL)
10. CIMA Research Foundation
11. Coldiretti
12. Community of Sant'Egidio
13. Confagricoltura
14. Confcooperative
15. Conference of Italian University Rectors (CRUI)
16. Conference of Regions
17. Confintesa FP
18. CUAMM
19. ENI S.p.A.
20. Federation of Public Workers and Public Functions (FLP)
21. Ferrero
22. Illy
23. International Federation of Red Cross and Red Crescent Societies (IFRC)
24. INTERSOS
25. Italian Agency for Development Co-operation (AICS)
26. Italian Agency for Development Co-operation (AICS) Audit Body
27. Italian Agency for Development Co-operation (AICS) Trade Unions
28. Italian Confederation of Workers' Trade Unions (CISL)
29. Italian General Confederation of Labour – Foreign Affairs Branch (CGIL Esteri)
30. Italian National Agency for Energy and Environment (ENEA)
31. Italian Network of International NGOs (CINI)

32. Italian Red Cross (CRI)
33. Italian Trade Agency (ICE)
34. Italian Union of Public Administration Workers – Foreign Affairs Branch (UILPA Esteri)
35. Lavazza Foundation
36. Link 2007
37. Mediterranean Agronomic Institute of Bari (CIHEAM Bari)
38. Ministry of Agriculture, Food Sovereignty and Forests
39. Ministry of Economy and Finance
40. Ministry of Education
41. Ministry of Enterprise and Made in Italy
42. Ministry of Environment and Energy Security
43. Ministry of Foreign Affairs and International Cooperation
44. Ministry of Health
45. Ministry of Interior
46. Ministry of Labour and Social Policies
47. Mista S.p.A
48. Region of Lombardy
49. SACE - Italian Export Credit Agency
50. Sant'Egidio
51. Save the Children Italy
52. SIMEST - Italian Company for Enterprises Abroad
53. Trusty
54. University of Rome Tor Vergata
55. WEWORLD

Multilateral organisations

56. African Development Bank (AfDB)
57. Asian Development Bank (ADB)
58. European Commission Directorate-General for International Partnerships (EU INTPA)
59. European Union Agency for Asylum (EUAA)
60. Food and Agriculture Organization (FAO)
61. Gavi – the Vaccine Alliance
62. Global Fund
63. International Organization for Migration (IOM)
64. United Nations Development Programme (UNDP)
65. United Nations High Commissioner for Refugees (UNHCR)
66. United Nations Industrial Development Organization (UNIDO)
67. World Bank
68. World Food Programme (WFP)

Stakeholders consulted in Ethiopia

69. Amref Health Africa
70. CIMA Research Foundation
71. Commercial Bank Ethiopia (CBE)
72. COOPI – International Cooperation
73. Development Bank of Ethiopia
74. Embassy of Finland
75. Embassy of Italy
76. Entrepreneurship Development Institute
77. Ethiopian Coffee and Tea Authority (ECTA)
78. Ethiopian Heritage Authority (EHA)
79. Ethiopian Management Institute (EMI)
80. European Committee for Training and Agriculture (CEFA)
81. European Union
82. Food and Agriculture Organization (FAO) Ethiopia
83. German Agency for International Cooperation (GIZ)
84. Illy
85. Institute of Ethiopian Studies
86. International Centre for Advanced Mediterranean Agronomic Studies (CIHEAM)
87. International Centre for Family and Children (CIFA)
88. International Committee for the Development of Peoples (CISP)
89. International Fund for Agricultural Development (IFAD)
90. International Organization for Migration (IOM) Ethiopia
91. International Volunteers for Development (VIS)
92. Italian Agency for Development Co-operation (AICS) Addis Ababa Office
93. Italian Association for Women in Development (AIDOS)
94. Italian Red Cross (CRI)
95. Italian Trade Agency (ICE)
96. Jimma Municipality
97. MICROFINANZA
98. Ministry of Finance
99. Ministry of Foreign Affairs
100. National Museum of Ethiopia
101. National Research Council of Italy (CNR)
102. OXFAM
103. Plan International
104. POLITICO
105. Prime Minister's Office
106. Save the Children
107. Spanish Agency for International Development Cooperation (AECID)

108. United Nations Development Programme (UNDP)
109. United Nations Industrial Development Organization (UNIDO)
110. United Nations Office for Project Services (UNOPS)
111. University of Addis Ababa
112. University of Turin (UNITO)
113. Water and Land Resource Centre (WLRC)

OECD Development Co-operation Peer Reviews: Italy 2026

The OECD's Development Assistance Committee (DAC) conducts peer reviews of individual members once every five to six years. Reviews seek to improve the quality and effectiveness of members' development co-operation, highlighting good practices and recommending improvements.

The peer review of Italy, led by Germany and Iceland, examines how Italy is adapting its development co-operation to a context of heightened political attention. Since the launch of the Mattei Plan in 2024, development co-operation has been placed more firmly at the heart of foreign policy, with a growing engagement in Africa as the main geographic priority, and increased attention to migration and private sector engagement. Italy has maintained its official development assistance (ODA) levels and continues to play an active multilateral role, while expanding its financing toolkit. The report underlines the need for resources to keep pace with growing ambitions, while maintaining coherence and effectiveness across an increasingly complex system. Strengthening strategic focus, implementation capacity, and co-ordination will be essential to fully realise Italy's development co-operation objectives.



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