

LAW no. 125 of 11 August 2014

General law on international development cooperation (14G00130)
(Official Gazette no.199 of 28-8-2014)

In force on: 29-8-2014

Chapter I

FUNDAMENTAL PRINCIPLES AND PURPOSES

The Chamber of Deputies and the Senate of the Republic have approved;

THE PRESIDENT OF THE REPUBLIC

Promulgates

The following law:

Art. 1

Object and purpose

1. International cooperation for sustainable development, human rights and peace, hereinafter referred to as «development cooperation», is an integral and qualifying part of Italian foreign policy. It is inspired by the principles of the Charter of the United Nations and of the Charter of Fundamental Rights of the European Union. Pursuant to the principle laid down in Article 11 of the Constitution, its effect contributes to foster peace and justice and aims at promoting mutually supportive and egalitarian relationships between peoples based on principles of interdependence and partnership.

2. Acknowledging the centrality of human beings, both as individuals and as members of a community, development cooperation, in compliance with the international programmes and strategies defined by international organisations and by the European Union, pursues the fundamental objectives of:

a) uprooting poverty and narrowing inequalities, improving the living conditions of peoples and promoting sustainable development;

b) defending and upholding human rights, the dignity of the individual, gender equality, equal opportunities and the principles of democracy under the Rule of Law;

c) preventing conflicts, supporting peacebuilding and reconciliation processes, as well as post-conflict stabilisation and the consolidation and reinforcement of democratic institutions.

3. Humanitarian aid shall be delivered according to relevant international law, with a special focus on impartiality, neutrality and non-discrimination, and shall be aimed at providing assistance, relief and protection to the people of Developing Countries who have been hit by catastrophes.

4. Italy promotes education, awareness raising efforts and the participation of all its citizens in acts of international solidarity, international cooperation and sustainable development.

Notice:

- The text of the notes contained herein was drafted in compliance with Art. 10, Paragraphs 2 and 3 of the Consolidated Law Regulating the Promulgation of Laws and the Issuance of Decrees by the President of the

Republic and the Official Publications of the Republic of Italy, approved by Presidential Decree no. 1092 of 28 December 1985, for the sole purpose of facilitating the reading of the legal provisions referred to, with no prejudice to the validity and effectiveness of the legislative acts transcribed herein.

Notes to Art. 1:

- The text of Art. 11 of the Italian Constitution reads as follows:

"Italy rejects war as an instrument of aggression against the freedom of other peoples and as a means for settling international controversies; it agrees, on conditions of equality with other states, to the limitations of sovereignty necessary for an order that ensures peace and justice among Nations; it promotes and encourages international organizations having such ends in view."

Art. 2

Criteria of this Act and Actions subjected to its provisions

1. Italy's development cooperation action is addressed to the peoples, civil society associations and organisations, the private sector, national institutions and local administrations of Partner Countries, identified coherently with the principles shared within the European Union and the international organisations of which Italy is a member.

2. Italy makes an utmost effort to guarantee that its policies, even when not directly linked to development cooperation, be consistent with the purposes and founding principles of this Law, so that they might foster the achievement of development goals.

3. In implementing development cooperation initiatives, Italy warrants compliance with the following:

a) the principles of effectiveness agreed upon at international level, especially those concerning Partner Countries taking full ownership of the development processes, the alignment of interventions with the priorities established by the Partner Countries themselves and in line with local usage and customs, harmonisation and coordination between donors, result-based management and mutual responsibility;

b) criteria of efficiency, transparency and cost-effectiveness, to be assured by correctly managing resources and coordinating all the institutions operating in the field of development cooperation for whatever reason.

4. Compatibly with European Union legislation and normal efficiency standards, development cooperation actions privilege the use of goods and services produced in the Countries and areas targeted by the aforesaid interventions.

5. The funds allocated to development cooperation shall not be used, either directly or indirectly, to fund or carry out military activities.

6. Italian cooperation policies, by promoting local development also through the role played by communities of immigrants and their relations with their Countries of origin, contributes to developing shared migration policies with Partner Countries, inspired by the safeguard of human rights and compliance with European and international legislation.

Art. 3

The Ministry of Foreign Affairs and International Cooperation

1. Sub-paragraph 1) of Article 2, Paragraph 1 of Legislative Decree no. 300 of 30 July 1999 is replaced as follows:

«1) The Ministry of Foreign Affairs and International Cooperation».

2. The name «Ministry of Foreign Affairs and International Cooperation» replaces, for all intents and purposes and anywhere indicated, the name «Ministry of Foreign Affairs».

Note to Art. 3:

- Quoted below is the text of Article 2, Paragraph 1 of Legislative Decree no. 300 of 30 July 1999 (Reform of the Organisation of Government, pursuant to Article 11 of Law no. 59 of 15 March 1997), as amended by this law:

"1. The Ministries are the following:

- 1) Ministry of Foreign Affairs and International Cooperation;
- 2) Ministry of the Interior;
- 3) Ministry of Justice;
- 4) Ministry of Defence;
- 5) Ministry of Economy and Finance;
- 6) Ministry of Economic Development;
- 7) Ministry of Agricultural Food and Forestry Policies;
- 8) Ministry of the Environment and of the Protection of Land and

Sea;

- 9) Ministry of Infrastructures and Transports;
- 10) Ministry of Labour and Social Policies;
- 11) Ministry of Education, Universities and Research;
- 12) Ministry of Cultural Heritage, Activities and Tourism;
- 13) Ministry of Health."

Chapter II

SCOPE OF APPLICATION

Art. 4

Scope of application of public development cooperation

1. All the development cooperation activities addressing the subjects indicated in Article 2, Paragraph 1, hereinafter named «public development cooperation (PDC)», aimed at supporting the balanced development of the areas of intervention through actions reinforcing the autonomous human and material resources, shall be divided into:

- a) multilateral initiatives;
- b) participations in European Union cooperation programmes;
- c) donorship initiatives, as laid down in Article 7, in bilateral relations;
- d) initiatives financed through concessionary loans;
- e) territorial partnership initiatives;
- f) international humanitarian relief interventions;
- g) contributions to the civil society initiatives laid down in Chapter VI.

Art. 5

Multilateral Initiatives

1. The scope of application of PDC includes Italy's participation, also financial, in the activities of international organisations and in the capital of banks and of multilateral development funds. The mode of participation must make it possible to control the initiatives, albeit respecting the autonomy of the international organisations involved.

2. Multilateral initiatives may be implemented, in addition to contributions made to the general budget of international organisations, also by financing both cooperation initiatives promoted and implemented by the same organisations and cooperation initiatives promoted by Italy and whose implementation is entrusted to international organisations. In the latter case, contributions must be regulated by an ad hoc agreement defining the contents of the initiative, the respective responsibilities and the respective control procedures.

3. The scope of multilateral cooperation also includes the PDC initiatives agreed upon by the Italian Government and the institutions and organisations for regional integration.

4. The Ministry of Foreign Affairs and International Cooperation manages the relations with international organisations and with the inter-governmental agencies competent for development cooperation, and establishes the overall amount of annual funds to be allocated to each one of them. The Agency outlined in Article 17 allocates the contributions laid down in Paragraph 2 of the foregoing Article, upon the approval of the Committee defined in Article 21.

5. The Ministry of Economy and Finance, in agreement with the Ministry of Foreign Affairs and International Cooperation, manages the relations with multilateral development banks and funds and guarantees the financial contributions to the resources of the aforesaid entities, in compliance with the aims and guidelines outlined in Article 11, Paragraph 1 and 2, and Article 12.

Art. 6

Participation in European Union Cooperation Programmes

1. Italy participates in defining the European Union's development aid policies, contributes to the budget and funds of the European Union and harmonises its policy orientations and programmes with those of the European Union, favouring the implementation of joint projects.

2. Moreover Italy contributes to implementing European development aid programmes by also participating in their indirect centralised management, normally through the Agency defined in Article 17 below.

3. In accordance with the orientations contained in the three-year plan defined in Article 12, the Ministry of Foreign Affairs and International Cooperation is responsible of holding relations with the European Union in respect of European development aid financial instruments.

4. In accordance with the orientations contained in the three-year plan defined in Article 12, the Ministry of Foreign Affairs and International Cooperation also undertakes the task of defining and implementing the policies of the European Development Fund.

Art. 7

Donorship initiatives in Bilateral Relations

1. PDC is realised in the form of bilateral cooperation through projects, programmes and donorship initiatives, entirely or partially funded by the State Administration, public agencies and local administrations. The aforesaid initiatives, approved according to the procedures laid down herein, are financed and implemented by the Agency described in Article 17. They are required to correspond to a specific request by a Partner Country and be in line with the principles whereby Partner Countries must take full ownership of the development processes, involving local communities therein.

2. The initiatives described in the preceding Paragraph 1 are also realised through direct financial contributions to the public budget of the Partner Country. In order to assure the quality of interventions and reinforce the responsibility of Partner Countries in respect of the effectiveness of aid, as defined at European and international level, said budget support interventions must comply with criteria aimed at maintaining the macroeconomic stability of the Partner Country and the transparency and reliability of its regulatory and institutional framework, and imply control procedures on the correct use of funds and on the results achieved.

3. The Ministry of Foreign Affairs and International Cooperation undertakes to negotiate and stipulate agreements regulating the initiatives defined in this Article, acknowledging and highlighting therein the opinions of civil society organisations operating in the field of personal social services, in compliance with the principle of subsidiarity.

Art. 8

Cooperation Initiatives through Concessionary Loans

1. The Minister of Economy and Finance, upon the decision taken by the Committee defined in Article 21 below at the request of the Ministry of Foreign Affairs and International Cooperation in compliance with the procedures laid down hereunder, authorises the Cassa Depositi e Prestiti S.p.A. to grant, also in syndication with other foreign agencies or banks, concessionary loans to States, Central Banks or Public Administrations of the States defined under preceding Article 2, Paragraph 1, and also to international financial organisations, drawing on the off-balance-sheet revolving fund created therein pursuant to Art. 26 of Law no. 227 of 24 May 1977.

2. If so required by the nature of development programmes, concessionary loans may be destined to finance local costs of Third Countries and their purchase of goods, services and works inherent to the initiatives considered herein.

Notes to Art. 8:

- The text of Article 26 of Law no. 227 of 24 May 1977 (Provisions on the assurance and financing of loans inherent to the export of goods and services, the performance of works abroad and for international economic and financial cooperation) reads as follows: "26. Within the framework of Italian cooperation with Developing Countries and in compliance with the guidelines established by the CIPES (Comitato interministeriale per la politica economica estera - Inter-ministerial Committee for Foreign Economic Policy), the Minister of the Treasury, at the proposal of the Minister of Foreign Affairs and International Cooperation, in agreement with the Minister of Foreign Trade, may authorise MedioCredito Centrale to grant, also in syndication with other foreign agencies or banks, to States, Central Banks or Public Administrations of Developing Countries, easy-term loans destined to improving these countries' economic and monetary situation, in consideration of Italy's participation in cooperation programmes and projects approved by law and aimed at fostering and promoting the technological, cultural, economic and social progress of the aforesaid States.

For the transactions considered in the preceding Paragraph, a revolving fund is established at the MedioCredito Centrale. The Fund endowment shall be regulated by law, through allocations from the estimated budget expenditures of the Ministry of the Treasury."

Art. 9

Territorial Partnerships

1. The international development cooperation relations of the Regions and the Autonomous Provinces of Trento and Bolzano are held in compliance with the principles laid down herein or in other laws of the State, or inferred therefrom, and in line with the State's exclusive competence on foreign policies and international relations, as set forth in Article 17, Paragraph 2, letter a) of the Constitution. The provisions contained hereunder shall form the guiding principles in the adoption of laws by the Regions and the Autonomous Provinces of Trento and Bolzano regulating international cooperation and solidarity initiatives through their autonomous legislative power, with no prejudice to the provisions contained in Law no. 131 of 5 June 2003.

2. The Regions and the Autonomous Provinces of Trento and Bolzano and local administrations may implement development cooperation initiatives upon receiving the favourable opinion of the Joint Committee defined in Article 21, and to the extent provided for under Paragraph 1 of the foregoing Article, normally by resorting to the Agency indicated in Article 17. The Regions, Autonomous Provinces and local administrations shall notify in advance the Minister of Foreign Affairs and International Cooperation and the Agency indicated in Article 17 of their planned and financed territorial partnership activities in

compliance with Article 11, Paragraphs 1 and 2, and with a view to including the aforesaid activities in the databank defined in Article 17, Paragraph 9.

Notes to Art. 9:

- Law no. 131 of 5 June 2003 reads: "Provisions adapting the law of the Republic to Constitutional Law no. 3 of 18 October 2001."

- The text of Article 117, Paragraph 5 of the Constitution reads as follows:

"The Regions and the autonomous provinces of Trento and Bolzano take part in preparatory decision-making process of EU legislative acts in the areas that fall within their responsibilities. They are also responsible for the implementation of international agreements and EU measures, subject to the rules set out in State law which regulate the exercise of subsidiary powers by the State in the case of non-performance by the Regions and autonomous provinces".

Art. 10

International Humanitarian Relief Interventions

1. International humanitarian relief interventions falling within the scope of the PDC are aimed at delivering relief and assistance to populations and at promptly re-establishing the conditions necessary to resume development processes. Emergency relief interventions are decided by the Minister of Foreign Affairs and International Cooperation and are implemented by the Agency indicated in Article 17, also relying on the entities outlined in Chapter VI, having proven experience in the specific field and, whenever possible, resorting to entities operating on-site.

2. The Council of Ministers, at the proposal of the Minister of Foreign Affairs and International Cooperation, may entrust the international humanitarian emergency relief interventions described in the preceding Paragraph 1 to other administrations, also to the Civil Protection Department of the Presidency of the Council of Ministers which, to this aim, act according to their own organisational procedures and expenditures, and organise the emergency relief tasks assigned to them, defining the type and duration thereof in agreement with the Ministry of Foreign Affairs and International Cooperation and with the Agency indicated in Article 17. This provision shall bear no prejudice to existing legislation regulating emergency relief interventions conducted abroad by the Civil Protection Department of the Presidency of the Council of Ministers, laid out in Article 4 of Decree Law no. 90 of 31 May 2005, converted with amendments into Law no. 152 of 26 July 2005.

Notes to Art. 10:

- The text of Article 4 of Decree Law no. 90 of 31 May 2005 ("Urgent Civil Protection Provisions") converted with amendments into Law no. 152 of 26 July 2005 reads as follows:

"Art. 4. Regulating and strengthening Civil Protection. - 1. In order to guarantee uniformity in determining civil protection policies, the coordination thereof and of the relative orders, as well as the consequent unified and effective performance of the National Civil Protection Service, Article 1, Paragraph 2, of Law no. 225 of 24 February 1992 puts civil protection services under the competence of the President of the Council of Ministers, who can delegate the exercise thereof in compliance with Article 9, Paragraph 2 of Law no. 400 of 23 August 1988, with no prejudice to the competence of the regions, as regulated under existing laws. The provisions laid down in Article 1, limitedly to civil protection policies, and in Articles 3, 5 and 6-bis of Decree Law no. 343 of 7 September 2001, converted with amendments into Law no. 401 of 9 November 2001, bearing references to the Minister or Ministry of the Interior, are consequently repealed.

2. With no prejudice to the Ministry of Foreign Affairs' competence over cooperation, the provisions made under Art. 5 of Law no. 225 of 24 February 1992 and Art. 5-bis, Paragraph 5, of Decree Law no. 343 of 7 September 2001, converted with amendments into Law no. 401 of 9 November 2001, also apply to the interventions abroad of the Civil Protection Department, within the scope of competence thereof and in coordination with the Ministry of

Foreign Affairs. For the purpose of the interventions considered in Art. 11, Paragraph 2, of Law no. 49 of 26 February 1987, it may also be possible to pass the ordinances defined in Art. 5, Paragraph 3 of Law no. 225 of 24 February 1992, at the request of the Directorate General for Development Cooperation.

3. For the purpose of maximising the operational efficiency of the Civil Protection Department in terms of its mobility over the territory and of meeting the necessary conditions of being prepared to intervene in the territories hit by emergency situations, the Department is authorised to conduct the necessary negotiations to upgrade its aircraft fleet, proportionally to the resources available in the Civil Protection Fund, also in accordance with the ordinances issued pursuant to Art. 5, Paragraph 2 of Law no. 225 of 24 February 1992.

4. For the purpose of assuring a cost-effective management of active forest firefighting operations, also in view of increasingly reinforced security programmes, the Civil Protection Department, upholding the priority need to maximise the efficiency of the aforesaid operations, is authorised to take emergency contractual initiatives also with organisations of other Countries, with the aim of leasing aircraft for periods other than in summertime. Any eventual income shall be entered as revenue on the State budget and later re-allocated under the relevant special budgetary item of expenditure of the Ministry of Economy and Finance destined to the Civil Protection Department at the Presidency of the Council of Ministers. The Ministry of Economy and Finance is authorised to make the required changes to the budget through decrees of its own."

Chapter III

POLICY ORIENTATION, GOVERNANCE AND CONTROL OF DEVELOPMENT COOPERATION

Art. 11

Competences of the Minister of Foreign Affairs and International Cooperation and of the Deputy Minister of Development Cooperation:

1. The political responsibility of development cooperation is attributed to the Minister of Foreign Affairs and International Cooperation, who sets forth the policy orientation and assures unity and coordination of all national cooperation initiatives pursuant to the decisions of the Committee indicated in Article 15.

2. The Minister of Foreign Affairs and International Cooperation is attributed the task of controlling and supervising the implementation of development cooperation policies and also of politically representing Italy in international and European Union organisations competent for PDC-related issues.

3. The Minister of Foreign Affairs and International Cooperation, as set forth in Article 10, Paragraph 3 of Law no. 400 of 23 August 1988 and subsequent amendments, delegates the powers for development cooperation to a Deputy Minister. Following the procedures laid down in Article 10, Paragraph 4, of the aforesaid Law, the Deputy Minister is invited to participate, without the right to vote, to the meetings of the Council of Ministers dealing with subject matters that may directly or indirectly affect the coherence and effectiveness of development cooperation policies, as set forth in Article 2, Paragraph 2 of this Law.

Notes to Art. 11:

- The text of Article 10, Paragraph 3, of Law no.400 of 23 August 1988 (Regulation of the activity of Government and Rules for the Presidency of the Council of Ministers), reads as follows:

"3. Undersecretaries of State assist the Minister and perform the tasks delegated to them by Ministerial Decree published on the Official Gazette. With no prejudice to Ministers' political responsibility and their power to set out policy orientations, as prescribed in Article 95 of the Constitution, the no

more than ten Undersecretaries may be given the title of Deputy Minister, if they are delegated powers in areas or projects falling under the competence of one or more departments, or of several General Directorates. In this case, the power delegated by the competent Minister is approved by the Council of Ministers, at the suggestion of the President of the Council of Ministers.”.

Art. 12

Three-year cooperation programming and policy orientation plan and report on cooperation activities

1. At the suggestion of The Minister of Foreign Affairs and International Cooperation, in agreement with the Minister of Economy and Finance in respect of the competences laid down in Art. 5, Paragraph 5, the Council of Ministers approves the three-year cooperation programming and policy orientation plan by 31 March of every year, having heard the opinions of Parliamentary Commissions, as laid down in Article 13, Paragraph 1, and after approval by the Committee indicated in Article 15.
2. In consideration of the Report provided for in Paragraph 4, the Plan described in the preceding Paragraph 1 indicates the strategic vision, the action targets and the intervention criteria, the priorities chosen for the geographical areas of single Countries and the different sectors targeted by development cooperation policies. The plan also defines the policy orientations and strategies relative to Italy's participation in European and international organisations and multilateral financial institutions.
3. The Minister of Foreign Affairs and International Cooperation, after submitting the three-year cooperation programming and policy orientation plan to the scrutiny of the Committee indicated in Article 15, hears the opinion thereon of the Unified Conference established under Article 8 of Legislative Decree no. 281 of 28 August 1997 and of the National Council indicated in Article 16 below.
4. The Minister of Foreign Affairs and International Cooperation, in agreement with the Minister of Economy and Finance, drafts a report on the development cooperation activities performed during the previous year, highlighting the results achieved, measured through a system of qualitative and quantitative indicators in accordance with the effectiveness indicators developed by the Development Assistance Committee (DAC - OECD). The report reviews the development cooperation activities performed by all public administrations and Italy's participation in development banks and funds and multilateral organisations indicating, among other things, Italy's financial contribution to single organisations, the number and job title of Italian officials involved and an evaluation of the ways in which said institutions contributed to achieving the goals of multilateral agreements. The report also gives a detailed list of the projects financed and their results, the projects still under way, the efficacy, cost-effectiveness, consistency and uniformity criteria adopted, as well as the companies and organisations receiving the funds. The report also indicates the remuneration of all the public administration officials involved in cooperation activities and of the people under collaboration or consulting contracts engaged for the same activities in accordance with Article 15 of Legislative Decree no. 33 of 14 March 2013. The report, after being approved by the Committee indicated hereunder in Article 15, is sent to the Chambers of Parliament and to the Unified Conference as an annex to the draft three-year cooperation programming and policy orientation plan.
5. For the purpose of planning bilateral and multilateral international commitments, the proposed allocations for development cooperation are quantified on the basis of the three-year programme indicated in Paragraph 1, compatibly with public finance requirements.

Notes to Art. 12:

- The text of Article 8 of Legislative Decree no. 281 of 28 August 1997 (Definition and Extension of the powers attributed to the permanent State-Regions Conference, the Regions and the Autonomous Provinces of Trento and Bolzano, and the grouping, by subject matters and tasks of common interest, of regions, provinces and municipalities with the Conference of City-States and local self-government entities) reads as follows:

"Art. 8. (Conference of City-States and local self-government entities). - 1. The Conference of City-States and local self-government entities are unified, for the subject matters and tasks of common interest to regions, provinces, municipalities and mountain communities, with the State-Regions Conference.

2. The Conference of City-States and local self-government entities is chaired by the President of the Council of Ministers and, by his proxy, by the Minister of the Interior or by the Minister for Regional Affairs, for the matters falling under their respective competence; members of the Conference are also the Minister of the Treasury Budget and Economic Planning, the Minister of Health, the President of the National Association of Italian Municipalities (ANCI), the President of the Union of Italian Provinces (UPI) and the President of the National Union of Mountain Municipalities, Communities and Agencies (UNCEM). Conference membership is also extended to 14 mayors designated by ANCI and six presidents of provinces designated by UPI. Of the 14 mayors designated by ANCI, five represent the cities listed in Article 17 of Law no. 142 of 8 June 1990. Other members of Government and the representatives of State or local administrations or of public agencies may also be invited to the meetings.

3. The Conference of City-States and local self-government entities is convened at least once every three months, and at any time deemed necessary by the president or by the presidents of ANCI, UPI or UNCEM.

4. The Unified Conference considered in Paragraph 1 is convened by the President of the Council of Ministers. The meetings are chaired by the President of the Council of Ministers or, by his proxy, by the Minister of Regional Affairs or, should the office not be in force, by the Minister of the Interior".

- The text of Article 15 of Legislative Decree no. 33 of 14 March 2013 (Reform of the regulation of the duty of disclosure, transparency and dissemination of information of public administrations) reads as follows:

"Art. 15. (Duty of disclosure of holders of executive positions or of collaboration and consultancy contracts). 1. With no prejudice to the duty of disclosure contained in Article 17, Paragraph 22, of Law no. 127 of 15 May 1997, public administrations publish and update the following information relative to holders of executive and management positions, whatever the reason for the conferral, and to holders of collaboration or consultancy contracts:

- a) the details of the letter of engagement;
- b) the Curriculum Vitae;
- c) information relative to the tasks performed for, or the entitlement to, the offices held in private law companies regulated or financed by the public administration, or to the provision of professional services;
- d) the remuneration, under whatever consideration, relative to the employment, collaboration or consultancy contract, highlighting the eventual variable components thereof or if these are linked to the evaluation of the results achieved.

2. Disclosure of the details of the engagement letters conferring executive positions, or collaboration or consultancy contracts, to people extraneous to the public administration, for whatever reason, providing for the payment of a remuneration, complete with the name of the beneficiaries, the reason for the engagement and the amounts paid. Notification thereof to the Presidency of the Council of Ministers - Civil Service Department, pursuant to Art. 53, Paragraph 14, second sentence, of Legislative Decree no. 165 of 30 March 2001, as subsequently amended, is the prerequisite for the conferral to be effective and for the relative remuneration to be paid. Administrations publish and update the lists of their consultants on their official websites, indicating therein the object, duration and remuneration for the engagement. The Civil Service Department enables the online consultation of the data indicated in this Paragraph, also by name of the recipient.

3. In case of failure to publish the data, as laid down in Paragraph 2 above, the payment of the remuneration gives rise to the responsibility of the executive who made it, as ascertained at the end of a disciplinary proceeding, and entails the payment of a fine corresponding to the sum paid, with no prejudice to the recipient's right to compensation for

damages, should it fall under the conditions laid down in Article 30 of Legislative Decree no. 104 of 2 July 2010.

4. Public administrations publish the data, as provided for under Paragraphs 1 and 2 above, within three months from the date of the engagement letter and keep them posted for three years after the end of the engagement.

5. Public administrations publish and update the list of executive positions, supplemented with their qualifications and CVs, conferred upon people also extraneous to the public administrations, chosen at the discretion of the administrative-political leadership of the administration, without relying on public selection procedures, as set forth under Article 1, Paragraphs 39 and 40, of Law no. 190 of 6 November 2012.”.

Art. 13

Parliamentary powers of control and influence

1. The competent Parliamentary Commissions examine the draft three-year policy orientation plan described under Article 12, with the annexed report indicated in Article 12, Paragraph 4, and give their opinion thereon. The Commissions give their opinion within the deadline set out in the regulations of their respective Chamber of Parliament and, should the term elapse, the plan is approved without their opinion.

2. The competent Parliamentary Commissions also examine the draft regulations contained in Article 17, Paragraph 13, and Article 20, Paragraph 1, and give their opinion thereon. The Commissions express their opinion within 45 days from the request.

Art. 14

Annexes on Development Cooperation to the State's Annual Report and Financial Statement

1. Starting from the subsequent fiscal year following the coming into force of this Law, the Ministry of Foreign Affairs and International Cooperation indicates in an ad hoc annex to the estimated expenditure, separately drawn up for the single Ministries' estimated expenditures, all the appropriations, also partial, made to support the financing of development cooperation policy interventions.

2. The State's financial statement shall annex a report drafted by the Ministry of Foreign Affairs and International Cooperation containing data and information on the use of the appropriations considered in this Article and referred to the preceding year, and the illustration of the results effectively achieved compared to the objectives and to the priorities indicated in the three-year cooperation programming and orientation plan described in Article 12.

Art. 15

Inter-ministerial Development Cooperation Committee

1. The Inter-ministerial Development Cooperation Committee (CICS) is established with the task of assuring the programming and coordination of all the activities set forth in Article 4 and the coordination of national development cooperation policies.

2. The CICS is chaired by the President of the Council of Ministers and comprises the Minister of Foreign Affairs and International Cooperation, who shall be deputy chairman, the Deputy Minister of Development Cooperation, to whom the Minister of Foreign Affairs and International Cooperation can delegate his powers, and by the Ministers of the Interior, of Defence, of Economy and Finance, of Economic Development, of Agricultural, Food and Forestry Policies, of Labour and Social Policies, of Health and of Education, Universities and Research.

3. The CICS checks the consistency and coordination of PDC activities against the aims and orientations of the development cooperation policies indicated in the three-year cooperation programming and orientation plan, as provided for in Article 12.

4. The CICS, during the drafting of the Draft Budget ("Stability Law"), represents the financial requirements necessary to implement development cooperation policies and proposes the appropriation of funds to each Ministry in accordance with Article 14, Paragraph 1, on the basis of the three-year cooperation programming and orientation plan provided for in Article 12, of the outcome of international negotiations concerning the participation in the recapitalization of development banks and funds, and of the resources already allocated thereto.

5. Should issues on the agenda of the CICS meetings fall under their competence, other Ministers, the President of the Conference of Regions and Autonomous Provinces, the presidents of Regions or Autonomous Provinces and the presidents of the Associations of local administrations, are also invited to attend the meetings. The Director General for Development Cooperation and the Director of the Agency indicated in Article 17 attend the CICS meetings, without the right to vote.

6. The Ministers may delegate their powers within the CICS to the Undersecretaries competent for the area.

7. The CICS adopts Rules of Procedure to regulate its functioning. Attendance at the meetings will, in no case, give rise to the payment of remunerations, reimbursement for expenses, emoluments or attendance fees, or however else they might be called.

8. The decisions passed by the CICS are published on the Official Gazette.

9. The Ministry of Foreign Affairs and International Cooperation provides technical, operational and logistic support for the activities of the CICS through the Directorate General for Development Cooperation, as laid down in Article 20.

10. The administrations concerned provide the human, instrumental and financial resources, currently made available by law, for the purpose of implementing this Article.

Art. 16

National Development Cooperation Council

1. A Decree issued by the Minister of Foreign Affairs and International Cooperation, to be adopted within 90 days from the coming into force of this Law, will establish the National Development Cooperation Council, comprising leading development cooperation actors, both public and private, profit and non-profit, including the representatives of the Ministries concerned, of the Regions and Autonomous Provinces of Trento and Bolzano, of local administrations, of the Agency provided for under Article 17, of the principal networks of development cooperation and humanitarian aid civil society organisations, of universities and of volunteer organisations. Participation in the National Council will, in no case, give rise to the payment of remunerations, reimbursement for expenses, emoluments or attendance fees, or however else they might be called.

2. The National Council, a standing participatory, advisory and advocacy instrument, meets at least annually after being convened by the Minister of Foreign Affairs and International Cooperation, to express its opinion on development cooperation issues, and especially on the consistency of policy choices, strategies, orientations, programming, forms of intervention and their effectiveness and on the evaluation thereof.

3. Once every three years, the Minister of Foreign Affairs and International Cooperation convenes a public National Conference with the aim of favouring the participation of citizens in defining development cooperation policies.

4. The administrations concerned provide the human, instrumental and financial resources, currently made available by law, for the purpose of implementing this Article.

Chapter IV

DEVELOPMENT COOPERATION AGENCY AND DIRECTORATE GENERAL FOR DEVELOPMENT COOPERATION

Art. 17

Italian Development Cooperation Agency

1. The Italian Development Cooperation Agency, hereinafter referred to as "Agency", is established as a legal entity of public law subjected to the power of orientation and supervision of the Minister of Foreign Affairs and International Cooperation, for the purpose of implementing development cooperation policies on the basis of efficacy, cost-effectiveness, uniformity and transparency criteria.

2. The Agency operates on the basis of directives issued by the Minister of Foreign Affairs and International Cooperation, in line with the general orientations outlined in the Plan considered in Article 12 and with the coordination set forth in Article 15. Unless otherwise provided for under this Law, the Director of the Agency proposes to the Joint Committee set forth in Article 21 below, the initiatives to be approved, also informing the Committee of the initiatives that he/she decides on autonomously pursuant to Paragraph 6 hereunder.

3. In respect of the policy orientations described in the preceding Paragraph 2, the Agency performs technical and operational activities associated with the examination, development, financing, management and control of the cooperation initiatives considered hereunder. At the request of the Minister of Foreign Affairs and International Cooperation or of the Deputy Minister of Development Cooperation, the Agency also contributes to defining the annual development cooperation action plan. For the purpose of implementing single initiatives, the Agency operates through the entities listed in Chapter VI, selected through comparative procedures in line with existing laws and the principles established by the European Union, or through international partners, except when its direct intervention is called for.

4. The Agency provides services and technical assistance and support to other public administrations operating in the areas outlined in the preceding Articles 1 and 2, regulating the respective relationships through ad hoc conventions; it is entrusted with the task of implementing programmes and projects of the European Union, banks, international funds and organisations, and collaborates with organisations of other Countries established for the same purpose; it promotes forms of partnership with private entities for the purpose of implementing specific initiatives; it may implement initiatives financed by private entities.

5. The Director of the Agency is appointed for a four-year term, renewable only once, by the President of the Council of Ministers at the proposal of the Minister of Foreign Affairs and International Cooperation, among a list of people of proven professional qualification and with documented experience in development cooperation, following a public selection procedure based on transparency criteria.

6. 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. The references to Law no. 49 of 26 February 1987 made in the Code described in Legislative Decree no. 163 of 12 April 2006 and in the relative implementing regulations, in compliance with Presidential Decree no. 207 of 5 October 2010, are also intended to apply to this Law.

7. The Agency has its headquarters in Rome. Upon receiving authorisation from the Joint Committee described hereunder in Article 21, the Director of the Agency, having considered the available human resources and keeping within the limit of the financial resources allocated, may establish or abolish the offices held abroad by the Agency and determine their territorial scope of competence, primarily using, wherever possible, the offices of other public administrations present in the same location. Upon receiving the authorisation of the Joint Committee described in Article 21, the Director of the Agency decides, whenever possible, to use the offices of other public administrations present in the same Countries in which the Agency operates.

8. Upon receiving authorisation from the Joint Committee described hereunder in Article 21, the Director of the Agency may, in keeping within the limit of the financial resources allocated, send Agency personnel abroad, in compliance with the procedure to meet staffing requirements laid down in Article 19, Paragraph 2, and the provisions relative to the maximum number of employees contained in Article 32, Paragraph 4, first paragraph. In application of Section 3 of the Presidential Decree no. 18 of 5 January 1967, except for Article 204 and the provisions made under article 170, Paragraph 5, the minimum period abroad is of two years. The Agency's overseas personnel is accredited according to the procedures set forth in Article 31 of Presidential Decree no. 18 of 5 January 1967, in accordance with the Vienna conventions on diplomatic and consular relations and in consideration of the customs existing in the accrediting Countries. The Agency's overseas personnel performs the same executive, supervisory and coordination functions as a head of mission, in line with the cooperation strategies defined by the Minister of Foreign Affairs and International Cooperation and in compliance with Article 37 of Presidential Decree no. 18 of 5 January 1967. In the Countries in which the Agency operates, it maintains continuous consultative and collaborative relations with the civil society organisations present on site and assures the technical coordination of development cooperation activities financed with Italian public funds.

9. The Agency establishes and manages a public databank storing all the information on cooperation projects both implemented and under way and, more specifically: the Partner Country, the type of intervention, the value of the intervention, the documents relative to the tendering procedure and the indication of the contract winners.

10. The Agency adopts a Code of Conduct for the implementation of the initiatives contained herein that applies to all the public and private actors outlined in Article 23, Paragraph 2, intending to take part in development cooperation activities financed with public funds. This Code quotes sources of international law on working conditions and environmental sustainability, as well as the laws to combat organised crime, and makes express reference to the Code of Conduct in force in the Ministry of Foreign Affairs and International Cooperation, which remains applicable, unless otherwise established by the Agency's Code, to all the Agency's personnel and to all the public and private actors listed in Article 23, Paragraph 2.

11. The Court of Auditors controls the management of the Agency and of its related peripheral branches.

12. Except for what is otherwise provided for in this Law, the provisions made under Articles 8 and 9 of Legislative Decree no. 300 of 30 July 1999 shall apply.

13. A regulation of the Minister of Foreign Affairs and International Cooperation, to be passed within 180 days from the coming into force of this Law, as provided for by Article 17, Paragraph 3, of Law no. 400 of 23 August 1988, in conjunction with the Minister of Economy and Finance, adopts the Charter of the Agency, which regulates its competences and rules of functioning, including the following:

a) the allocation of the funds appropriated to the Agency by other public administrations for the purpose of implementing cooperation interventions, as well as the conditions on which to sign the conventions considered in Paragraph 4, including those bearing a cost;

b) the supervision and control functions exercised by the Ministry of Foreign Affairs and International Cooperation;

c) the functions providing for internal control and the assessment of activities;

d) the recruitment procedures for the Director of the Agency and the rest of the personnel, in compliance with Legislative Decree no. 165 of 30 March 2001, and consistently with the provisions made hereunder in Article 19;

e) the comparative procedures laid down in the preceding Paragraph 3;

f) the selection procedures applied to the organisations and the other actors considered in Article 26;

g) the relationship between the Agency's overseas branches and the diplomatic and consular delegations and the conditions on which the Agency is to provide support to and technical coordination of cooperation initiatives carried out with public Italian funds in Partner Countries;

h) the maximum number of offices the Agency can hold abroad, as provided for under Article 7, as well as the number of Agency employees that can be destined and posted abroad;

i) the harmonization of the regulatory framework for interventions assigned to the Agency, in application of Article 32, and currently under way;

l) the redeployment of the personnel of the Overseas Agronomic Institute, as well as the re-allocation of their tasks and functions, within the Agency, without this determining higher costs for public finances;

m) the establishment of a Board of Auditors, in compliance with Article 8, Paragraph 4, letter h) of Legislative Decree no. 300 of 30 July 1999, comprising a magistrate of the Court of Auditors, of a grade not lower than that of director, in the capacity of Chairman, to be designated by the President of the Court of Auditors, a member of the Board designated by the Minister of Economy and Finance and a member of the Board designated by the Minister of Foreign Affairs and International Cooperation;

n) the reporting and control of the expenses made by the Agency's overseas offices, also through an efficient internal auditing system guaranteeing compliance with principles of efficiency, cost-effectiveness and efficacy.

o) the provision of publishing the Agency's financial statements on its website after it is approved.

Notes to Art. 17:

- Legislative Decree no. 163 of 12 April 2006 is described as follows:

"Code on public contracts for works, services and supplies implementing Directives 2004/17/CE and 2004/18/CE".

- Presidential Decree of no. 207 of 5 October 2010 is described as follows: "Enforcement and implementation regulations of Legislative Decree no. 163 of 12 April 2006, named «Code on public contracts for works, services and supplies implementing Directives 2004/17/CE and 2004/18/CE»".

- The text of Article 204 of Presidential Decree of no. 18 of 5 January 1967 (Organisation of the Foreign Affairs Administration) reads as follows:

"Art. 204. Treatment of the members of special diplomatic delegations. The members of special diplomatic delegations referred to in Article 35 are attributed an adequate remuneration and a cheque for representation expenses, determined according to the criteria laid down in Article 171-bis, through a Decree issued by the Minister of Foreign Affairs, in agreement with the Minister of the Treasury, Budget and Economic Planning, after hearing the opinion of the Commission considered in Article 172. The comprehensive economic compensation is, in no case, higher than that received or receivable by the personnel of equal rank in the Country in which the special diplomatic delegation is established.

The provisions of Article 186 apply to the aforesaid staff members. For the cases listed in the first Paragraph of said Article, it is understood that the personal compensation is replaced by the one provided for in Paragraph 1 of this Article. The per diem provided for in Paragraph 2 of Article 186 is calculated, for the cases listed under point 1) of the same paragraph, on the basis of the per diem contained in Paragraph 1 of this Article. For the cases listed under point 2) of Article 186, the per diem is established according to the same procedure indicated in Paragraph 1 of this Article."

- The text of Article 170, Paragraph 5, of the Presidential Decree no. 18 of 5 January 1967 (Organisation of the Foreign Affairs Administration) reads as follows:

"If, pursuant to Article 34, the personnel is posted abroad for a period that, also as a result of possible extensions, is not comprehensively of more than one year, they are entitled to the economic compensation provided for under this section, except for the benefits laid down in Articles 173, 175, 176, 179, 196, 197, 199, 205 and 206, and in Paragraph 1 of Article 200."

- The text of Article 31 of Presidential Decree no. 18 of 5 January 1967 (Organisation of the Foreign Affairs Administration) reads as follows:

"Art. 31. (Composition and organisation of offices overseas). - The composition, in terms of the number and qualification of the personnel, and the organisation of every diplomatic delegation and of every Category I consular office, is determined according to the specific activities that delegations and offices are called upon to perform in their respective area of competence. Their respective organizational charts, developed according to varying service needs, envisage personnel positions depending on the tasks to be performed. The activities of diplomatic delegations and consular offices are carried out, either directly or through auxiliary staff, by the official in charge who, in his capacity, is responsible for the conduct of business.

The diplomatic delegations and consular offices shall be staffed only with personnel permanently employed or contracted by the Foreign Affairs Administration, except if otherwise provided for under Article 68 and in case of a temporary delegation.

It is forbidden to confer an honorary assignment in offices overseas, as well as diplomatic and consular positions or accreditations of any sort, except for in the case of accreditations conferred through a ministerial decree, upon the reasoned proposal of the Board of Directors, for the purpose of meeting exceptional needs.

It is understood that the provisions regulating the assignment of military, navy and air force attaches to diplomatic delegations remain in force."

- The text of Article 37 of Presidential Decree no. 18 of 5 January 1967 (Organisation of the Foreign Affairs Administration) reads as follows:

"Art. 37. (Functions of the Diplomatic Delegation). - The diplomatic delegation performs international law functions, mainly aimed at: defending national interests and protecting citizens and their interests;

conducting business, negotiating and reporting;
promoting friendly relations and establishing relationships in all sectors of activity between Italy and the accrediting State.

The diplomatic Delegation performs its activities especially in respect of the political, diplomatic, consular, migratory, economic, commercial, financial, social, cultural, scientific and technological aspects covered by the printed press and information media.

The diplomatic Delegation also performs a coordinating activity and, where provided for, supervises and manages the activities of Italian offices and Public Administrations operating in the territory of the accrediting State."

- The text of Articles 8 and 9 of Legislative Decree no. 300 of 30 July 1999 (Reform of the organisation of Government pursuant to Article 11 of Law no. 50 of 15 March 1997) reads as follows:

"Art. 8. (Organisation). - 1. Agencies are organisations that, according to the provisions made under this Legislative Decree, perform technical and operational activities of national interest, currently implemented by ministries and public administrations. They are at the service of public administrations, including regional and local ones.

2. Agencies have full autonomy within the limits established by the law and are subjected to the control of the Court of Auditors, pursuant to Article 3, Paragraph 4 of Law no. 20 of 14 January 1994. They are subjected to the orientation and supervisory powers of a minister, as provided for in the

following Paragraph 4, and in compliance with the general provisions contained in Article 3, Paragraph 1, and in Article 14 of Legislative Decree no. 29 of 1993 and subsequent amendments.

3. The Agency's General Director is appointed chief of the department according to the provisions laid down in the preceding Article 5 of this Decree.

4. Regulations issued pursuant to Article 17, Paragraph 2 of Law no. 400 of 23 August 1988, at the proposal of the President of the Council of Ministers, in conjunction with the Minister of the Treasury, Budget and Economic Planning, enact the Statutes of the Agencies established under this Legislative Decree, in conformity with the following management criteria and principles:

a) define the duties of the Agency's General Director as chief of the department, also in compliance with the provisions contained in the preceding Article 5 of this Decree;

b) confer upon the Agency's General Director and managers the powers and responsibility of management, as well as the responsibility of achieving the results established by the competent minister and in the forms provided for under this Decree and, wherever possible, within the budgetary limits established for maximum expenditures or, in the implementation hereof, by the minister himself;

c) establish a Steering Committee composed of no more than four of the principal directors of the Agency's sectors of activity, with the task of assisting the General Director in the performance of the duties entrusted to him;

d) define the ministry's supervisory powers, which must in all cases, in addition to the ones mentioned in the preceding Paragraph 2, include the following:

d1) approve the Agency's programmed activities, its financial statements and reports, according to procedures capable of guaranteeing the Agency's autonomy;

d2) pass directives indicating the targets to be achieved;

d3) collect data and information and carry out inspections, in order to check compliance with the directives given;

d4) indicate eventual specific activities to be performed;

e) define, through an ad hoc convention to be signed between the competent ministry and the Agency's General Director, the objectives specifically assigned to the Agency within the mission entrusted to it by law; the results expected within a given timeframe; the amount and modes of financing to be agreed with the Agency itself; the strategies to improve the services; the management result verification procedures; the procedures needed to assure the competent ministry knowledge of the Agency's internal management factors, such as the organisation, the processes and the use of resources;

f) provide the Agency with budgetary autonomy, within the limits of the funds appropriated for this purpose to an ad hoc special budgetary item of the estimated expenditures of the competent ministry; providing the Agency with autonomous powers on the basis of which to determine the regulation of its own organisation and functioning, within the limits set in letter l) below;

g) regulate the collaboration, consultancy, assistance, service support and promotion relations between the Agency and other public administrations, through framework conventions to be passed by the competent minister;

h) establish a Board of Auditors, appointed through a ministerial decree of the competent minister, comprising three members, two of whom are chosen among the auditors listed in the Register of Auditors or among people possessing the professional requirements; appoint an alternate auditor; establish their respective remunerations, to be determined in a decree issued by the competent minister, in conjunction with the Minister of the Treasury;

i) establish an ad hoc organisation to supervise the management, as provided for under the legislative decree that reorganises and enhances the mechanisms and instruments aimed at monitoring and evaluating the costs, performance and results of the activities performed by public administrations;

l) determine, within the Agency's organisation, an organisation capable of satisfying the need of preparedness, efficiency and effectiveness of

administrative actions; endowing the Rules of Procedure of every agency, adopted by the General Director thereof and approved by the competent minister, with the possibility of adapting the aforesaid organisation to the functional needs, within the limits of available financial resources, devolving to lower-level agencies all other organisational acts and powers; applying the criteria of professional and territorial mobility provided for under Legislative Decree no. 29 of 3 February 1993, as subsequently amended and supplemented.

m) confer upon the Agency's Director General the faculty of deciding and submitting to the approval of the competent minister, in conjunction with the Minister of the Treasury, Accounting Rules of Procedures inspired, wherever necessary, by the activities of the Agency and Civil Law principles, also in derogation of public accounting provisions".

"Art. 9. (Personnel and Budget). - 1. The staffing requirements of the Agencies, within the limits laid down in the following articles, shall be fulfilled in the following order:

a) by placing the personnel transferred from ministries and public administrations in accordance with preceding Article 8, Paragraph 1;

b) through the mobility measures provided for under Chapter III and Title II of Legislative Decree no. 29 of 3 February 1993, as subsequently amended and supplemented;

c) when fully operative, through ordinary recruitment systems.

2. At the end of the placing process described in the preceding Paragraph 1, the staffing of the administrations and agencies from which the personnel is transferred shall be proportionately downsized and the corresponding financial resources transferred to the Agency. In any case, it is not possible to reinstate the aforesaid staff in their previous positions.

3. The personnel included in the Agency's Organizational Chart, as laid down in the preceding Paragraph 1, continues to receive the legal and economic consideration they were entitled to in the agencies, administrations and organisations from which they were transferred, until they sign their first supplementary conditions to the collective contract of each agency.

4. The operating costs of the Agency are financed through:

a) the financial resources transferred from administrations, according to the provisions made in the preceding Paragraph 2;

b) the revenue from contracts held with the administrations for the provision of collaboration, consultancy, assistance, services, support and promotion;

c) an annual appropriation, within the limits of the funds allocated to a special budget item of the estimated expenses of the competent ministry and subdivided into three chapters separately referring to management costs, incorporating therein service constraints, to investment expenditures, and to the incentives linked to the achievement of management goals."

- The text of Article 17, Paragraph 3, of Law no. 400 of 23 August 1988 (Regulation of Government activities and organisation of the Presidency of the Council of Ministers) reads as follows:

"3. Through ministerial decrees it is possible to adopt regulations over matters falling under the competence of the minister or of the authorities subordinated to the minister, whenever the law expressly confers such power. In case these regulations are over matters falling under the competence of several ministers, they may be adopted through inter-ministerial decrees, it being understood that they need to be expressly authorised by law. Ministerial and inter-ministerial regulations cannot dictate provisions that are contrary to the regulations passed by the Government. They must be notified to the President of the Council of Ministers before they are promulgated."

- Legislative Decree no. 165 of 30 March 2001 is named: "General rules on the organisation of work in public administrations".

Art. 18

Regulation of the Italian Development Cooperation Agency's budget

1. The Agency is attributed autonomy over its organisation, regulation, administration, assets, accounting and budgeting.

2. The Agency's overall financial resources are made up by the following:

a) the financial resources allocated by other administrations, according to the provisions contained in Article 9, Paragraph 2, of Legislative Decree no. 300 of 30 July 1999.

b) the revenue from conventions signed with the administrations and other public or private entities for the provision of collaboration, consultancy, assistance, services, support or promotion;

c) annual funding from the relevant chapters of the estimated expenditures of the Ministry of Foreign Affairs and International Cooperation;

d) donations, legacies, bequests and gifts, duly accepted;

e) 20 percent of the amounts directly managed by the State, as laid down in Article 48 of Law no. 222 of 20 May 1985.

3. The Agency's budget is one and drafted according to Civil Law principles, in accordance with the provisions made in Legislative Decree no. 91 of 31 May 2011 and the relative implementing regulation.

4. The Agency's financial resources allocated to activities that fall under PDCs, on the basis of the statistics calculated by competent international organisations, are undistrainable.

Notes to Art. 18:

- The text of Article 9, Paragraph 2, of Legislative Decree no. 300 of 30 July 1999 (Reform of the organisation of Government pursuant to Article 11 of Law no. 59 of 15 March 1997) reads as follows:

"2. At the end of the staff placement procedures described in Paragraph 1 above, the staffing of the administrations and of the agencies of origin is proportionately reduced and their corresponding financial resources are transferred to the Agency. In any case, the aforesaid staff members cannot be reinstated."

- The text of Article 48 of Law no. 222 of 20 May 1985 reads as follows:

"Art. 48. The amounts described in Article 47, Paragraph 2, are used: by the State, for extraordinary interventions in favour of mitigating hunger in the world, natural disasters, assistance to refugees, the conservation of cultural heritage assets and the restoration and upgrading of public buildings used to host schools, by making them secure, earthquake-resistant and energy efficient; by the Catholic Church, to meet peoples' need to worship, to support the clergy and charitable activities in favour of national communities or Third World Countries".

- Legislative Decree no. 91 of 31 May 2011 is named:

"Provisions containing implementing regulations of Article 2 of Law no. 196 of 31 December 2009 on the subject of updating and harmonising accounting systems".

Art. 19

Personnel of the Italian Development Cooperation Agency

1. A Decree of the President of the Council of Ministers or of the minister delegated to public administration, at the proposal of the Minister of Foreign Affairs and International Cooperation, in agreement with the Minister of the Economy and Finance, to be promulgated within 180 days from the coming into force of this Law, determines the staffing level of the Agency at a maximum of 200.

2. The Agency's staffing requirements will be met by:

a) deploying the personnel currently holding a senior management or temporary position in the Directorate General for Development Cooperation of the Ministry of Foreign Affairs, who choose to be employed by the Agency, upon the favourable opinion of the administration of origin, in addition to the personnel of the Overseas Agronomic Institute;

b) deploying not more than forty staff members of the functional areas of the Ministry of Foreign Affairs, who choose to be employed by the Agency;

c) applying personnel redeployment procedures, as provided for under Chapter II of Title II of Legislative Decree no. 165 of 30 March 2001, giving priority to redundancies consequent to staffing reductions pursuant to Article 2 of

Decree Law no. 95 of 6 July 2012, converted with amendments into Law no. 135 of 7 August 2012.

d) when fully operational, through the ordinary public personnel selection forms provided for under Article 35 of Legislative Decree no. 165 of 30 March 2001, within the employment limits set forth in current legislation.

3. Concomitantly with the adoption of the personnel deployment provisions set forth in the preceding Article 2, there will be a corresponding reduction in the staffing levels of the administrations and agencies of origin and the corresponding financial resources will be transferred to the Agency. The aforesaid staff members cannot be in any case reinstated. The staff involved maintains the same social security scheme as in the organisation of origin.

4. Unless otherwise provided for in this Law, the Agency's personnel falls under the scope of application of Legislative Decree no. 165 of 30 March 2001 and of the national collective labour agreement for Ministry personnel. The experts described in Article 16, Paragraph 1, letters c) and e) of Law no. 49 of 26 February 1987, in service upon the coming into force of this Law, fall under the scope of application of Article 32, Paragraphs 4 and 5 of this Law.

5. Keeping within its staffing limits and for a five-year period from its establishment, also in derogation of the time limits set forth in current legislation or contractual conditions, the Agency may employ executive staff members from other public administrations, to be regulated by the provisions contained in Article 17, Paragraph 14, of Law no. 127 of 15 May 1997.

6. The regulation of employment relations with local staff in the Countries in which the Agency operates, set at a maximum of one hundred, employed in addition to the staffing levels established in Paragraph 1 above, is harmonised with the provisions made under Title VI in the second part of Presidential Decree no. 18 of 5 January 1967. It is forbidden to apply Article 160 of Presidential Decree no. 18 of 5 January 1967 and, in case an overseas office is closed down or eliminated pursuant to Article 17, Paragraph 7 of this Law, the employment contracts indicated hereunder in Paragraph 2, which are to be mandatorily stipulated with an express termination clause, shall be terminated by operation of law.

7. The implementation of this Article, except for the expenses borne pursuant to Article 33, Paragraph 2, will not entail new or higher public finance expenditures. The administrations concerned shall provide human, instrumental and financial resources in compliance with the limits laid down in current legislation.

Notes to Art. 19:

- Chapter III of Title II of Legislative Decree no. 165 of 30 March 2001 (General norms for the organisation of labour employed by public administrations) is named "Offices, staffing structures, redeployment and access".

- The text of Article 2 of Decree Law no. 95 of 2012, converted with amendments into Law no. 135 of 7 August 2012 (Urgent provisions for the review of public spending bearing no change in services provided to citizens, as well as measures to improve the capital adequacy of companies operating in the banking sector) reads as follows:

"Art. 2. (Reduction of the staffing levels of public administrations) - 1. The management offices and the staffing levels of State administrations, including those under an autonomous regime, of agencies, non-economic public agencies, research institutes and of the public agencies considered under Article 70, Paragraph 4, of Legislative Decree no. 165 of 30 March 2001, as amended and supplemented, are reduced according to the procedures set forth in Paragraph 5, in the following proportions:

a) no less than 20 percent of the current general and non-general managers and their relative staffs, for each of the typologies and their relative staffs;

b) a further reduction of no less than 10 percent of the non-managerial staff and of the overall expenditure for said personnel. In the case of research institutes, the reduction envisaged in this sub-paragraph refers to the non-managerial staffs, excluding researchers and technology experts.

2. The reductions provided for under letters a) and b) of Paragraph 1 apply to the offices and staffing levels resulting after the

application of Article 1, Paragraph 3, of Decree Law no. 139 of 13 August 2011, converted with amendments into Law no. 148 of 14 September 2011, regulating the administrations falling under its provisions; for the remaining administrations, reference is made to the offices and staffing levels provided for in current legislation. For the civil servants of the Ministry of the Interior, the percentage reductions provided for under letters a) and b) of Paragraph 1 apply to the personnel resulting after the implementation of the procedure to abolish and rationalise the provinces, as provided in Article 17, will be made in compliance therewith and in any case within 30 April 2013. The provisions made in Paragraph 6 of this Article shall apply.

3. A decree by the President of the Council of Ministers, at the proposal of the Minister of Defence, in conjunction with the Minister of the Economy and Finance, reduces by no less than 10 percent the overall staffing of the Armed Forces. The aforesaid decree re-allocates the staffs considered under Article 799 of Legislative Decree no. 66 of 2010. The provisions made under Paragraph 11, letters a) to d) of this Article, apply to redundant personnel, which, if not redeployable on the basis of the aforesaid provisions, is placed in leave of absence following the reduction of managers, as provided for under Articles 906 and 909, excluding paragraphs 4 and 5, of Legislative Decree no. 66 of 15 March 2010. The regulation adopted in compliance with Article 17, Paragraph 2, of Law no. 400 of 23 August 1988, at the proposal of the Minister of Defence, in conjunction with the Minister of the Economy and Finance, in derogation of the provisions made in the Military Organisation Code considered in Legislative Decree no. 66 of 15 March 2010, implementing the provisions made in this Paragraph and in force from 1 January 2013, reduces the commissioned officers of all Armed Forces, of every rank and grade, as well as the number of officers selected for promotion, excluding the Corps of Carabinieri, the Corps of the Guardia di Finanza (Finance Police), the Corps of the Port Authorities and the Corps of Penitentiary Police. The same regulation sets forth transitory provisions to gradually reduce staffing levels by 1 January 2016, as well as provisions expressly extending the leave-of-absence scheme following the reduction of managers, to non-management military personnel.

4. The schooling sector and the institutes of High Training in Art and Music (AFAM) continue to be regulated by sector-specific regulations.

5. The reductions set forth in Paragraph 1 are enacted by one or more decrees of the President of the Council of Ministers, to be adopted by 31 October 2012, at the proposal of the Minister of Public Administration and Simplification, in conjunction with the Minister of Economy and Finance, taking note of the fact that the above reductions may be performed selectively, also in consideration of the specificities of single administrations, and in a proportion not lower than the percentages set forth therein, on condition that the difference be offset by applying a greater reduction in the staffing of another administration. The percentage reductions set forth in Paragraph 1 shall apply to the personnel in career diplomacy and to the management staff of the Ministry of Foreign Affairs, but only limitedly to the percentage corresponding to the service units in service overseas at the date at which this decree comes into force, at the end of the process reorganising overseas delegations and, in any case, no later than 31 December 2012. Up to said date, Paragraph 6 of this article shall apply.

6. By 31 October 2012, the administrations not falling under the provisions of Paragraph 5, will not be able to recruit personnel for any purpose or reason, or under any type of contract. Before the adoption of the provisions made in Paragraph 5, staffing levels must temporarily amount to the number of positions existing at the date at which this decree comes into force, excluding therefrom public competition and redeployment procedures, as well as the engagement of staff pursuant to Article 19, Paragraph 5-bis, of Legislative Decree no. 165 of 2001 underway at the aforesaid date, and following engagement renewal procedures.

7. The reductions set forth in Paragraph 1 do not apply to the organisations and staffs of security forces and of the National Fire Department, the administration staff of judicial offices and the staff of the judiciary. The exclusion also extends to the administrations falling under the reductions

provided for under Article 23-quinquies, and to the Presidency of the Council of Ministers, which already implemented reductions through the decree of the President of the Council of Ministers of 15 June 2012.

8. The personnel of local administrations fall under the provisions made in Article 16, Paragraph 8.

9. The current provisions limiting recruitments remain in force.

10. Within six months from the adoption of the provisions set forth in Paragraph 5, the administrations to which they apply will adopt the organisation rules contained therein, in line with their respective regulations, applying measures with the aim of:

a) concentrating institutional functions by reorganising the competences of offices and eliminating possible overlaps;

b) reorganising offices with inspection and control functions;

c) re-designing the peripheral regional or inter-regional network;

d) unifying the divisions, also peripheral, performing logistic and instrumental functions, including the management of personnel and common services;

e) after signing ad hoc agreements between administrations for a unified management of the functions contained in the preceding letter d), relying on innovative administrative and technological instruments and the shared use of human resources;

f) tentatively abolishing the positions contained in Article 19, Paragraph 10 of Legislative Decree no. 165 of 30 March 2001.

10-bis. In the administrations and agencies considered in Paragraph 1 and Article 23-quinquies, the number of general management offices may be increased only through primary legislation.

10-ter. In order to simplify and accelerate the reorganisation laid down in Paragraph 10 and Article 23-quinquies, at the date of coming into force of the law enacting this decree and up to 31 December 2012, the organisation regulations of the ministries are adopted by decree of the President of the Council of Ministers, at the proposal of the competent minister, in conjunction with the Minister of Public Administration and Simplification and with the Minister of Economy and Finance. The decrees set forth hereunder are subjected to the ex-ante legitimacy check by the Court of Auditors pursuant to Article 3, Paragraphs 1 through 3, of Law no. 20 of 14 January 1994. An opinion on the aforesaid decrees may also be requested to the Consiglio di Stato (advisory body to the Cabinet) by the President thereof. The current organisation regulations of the ministries concerned will stop being effective at the date at which each one of the aforesaid decrees will come into force.

10-quater. The provisions made in Paragraphs 10 through 16 also apply to the administrations addressed in Articles 23-quater and 23-quinquies.

11. With no prejudice to the ban on recruiting new personnel, for any purpose or reason, to cover qualifications or in the areas with redundancies as long as redundancies persist, administrations may cover vacancies in other areas, to be calculated by deducting a number of positions that, financially speaking, amount to the total number of redundancies envisaged under letter a), after receiving authorisation, as provided for by law, and the validation of the Presidency of the Council of Ministers - Public Function Department - and of the Ministry of Economy and Finance - State General Accounting Department - also in relation to the public finance balancing plan and the compatibility of recruitments with the employment plan considered in Paragraph 12, with no prejudice to the provisions made in Article 14, Paragraph 7 of this decree. For the personnel that might eventually result to be redundant also after the staff cuts provided for under Paragraph 1, the administrations, after a joint analysis with labour organisations, initiate the procedures laid down in Article 33 of Legislative Decree no. 165 of 30 March 2001, by adopting, for the purpose of complying with the provisions made under Paragraph 5 of the same Article 33, the following procedures and measures, in the following order of priority:

a) applying the age and contribution requirements and the pension plan schedule to workers who meet the age and contribution requirements, who will have to request a certification thereof from the administration of belonging, but whose entitlement to file for a pension, on the basis of the

legislation in force prior to the coming into force of Article 24 of Decree Law no. 201 of 6 December 2011, converted with amendments into Law no. 214 of 22 December 2011, would be made to begin within 31 December 2016. To these cases applies, with no need to give justification thereof, Article 72, Paragraph 11 of Decree Law no. 112 of 25 June 2008. In respect of the payment of the severance package, it will apply to the personnel considered under this letter:

1) to the workers who, at 31 December 2011, met the requirements entitling them to the payment of the severance package on the basis of the provisions made in Article 1, Paragraphs 22 and 23, of Decree Law no. 138 of 13 August 2001, converted with amendments into Law no. 148 of 14 September 2011;

2) to the workers who acquire entitlement thereto later than 31 December 2011, the severance package will be paid at the date in which the beneficiary acquires entitlement thereto according to the provisions of Article 24 of the aforesaid Decree Law no. 201 of 2011 and of Article 1, Paragraph 22, of Decree Law no. 138 of 13 August 2001, converted with amendments into Law no. 148 of 14 September 2011;

b) preparing, by 31 December 2013, an estimate of redundant personnel in service, in compliance with the provisions made in letter a) hereunder, in order to establish the time needed to re-absorb redundant workers;

c) singling out the non-reabsorbable redundant workers within three years from 1 January 2013, excluding from the computation the retired personnel, as established in letter a);

d) beginning redeployment processes, also at inter-departmental level, after having checked the compatibility and consistency thereof with public finance targets and recruitment rules and in line with staffing requirement plans, with the aim of redeploying the personnel that is not re-absorbable, according to the retirement criteria established in letter a), in public administration offices that present vacancies, as described in Paragraph 1. The aforesaid processes are implemented, after the examination thereof by trade union organisations lasting no longer than thirty days, through one or more decrees of the President of the Council of Ministers, in agreement with the competent ministries and with the Minister of Economy and Finance. The personnel transferred maintains the basic economic conditions and benefits only relatively to the fixed and permanent items of the paycheque paid at the time of redeployment and to their social security scheme. In case the aforesaid economic conditions are higher than those established, a personal cheque will be awarded with the aim of re-absorbing the difference into subsequent economic advancements, regardless of the reasons for which they are awarded. Said decree establishes a table showing the correspondence between the qualifications and the economic conditions of redeployed personnel;

e) outlining, after the examination thereof by trade union organisations lasting no longer than thirty days, the criteria and timeframes for the application of part-time employment contracts to the non-managerial staff described in letter c) who is declared to be redundant in relation to his/her longer creditable service, after having applied the interventions laid down in the preceding sub-paragraphs. Part-time contracts are decided in proportion to redundancies, and will be gradually phased out at dismissal, for whatever reason, and in any case in a way as to balance out the part-time contracts held by the rest of the personnel.

12. The administrations will declare redundant the personnel not redeployable within the timeframes and according to the modes described in Article 11, by no later than 31 December 2013. The 24-month period defined in Paragraph 8 of Article 33 of Legislative Decree no. 165 of 2001 may be extended to 48 months in case the personnel available for redeployment acquires entitlement to a pension plan within said timeframe.

13. The Presidency of the Council of Ministers - Public Function Department - begins monitoring the job vacancies in public administrations and draws up a list to be published on its website. The available personnel included in the list may submit a request to be redeployed in the positions listed and public administrations are obliged to accept said requests, within the limits of the vacancies available, and to outline the selection criteria used, with no prejudice to the personnel recruitment procedure established. The

administrations that do not accept the redeployment requests will not be authorised to recruit personnel.

14. The provisions made in this article also apply in case of redundancies declared to be linked to the administration's functional or financial situation.

15. The recruitment procedures laid down in Article 28-bis of Legislative Decree no. 165 of 30 March 2001 are suspended until the conclusion of the reorganisation processes considered herein and in any case, at the latest until 31 December 2015.

15-bis. The phrase «in case of management responsibility» contained in Article 23, Paragraph 1, of Legislative Decree no. 165 of 30 March 2001 is to be followed by the sentence: «, within the limit of available positions, namely when the first useful vacancy arises, taking into consideration, as the criterion used in giving precedence in the transfer, the date at which the candidate acquires entitlement on the basis of the five-year prerequisite and, should the date be the same, of greater management seniority».

16. In order to favour the redeployment processes considered in this article, the administrations concerned may organise training courses, according to the financial resources available.

17. The phrase «excepting only the information given to trade unions, if provided for in the contracts considered under Article 9» contained in Article 5, Paragraph 2, of Legislative Decree no. 165 of 30 March 2001 is replaced by the following: «excepting only the information given to trade unions for decisions on the organisation of offices, limitedly to the employment relationships and the joint examination thereof, if provided for in the contracts considered under Article 9».

18. In Art. 6, Paragraph 1, of Legislative Decree no. 165 of 30 March 2001:

a) the words «after consulting representative trade unions, as laid down in Article 9» are replaced by the following: «after informing representative trade unions, if provided for in the contracts considered under Article 9»;

b) the following is added at the end of the first sentence: «In the cases in which the office reorganisation process entails singling out redundancies or initiating redeployment processes, with a view to assuring objectivity and transparency to the process, public administrations are under the obligation to inform the representative trade unions of the sector concerned, in compliance with Article 33, and to examine with them the criteria to single out redundancies or the redeployment procedures. Thirty days after the beginning of the analysis, in case the parties fail to single out common criteria and procedures, the public administration will proceed to declare the redundancies and begin the redeployment procedure».

19. The default indemnities set out in the contractual rules subsequent to the coming into force of this decree also provide for the obligation to inform trade union organisations on all the matters subjected to trade union participation in compliance with current collective labour agreements.

20. For the purpose of implementing the 20 percent cut in the permanent staff of senior executives of first and second level, the Presidency of the Council of Ministers proceeds to promptly reorganise its set-up on the basis of cost abatement and staff downsizing criteria. At the end of this process and, in any case, no later than 1 November 2012, all the offices of first and second level still existing at that date will elapse, in compliance with the provisions of Article 19, Paragraphs 5-bis and 6, of Legislative Decree no. 165 of 30 March 2001. The positions considered in the aforesaid norm can neither be filled nor renewed before the set deadline.

20-bis. For the purpose of accelerating the reorganisation set forth in Articles 23-quater and 23-quinquies, Article 19, Paragraph 1-bis, of Legislative Decree no. 165 of 30 March 2001 shall not apply to Tax Agencies until 31 December 2012, in the case the latter fill general director positions pursuant to Paragraph 6 of the aforesaid Article 19 with people holding similar positions at the same Agency or with the autonomous administration of State monopolies.

20-ter. The Board of Auditors of Tax Agencies incorporating other administrations are to be renewed within fifteen days after the date of incorporation.

20-quater. Article 23-bis of Decree Law no. 214 of 6 December 2011, converted with amendments into Law no. 214 of 22 December 2011, is amended as follows:

a) in paragraph 4, the word: «parent» is followed by the following: «and, in any case, the one considered in Paragraph 5-bis»;

b) the following text is added at the end of Paragraph 5:

«5-bis. The remuneration established pursuant to Article 2389, Paragraph 3, of the Civil Code, by the Board of Directors of unlisted companies directly or indirectly controlled by public administrations, in compliance with Article 1, Paragraph 2 of Legislative Decree no. 165 of 30 March 2001, can in no case be higher than the remuneration of the First President of the Supreme Court of Cassation. This provision will bear no prejudice to the legislative and regulatory provisions establishing limits to remunerations lower than the one set out in the preceding sentence»;

5-ter. The comprehensive annual remuneration set out in Paragraph 5-bis can in no case be higher than the remuneration of the First President of the Supreme Court of Cassation. This provision will bear no prejudice to the legislative and regulatory provisions establishing limits to remunerations lower than the one set out in the preceding sentence»;

c) The heading is replaced with the following: «Remunerations of directors and employees of companies controlled by public administrations».

20-quinquies. "The provisions made in Paragraph 20-quater shall apply starting from the first renewal of the Board of Directors subsequent to the date at which the law implementing this decree comes into effect, and to the acts issued subsequently to the coming into force of the law implementing this decree".

- The text of Article 35 of the aforesaid Legislative Decree no. 165 of 30 March 2001 is the following:

"Art. 35. Personnel recruitment (Art. 36, Paragraphs 1 through 6 of Legislative Decree no. 29 of 1993, as replaced first by Art. 17 of Legislative Decree no. 546 of 1993 and later by Art. 22 of Legislative Decree no. 80 of 1998, subsequently amended by Art. 2, Paragraph 2-ter of Legislative Decree no. 180 of 17 June 1999, converted with amendments into Law no. 269 of 1999; Art. 36-bis of Legislative Decree no. 29 of 1993, in addition to Art. 23 of Legislative Decree no. 80 of 1998 subsequently amended by Art. 274, Paragraph 1, letter aa) of Legislative Decree no. 267 of 2000): (159) (162)

1. Employees are employed by public administrations through individual employment contracts:

a) through a selection process compliant with the principles set forth in Paragraph 3, aimed at verifying the professional qualifications requested, and sufficiently guaranteeing access from outside;

b) by drawing up a placement list, as provided under current legislation for the qualifications and profiles requiring only compulsory education, with no prejudice to further requirements for specific professional profiles.

2. The compulsory employment by public administrations, companies and public agencies, of the people outlined in Law no. 68 of 12 March 1999, occurs through numerical recruitment from the placement lists, in compliance with current legislation, after verifying the compatibility between the disability and the functions to be performed. In the case of the surviving spouse and children of personnel of the Armed Forces, police corps, the National Fire Department and of municipal police personnel deceased in the performance of their duty, as well as the victims of terrorism and organised crime, considered in Law no. 466 of 13 August 1980, as subsequently amended and supplemented, these recruitments occur through direct recruitment by name.

3. The public administrations' recruitment procedures are in line with the following principles:

a) adequately advertise the selection system and the procedures aimed at guaranteeing impartiality and the cost-effectiveness and speed of the

process, by resorting to the support of automated systems whenever necessary, also with the aim of performing pre-selection procedures;

b) adopting objective and transparent mechanisms capable of verifying the possession of the attitudinal and professional requirements needed for the position to fill;

c) respecting gender equality between male and female workers;
(161)

d) decentralising recruitment procedures;

e) empanelling the examination boards only with experts of proven competence in the subject matters of the competition and extraneous thereto, selected among the senior officers of the administrations and professors, who are not a member of the administration's policy orientation body, who do not hold a political appointment and who are not trade union representatives or designated by trade union confederations and organisations or by professional associations.

3-bis. Public administrations, in compliance with the three-year staffing requirement programme and with the comprehensive 50 percent ceiling placed on available financial resources, as provided for under current legislation on recruitment aimed at curbing staffing expenses in line with their respective budgetary limits set out in public finance documents, after having carried out the procedure envisaged in Paragraph 4, may initiate public competition-based recruitment procedures:

a) reserving job positions, up to a maximum of 40 percent of the positions announced, for the employees holding a fixed-term contract who, at the date of the recruitment announcement, have a minimum three-year length-of-service with the administration making the recruitment announcement;

b) based on qualifications and examinations, attributing a score thereto with the aim of capitalising on the professional experience of the personnel described in letter a) and of those who, at the date of the recruitment announcement, have a minimum three-year length-of-service with the administration making the recruitment announcement, under an 'employer-coordinated freelance work' para-subordinate employment contract;

3-ter. Through a decree of the President of the Council of Ministers, in agreement with the Minister of Economy and Finance, to be adopted in compliance with Article 17, Paragraph 3, of Law no. 400 of 23 August 1988, by 31 January 2013, dictating the procedures and criteria implementing Paragraph 3-bis and the regulation of the reserved positions in accordance with letter a) of the same paragraph, outlining other protected categories of workers. The provisions made under Paragraph 3-bis constitute the general principles to which all public administrations must conform.

4. Decisions relative to the initiation of recruitment procedures are adopted by each administration or agency on the basis of the three-year staffing requirement programme adopted in compliance with Article 39 of Law no. 449 of 27 December 1997 and subsequent amendments and supplements. A decree of the President of the Council of Ministers, in conjunction with the Minister of Economy and Finance, authorises the initiation of competition-based procedures and the subsequent personnel recruitment by State administrations, also the self-regulating ones, as well as by agencies and non-economic public agencies. In the case of research agencies, the authorisation to initiate competition-based procedures and the subsequent personnel recruitment is conceded upon the approval of the three-year staffing requirement programme and of the staffing levels, in accordance with the agencies' respective regulations. In the case of research agencies considered in Article 1, Paragraph 1, of Legislative Decree no. 213 of 31 December 2009, the authorisation set forth herein is conceded upon the approval of the three-year plan of activities, the three-year staffing requirement programme and of the staffing levels, in compliance with Article 5, Paragraph 4 of the aforesaid decree.

4-bis. The initiation of competition-based procedures pursuant to the issue of an ad hoc decree by the President of the Council of Ministers, in conjunction with the Minister of Economy and Finance, as set forth in Paragraph 4, also applies to fixed-term recruitment procedures for groups of more than five people, including work and training contracts, and takes into consideration the financial aspects and the criteria laid down in Article 36.

5. Public competitions to recruit personnel for State administrations and autonomous agencies are usually called at regional level. The President of the Council of Ministers authorises exceptions thereto for technical, administrative or cost-effectiveness reasons. In the case of offices headquartered in regions, departments or provinces, single competitions giving access to a range of professions may be called at district level.

5-bis. Competition winners must remain in their first place of destination for no less than five years. This provision constitutes a binding condition of collective contracts.

5-ter. The list of competition winners to be deployed in public administrations remains in force for three years from the date of publication. The equal treatment principle for access to public offices is guaranteed through specific competition regulations referring to the place of residence of participants, whenever this requirement is instrumental to the performance of duties that would otherwise not be realisable or equally satisfactory.

6. In the case of personnel recruited at the Presidency of the Council and at the administrations with the institutional powers to assure the State's defence or security, in police corps, and in ordinary judicial, administrative, accounting functions and those assigned to defending the State in court, these fall under the provisions made in Article 26 of Law no. 53 of 1 February 1989 and subsequent amendments and supplements.

7. The regulation of the organisation of the offices and services of local administrations disciplines the staffing levels, the personnel recruitment procedures, the job requirements and the competition procedures, in compliance with the principles set forth in the preceding paragraphs."

- The text of Article 16, Paragraph 1, of Law no. 49 of 26 February 1987 (New discipline of Italy's cooperation with Developing Countries) reads as follows:

"1. The personnel assigned to the Directorate General for Development Cooperation is made up by:

a) personnel of the Ministry of Foreign Affairs;
b) ordinary or administrative magistrates, lawyers in the government legal service, commissioned or appointed according to the procedures laid down by the respective organisations, up to a maximum of seven;

c) experts or technicians hired under a private law contract, as provided by Article 12;

d) the personnel of the State administration and of local non-economic public agencies, under a temporary or managerial contract, in derogation of the time-limits laid down in current legal and contractual provisions;

e) officials and experts with Italian citizenship, coming from international organisations, up to a maximum of thirty, hired by the Directorate General for Development Cooperation on the basis of criteria similar to those provided for under letter c)."

- The text of Article 17, Paragraph 14, of Law no. 127 of 15 May 1997 (Urgent measures to streamline administration activities and decision-making and control processes) reads as follows:

"14. In the case in which legal or regulatory provisions provide to deploy in public administrations a contingent of temporary or command staff, the administrations of belonging must adopt the temporary or command provisions within fifteen days from the request."

- Title VI of the second part of the decree of the President of the Italian Republic no. 18 of 5 January 1967 (Organisation of the Foreign Affairs Administration) is named: "Employees hired by contract by diplomatic delegations, consular offices and culture institutes."

- The text of Article 160 of the aforesaid Presidential Decree no. 18 of 5 January 1967 reads as follows:

"Art. 160. (Recruitment by another office). - In the case an overseas office is closed down or abolished, the administration undertakes, within the limits established by the service requirements and the availability of budgetary resources, to redeploy the employees holding a temporary contract in some other overseas office within three months, with no prejudice to the provisions made under Article 166, Paragraph 1, letter f). The employee

redeployed in another office conserves, for all purposes, his/her preceding service seniority and preceding contractual conditions.

Any employee dismissed from service for serious and documented personal reasons, after at least five years of distinguished service in an overseas office may, by way of exception and in consideration of service needs, be authorised to perform his duties at another overseas office, within three months from the dismissal from the previous position. Also in the cases envisaged herein, the employee redeployed in another office conserves, for all intents and purposes, his/her preceding service seniority and preceding contractual conditions.

In the cases considered in the preceding paragraphs, the redeployment provisions made in Article 155 shall not apply. In no case will it be possible to redeploy employees dismissed from service pursuant to Article 161 and 166, Paragraph 1, letters a), b), c), d) and e). In the case that Italian Culture Institutes are closed or abolished, the personnel thereof may be redeployed, in consideration of service needs, also in derogation of the staffing requirements of temporary employees established for single institutes through an ad hoc ministerial decree.

Only in the cases described in the first paragraph, temporary employees shall be awarded a subsidy for transfer expenses amounting to the sum determined in the ad hoc decree issued by the Minister of Foreign Affairs, in conjunction with the Minister of the Treasury, Budget and Economic Planning."

Art. 20

Directorate General for Development Cooperation

1. A regulation to be issued within 180 days from the coming into effect of this Law, as laid down in Article 17, Paragraph 4-bis, of Law no. 400 of 23 August 1988, at the request of the Minister of Foreign Affairs and International Cooperation, consistently with the establishment of the Agency and with a view to avoiding the duplication and overlapping of competences and responsibilities, provides to reorganise and coordinate the provisions concerning the Ministry of Foreign Affairs and International Cooperation and consequently abolishes no less than six non-general management departments.

2. With procedures set out in the regulation described in the preceding Paragraph 1, the Directorate General for Development Cooperation cooperates with the Minister of Foreign Affairs and International Cooperation and the Deputy Minister of Development Cooperation on all the functions and tasks assigned to them by this law, and especially on the following: issue guidelines for the planning of activities in the Countries and areas of intervention; represent Italy at political level, giving coherence to Italy's actions within international organisations and bilateral relations; propose voluntary contributions to international organisations, humanitarian relief actions and the credit described in Articles 8 and 27; assess the impact of development cooperation interventions and verify the achievement of programme targets, for this purpose, relying also on external independent assessors, to be paid with the Agency's financial resources on the basis of conventions approved by the Joint Committee described in Article 21.

Notes to Art. 20:

- The text of the quoted Article 17, Paragraph 4-bis, of Law no. 400 of 23 August 1988 reads as follows:

"4-bis. The organisation and regulation of Ministry offices is determined through regulations issued in compliance with Paragraph 2, at the proposal of the competent minister, in agreement with the President of the Council of Ministers and the Minister of the Treasury, in conformity with the principles laid down in Legislative Decree no. 29 of 3 February 1993 and subsequent amendments, according to the following contents and criteria:

a) Reorganise the offices directly collaborating with the Ministers and Undersecretaries of State, establishing that said offices have the task to exclusively support the policy-guiding body and liaise the latter with the administration;

- b) single out the general management-level offices, both central and peripheral, by distinguishing between departments with delivery functions and departments with instrumental functions, organising them by homogeneous functions and according to flexibility criteria, eliminating the duplication of functions;
- c) establish periodic control instruments to verify the organisation and the results;
- d) periodically indicate and review the staffing levels;
- e) issue non-regulatory ministerial decrees defining the tasks of the management staff of general management offices”.

Art. 21

Joint Development Cooperation Committee

1. The Joint Development Cooperation Committee is established at the Ministry of Foreign Affairs and International Cooperation.

2. The Committee is chaired by the Minister of Foreign Affairs and International Cooperation or by the Deputy Minister of Development Cooperation and is composed of the General Director for Development Cooperation and the Director of the Agency. Committee membership is extended, without the right of vote, to the people in charge of the respective organisations competent for the points on the agenda, and to the representatives of the Ministry of Economy and Finance or of other administrations, whenever issues falling under their respective competence are dealt with. When the issues dealt with also concern the Regions and Autonomous Provinces of Trento and Bolzano, Committee meetings will also be attended, without the right of vote, by one representative of the Conference of Regions and Autonomous Provinces and, for issues falling under the competence of local administrations, by one representative of the Associations thereof. Membership to the Committee does not give rise to remuneration, reimbursement of expenses, attendance fees or compensations of sorts, however they may be named.

3. The Joint Development Cooperation Committee approves all the cooperation initiatives worth more than two million euros, decides on the single initiatives to be financed from its revolving fund through concessionary loans as described in Articles 8 and 27, outlines the annual programme for the Countries and areas of intervention and carries out any other function specified in this Law or in its implementing regulations. The Committee will be informed on initiatives worth less than two million euros.

4. The functioning of the Joint Committee will be assured with the human, instrumental and financial resources available under current legislation.

Chapter V

FINANCIAL INSTITUTION FOR INTERNATIONAL DEVELOPMENT COOPERATION

Art. 22

Financial Institution for International Development Cooperation

1. Within the purposes of this Law, the company Cassa Depositi e Prestiti S.p.A. is authorised to perform the task of acting as financial institution for international development cooperation.

2. With no prejudice to the provisions made in Articles 8, 21 and 27, the Ministry of Foreign Affairs and International Cooperation and the Agency may stipulate an ad hoc convention with the company Cassa Depositi e Prestiti S.p.A. for the provision of services from the latter and from its subsidiaries to

develop and manage the financial profiles of development cooperation initiatives for the purpose of the objectives outlined in Article 8, and of structuring financial products for development cooperation within the framework of agreements with European and international financial organisations or of participating to European Union programmes.

3. The expenses deriving from the convention described in the preceding Paragraph 2 are covered by the budget of the Italian Development Cooperation Agency.

4. The company Cassa Depositi e Prestiti S.p.A., within the annual limit established through an ad hoc convention between the latter and the Ministry of Economy and Finance, may allocate its own resources to initiatives fulfilling the purposes of this Law, or co-finance them with private, public or international entities, upon the favourable opinion of the Joint Committee described under Article 21.

5. The convention considered in the preceding Paragraph 2 defines the regulations implementing this Article.

Chapter

VI

AGENTS OF DEVELOPMENT COOPERATION, PARTICIPATION OF CIVIL SOCIETY AND INTERNATIONAL PARTNERSHIPS

Art. 23

Italian development cooperation system

1. The Republic acknowledges and promotes Italian development cooperation, comprising public and private entities, for the implementation of development cooperation programmes and projects based on the principle of subsidiarity.

2. Actors of the development cooperation system are:

- a) State administrations, universities and public entities;
- b) the regions, the autonomous provinces of Trento and Bolzano and local administrations;
- c) civil society organisations and other non-profit organisations considered under Article 26;
- d) profit organisations when, acting in compliance with the principles laid down in this Law, meet the standards commonly applied to social responsibility and environmental safeguard clauses, and comply with human rights legislation in making international investments.

Art. 24

State administrations, chambers of commerce, universities and public agencies

1. Italy favours the contribution to and participation of State administrations, of the network of chambers of commerce, industry, crafts and agriculture, universities and public agencies to development cooperation initiatives whenever their respective technical competences constitute a qualified contribution towards improving the implementation of the intervention, promoting, in particular, inter-institutional collaborations aimed at achieving the objectives and purposes of this Law.

2. The Agency, with no prejudice to the competence of the Joint Committee described in Article 21, may entrust the implementation of cooperation initiatives to the actors considered in Paragraph 1 of this article or may make contributions to the aforesaid actors for the implementation of projects proposed thereby, on the basis of a convention setting out the allocation and funding procedures for the expenses borne.

3. The enforcement of this article must not give rise to new or higher costs for public finances. The public institutions involved in the implementation of

development cooperation initiatives shall contribute thereto with human, instrumental and financial resources available in compliance with existing legislation.

Art. 25

Regions and local administrations

1. The Ministry of Foreign Affairs and International Cooperation and the Agency promote forms of partnership and collaboration with the regions, the autonomous provinces of Trento and Bolzano and local administrations in the field of development cooperation. The Agency may contribute to financing the initiatives described in Paragraph 2 of Article 9, in compliance with Article 17.

Art. 26

Civil society organisations and other non-profit organisations

1. Italy promotes the participation of civil society organisations and other non-profit organisations to development cooperation on the basis of the principle of subsidiarity.

2. Actors in development cooperation are civil society organisations and other non-profit organisations listed below:

a) non-governmental organisations (NGOs) specialised in development cooperation and humanitarian aid;

b) non-profit organisations of social utility (ONLUS) whose statutory aim is the development cooperation and international solidarity;

c) fair trade, ethical finance and micro credit organisations whose primary statutory aims are international development cooperation;

d) the organisations and associations of communities of immigrants that maintain development cooperation and support relations with their Countries of origin or that collaborate with actors, in the Countries concerned, meeting the prerequisites set forth in this article;

e) cooperative and social enterprises, trade union organisations of employers and employees, foundations and volunteer organisations considered in Law no. 266 of 11 August 1991, as well as the social promotion associations described in Law no. 383 of 7 December 2000, whose statutory aims include development cooperation;

f) organisations legally registered in Italy that were awarded the status of advisor at the United Nations' Economic and Social Council (ECOSOC) at least during the last four years.

3. The Joint Committee considered in Article 21 sets the parameters and criteria used to verify the competence and experience acquired in development cooperation by the organisations and other actors listed in Paragraph 2 of this article which, after the verification, are included in an ad hoc list published and periodically updated by the Agency. The capability and effectiveness of said actors must be controlled at least once every two years.

4. The Agency may make contributions and assign the implementation of development cooperation initiatives to organisations and actors enrolled in the list outlined in Paragraph 3, after applying public comparative procedures provided under the regulation described in Article 17, Paragraph 13, on the competence, acquired experience, capability, effectiveness and transparency of beneficiaries. The latter are under the obligation to report online the projects benefiting from contributions by the Agency and the other development cooperation initiatives whose implementation has been assigned thereto.

5. The development cooperation and humanitarian aid activities performed by the actors enrolled in the list outlined in Paragraph 3 are to be considered, for tax reasons, as non-commercial activities.

Notes to Art. 26:

- Law no. 266 of 11 August 1991, is named: "Framework Law on voluntary work".
- Law no. 383 of 7 December 2000, is named: "Regulation of social promotion associations".

Art. 27

Profit organisations

1. Italy acknowledges and favours the contribution of companies and banking institutions to development processes in partner Countries, except for the companies and enterprises listed on the national trade register considered in Article 3 of Law no. 185 of 9 July 1990 and subsequent amendments, in compliance with principles of transparency, competition and social responsibility.

2. The actors considered under Paragraph 1 of this article are called upon to broadly participate in contract disclosure procedures when implementing development initiatives financed by Development Cooperation or Partner Countries, the European Union, international organisations, international development banks and funds.

3. Part of the revolving fund considered under Article 8 may be appropriated to:

a) granting Italian companies easy-term credit to guarantee the financing of their part of venture capital, also in advance, in establishing mixed companies in Partner Countries, to be singled out and decided by the CICS, with special reference to small and medium sized enterprises;

b) granting easy-term credit to public or private investors or to international organisations so they might finance the establishment of mixed companies in Partner Countries or provide other forms of subsidies singled out by the CICS in order to promote the development of Partner Countries;

c) set up a guarantee fund for loans granted in compliance with letter a).

4. The CICS establishes:

a) the part of the revolving fund that may be used annually for the purposes outlined in Paragraph 3;

b) the selection criteria applied to the initiatives outlined in Paragraph 3, which must take into consideration, in addition to the purposes and geographical or sectorial priorities of Italian cooperation, also the guarantees protecting foreign investments offered by Partner Countries. Said criteria aim at privileging the creation of jobs, in compliance with international labour conventions, and the valued added created at local level in driving sustainable growth;

c) the terms on which loans may be granted.

5. The managing bank outlined in Article 8, through a convention stipulated by the Ministry of Economy and Finance, is assigned the task of issuing and managing the loans considered hereunder, each of which is evaluated by the Agency together with the managing bank. The initiatives considered under Paragraph 3 of this article are subjected to the same procedures laid down in Article 8.

Notes to Art. 27:

- The text of Article 3 of Law no. 185 of 9 July 1990 (New norms on the export, import and transit of weaponry material) reads as follows:

"Art. 3. (National Trade Register)- 1. The National Trade Register is regulated by Article 44 of the Military Organisation Code, as provided for under Legislative Decree no. 66 of 15 March 2010."

Art. 28

The personnel deployed overseas in international development cooperation activities. Giving leave of absence to public employees

1. For development cooperation activities, civil society organisations and other actors considered in Article 26, may deploy overseas adult personnel either Italian, European or from other foreign States, in possession of the

appropriate qualifications, technical knowledge, professional experience and the necessary personal traits, on the basis of contracts whose contents are regulated through collective bargaining, in compliance with general labour principles, including those regulating self-employed work, as established under Italian law. Within six months from the coming into force of this law, a bargaining table shall be convened at the Ministry of Labour and Social Policies with the aim of defining a national collective labour agreement for the personnel deployed overseas in development cooperation activities. The personnel considered hereunder must perform their tasks with due diligence and respect the dignity of their duties and shall in no case be employed in policing or any other type of military operation.

2. Italy acknowledges and promotes voluntary work in development cooperation initiatives. Civil society organisations and the other actors considered in Article 26, may deploy the personnel considered under Paragraph 1 of this article also for volunteer activities, without creating an employment relationship. In this case, the legal and economic conditions of this personnel shall be computed in line with the conditions laid down in Article 9, Paragraphs 1 and 2, of Legislative Decree no. 77 of 5 April 2002 and subsequent amendments, with the relative costs thereof to be entirely borne by the organisations and the other actors outlined in the second sentence of this Paragraph.

3. For the performance of the activities outlined in Paragraph 1 of this article, in derogation of Article 60 of the Consolidate Law on the provisions concerning the statute of the State's civil servants pursuant to Presidential Decree no. 3 of 10 January 1957, the public administration employees considered in Article 1, Paragraph 2, of Legislative Decree no. 165 of 30 March 2001, are entitled to an unpaid leave of absence of a maximum of four years, eventually renewable, and in no case less than the duration of contract considered under Paragraph 1 of this article. The leave of absence entails conserving the qualification acquired.

4. The competent public administration concedes the unpaid leave of absence outlined in Paragraph 3, at the request of the employee, and upon the issue of a statement by the Agency, at the request of the civil society organisation or of any other entity that stipulated the contract. The Agency establishes the procedures relative to the aforesaid statement, which may also concern the personnel deployed in projects financed by the European Union, the international organisations of which Italy is a member, or by other governments, other State administrations, by regions and by the autonomous regions of Trento and Bolzano or by local administrations, as well as by private individuals, following the control by the Agency on the coherence of the initiative with the purposes and aims established in Articles 1 and 2. Also the spouse following the employee deployed in cooperation services is entitled to an unpaid leave of absence.

5. Proof of the payment of the social security contributions, as provided for in Article 7, shall certify the service and its duration. The aforesaid service constitutes a preferential evaluation title, corresponding to civil service in relation to the listing of public competition scores giving access to careers in State or public administrations. The period of service goes in favour of raising the maximum age limit for participants in public competitions. Except for more favourable legal provisions, the service of the personnel considered under Paragraph 3 is recognised to all legal intents and purposes and wholly corresponds to similar professional activities performed by permanent staff at national level, especially in terms of service seniority, career advancements, retirement packages and social security benefits, in proportion to the contributions paid.

6. In addition to possible preferential conditions contained in collective labour agreements, private companies and employers giving their personnel or their dependent spouses following them overseas unpaid leaves of absence as provided in Paragraph 1, are entitled to hire replacements with a fixed-term contract, in excess of possible existing quotas or time limits.

7. Civil society organisations and the other players considered in Article 26 undertake all the obligations deriving from the contract, including tax, welfare and insurance duties. Social security contributions are to be paid into the funds established by law in compliance with the principle of a single insurance

scheme. Paragraphs 5 and 6 of Article 23-bis of Legislative Decree no. 165 of 30 March 2001 apply thereto.

8. Excluded therefrom is any relationship, also indirect, between the personnel considered in Paragraphs 1 through 7 of this article and the Ministry of Foreign Affairs and International Cooperation or the Agency, also in the case in which the organisations and the other contracting parties were to fail to perform their duties vis-à-vis the personnel.

9. The tax, welfare and insurance obligations of organisations and the other players considered in Article 26, deriving from the contract with overseas personnel, are proportional to conventional remunerations to be determined on a year-by-year basis through an ad hoc non-regulatory decree of the Minister of Foreign Affairs and International Cooperation, in agreement with the Minister of Labour and Social Policies and the Minister of Economy and Finance.

10. Italy promotes and supports forms of international voluntary work and civil service, including those implemented by the European Union for the participation of young people to development cooperation activities. The actors considered in Article 26, accredited according to Articles 3 and 9 of Law no. 64 of 6 March 2001, organise contingents of peace-keeping corps aimed at training and experimenting the presence of young volunteers deployed in non-governmental peace-keeping actions in conflict or conflict-prone areas or in environmental emergency areas.

11. The enforcement of this article must not give rise to new or higher costs for public finances. The administrations involved contribute human, instrumental and financial resources within the limits made available by current legislation.

Notes to Art. 28:

- The text of Article 9, Paragraphs 1 and 2, of Legislative Decree no.77 of 5 April 2002 (Regulation of national civil service pursuant to Article 2 of Law no. 64 of 6 March 2001) reads as follows: "The activity performed for civil service projects does not determine the establishment of an employment relationship and does not entail the suspension or cancellation from job placement or mobility lists.

2. Those admitted to perform activities in a civil service project shall receive a remuneration not higher than the one established for one-year voluntary military service personnel, as well as any eventual benefit arising from civil service abroad. In any case, no benefit is due in compensation for deployment in the military. The amount of remuneration due to national civil service personnel is determined through a decree of the President of the Council of Ministers, in consideration of the financial resources of the National Civil Service Fund."

- The text of Article 60 of the Consolidated Law compounding provisions concerning the statute of State civil servants pursuant to the Presidential Decree no.3 of 10 January 1957 reads as follows:

"Art. 60. (Cases of incompatibility). - The employee cannot work in commerce or industry or perform any profession or hold any job with a private employer or accept an office in profit-making companies, except in the case of offices held in companies or agencies whose appointment is reserved to the State and which were authorised by the competent minister."

- The text of Article 1, Paragraph 2 of Legislative Decree no.65 of 30 March 2001 (General norms on the organisation of labour employed by public administrations) reads as follows: "2. The term public administration refers to all State administrations, including schools and institutes of all types and levels and educational institutions, independent State administrations and companies, the Regions, Provinces, Municipalities, the Mountain Communities and their consortia and associations, university institutes, the independent Public Housing Institutes, the Chambers of Commerce, Industry, Crafts and Agriculture and their associations, all national non-economic public agencies, both regional and local, administrations, National Health Service companies and agencies, the "Agenzia per la rappresentanza negoziale delle pubbliche amministrazioni" (ARAN) (Agency for the Public Administrations' Bargaining Representatives) and the agencies considered in the Legislative Decree no.300 of 30 July 1999. Until the overall revision of sector-specific regulations, the provisions made hereunder continue to also apply to CONI."

- The text of Article 23-bis, Paragraphs 5 and 6, of Legislative Decree no.165 of 30 March 2001 (General norms on the organisation of labour employed by public administrations) reads as follows: "5. The personnel considered under Paragraph 1 cannot be granted leave of absence for the performance of activities or assignments in private or public entities in case:

a) the employee, in the two preceding years, was assigned to supervisory or control functions, stipulated contracts or expressed opinions or notices on contracts, or issued authorisations to the entities with which he/she intends to perform his/her activities. Pursuant to Article 2359 of the Civil Code,

if the activity that the employee intends to perform is with a company, the ban extends to the case in which the aforesaid institutional activities concerned companies that control or are controlled thereby, albeit indirectly;

b) the employee intends to perform activities in private organisations and companies that, by virtue of their nature or of their activities and in relation to the functions previously performed, may damage the administration's image or undermine its normal functioning or impartiality.

6. a manager is not allowed, for the following two years, to hold offices that entail the exercise of the functions defined in letter a) of Paragraph 5."

- The text of Article 3 of Law no.64 of 6 March 2001 (Establishment of the national civil service) reads as follows: "1. Private agencies and organisations intending to present volunteer civil service projects must possess the following prerequisites:

a) be non-profit;

b) have an organisational capacity and job opportunities in volunteer civil service activities;

c) show consistency between the organisation's institutional aims and the purposes outlined in Article 1;

d) have performed a continuing activity for at least three years".

- The text of Article 3 of Law no. 64 of 6 March 2001 (Establishment of the national civil service) reads as follows: "1. Civil service may be performed abroad, with organisations implementing civil service projects on behalf of administrations or agencies, as provided for under Article 7, Paragraph 2, within the framework of European Union civil service projects, and with offices for peace-keeping and cooperation among peoples, established by the European Union and international organisations of which Italy is a member and that operate to achieve the same aims, with no prejudice to the provisions made by Law no. 230 of 8 July 1998.

2. The Presidency of the Council of Ministers defines the modes in which civil service can be performed abroad."

Art. 29

International Partners

1. Italy favours the establishment of international institutional collaborations with the Governments of Partner Countries and with international organisations, development banks, international funds, the European Union and other donor countries, in compliance with the principles of complete ownership of development processes by Partner Countries and the effectiveness of aid, also fostering triangular forms of collaboration.

Chapter VII

TRANSITORY AND FINAL PROVISIONS

Art. 30

Italy's realignment with its international development cooperation commitments

1. Starting with the first financial period subsequent to the date at which this law comes into force, the Council of Ministers, at the proposal of the Minister of Foreign Affairs and International Cooperation, in agreement with the Minister of Economy and Finance, indicates the mode to gradually adjust annual international development cooperation appropriations in such a way as to enable Italy to be in line with the commitments and the objectives undertaken at European and international level by the end of the aforesaid period.

Art. 31

Abrogation of and amendments to current legislation

1. As of the first day of the sixth month following the date at which the regulation set forth in Article 17, Paragraph 13, comes into force, the following shall be repealed:

- a) Law no. 1612 of 26 October 1962;
- b) Law no. 49 of 26 February 1987;
- c) Presidential Decree no 177 of 12 April 1988;
- d) Law no. 288 of 29 August 1991;
- e) the regulation provided for in decree no. 337, of 15 September 2004, of the Minister of Foreign affairs;
- f) Article 13, Paragraphs 1 through 6, of Law no. 69 of 18 June 2009;
- g) Article 25 of the regulation provided for in Presidential Decree no. 54 of 1 February 2010;
- h) Law no. 149 of 13 August 2010;
- i) the regulation provided for in Presidential decree no. 243 of 29 October 2010;
- l) Article 7 of Decree Law no. 69 of 21 June 2013, converted with amendments into Law no. 98 of 30 July 1999.

2. In Legislative Decree Al no. 300 of 30 July 1999:

- a) Article 12, Paragraph 1 is replaced by the following:

«1. The Ministry of Foreign Affairs and International Cooperation is assigned the functions and tasks pertaining to the State in respect of political, economic, social and cultural relations held overseas; of representing, coordinating and protecting Italian interests at international level; of analysing, defining and relative to actions implementing Italy's international development cooperation policies; establishing relationships with other States and international organisations; stipulating and revising international treaties and conventions and coordinating the management thereof; studying and resolving international law issues and international litigation; representing Italy's position in the implementation of provisions relative to the common foreign and security policy provided for under the European Union Treaty, as well as in the European Union's political and economic relations abroad; managing activities pursuing European integration on the negotiation processes and requirements concerning the Treaties of the European Union»;

- b) Article 13 is followed by:

«Art. 13-bis. - (Italian Development Cooperation Agency). - 1. The tasks and functions of the Italian Development Cooperation Agency are defined by the law providing for the general regulation of international development cooperation».

3. Lastly, the following letter is added at the end of Article 2, Paragraph 1, of Legislative Decree no. 155 of 24 March 2006:

«m-bis) development cooperation».

4. Article 10, Paragraph 1, letter a), of Legislative Decree no. 460 of 4 December 1997, number 11) is followed by:

«ll-bis) development cooperation and international solidarity».

5. Article 5 of Decree Law no. 269 of 30 September 2003 and subsequent amendments, is amended as follows:

- a) the second and third sentences of Paragraph 7, letter a) are replaced by the following: «Use of the funds considered under this letter is also allowed

for the performance of any other operation of public interest provided for in the Articles of Incorporation of CDP S.p.A., for the same entities considered in the first sentence or promoted thereby, having taken into consideration the economic and financial sustainability of each operation. These operations may also be performed in co-financing with European financial institutions, multilateral or supranational, within the annual limit established in an ad hoc convention between the aforesaid CDP S.p.A. and the Ministry of Economy and Finance. The operations considered under this sub-paragraph may also be performed in derogation of the provisions made in Paragraph 11, letter b)»;

b) the following is added at the end of paragraph 11:

«11-bis. The Ministry of Economy and Finance determines, through non-regulatory decrees adopted in conjunction with the Ministry of Foreign Affairs and International Cooperation, the criteria and modes of performing the operations described in Paragraph 7, letter a), third sentence».

Notes to Art. 31:

- Law no. 1612 of 26 October 1962 is named: "Reorganisation of the Overseas Agronomic Institute headquartered in Florence".

- Law no. 49 of 26 February 1987, is named: "New regulation of Italy's cooperation with Developing Countries".

- Presidential Decree no. 177 of 12 April 1988 is named: "Approval of the implementing regulation of Law no. 49 of 26 February 1987 regulating Italy's cooperation with Developing Countries".

- Law no. 288 of 29 August 1991 is named: "Amendments to Articles 29, 31, 32 and 34 of Law no. 49 of 26 February 1987 on the social security and insurance of civil service volunteers and development workers."

- The decree no. 337 of 15 September 2004 of the Minister of Foreign Affairs is named: "Regulation simplifying administrative procedures relative to Non-Governmental Organisations".

- The text of article 13, paragraphs 1 through 6, of Law no. 69 of 18 June 2009 (Provisions for economic development, simplification, competitiveness and in respect of civil trials) reads as follows: "1. Within two months from the coming into force of this law, a decree of the Minister of Foreign Affairs, in conjunction with the Minister of Economy and Finance, defines simplified procedures for administrative and contractual processes concerning:

a) cooperation interventions supporting peace and stabilisation processes in the Countries indicated in Decree Law no. 8 of 31 January 2008, converted with amendments into Law no. 45 of 13 March 2008;

b) interventions in the other areas indicated in the decree of the President of the Council of Minister, at the proposal of the Minister of Foreign Affairs, aimed at overcoming humanitarian, social or economic crises.

2. The decree considered under Paragraph 1 specifically establishes the following:

a) the procedures to approve interventions, in compliance with Article 11, Paragraph 3, of Law no. 49 of 26 February 1987 and subsequent amendments, and Article 11, Paragraph 1 of Decree Law no. 347 of 1 July 1996, converted with amendments in Law no. 426 of 8 August 1996;

b) specific and reasoned derogations of the rules for the general accounting procedures of the State;

c) the prerequisites for resorting to experts and technical and legal experts;

d) the modes of application of the procedures negotiated.

3. The decree envisaged in Paragraph 1 of Law no. 49 of 26 February 1987, relative to cooperation interventions, is issued in compliance with the provisions contained in the regulation set forth in Article 5 of the Public Contract Code on works, services and supplies, established in Legislative Decree no. 163 of 12 April 2006, implementing the provisions made under Paragraph 6 of the aforesaid Article 5.

4. In singling out the areas of intervention contained in Paragraph 1, letter b), priority is given to the Countries that have underwritten repatriation or collaboration agreements aimed at managing illegal immigration flows or at facilitating the execution of prison sentences issued in Italy in penitentiary institutions in the convict's place of origin. Moreover,

priority is given to projects with Third Countries for the voluntary repatriation of foreigners with a residence permit who are unemployed because of the economic crisis.

5. The draft decree considered in Paragraph 1 is transmitted to the Chambers of Parliament to hear the opinion of the competent Parliamentary Commissions on the subject and on the financial aspects thereof. The deadline for expressing the opinion is set at thirty days from the date of transmission, after the vain elapsing of which, the decree can be issued all the same.

6. In addition to the financial resources allocated by the Ministry of Foreign Affairs, overseas offices may dispose of funds allocated by the European Commission or by other EU Member States in order to implement the development cooperation programmes on behalf of the donor Countries. The allocation of funds envisaged in this paragraph are managed and reported according to the provisions made by the European Commission relative to the transfer of funds to Member States.

- The text of Article 25 of the Presidential Decree no. 54 of 1 February 2010 (Regulation containing provisions on the management and financial autonomy of the diplomatic delegations and category I Consular Offices of the Ministry of Foreign Affairs) reads as follows: "1. The amounts allocated by the Ministry or by other State administrations to the head of the overseas office through loans granted for the development cooperation activities contained in Law no. 49 of 26 February 1987, are managed and reported according to the current legislation on national general accounting procedures.

2. The resulting revenues and expenditures are specifically recorded on the budget of the overseas office as a clearing entry.

3. The funds considered in Paragraph 1 are justified through reports, to be drafted on the basis of specific accounting books and to be transmitted to the competent Ministry offices within sixty days from the reporting period, giving notification thereof, also via computer, to the central budget office of the Ministry of Foreign Affairs and to the Court of Auditors. In case of tardy reporting caused by the official delegated thereto, the latter may be subjected to the sanctions provided for under Article 60 of Royal Decree no. 2440 of 18 November 1923, and also under Article 337 of Royal Decree no. 827 of 23 May 1924, as amended by Presidential Decree no. 367 of 20 April 1994.

4. The reports contained in Paragraph 3 are presented by the head of the overseas office, in the capacity of the official delegated thereto, who avails himself of the administrative-accounting staff to draw it up. The latter fall under the provisions made under Article 22, Paragraphs 10, 11 and 12."

- Law no. 149 of 13 August 2010 is named: "Amendments to Article 1 of Decree Law no. 35 of 14 March 2005, converted with amendments into Law no. 80 of 14 May 2005, and to Articles 11 and 13 of Law no. 49 of 26 February 1987, concerning the management of the development cooperation funds of the Foreign Affairs Administration".

- Presidential Decree no. 243 of 29 October 2012 is named: "Regulation to reorganise the Overseas Agronomic Institute, in compliance with Article 26, Paragraph 1, of Decree Law no. 112 of 25 June 2008, converted with amendments into Law no. 133 of 6 August 2008".

- The text of Article 7 of Decree Law no. 69, converted with amendments into Law no. 98 of 9 August 2013 (Urgent provision to re-launch the economy) reads as follows: "1. Paragraph 1 of Article 7 of Law no. 49 of 26 February 1987 is replaced as follows: 1. Drawing from the Revolving Fund considered in Article 6 and applying the same procedures contained therein, Italian companies may be granted easy-term loans in order to assure the financing, also in advance, of the portions of venture capital used in establishing mixed companies. Easy-term loans may also be granted to public or private investors or to international organisations in order to finance the mixed companies to be established in Developing Countries (DC) or to concede other credit facilities indicated by the CIPE, the Inter-ministerial Economic Planning Committee, in order to promote development in the beneficiary Countries. Part of the same Fund may be allocated to create a Guarantee Fund for loans granted to Italian companies by credit institutions or to facilitate the contribution of capital by Italian companies to the mixed companies."

1-bis. In relation to Italy's international commitments in favour of overcoming tied aid in accessing easy-term credit from the Revolving Fund established under Article 6 of Law no. 49 of 26 February 1987 and subsequent amendments, Italian companies must officially commit to apply the provisions set forth in the Guidelines of the Organisation for Economic Cooperation and Development (OECD) on the social responsibility of companies in international investments and in European Parliament Resolution P7-TA(2011)0141 of 6 April 2011 on international investments and compliance by companies with social and environmental clauses and with international laws on human rights".

- The text of Article 12, Paragraph 1 of Legislative Decree no. 300 of 30 July 1999 (Reform of the organisation of Government, pursuant to Article 11 of Law no. 59 of 15 March 1997), is amended by this law: «1. The Ministry of Foreign Affairs and International Cooperation is assigned the functions and tasks pertaining to the State in respect of political, economic, social and cultural relations held overseas; of representing, coordinating and protecting Italian interests at international level; of analysing, defining and implementing actions relative to Italy's international development cooperation policies; establishing relationships with other States and international organisations; stipulating and revising international treaties and conventions and coordinating the management thereof; studying and resolving international law issues and international litigation; representing Italy's position in the implementation of provisions relative to the common foreign and security policy provided for under the European Union Treaty, as well as in the European Union's political and economic relations abroad; managing activities pursuing European integration on the negotiation processes and requirements concerning the Treaties of the European Union, the European Community, CECA and EURATOM»;

- The text of Article 2, Paragraph 1 of Legislative Decree no. 155 of 24 March 2006 (Regulation of social entrepreneurship pursuant to Law no. 118 of 13 June 2005), as amended by the law hereunder, reads as follows: "1. Goods and services of social utility are considered to be those produced or exchanged in the following sectors:

a) social assistance, as defined in Law no. 328 of 8 November 2000, named framework law for the implementation of an integrated system of social interventions and services;

b) healthcare, for the provision of services laid down in the decree of the President of the Council of Ministers of 29 November 2001, named "Definition of the essential levels of healthcare", and subsequent amendments, published in the ordinary supplement to the Official Gazette no. 33 of 8 February 2002;

c) health and social care, in compliance with the decree of the President of the Council of Ministers of 14 February 2001, named "Act of guidance and coordination of health and social care services", published on the Official Gazette no. 129 of 6 June 2001;

d) education, schooling and training, as set forth in Law no. 53 of 28 March 2003, named Mandate to Government to define the general rules for schooling and the essential levels of services in vocational training and schooling;

e) protection of the environment and ecosystem, as set forth in Law no. 308 of 15 December 2004, named Mandate to the Government to reorganise, coordinate and integrate the legislation regarding the environment and measures directly applicable thereto, excluding activities habitually performed for the collection and recycling of urban, special and hazardous waste;

f) capitalise on the cultural heritage, as laid down in the Cultural Heritage and Landscape Code established under Legislative Decree no. 42 of 22 January 2004;

g) social tourism, as described in Article 7, Paragraph 10 of Law no. 135 of 29 March 2001, named Reform of national legislation on tourism;

h) university and post-graduate training;

i) research and the provision of cultural services;

l) extra-curricular training aimed at preventing dropouts and at improving achievement in school and training courses;

m) services instrumental to social entrepreneurship, provided by entities of which not more than 70 percent is made up by social entrepreneurship organisations.

m-bis) development cooperation.

- The text of Article 10, Paragraph 1, letter a) of Legislative Decree no. 460 of 4 December 1997 (Reorganisation of the tax regime of non-commercial agencies and of non-profit organisations of public utility), is hereby amended:

"a) the performance of activities in one or more of the following sectors:

1) social assistance and health and social assistance;

2) healthcare;

3) charity;

4) education;

5) training;

6) amateur sports;

7) protection, promotion and upgrading of things of artistic and historical interest, as provided for by Law no. 1089 of 1 June 1939, including libraries and the assets described under Presidential Decree no. 1409 of 30 September 1963;

8) protecting and upgrading nature and the environment, excluding activities habitually performed for the collection and recycling of urban, special and hazardous waste, as set forth in Article 7 of Legislative Decree no. 22 of 5 February 1997;

9) promoting culture and art;

10) defending civil rights;

11) scientific research of particular social interest carried out directly by foundations or assigned thereby to universities, research agencies and other foundations that directly perform research in areas and according to procedures to be defined with a specific government regulation issued pursuant to Article 17 of Law no. 400 of 23 August 1988;

11-bis) development cooperation and international solidarity."

- The text of Article 5 of Decree Law no. 269 of 30 September 2003 (Urgent provisions to favour development and to correct the performance of public finances), converted with amendments into Law no. 326 of 24 November 2003 and subsequent amendments, reads as follows: "1. The Cassa Depositi e Prestiti is transformed into a joint-stock company named "Cassa Depositi e Prestiti Societa' per Azioni" (CDP S.p.A.), as of the date of publication on the Official Gazette of the ministerial decree contained in Paragraph 3. The CDP S.p.A., except for the provisions made in Paragraph 3, takes over the assets and liabilities and conserves the rights and obligations prior to the transformation.

2. The actions of CDP S.p.A. are attributed to the State, which exercises its shareholder rights as set forth in Article 24, Paragraph 1, letter a) of Legislative Decree no. 300 of 30 July 1999; the provisions of Article 2362 of the Civil Code do not apply thereto. The foundations considered under Article 2 of Legislative Decree no. 153 of 17 May 1999, as well as other public or private actors, may hold a comprehensive minority stake in the capital of CDP S.p.A.

3. A non-regulatory decree of the Minister of Economy and Finance, to be issued within two months from the coming into force of this decree, determines:

a) the functions, assets and liabilities of the Cassa Depositi e Prestiti prior to the transformation, which are transferred to the Ministry of Economy and Finance and those separately managed by CDP S.p.A., as provided under Paragraph 8;

b) State goods and shareholdings, also indirect, transferred to CDP S.p.A. and placed under separate management, as provided under Paragraph 8, also in derogation of existing legislation. The amounts transferred and entered into the budget are determined on the basis of a sworn estimate by one or more experts, with suitable experience and professional qualifications, appointed by the Ministry, also in derogation of Articles 2342 through 2345 of the Civil Code and of Article 24 of Law no. 289 of 27 December 2002. Subsequent ministerial

decrees may provide for further transfers and provisions. The ministerial decrees considered hereunder are subjected to an ex ante control by the Court of Auditors and are transmitted to the competent Parliamentary Commissions;

c) supplemental commitments undertaken by the State;

d) the capital stock of CDP S.p.A., in any case not less than the endowment fund of the Cassa Depositi e Prestiti, as it results from the last financial statements approved.

4. A non-regulatory decree of the President of the Council of Ministers, at the proposal of the Minister of Economy and Finance, approves the Articles of Incorporation of CDP S.p.A., and appoints the members of the Board of Directors and of the Board of Auditors for the first term in office. The members of the Board of Auditors, indicated in and by effect of Article 10 of Law no. 197 of 13 May 1983, remain in office for the term established. The subsequent amendments to the Articles of Incorporation of CDP S.p.A. and the appointment of the members of corporate bodies for subsequent periods will be decided in compliance with the provisions contained in the Civil Code.

5. The CDP S.p.A.'s first financial period ends on 31 December 2004.

6. The CDP S.p.A. falls under the provisions of Title V of the Consolidated Law on banking and credit activities, pursuant to Legislative Decree no. 385 of 1 September 1993, referring to the intermediaries enrolled in the special list considered in Article 107 of the aforesaid legislative decree, taking into account the characteristics of the entity to be supervised and the special regulation of separate accounts contained in Paragraph 8.

7. CDP S.p.A. finances, in any form whatsoever:

a) the State, the Regions, local administrations, public agencies and public law organisations, through the use of funds reimbursable in the form of postal savings books and postal savings certificates, guaranteed by the State and distributed through Poste Italiane S.p.A., or subsidiaries thereof, and funds originating from the issue of bonds, underwriting credit and other financial operations, which may be endorsed with the guarantee of the State. The use of funds considered under this sub-paragraph is allowed also for the performance of any other operation of public interest contained in the charter of CDP S.p.A. and carried out in relation to the entities considered in the first sentence, or promoted thereby, taking into account the economic and financial sustainability of every operation. These operations may also be carried out in co-financing with multilateral or supranational European financial institutions within an annual limit established through an ad hoc convention between CDP S.p.A. and the Ministry of Economy and Finance. The operations considered hereunder may also be carried out in derogation of the provisions made in Paragraph 11, letter b);

b) the works, installations, networks and equipment destined for the provision of public services and reclamation works, through the use of funds originating from the issue of bonds, underwriting credit and other financial operations, without the guarantee of the State and excluding demand deposits.

7-bis. With no prejudice to the provisions made in Paragraph 7, the Cassa depositi e prestiti S.p.A., in compliance with Paragraph 7, letter a), second sentence, may also make provisions to Italian banks and the branches of foreign Community and extra-Community banks operating in Italy and authorised to exercise banking activities, through financing activities in the technical form indicated in the convention considered in the following sentence, for the purpose of granting mortgage loans on residential buildings to be destined primarily to the purchase of the principal residence, preferably falling under energy classes A, B or C, and to refurbishing interventions and those enhancing the energy efficiency, primarily granted to young couples, to families with at least one disabled member and to large families. To this aim, banks may take out loans according to standard contracts defined in an ad hoc convention between Cassa Depositi e Prestiti S.p.A. and the Associazione Bancaria Italiana. The aforesaid convention also defines the ways in which lower interest rate spreads in favour of banks are transferred onto the loan, to the benefit of the borrower. The financing granted by Cassa Depositi e Prestiti S.p.A. to banks, described in this sub-paragraph and exclusively destined to fulfil the aforesaid purposes, is regulated under the tax regime set forth in Paragraph 24.

8. The CDP S.p.A. acquires shareholdings and performs the instrumental, ancillary and related activities; for the purpose of implementing the provisions made in Paragraph 7, letter a), CDP S.p.A. establishes a separate system solely for accounting and organisational purposes, managed according to transparency criteria and with the aim of achieving financial stability. The shareholdings and the activities instrumental, ancillary and related thereto, as well as assistance and consultancy services provided to the entities considered in Paragraph 7, letter a) will fall under the separate management. The ministerial decree laid out in Paragraph may provide for forms of rationalising and concentrating the shareholdings held by the Cassa Depositi e Prestiti S.p.A at the date it was transformed into a joint-stock company.

8-bis. With no prejudice to Paragraph 8, CDP S.p.A. may also acquire shareholdings in companies of relevant national interest, in terms of being operationally strategic, of employment levels, turnover and the positive fallout on the Country's economic and production system, conducive to a situation of financial, patrimonial and economic stability and equilibrium, with suitable profitability forecasts. For the purpose of classifying companies of national interest, a non-regulatory decree of the Minister of Economy and Finance defines the prerequisites, also quantitative, of the companies liable to be acquired by CDP S.p.A., as provided for under this paragraph. The decree is transmitted to the Chambers of Parliament. The aforesaid shareholdings may also be acquired through companies or investment funds in which CDP S.p.A. has a stake, and eventually through private or State-owned companies or public agencies. In case said shareholdings are acquired through resources originating from postal deposits, they are booked under the separate accounting system considered in Paragraph 8.

8-ter. With no prejudice to the preceding paragraphs, Cassa Depositi e Prestiti S.p.A. may purchase residential mortgage-backed bank bonds and/or securities issued in compliance with Law no. 130 of 30 April 1999, following the securitisation of residential mortgage-backed loans.

8-quater. With no prejudice to the preceding paragraphs, Cassa Depositi e Prestiti S.p.A. may purchase securities issued in compliance with Law no. 130 of 30 April 1999, following the securitisation of credit extended to small and medium-sized enterprises with the aim of increasing the volume of loans thereto. The purchase of the aforesaid securities, if carried out by drawing on the funds considered in Paragraph 7, letter a), may be guaranteed by the State according to the criteria and modalities established by a non-regulatory decree of the Minister of Economy and Finance. The costs arising from the eventual enforcement of collateral envisaged in this sub-paragraph are covered by drawing on the available resources of the Guarantee Fund for small and medium-sized enterprises set out in Article 2, Paragraph 100, letter a), of Law no. 662 of 23 December 1996.

9. The Minister of Economy and Finance is empowered to orient the separate accounting management set forth in Paragraph 8. It is hereby confirmed that the separately managed account is supervised by the Supervisory Commission laid down in Article 3 of Royal Decree no. 453 of 2 January 1913 and subsequent amendments.

10. For the administration of the separate accounting system provided for under Paragraph 8, the Board of Directors of CDP S.p.A. will be integrated by the members, with the function of director, indicated in letters c), d) and f) of the first paragraph of Article 7 of Law no. 197 of 13 May 1983.

11. For the management of the separate accounting system provided for under Paragraph 8, the Minister of Economy and Finance, through non-regulatory ministerial decrees determines the following:

a) the criteria defining the general and economic conditions of postal savings books and postal savings certificates, bonds, loans and other financial operations guaranteed by the State;

b) the criteria defining the general and economic conditions of loans, according to principles of accessibility, uniformity in treatment, predetermination and discrimination;

c) provisions on the matter of transparency, advertising, contracts and periodic communications;

d) management criteria for the shareholdings held in accordance with Paragraph 3;

e) general criteria on the basis of which to identify the operations promoted by the actors considered in Paragraph 7, letter a), eligible for financing;

e-bis) in relation to every fiscal period, the current or forecast exposures of CDP S.p.A., provided for under Paragraph 7, letter a), may be guaranteed by the State, also on a multi-year basis. The State may, at a cost, execute the first demand guarantee, waiving the right to recourse against CDP S.p.A., in compliance with the European Union legislation on guarantees for valuable consideration conceded by the State at market value.

11-bis. The Minister of Economy and Finance, through non-regulatory decrees adopted in conjunction with the Ministry of Foreign Affairs and International Cooperation, determines the criteria and modes for the performance of the operations set forth in Paragraph 7, letter a), third sentence.

12. Until the decrees mentioned in the preceding Article 11 are issued, CDP S.p.A. continues to perform the functions falling under the separate management laid down in Article 8, in compliance with the provisions in force at the date of transformation of the Cassa Depositi e Prestiti S.p.A. into a joint-stock company. The relationships and administrative procedures underway at the date of the coming into force of the decrees set forth in Paragraph 11, continue to be regulated by the provisions adopted and by the legislative and regulatory provisions previously in force. For aspects not regulated by the decrees set forth in Paragraph 11, they will continue to be regulated by current legislation, to the extent compatible therewith. The assignments attributed to the Board of Directors and to the General Director of the Cassa Depositi e Prestiti S.p.A. prior to its transformation, are respectively performed by the Board of Directors and, if so provided, by the CEO of CDP S.p.A.

13. To the separate management set forth in Paragraph 8 continue to apply the preferential provisions addressed to the Cassa Depositi e Prestiti S.p.A. prior to the transformation, including the provisions pursuant to Article 204, Paragraph 2, of Legislative Decree no. 267 of 18 August 2000.

14. The separate management set forth in Paragraph 8 takes over the assets and liabilities and conserves the rights and obligations preceding the transformation, arising from the securitisation of credit provided for by Article 8 of Decree Law no. 63 of 15 April 2002, converted with amendments into Law no. 112 of 15 June 2002.

15. The separate management set forth in Paragraph 8 may avail itself of the State Legal Advisory Service (Avvocatura dello Stato), as provided for under Article 43 of the Consolidated Law comprising laws and legal provisions on the representation and defence of the State in trials and on the organisation of the Avvocatura dello Stato set forth in Royal Decree no. 1611 of 30 October 1933 and subsequent amendments.

16. The Minister of Economy and Finance, taking stock of the ad hoc report presented by CDP S.p.A., presents an annual report to the Parliament on the activities performed and the results achieved by CDP S.p.A.

17. The CDP S.p.A. is audited by the Court of Auditors according to the procedures the procedures set forth in Article 12 of Law no. 259 of 21 March 1958.

18. The CDP S.p.A. may appropriate its assets and legal relationships to liquidate bearer bonds issued thereby or by other financing bodies. To this aim, CDP S.p.A. adopts ad hoc deliberations containing the exact descriptions of the assets and legal relationships appropriated, of the beneficiaries thereof, of the rights attributed thereto and of the modalities with which it is possible to dispose of, integrate and replace elements of the assets allocated. The deliberation is filed and recorded as provided for by Article 2436 of the Civil Code. From the date at which the deliberation is filed, the assets and legal relationships identified are exclusively allocated to fulfil the rights of the beneficiaries of the allocation and constitute assets segregated, to all intents and purposes, from those of CDP S.p.A. and from other dedicated assets. Until the complete fulfilment of the rights of the beneficiary, it is only possible to defend the rights of the beneficiary by

safeguarding the dedicated assets and the returns originating therefrom. Unless otherwise provided for by the deliberation earmarking the assets, CDP S.p.A. will exclusively take charge of the obligations vis-à-vis the beneficiary arising from a civil wrong, within the limits of the assets earmarked to this aim and of the rights attributed thereto. In relation to each asset segregated, CDP S.p.A. will keep separate accounting books and records, as provided for by Article 2214 and following articles of the Civil Code. In relation to the application to CDP S.p.A. of the procedures laid down in Title IV of the Consolidated Law compounding legislation on banking and lending activities, as provided for in Legislative Decree no. 385 of 1 September 1993, or of any other insolvency procedure applicable, the contracts relative to each dedicated asset continue to be regulated by the provisions contained hereunder. The bodies responsible for the procedure provide to promptly pay up the liabilities to be covered with the assets, within the limits thereof, according to the deadlines and other terms established in the respective pre-existing contracts. The bodies responsible for the procedure may transfer or entrust to banks the management of the assets and legal relationships inherent to each dedicated asset and relative liabilities.

19. Upon the termination, also early for whatever reason, of the service contract or of the relationship through which the amounts are allocated or the management assigned for the works, installations, networks and equipment needed for the provision of the public services in relation to which CDP S.p.A. or any other authorised lending institution has granted the financing, the compensation due to the party withdrawing from contract is primarily destined to pay the credit held by CDP S.p.A. and by other financing bodies considered hereunder. The withdrawing party will not dispose thereof until the credit held by CDP S.p.A. is fully paid up and cannot be claimed by any creditor other than CDP S.p.A. or by any other financing body considered herein. The new manager, without discharging the original debtor from his/her debt with CDP S.p.A., takes charge of any eventual residual debt with CDP S.p.A. and with other financing bodies. The contracting body and, if provided for, the company owning the works, installations, networks and equipment, jointly guarantee the residual debt until a new manager is indicated. The financing granted by CDP S.p.A. is regulated by the provisions laid down under Paragraphs 3 and 4 of Article 42 of the Consolidated Law on banking and lending activities pursuant to Legislative Decree no. 385 of 1 September 1993.

20. Except for any proxy provided for in the Charter of CDP S.p.A., the administrative body of CDP S.p.A. decides on the fund collection operations requiring the obligation of reimbursement, whatever the form thereof. With no prejudice to the provisions made under letter b) of Paragraph 7 of this Article, they do not fall under the ban on collecting savings from the public provided for under Article 11, Paragraph 2, of the Consolidated Law on banking and lending activities pursuant to Legislative Decree no. 385 of 1 September 1993, nor under the quantitative limits placed on the collection of savings set out in current legislation, nor under Articles 2410 through 2420 of the Civil Code. In each issue of bonds, it is possible to appoint a common representative of debt holders, who will defend their interests and, being the exclusive representative thereof, will exercise the powers attributed to him at the time of his appointment, and approve any change in the terms of the operation.

21. The provisions made under Article 3, Paragraph 13, of Law no. 20 of 14 January 1994 apply to the ministerial decrees issued in compliance with the provisions contained in this article.

22. The publication on the Official Gazette of the decrees set forth in Paragraph 3 shall be made in application of the obligations set forth in current legislation for the establishment of a company.

23. All the actions and operations implemented for the transformation of the Cassa Depositi e Prestiti S.p.A. and for the transfer and contribution of funds provided for under this Article are exempted from taxes, both direct and indirect.

24. All the deeds, contracts, transfers, services and formalities carried out by the separate management envisaged in Paragraph 8, relative to the fund collection and allocation, whatever the form, as well as to the execution, modification and settlement thereof and to the pledging of guarantees of any

type, including collateral, by anybody and at any point in time, are exempted from stamp and registry taxes, mortgage and cadastral taxes, as well as from any other indirect tax, due or royalty. The withholding tax laid down in Paragraphs 2 and 3 of Article 26 of Presidential Decree no. 600 of 29 September 1973 on accrued interest and other income from the current accounts dedicated to the separate management set forth in Paragraph 8, does not apply.

25. Income from accrued interest and any other income arising from the securities issued by CDP S.p.A., of any nature and with any duration, is subjected to a substitute tax amounting to 12.50% of the personal income tax, as provided for in Legislative Decree no. 239 of 1 April 1996.

26. The employment relationship of the personnel of the Cassa Depositi e Prestiti S.p.A. at the time of the transformation thereof, continues and is regulated through collective bargaining and through the law regulating private employment contracts. This will bear no prejudice to the vested rights of the employees of CDP S.p.A. and to the effects of having originally been employed with an entity that was public in nature, including the admissibility to public competitions requiring a given seniority of service, if accrued. The conditions in force at the date of coming into effect of this decree will continue to apply to the personnel already in service at the Cassa Depositi e Prestiti S.p.A. up to the signing of a new contract. On first applying this provision, said personnel cannot be given less favourable economic conditions than they would be entitled to at the date of coming into force of this decree. Sixty days (33) after the transformation, at the request of the personnel already in service at the Cassa Depositi e Prestiti S.p.A., having heard the opinion of trade union organisations, it will be possible to initiate mobility procedures, with priority redeployment at the Ministry of Economy and Finance. The personnel transferred is graded according to the former job level and the equivalence defined in Presidential Decree of 4 August 1986 and subsequent amendments, and placed in the corresponding area and income bracket, or in a position eventually filled in his/her previous service with other public administrations, in case it was higher. The personnel transferred or redeployed in public administrations according to the provisions contained hereunder, will be awarded a pensionable personal salary, absorbable into any subsequent salary rise, equal to the difference in the comprehensive remuneration to which the employee was entitled at the time of the transformation, as outlined by the current CCNL collective labour agreement, and the remuneration due for the job level held at the administration of destination; the benefits due at the administration of destination are eventually paid in addition to the aforesaid personal salary. Within five years from the transformation, the personnel already in service at the Cassa Depositi e Prestiti S.p.A. that continues to hold the employment may request to be permanently redeployed in public administrations according to the procedures and terms provided for under Article 54 of the CCNL for the non-managing staff of the Cassa Depositi e Prestiti S.p.A. over the 1998-2001 four-year regulatory period. The personnel in service at the time of transformation conserves their pension and severance package schemes in compliance with current regulation for public administration personnel. Within six months from the date of transformation, the aforesaid employees may opt for the pension scheme applicable to the personnel hired subsequently to the date of transformation, in accordance with Article 6 of Law no. 29 of 7 February 1979, are enrolled in the compulsory social security scheme managed by INPS and are entitled to the severance package provided for under 2120 of the Civil Code."

Art. 32

Transitory provisions

1. The Directorate General for Development Cooperation continues to operate in compliance with current legislation until the date set out in Article 31, Paragraph 1. As of the aforesaid date, the appropriations provided for under Article 14, Paragraph 1, letter a) of Law no. 49 of 26 February 1987 and the responsibility for the implementation and funding of the interventions approved

and initiated in compliance with the aforesaid law, shall be transferred to the Agency which, within the limits provided for by law, will operate in lieu of the Directorate General for Development Cooperation in the exercise of the rights and in the performance of the obligations arising from said interventions. The regulation laid down in Article 17, Paragraph 13, regulates the modality of the transfer.

2. The report on the projects concluded at the date set out in Article 31, Paragraph 1, shall be drafted by the Directorate General for Development Cooperation. The reporting shall be regulated by the legislation in force at the time of the expenditure.

3. The revolving fund set forth in Article 8 receives the allocations already made for the same purpose as those established hereunder, in compliance with Law no. 227 of 24 May 1977, Law no. 38 of 9 February 1979, Law no. 7 of 3 January 1981 and Law no. 49 of 26 February 1987.

4. The Agency avails itself of the experts described in Article 16, Paragraph 1, letters c) and e), of Law no. 49 of 26 February 1987, already in service at the Directorate General for Development Cooperation at the date of the coming into force of this law, up to a maximum of fifty. Within the date set forth in Article 31, Paragraph 1, the people concerned may opt to remain in service at the Ministry of Foreign Affairs and International Cooperation.

5. The individual employment contracts of the personnel outlined in Paragraph 4 continue to be regulated by current legislation, including the regulation of overseas service, within the limit of positions established under Article 17, Paragraphs 7 and 8, with no prejudice to said personnel's entitlement to participate in the competition procedures to access management positions in the Agency, if in possession of the prerequisites established by law.

6. As of the date established in Article 31, Paragraph 1, the Overseas Agronomic Institute is abolished. The relative functions and the relevant human, financial and instrumental resources, including implied and explicit legal relations, are concomitantly transferred to the Agency, without initiating any liquidation procedure, also judicial.

7. Non-governmental organisations already recognised to be eligible in accordance with Law no. 49 of 26 February 1987, and considered as non-profit organisations of social utility (ONLUS) according to Article 10, Paragraph 8, of Legislative Decree no. 460 of 4 December 1997, at the date of coming into force of this law, will be listed in the single Register of ONLUS, at the petition thereof to the Italian Revenue Agency. In any case, for the first six months after the coming into force of this law, or until the moment of registration, the recognition of the eligibility awarded thereto according to Law no. 49 of 26 February 1987, remains effective.

Notes to Art. 32:

- The text of Article 14, Paragraph 1, letter a) of Law no. 49 of 26 February 1987 (New discipline of Italian cooperation in Developing Countries) reads as follows: "a) the appropriations recorded under the established heading of the estimated expenditures of the Ministry of Foreign Affairs and International Cooperation and determined annually according to the procedures set forth in Article 11, Paragraph 3, letter d), of Law no. 468 of 5 August 1978, as replaced by Article 5 of Law no. 362 of 23 August 1988".

- Law no. 227 of 24 May 1977, is named "Provisions on the assurance and financing of loans inherent to the export of goods and services, the performance of works abroad and for international economic and financial cooperation.

- Law no. 38 of 9 February 1979, is named "Italian Cooperation with Developing Countries".

- Law no. 7 of 3 January 1981, is named: "Additional appropriations for public aid in favour of Developing Countries".

- Law no. 49 of 26 February 1987, is named: "New discipline of Italian cooperation with Developing Countries".

- The text of Article 16, Paragraph 1 of Law no. 49 of 26 February 1987 (New discipline of Italian cooperation with Developing Countries) reads as follows:

"1. The personnel assigned to the Directorate General for Development Cooperation is made up of

- a) the personnel of the Ministry of Foreign Affairs;
- b) ordinary or administrative magistrates, Advocates of the State, commissioned or appointed according to the procedures laid down by the regulations of their respective institutions, up to a maximum of seven;
- c) experts and technicians hired under a private law contract, as provided for in Article 12;
- d) personnel of the State administration, local administrations and non-economic public agencies under temporary or command contracts, also in derogation of the time limits set forth in current legal and contractual provisions;
- e) expert officials with Italian citizenship from international organisations, up to a maximum of thirty, hired by the Directorate General for Development Cooperation on the basis of criteria equal to the ones set forth under letter c).

- The text of Article 10, Paragraph 8, of Legislative Decree no. 460 of 4 December 1997 (Reorganisation of the tax regulation of non-commercial agencies and non-profit organisations of social utility) reads as follows:

"8) protection and upgrading of nature and the environment, excluding the habitual activity of collecting and recycling urban, special and hazardous wastes described in Article 7 of Legislative Decree no. 22 of 5 February 1997."

Art. 33

Financial Backing

1. The costs deriving from the investment expenditure of 2,120,000 euros for year 2014 laid down in Article 17, are covered through a corresponding reduction in the Fund for Economic Policy Structural Interventions set forth in Article 10, Paragraph 5, of Decree Law no. 282 of 29 November 2004, converted with amendments into Law no. 307 of 27 December 2004.

2. The costs deriving from the personnel expenditures laid down in Article 19 and estimated to be 5,301,962 for year 2015 and 5,279,238 a year starting from 2016, are covered through a corresponding reduction in appropriations on current account authorised by Law no. 49 of 26 February 1987, as determined under Table C annexed to Law no. 147 of 27 December 2013.

3. Pursuant to Article 17, Paragraph 12, of Law no. 196 of 31 December 2009, the Minister of Foreign Affairs and International Cooperation monitors the costs outlined in Paragraph 2 of this article and reports thereon to the Minister of Economy and Finance. In case of an ongoing or expected deviation from the estimates laid down in Paragraph 2, the Minister of Economy and Finance, having heard the Minister of Foreign Affairs and International Cooperation, proceeds, through a ministerial decree, to reduce, to the extent necessary to cover the higher cost deriving from the monitoring activities, the appropriations on current account relative to the scalable expenses contained in Article 21, Paragraph 5, letter b), of Law no. 196 of 2009, made to the «Development Cooperation» programme of the «Italy in Europe and in the World» mission in the estimated expenditures of the Ministry of Foreign Affairs and International cooperation. The Minister of Economy and Finance reports, without delay, to the Chambers of Parliament with an ad hoc report on the causes of the deviation and on the adoption of the measures laid down in the second sentence.

4. The Minister of Economy and Finance is authorised to make the necessary budget adjustments through the issue of ministerial decrees.

Notes to Art. 33:

- The text of Article 17, Paragraph 12, of Law no. 196 of 31 December 2009 (Law on accounting and public finance) reads as follows: "12. The safeguard clause laid down in Paragraph 1 must be effective and automatic. It must indicate the spending reduction or revenue raising measures, without resorting to the reserve fund, in case of ongoing or expected deviations from the estimates indicated in legislation, in order to provide the necessary funding. In this case, through established monitoring activities, the Minister of Economy and Finance, having heard the competent Minister, adopts the measures indicated in the safeguard clause and reports to the Chambers of Parliament

through an ad hoc report. The report illustrates the causes that determined the deviations, also with a view to reviewing the data and the methods used in quantifying the costs authorised in the aforesaid laws".

- The text of Article 21, Paragraph 5, letter b), of Law no. 196 of 31 December 2009 (Law on accounting and public finance) reads as follows: "5. In each programme, expenses are subdivided into:

b) scalable expenses."

Art. 34

Coming into force

1. The law hereunder comes into force on the day following its publication on the Official Gazette.

The present law, which carries the seal of the Italian State, will be included in the Official collection of statutory acts of the Italian Republic. This is a law of the state and must be obeyed and enforced by any person it applies to.

Dated in Rome, on 11 August 2014

NAPOLITANO

Renzi, the President of the Council of Ministers

Mogherini, Minister of Foreign Affairs

Endorsed by the Minister of Justice: Orlando