



ANNUAL  
REPORT  
**2017**



ITALIAN AGENCY  
FOR DEVELOPMENT  
COOPERATION

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2017

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# 01 OUR STATISTICS



What we spent  
in 2017

SPENT IN 2016  
**340 million**  
*(inc. 290 for activities)*

SPENT IN 2017  
**502 million**  
*(inc. 486 for activities)*

What we allocated  
(amounts approved for initiatives)

APPROVED IN 2016  
**445 million**

APPROVED IN 2017  
**645 million**  
*(inc. 465 for 2017)*

Allocations  
for initiatives

2017  
**545 million**

2018 (BUDGET)  
**592 million**  
*(ordinary allocations uplifted by estimated  
funding from International Missions Fund,  
Africa Fund, 0.8% of income taxes)*

AGENCY  
COSTS 2017

**16 million**

*Less than 5 euro in general expenses  
for every 100 euro spent on activities*

Allocation for calls  
for proposals and procedures

**95 million**

*in support of the projects  
of civil society organisations*

**Over 1,000  
active projects  
around the  
world**

*more than 200 approved in 2017*



Where we invested  
in 2017

*(Analysed by OECD-Dac markers and categories. A project may fall into several  
categories when it covers different aspects in significant way)*

 Education  
**21,6 million**

 Health  
**83,7 million**

 Gender  
**23,4 million**

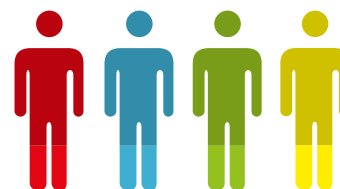
 Food security and rural development  
**63,6 million**

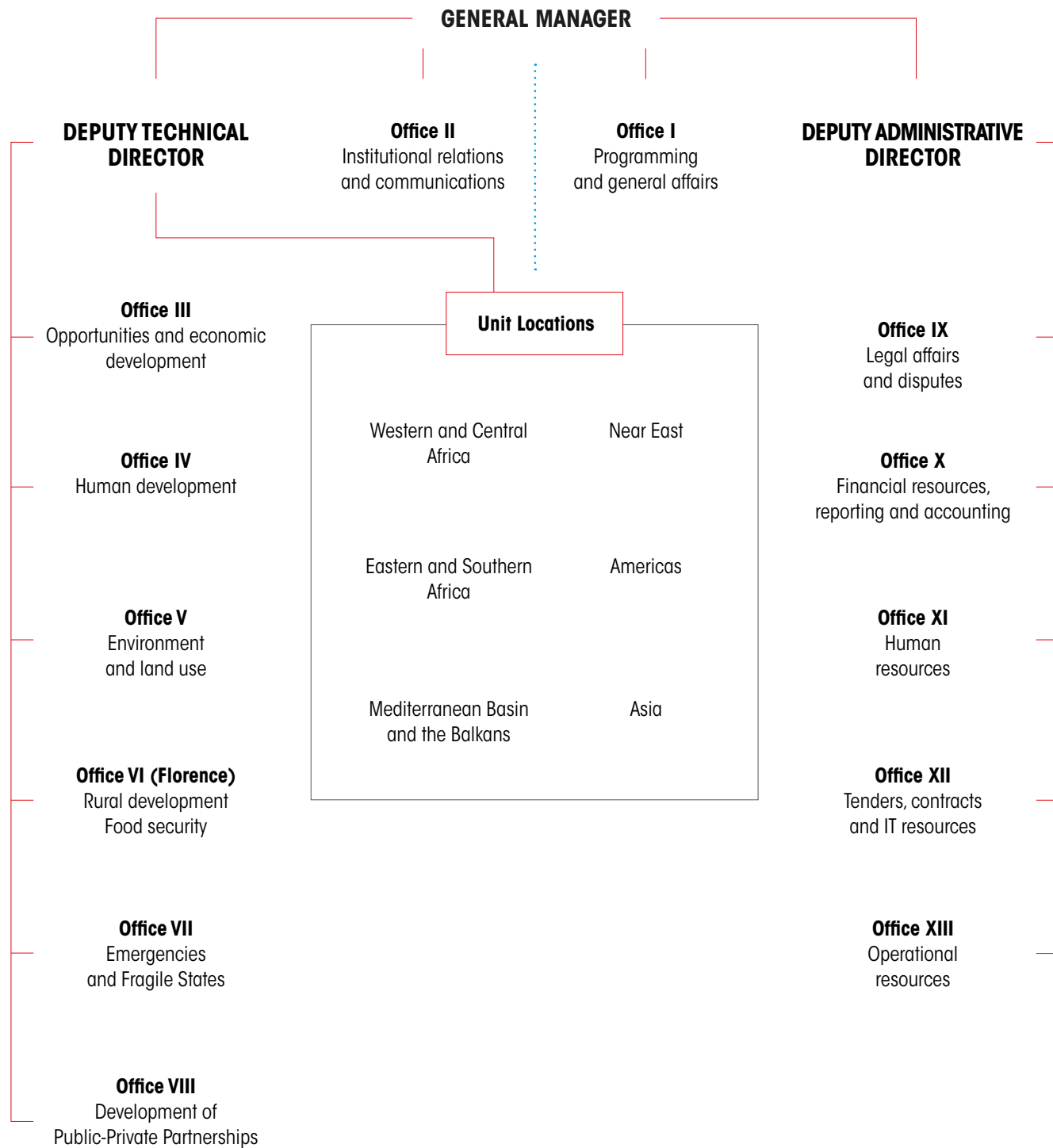
 Climate change and safeguarding biodiversity  
**131 million**

 Peace, stabilisation  
**44 million**

Personnel

**252**











# A FORUM FOR ADDRESSING DEVELOPMENT ISSUES

**Laura Frigenti**

*Director Italian Agency for Development Cooperation*

**T**his second year in the life of the Italian Agency for Development Cooperation is not easily summarised. Work to consolidate and strengthen our internal functions continued, alongside major efforts to identify our strategic priorities, align our approach more closely with the 2030 Agenda and the spirit of reform embodied in Law 125, and build our international presence. In short, we have started to lay the foundations for a more modern approach to development cooperation in terms of content, greater participation in initiatives with numerous external actors, and the more incisive presentation of topics and solutions at an international level.

There are many potential examples, but I will mention just a few from among the most significant. The first relates to the migration and development issue. The Agency considered it essential to analyse in detail the information available, in order to facilitate dialogue based on facts rather than perceptions, in an area of such great importance for our work. We did this in collaboration with one of Italy's most prestigious Universities, to ensure that our position was backed by all the necessary rigour and rectitude. This analysis was then translated into methodologies that resulted in the definition of calls for proposals open to the civil society organisations, local cooperation bodies and the private sector. We used numerous international platforms to present our ideas, from the European Parliament to the United Nations and the World Bank, because we think it important for the leadership role taken by Italy in this area to be widely recognised, especially within the community responsible for global development.

Another important example involves the attention paid to actors operating

in the field of international cooperation and the effort made to "organise" a universe that, precisely because of its wealth and diversity, tends on occasion to run off in different directions. Considerable efforts have been made in this regard. These included expanding the criteria for registration as a civil society organisation, holding a summit for groups living outside their homelands that, for the first time, was able to map all the organisations active in Italy, consulting with the private sector in preparation for a call for proposals, and coordinating actively with local bodies in order to maximise the release of synergies among the various activities funded.

Lastly, we also focused great efforts on enhancing our international presence, culminating in the organisation in Florence of the first G7 Meeting of Cooperation Agencies. Probably for the first time in our history, this assured Italian cooperation of a central role within the global development community.

We plan to continue this work throughout 2018, by gathering together the many important experiences of Italian actors and projecting them outward in an international context. Our objective is to bring to the forefront of international discussion the multitude of stories that comprise Italy's contribution to the major development issues, in the conviction that - aside from the generosity and solidarity for which we are known - Italy has a crucial role to play in clarifying the analytical framework and the resulting technical solutions. In addressing this important task, our Agency seeks to offer a forum available to all, consistent with the spirit of Law 125.



# 03 CREATORS OF DEVELOPMENT

**Emilio Ciarlo**

*Manager International Relations and Communications*



**I**taly has always been a country active beyond its borders. Both within and outside the national boundaries, a thousand communities, tongues, towns and territories live steeped in their individual histories and identities. Throughout the world, thousands of Little Italys, thousands of missions, thousands of examples of generosity, inventiveness, effort inevitably lead back to a creative Italian and tell us of a charisma not found elsewhere.

This makes us creators of development.

We always ask ourselves the same questions: how does economic growth commence, why there and then, how do we release the forces that promote it? To what extent can it be programmed, planned, guided? Is an algorithm, a chart, a theoretical consensus reached by well-paid experts better than the project of some benefactor, or the creative entrepreneurship of men or women funded simply to express themselves? How far do we need to move away from charitable giving, increasingly hard to justify, in order to stimulate common action among communities far and wide that generates joint development and multiples prosperity, without feelings of guilt or shame?

While in emergencies, faced with extreme difficulties, action to help the "final billion" trapped in underdevelopment is unavoidable, it is increasingly important for us to promote freedom and fairness, in substance rather than merely in form, in order to create development.

By tradition and inclination, Italy is a creator of development. Those who create also understand both programming and its limits, they plan but recognise the "serendipity" identified by Horace Walpole: "discoveries, by

accidents and sagacity, of things which they were not in quest of".

Sometimes the Italian way seems to represent "divergent cooperation" that continues to invest in people and communities with innovative projects of great generosity, rather than major five-year plans. An approach that believes more in towns and territories than in States and nations, that seeks to develop intuitions and strives for excellence in order to make best use of the resources and skills afforded by our country.

Creativity indeed comprises and feeds on key elements for the promotion of inclusive, peaceful and stable societies: self-confidence, broad-mindedness, interest in complexity and the ability to take risks, interpersonal skills.

In the near future, our Agency must not only enhance our organisation, procedures, transparency and effectiveness - not trivial tasks - but also adapt the machine, the procedures, the training of personnel and our communications with them to our "creators of development" profile.

We believe that working from this viewpoint and with this spirit is part of our role in the international debate on development and international solidarity, still unaware of the massive challenges to democracy, equity and sustainability to be tackled and unprepared for the radical rethinking that must take place.







# 04 PEOPLE

## HUMAN DEVELOPMENT

The 2030 Agenda for Sustainable Development proposes a vision centred on people, their opportunities, their rights and the choices of each person, so that everyone can attain their full potential. Development of the abilities of individuals and achievement of their well-being is facilitated by good health, living in a safe environment and having access to education and job opportunities. Sustainable development therefore involves not just economic factors and the resources possessed by a given society, but also the ways in which they are distributed and used to guarantee such fundamental services as education and health, improve the everyday living conditions of populations and fight poverty and socio-economic inequalities.

Human development also means adopting an approach that takes account of the entire life span, as the opportunities and choices made at a given time may influence the outcome of those that come later. Conditions in the early years of life (including while in the womb) are especially crucial for the healthy physical, mental and emotional development of children, as is access to quality education in preparation for a full life. The three fundamental dimensions of human development - health, knowledge and decent living standards - therefore tie in with a number of key social requirements: safeguarding and promotion of rights, gender equality, participation in political and community life, social justice, socio-economic inclusion for persons with disabilities, environmental sustainability and safety.

In this spirit, the Agency has worked in partner countries to establish the most suitable social and institutional environment for the promotion and development of men and women.

## HEALTH

Health – understood as a right and at the same time as a condition and opportunity for development – continues to be a priority action sector for Italian cooperation, together with gender equality and the rights of minors and persons with disabilities.

In 2017, we continued the **fight against infectious diseases** such as HIV/AIDS, Tuberculosis and Malaria, partly via support for global partnerships like the Global Fund (GFATM) and GAVI, the Vaccine Alliance. Collaboration with the GFATM was enhanced by preparation of the first call for proposals - from Civil Society Organisations, Universities and Research Bodies - for the allocation of funding to fight the three diseases worth 5% of the three-year contribution totalling 140 million euro made by Italy to the GFATM.

At the same time, fresh support was given to partner countries for the pursuit of universal healthcare and the enhancement of people-centric health systems, with particular reference to primary care and family health services, as well as to improvement of the hospital networks in Sudan, Palestine, Bolivia and Afghanistan.

The strong focus on **women's health** has included activities addressing reproductive and sexual health and rights, as well as the response of healthcare systems to gender violence in the context of multi-agency action. The Agency is also deeply involved in multi-sector activities to fight malnutrition in certain countries of sub-Saharan Africa, such as Sudan and Burkina Faso, and supports UNICEF in a regional programme to tackle child malnutrition in Western Africa.

Various additional activities address priority and emerging issues, such as the prevention and control of **non-transmissible chronic diseases**



(cardiovascular diseases, diabetes, tumours, respiratory diseases) and early childhood development. Combined with mental illnesses, chronic diseases represent an increasing proportion of the diseases faced by low-and middle-income countries. Against this background, in addition to the activities administered directly, the Agency also draws on technical assistance from the World Health Organisation for the implementation of regional projects in Africa to tackle the tobacco consumption epidemic, defined in the Lancet as “the greatest historical opportunity for public healthcare in Sub-Saharan Africa”.

## EDUCATION

The activities of the Agency in the education sector are consistent with the standards of the international community and the requests and national policies of our partner countries. Consistent with SDG 4 (“ensure inclusive and equitable quality education and promote lifelong learning opportunities for all”), the strategy adopted is to offer inclusive, quality education services at all levels - from primary schools to Universities - using student-centric teaching methods. The adoption of an inclusive approach to the comprehensive development of individuals and society is intended to safeguard equal opportunities and the rights of persons with disabilities. Indeed, as in the programmes under way in Salvador, particular attention is given to the education of boys and girls with disabilities, who are at greater risk of exclusion and often victims of social stigma, with difficulty in gaining access to both formal and informal education systems. The Agency also considers **post-graduate programmes and degrees** to be a fundamental component of national education systems, given their multiplier role with trickle-down benefits for all lower levels. Activities addressing local needs facilitate development and innovation in specific sectors, equipping the country with initial human capital. The Universities also play an important role in policy and decision making and, as such, are considered to be privileged counterparts. During 2017, the Agency worked in this sector on specific training initiatives and to prepare a long-term programme of study grants covering strategic action areas in the

partner countries, designed to strengthen their institutions. An objective of this programme is to establish, on the one hand, medium/long-term relations between the Agency and the academic world in Italy and, on the other, between the Italian cooperation system and the Universities in priority countries, drawing on the skills and strengths of our Florence office and leveraging our foreign branches.

## PROTECTION AND PROMOTION OF THE RIGHTS OF MINORS AND JUVENILE JUSTICE

Integrated action to protect and promote the **rights of minors** takes account of such overarching topics as gender matters and the inclusion of persons with disabilities. The Agency has continued efforts to ensure that boys, girls and adolescents can grow in a secure environment, with access to equitable education and free from all forms of exploitation.

Activities in Ethiopia are designed to increase population awareness and make the registration of births a normal practice for the acquisition of rights, thus helping to protect minors from the risk of human trafficking and serious exploitation.

The PAPEV regional project in Western Africa seeks to develop a regional strategy for the protection and promotion of child rights, consistent with the international Conventions for the creation, in the countries concerned, of services for the protection of abused children and the return of those trafficked to their original families.

Projects from Latin America and the Caribbean to the Middle East support regulatory reform in the areas of **child rights and the improvement of living conditions in prisons**, where many minors are required to serve their sentences together with adults. The Italian experience is especially valued in countries that invest in the recovery and rehabilitation of juvenile offenders, resulting in the introduction of alternatives to imprisonment and the training of personnel at all levels, from magistrates to prison police.



## ANALYSIS

# HUMAN MOBILITY: A DEVELOPMENT RESOURCE

Alongside the management of emergencies, the Agency works in countries of origin and transit on the link between migration and development. The innovative approach takes two directions: formulating a theoretical framework and supporting activities within the framework that are consistent with each other. The principal objective of the Agency in this area is to guarantee smooth, safe and orderly migration based, above all, on free choice. Over the past year, the Agency has worked with the University of Tor Vergata to publish a **Report entitled “For sustainable migration: action in the countries of origin”**. This Report identifies seven actions that, based on international experience, can help to ensure safe, orderly and smooth migration. These consist of pro-active policies for the jobs market, training paths, education, support for circular and return migration, involvement of communities outside of their homelands, and the protection of families left behind.

The Agency supports its analysis and research with communications, advertising and participation in various working parties. Indeed, aside from numerous conferences, the Agency is also involved in various national and international processes on the topic of migration. In addition to speaking at the Global Forum on Migration and Development, the Agency coordinates - together with MAECI - the Working Party on International Cooperation,

in the context of the National Action Plan against Trafficking and Serious Exploitation; at a European level, the Agency is a member of the “Fragility, Crisis and Migration” working party of the Practitioners’ Network. In this way, the Agency provides the tools to become properly informed to institutions, the media and civil society organisations, thus combating simplifications and completing the existing narrative, which is limited to the structural causes of migration.

The administration and funding of migration projects, focused on the countries of origin and transit, fall within the theoretical framework contained in the Report. In collaboration with various implementing bodies, such as OIM, UNIDO and UNDP, the Agency promotes numerous activities linked to the seven actions identified, giving particular attention to the priority countries identified in the Programme.

A number of different projects have been developed with OIM, in particular, with a view to increasing awareness about the risks of unregulated migration, while also concentrating on the development of entrepreneurial activities among migrants. Additionally, in the context of funding for migration matters, Italy contributes 102 million euro to the EU Emergency Trust Fund for Africa. In preparing calls for proposals reserved for Civil Society Organisations, the migration-development binome receives preferential treatment during the selection process. Lastly, the Agency has financed, promoted and organised the first **“Summit for expatriate communities”** to be held in Italy. This lengthy process of listening and debate among the expatriate communities present in the principal Italian cities culminated with a well-attended final meeting in Rome, at the end of which a final Proposal Document was approved ([https://www.aics.gov.it/wp-content/uploads/2017/11/Diaspore-proposte-per-Cooperazione-italiana\\_NOV2017.pdf](https://www.aics.gov.it/wp-content/uploads/2017/11/Diaspore-proposte-per-Cooperazione-italiana_NOV2017.pdf))





## **PROMOTION AND SAFEGUARDING OF WOMEN'S RIGHTS**

The Agency continues to work with partner countries to promote women's rights and female empowerment. The two-pronged approach seeks to highlight the gender aspects of all activities (gender mainstreaming) and to invest directly in this area. New initiatives in favour of women have been launched in such priority countries as Bolivia, Egypt, Ethiopia and Palestine, with the objective of promoting the "placement of gender topics at the centre of discussion" and improving the living conditions of women. This includes facilitating their access to micro-credit and income-generating activities, as well as tackling all forms of violence against women. Consistent with the international Conventions and SDGs, the Agency is especially committed to enhancing the presence of women in government institutions and promoting laws that protect them, thus allowing them to play an active role in society and fighting inequality.

In Senegal, the Agency is implementing a Programme that supports the system for devising, monitoring and evaluating gender-aware public policies (PASEMEPP) and, in Palestine, where Italy plays the role of lead European donor, the Agency contributes to the development of national policies for the elimination of gender violence and the promotion of gender equality, via the provision of institutional support in collaboration with UN Women (SIGEWE). Empowerment initiatives address female entrepreneurship, with reference to the rural environment and food safety, in line with the outcome of EXPO 2016. In this regard, GEMAISA II is an important regional gender mainstreaming initiative in Egypt, Lebanon and Tunisia, and UN WOMEN is working on a regional economic empowerment initiative in central America.

Further efforts to reduce gender inequality include social protection,

education and the professional training of women and girls, in addition to the sexual and reproductive health programmes implemented with funding from UNFPA.

Projects in the area of human rights seek to combat discrimination and violence against women and girls, paying especial attention to such practices as female genital mutilation and early marriage.

## **DISABILITIES**

The traditional commitment of Italian cooperation to promoting the rights of persons with disabilities continued during 2017, via support for institutional enhancement and the empowerment of civil society organisations in the various countries. The Agency is in fact active in numerous countries: Sudan, South Sudan, Burkina Faso, Guinea Bissau, Tanzania, Ethiopia, Kenya, Libya, Tunisia, Palestine, Iraq, Syria, Afghanistan, Albania and Peru, with initiatives that support the recognition of rights and access to infrastructure, healthcare services, education, training, jobs and new technologies.

The "Disabilities Guidelines" document was updated during 2017, following a process that also involved Italian institutions and civil society organisations in the spirit embodied in the 2030 Agenda.

At a European level, the Agency is an active partner in the Bridging the Gap II – Inclusive Policies and Services for Equal Rights of persons with Disabilities project funded by the European Commission. This initiative, pursued together with Spain, Austria and two international civil society organisations, seeks to contribute to the achievement of the SDGs via socio-economic inclusion, the promotion of equality and non-discrimination against persons with disabilities, in line with the UN Convention on the rights of persons with disabilities (CRPD), in Burkina Faso, Sudan, Ethiopia, Ecuador and Paraguay.

ANALYSIS

# PROTECTION AND PROMOTION OF THE RIGHTS OF DISABLED ORPHANS IN KHARTOUM

The objective of this initiative, active in Sudan since 2015, is to help Sudanese institutions enhance their skills in the sector, in order to improve the living conditions of disabled orphans who suffer double discrimination.

At an institutional level, the project assists the Sudanese authorities to implement mainstreaming policies, in line with the Convention on the rights of persons with disabilities, with a

view to facilitating the sharing of experiences and knowledge at State level. The objective is to guarantee full enjoyment of the rights of persons with disabilities and, in that direction, efforts have included the organisation of courses in sign language (ISL) for operators within the various ministries, thereby guaranteeing equal access to their services by deaf persons.

Specific activities for orphaned children are available at three orphanages in Khartoum: Mygoma, Dar Almstakbel for girls and Dar Amstakbel for boys. These involve the use of hydrotherapy, with training courses for instructors and children in collaboration with the Sudan Swimming Federation and the National Council for Persons with Disabilities, as well as physiotherapy and psychological support.

The infrastructure of the orphanages has been reorganised and teaching materials, games, aids and specific equipment have been provided in order to facilitate social inclusion, including the organisation of courses in music, singing, theatre and cooking.

In addition, the process of including disabled children in primary and secondary schools has begun, with the promotion of training activities to facilitate the professional and social inclusion of adolescents via the production of handicrafts.





# 05 PROSPERITY

Encyclopaedias define “prosperity” as: “a successful, flourishing or thriving condition evidenced, in particular, by economic well-being”. We talk of the *prosperity* of a family, a business, a country or a nation and, in this regard, the 2030 Agenda for Sustainable Development makes the following commitment: “*ensure that all human beings can enjoy prosperous and fulfilling lives and that economic, social and technological progress occurs in harmony with nature*”.

Prosperity therefore as inclusive, sustainable economic growth for all.

This principle provides the basis for understanding the reason for and role of the private sector in development cooperation activities, as a driver of this growth.

Why the private sector? Which private sector? What actions should be encouraged and promoted? These are questions that the international community has been trying to answer for some years, proposing partnerships and innovative projects capable of making an impact in cooperation partner countries.

The struggle against poverty involves creating decent jobs, the effects of climate change are combated by industrial reconversion in many partner countries, and malnutrition is fought by supporting virtuous food chains. The Agency invests in the full involvement of the private sector, inviting businesses and their partners not only to embrace a sustainable development model that is respectful of rights, but also to discover the numerous joint development opportunities inherent in each of the 17 Objectives. It would be a mistake and a waste of energy and growth potential to do without the contribution from the private sector, from men and women who, with their businesses, are able to promote together *economic, social and environmental progress* in partner countries and also at home.

A central theme linked to prosperity is *innovation*. Working together with private foundations, the civil society organisations dedicated to this topic and trade associations, the Agency seeks to create a network and unite the available financial and other resources, in order to achieve sustainable growth via social and technological innovation. During 2017, the Agency held discussions with businesses, social entrepreneurs, Universities and specialist think tanks to obtain support for innovative projects with a

significant and sustainable socio-economic impact.

The first **Call for innovative ideas**, funded by 5 million euro, was launched in July 2017 and has gone in exactly this direction: support for new ideas and start-ups and the strengthening of existing projects that, starting from for-profit and business objectives, make innovation, inclusiveness, partnership quality and attention to the needs of local communities their key characteristics.

This new and unexplored direction for Italian cooperation was dedicated an “ideas lab” during the 2017 European Development Days in Brussels, about which the Agency continues to reflect and make plans in discussions with the National Council for Development Cooperation and the Inter-ministerial Committee for Development Cooperation. In this way, we gather the requests and experiences of other stakeholders and international partners, in order to improve the form of the public-private partnerships that are established.





## INITIATIVES AND PARTNERSHIPS IN AFRICA

The activities of the Agency throughout the world seek to stimulate sustainable economic growth, capable of involving the various actors that contribute to the process.

In Senegal, the *Platform supporting the private sector and the Senegalese community in Italy (PLASEPRI)* – PLASEPRI has made it possible to support 600 businesses, including 200 led by women and 60 by expatriate Senegalese, with the creation of more than 2,500 new jobs. Again in that country, two major programmes have been funded to support the *National Agricultural Investment Plan*, PAPSEN, the *National Agricultural Investment Programme* and the *Italy-Senegal Agricultural Programme*, PAIS, and therefore contribute to improving the food security of the Senegalese population. The actions of these programmes seek to support agricultural production via the rational utilisation and safeguarding of natural resources, access to markets, improved governance in managing the factors of production and the commercialisation of agricultural products.

Agency work in Tunisia has historically focused on development of the economic sectors, prioritising support for Tunisian SMEs and the public sector. In this context, a 73 million euro line of credit has been made available to SMEs, and other concessional loans (145 million euro) have been allocated to fund investment by the Tunisian public administration in related goods and services.

In Ethiopia, the Agency contributes to the creation and activation of four integrated agro-industrial parks (IAIP) in order to help the Ethiopian government develop the sector. This cluster of independent businesses has been grouped together to share infrastructure and services, taking advantage of economies of scale in the transformation of agricultural products for export or domestic sale. Rural Transformation Centres (RTC) are situated in the agricultural areas that surround the parks and will act as collection centres, with initial processing of the raw materials, as well as points for reference for farmers who need technical support, fertilisers and access to credit. The objective is to stimulate the industrialisation of Ethiopia and increase the value-added content of the agricultural products exported, drawing on the immense agro-industrial potential of the country. The Ministry of Industry, as leader of the project, in collaboration with UNIDO and FAO, has identified the *agro-industrial corridors* of greatest potential in the country, having regard for existing products, the opportunities for expanding production, development priorities, existing infrastructure and logistics.

New programmes are at the start-up stage or in the process of definition in Sub-Saharan Africa, especially in the home countries of migrants, with a view to responding to the crises by offering them opportunities.

As a result of the understanding reached with the African Development Bank, signed by Deputy Minister Giro and Chairman Adesina, two programmes of common interest have been identified for the development of youth and female entrepreneurship in Mali, together with the creation of an “InnoLab” for Boost Africa within the Jobs for Youth Programme.

InnoLab is a multi-donor fund, already supported by other international cooperation organisations, that will be allocated 2.5 million euro by the

Agency. This initiative is intended to result in development, job opportunities, businesses and the transfer of technologies and technical know-how, rewarding the entrepreneurial efforts of new generations of Africans and targeting young people and women in the countries of origin or transit of migrants.

An operational agreement reached with the World Bank, worth 2.5 million euro, will enable the Agency to participate in the “Tubaniso Agribusiness and Innovation Center (TAIC)”, in Mali, close to the capital city of Bamako.

This initiative is also linked to the need to develop entrepreneurship in the Sahel countries (from Senegal to Chad), with a particular focus on the agri-food sector, which is crucial for the achievement of inclusive economic growth in the target countries, while also being a sector of excellence within the Italian system.

This three-year pilot project, with a regional approach that leverages numerous initiatives in various countries, is designed to create a new generation of entrepreneurs and start-ups, in order to identify innovative solutions to development challenges.

It is increasingly clear that there is a need to create virtuous ecosystems that support the growth of new businesses and SMEs, via the improvement and development of their destination markets and supply chains, the enhancement of human capital, access to financial markets, cultural growth and improvement of the legal and regulatory framework.

The Tubaniso Agribusiness and Innovation Center (TAIC) has 60 hectares of agricultural land, with more than 100 buildings, and seeks to become the principal incubator and business-SME accelerator in the region. In addition, start-ups and SMEs will be offered intensive training (over 500 persons per month), hospitality and development support for the generation of revenues and employment, as well as to test and commercialise hundreds of new technologies and innovations every year.





## ANALYSIS

## INCLUSIVE BUSINESSES AND PUBLIC-PRIVATE PARTNERSHIPS

At the end of July 2017, the Agency published the first “Open procedure for the selection of innovative entrepreneurial projects to be admitted to funding/co-funding and implemented in cooperation partner countries in pursuit of the Sustainable Development Goals”. The idea was to encourage the development of a business model that is sustainable in production and consumption terms, in line with SDG 12, takes account of its social and environmental impact on local communities and is based on the principles governing the effectiveness of the public resources allocated to cooperation, especially those requiring partner countries to “own” the process of involving the private sector in the dynamics of growth, partnership via an invitation to enhance South-South cooperation and mutual accountability. Twenty-five businesses, including four start-ups, presented innovative entrepreneurial projects in response to the Sustainable Development Goals and these are currently under

examination by the evaluation committee. This represents an initial, but significant, step towards the involvement of Italian businesses in cooperation activities. The Agency will provide up to 50% co-funding for the projects (up to 100% in the case of start-ups), which will commence during 2018.

Turning to the public-private partnerships, during 2017 the Agency participated in a series of initiatives dedicated to new tools for cooperation activities, including the *Smallholder and Agri-food SME Finance and Investment Network (SAFIN)*, which is an international network led by the International Fund for Agricultural Development (IFAD) that seeks to overcome the shortfall of 150 billion dollars in funding needed to grow and strengthen small agricultural producers in developing countries. The contribution of Italian cooperation to the Tubaniso Agribusiness and Innovation Center (TAIC) in Mali was approved recently. This business incubator and innovation centre is located just a few kilometres from Bamako, with 60 hectares of agricultural land and more than 100 buildings available to businesses. The TAIC, supported by the Mali Ministry of Agriculture and the World Bank, seeks to become the principal incubation and business-SME accelerator in the Sahel region, working together with a specialist research centre: ICRISAT - *International Crop Research Institute for the Semi-Arid Tropics*.







# 06 PLANET

The 2017 Overshoot Day, when the natural resources offered by the Planet ran out, was 2 August, highlighting the gap between consumption (ecological footprint) and availability (bio-capacity of the Planet).

This means that 1.7 Planets would be needed to satisfy the demand for global natural resources and tackle the effects of climate change. Humans - and our social and economic development model - are now faced with two options: carry on regardless, risking a rise in global average temperatures by more than 4.5°C (two point five degrees more than the threshold established at COP21 Paris), with an evident environmental impact, including an average rise in sea levels by 75 cm, or change the development models to halve greenhouse gas emissions by 2050 and, therefore, reduce the more extreme risks without completely eliminating the environmental impact.

Agricultural and forestry activities are among the main contributors to greenhouse gas emissions, contributing 24% and coming second only to the energy sector (35%). Considering the combined effects of deforestation and the increase in grazing land and cattle raising, the agri-forestry sector is one of those responsible for increasing the global greenhouse gas effect. This is the cause of higher average temperatures, aridity and drought, as well as alteration of the distribution of rain, which is increasingly concentrated in certain periods of the year. All these factors adversely impact on agricultural yields, especially in countries whose climatic conditions are not intrinsically advantageous. Despite generating fewer greenhouse gases, poor countries suffer their adverse consequences the most. The effect of rising sea levels on coastal areas and even on the survival of certain Pacific Island populations, which risk becoming completely submerged, gives cause for concern,

especially if current forecasts of a rise in ocean levels by 150 cm per annum by 2100 come true.

In this global context, development cooperation active in the poorest countries of the Planet cannot avoid taking environmental changes into consideration, since they risk undermining the primary sector of those economies, on which millions of people rely. In order to link food security with environmental protection, measures to adjust to climate change have become a key element of the development cooperation agendas of the leading international agencies: Italy too has accepted this burdensome commitment. The environmental sustainability and livability of the Planet and food security, especially in lower latitude regions, are two sides of the same coin. They are ever more inter-dependent and cannot be ignored when formulating development cooperation policies. The debate on the future prospects for rural development, especially in Africa, is therefore focused on understanding that poverty is a complex phenomenon, especially in a rural context. Considering the central nature of agriculture, not just for economic growth strategies, but also for the fight against poverty, it is important to analyse the role that the various "rural worlds" may play in contributing actively to, while also benefiting from, the harmonious development of the Planet. It is necessary to take action in many areas: social inclusion and the role of women in the agricultural sector and the systems of food production; national nutrition policies; R&D for an agriculture that is more sustainable and resilient; the statistics sector, in order to gather data in an increasingly precise and efficient manner; the private and civil society sectors; the fight against food waste, as well as environmental protection, the safeguarding of biodiversity and adaptation to climate change.



## AGRICULTURE AND THE ENVIRONMENT

Increasing attention is dedicated to the interactions among agriculture and health, energy and the environment. Malnutrition and obesity are two aspects of the same poor management of food resources, while the demand for bio-fuels and bio-materials has brought agriculture and energy together in the same market. At the same time, environmental policies have broadened from a purely conservationist vision to the definition of an operational model with multiple uses, linking and creating synergies between production and conservation. This new paradigm has resulted in the agricultural agenda becoming ever more closely connected with those for health and the environment.

Seeking to keep together and pursue all these aspects, Italian cooperation is looking for a new model. It is therefore absolutely essential for environmental and agricultural policies to be consistent: consequently, the Agency has acted in accordance with the guidelines of the *Three-year Programming and Policy Planning Document 2016-2018* (<https://www.aics.gov.it/?news=cooperazione-italiana-approvato-dal-cics-il-documento-triennale-di-programmazione-2016-2018>) for International Development Cooperation and in a manner consistent with SDGs 7, 11, 12, 13, 14 and 15, with a particular focus on target 15.3 (*land degradation neutrality*). The environmental support activities of the Agency focus, above all, on fragile ecosystems, such as the arid and semi-arid regions, small island developing States, forests and mountains. The Agency is implementing environmental programmes in seven priority countries: Ethiopia and Sudan in Sub-Saharan Africa; Egypt and Tunisia in the Mediterranean; Albania in the Balkans; Lebanon and the Palestinian Territories in the Middle East, and Bolivia in Latin America and the Caribbean.

These activities address the following sectors: support for environmental protection programmes at country level, the protection of coastal areas, the protection of forests, combating extreme socio-environmental shocks, the management of water resources and energy development.

We invested more than 130 million euro in environmental programmes during 2017, considering actions to mitigate, actions to adapt and actions

to safeguard biodiversity, as well as 70 million euro in projects relating to food security, rural development and water management. In recent years, the Agency has carried out about sixty projects in the agri-environmental sector (nature parks, sustainable agriculture and the fight against climate change, peri-urban agriculture, environmental migration) in various countries, from Albania to Jordan, from Lebanon to central America, and from Vietnam to the Pacific Islands.

Awareness that climate change is profoundly affecting the sustainability of traditional agronomic systems makes new projects involving the transfer of adaptive technologies increasingly necessary, if we are to improve the systems for managing natural and biological resources. That said, effective implementation will depend on the ability of governments to disseminate and support these projects, including the supply of ancillary services such as access to financial resources and the provision of training systems and support for farmers.

## RURAL DEVELOPMENT AND VALUE CHAINS

The 2008 food crisis focused the attention of the general public on the fragility of the agri-food system, trapped between the effects of climate change and economic policies. Although poverty is declining globally in percentage terms, it is also true that global policies have created situations of youth unemployment that represent a social and political challenge for governments; at the same time, markets have responded to the increased demand for food by expanding production chains and the output of high value-added products.

Small producers carry out the bulk of rural activity in vast areas of the world: the 2030 Agenda recognises their role and the difficulties they have in accessing the physical and financial means of production, as well as markets, providing a theoretical and political foundation for enhancing their abilities, not least to facilitate their inclusion in the formal economy. Even so, the physical dispersion of production, the high cost of transportation, the risks associated with market price fluctuations and the seasonality of production all weaken



the contractual power of small farmers, with the consequent formation of imperfect markets that, in the final analysis, facilitate the persistence of forms of subsistence agriculture. The ongoing dichotomy between support for subsistence farmers, via such general actions - with limited market impact - as the distribution of kits and the granting of micro-loans, and action to enhance the market involvement of those agri-businesses that do evolve from the informal fabric, has dominated and continues to dominate the debate about support for agriculture in the least developed countries (LDCs). The resulting ups and downs have failed, however, to provide concrete responses to the constantly increasing demand for food from towns and cities or to the expansion of urban populations. Urbanisation and demographic changes (including migration), the interconnection between production processes and systems, and the increase in domestic and foreign investment in the agri-food sector all contribute to the generation of new risks for the rural world. At the same time, they also give rise to new opportunities both up- and down-stream of the value chains, in terms of production, transformation, transportation, the supply of products and the development of related services, as well as the development of technologies, infrastructure and machines. The rapid spread of the Internet and new ICT technologies makes possible the greater and more rapid dissemination of information and knowledge about agri-food systems that, however, are not necessarily distributed evenly.

In 2017, the Agency allocated about 10.2 million euro to the agriculture, rural development and food security sectors, spread among 7 countries (Afghanistan, Bosnia, Cuba, El Salvador, Iraq, Pakistan, Syria - regional crisis).

The creation of **value chains** for agricultural products, from smallholders to the foreign end consumer, thus boosting exports, is a sector addressed by Italian development cooperation in Africa, with the durum wheat value chain, and in Latin America with regard to coffee. In Ethiopia, the Agricultural Value Chains project in Oromia has sought to enhance the technical and territorial institutions and support the small farmers involved (10 thousand producers organised into 15 cooperatives, with an increase in yields to 50 thousand tonnes/year of durum wheat). This project has proved to be an alternative to the phenomenon of land grabbing. The debate on private investment in land and on agricultural and rural development policies highlights the growing interest in inclusive business models that may take various forms and characteristics. As with the Oromia project, Italian cooperation uses the contract farming tool as a guarantee for the supply of raw materials within the agricultural value chain. In Latin America, new forms of inclusive business have involved the coffee growing cooperatives. The *“Regional support network for the associations of small coffee producers”*, better known as *“Café y Caffè”*, is a regional cooperation initiative involving five countries in central America (Guatemala, El Salvador, Honduras, Nicaragua and Costa Rica) and one in the Caribbean (Dominican Republic), all of which belong to the *Sistema de la Integración Centroamericana* (SICA), being - for Italian cooperation - the reference institution for integration in central America. The second phase of this programme was completed during 2017 with the involvement of 720 members, 50 trained technicians and 5,000 indirect beneficiaries, resulting in the production of 2,000 sacks of coffee that were exported directly by the coffee growing cooperatives to about thirty coffee roasters in Italy. About 110,000 coffee seedlings were supplied to small growers every year. This financial commitment amounted to about 1.7 million euro.

## EMPOWERMENT FEMMINILE E INNOVAZIONE IN AGRICOLTURA

Joint ventures or partnerships between private individuals and communities or associations of smallholders, such as those which have proliferated in South Africa over the past decade, are part of the strategies promoted by domestic and international policies to increase agricultural productivity and develop inclusive and sustainable value chains that are also profitable. In order for inclusive business models to benefit small rural producers, both men and women, all the actors involved - governments, investors, local and international organisations - must take proper account of gender issues and the context in which their models are implemented, not least by leaving room for political dialogue that enables women to participate and put forward their proposals.

Analysis of the coffee programme in Latin America, which is moving into its third phase (with an expected financial commitment of about 1 million euro in 2018, spread among six countries), shows that about 25% of the direct beneficiaries are women. In 2017, the Agency allocated about 7 million euro to projects relating to Gender and Food Security in Myanmar, Palestine, the Mediterranean Area, the Central America Region and the Syrian Region.

Nowadays, investment in agricultural innovation is founded on the study of IT and genomics, satellite applications, ICT, agri-meteorology, precision agriculture and the use of conservative agronomic techniques while, at the same time, reducing the impact of agricultural practices on the environment and the local territory. Agriculture linked to the local territory contributes to the dual objectives of ensuring both food security and environmental sustainability, while contributing at the same time to the sustainability of agronomic systems. The introduction of new agricultural and forestry species will contribute to the diversification of production, whether of food or for industrial and/or non-food uses. In order for these new technologies and the resulting benefits to bear the expected fruit, it will be necessary to increase awareness by expanding the capacity of the school systems, especially in the technical-professional area. The work to *“Train and update researchers at the Biotechnologies Centre of the Eduardo Mondlane University in Maputo”* is an Italian cooperation project, commenced with support from the Italian Universities of Sassari, Roma and Pisa, that contributes to the introduction of innovative molecular biology, immunology and bioinformatic technologies in Mozambique, via the provision of technical support and training, as well as the creation of a Master degree in Biotechnology in Mozambique.

## NON-AGRICULTURAL ECONOMIES (NAE) FOR RURAL DEVELOPMENT

In order to achieve certain SDGs, rural areas must transform rapidly by diversifying and rationalising their economies. Where agricultural production cannot satisfy the needs of populations in terms of the fight against poverty, it may be possible to meet their basic requirements by diversifying productive activities into sectors not linked to cultivation. Non-Agricultural



Economies (NAE) could be developed via the adoption of various policies, ranging from the provision of territorial infrastructure to the creation of industrial clusters. In all cases, the choice of development policies should be closely examined and considered with reference to the specific nature of the territory concerned, as investment of the limited available funds in remote areas, rather than in existing urban areas, requires a careful political decision. Additionally, growth of the non-agricultural sector might increase inequalities. Furthermore, the ability to invest (considering all factors of production, both non-economic and economic) can vary considerably within a given rural area. The transformation of a rural area is not an independent variable, but part of a broader process of structural transformation defined

by the existing ties between agriculture, ENA, manufacturing industry and services. Rural transformation is an essential element of structural change and involves increasing agricultural productivity and the commercialisation and diversification of the productive and social models within both the agricultural and non-agricultural sectors. Both help to satisfy the needs deriving from urban growth, facilitating the creation of a wage-earning class and perhaps even a middle class. Rural transformation is driven by growth and the demand for food and raw materials that derives from expansion of the non-agricultural economy. The interaction of these forces defines the path, the levels of rural diversification and the opportunities for rural development or the limitations on the sustainability of the process.

## ANALYSIS

# "FROM VISION TO ACTION - HOW TO WORK BETTER TOGETHER": G7 MEETING OF COOPERATION AGENCIES



The FAO report on food security in the world, published in December 2017 with reference to 2016 data, indicates that more than 800 million people do not have access to food or, at least, not enough to lead a normal life. If possible, this statistic is even more startling when considering that the number of hungry people has started to rise again after a decade of constant decline, climbing from 777 to 815 million persons.

So, the gap between rich and poor is widening while, paradoxically, the number of persons suffering from the problems caused by hyper-nutrition and the resulting obesity has also increased, even though the quantity of food produced would be more than sufficient to feed the entire population of the planet.

The Agency participates actively in the discussions of the international community and intends to contribute pro-actively, seeking to multiple efforts in order to move "from vision to action", as stated in the final Declaration of the Taormina G7 Summit.

In this spirit, the Agency organised the first "G7 Meeting of Cooperation Agencies" in Florence during November. This brought the leaders of the G7 Cooperation Agencies together for a day and a half of work, with the common intention to find a way to "work better together" in the field, identifying sectors, countries and methods for uniting their forces to achieve more incisive and effective action in the field of food security.

In fact, everyone agrees that, without shifting gear decisively, it will be virtually impossible to achieve the SDG 2 "End hunger" goal by 2030.

Discussions with the G7 partners in Florence covered how to work together, involve the private sector and widen the scope of action in support of food security based on the social and economic transformation of the rural world, not least by developing "non-agricultural" economies that meet specific local needs, supported by adequate territorial infrastructure and the promotion of agri-food districts.







# 07 PEACE AND DEMOCRACY

Over the past 15 years, 53 countries and almost half the world population (3.34 billion people) have been involved in some form of political violence. According to OECD data, 56 contexts are identified as fragile and 15 as extremely fragile. More than 1.6 billion persons - 22% of the global population - currently live in fragile contexts. While the number of persons who live in poverty is falling, it is estimated that the number of extremely poor who live in fragile contexts will climb to 542 million by 2035, from 480 million in 2015.

SDG 16 highlights the risks of violence for world peace, identifying security as a prerequisite for sustainable development. It is clear, therefore, that conflicts, humanitarian crises and development are closely interconnected. Furthermore, it is increasingly evident that development cooperation, humanitarian aid and peace-building can no longer be seen as separate processes, but must integrate and permeate in order to make possible the creation of inclusive societies, the reduction of violence and the construction of legitimate, just and fair institutions.

The Agency has established an **Emergencies and Fragile States** office, both to implement development programmes that address situations of fragility and to strengthen the resilience of populations that are victims of complex crises, support the processes of stabilisation and reconstruction and promote democratisation and good governance.

Italy participates in the work of the INCAF - International Network on Conflict and Fragility led by OECD -DAC, which is the network that unites the DAC Member States and the international organisations working in fragile contexts, in order to share good practices and discuss the challenges for the development of fragile areas and conflict zones. The progress made on implementing the "New Deal for Engagement in Fragile States" was examined in 2017. This agreement was signed in Busan (2011) by attendees at the "International Dialogue on Peacebuilding and Statebuilding (IDPS)" with a view to working together to eradicate the causes of fragility and contribute to the strengthening of peace.

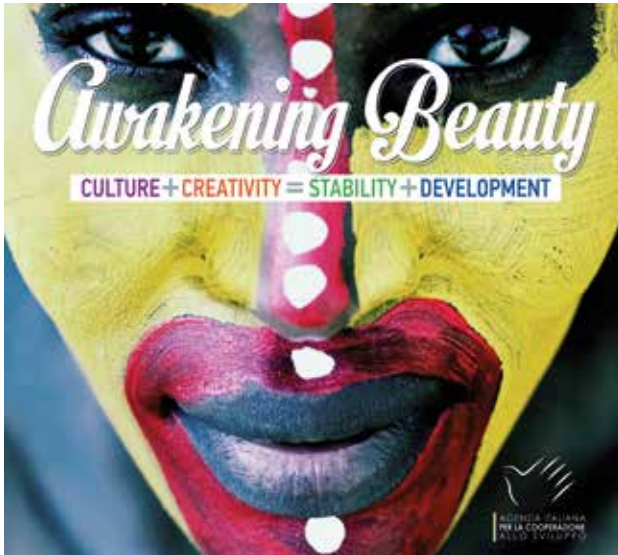
The Agency has launched programmes worth 24 million euro in order to **reduce fragility** and support **stabilisation** in Syria and nearby countries (about 22 million euro), in Libya (2 million euro) and in Colombia (200,000 euro).

These projects complement and release synergies with the humanitarian aid work carried out in those countries, representing the commitment made by Italian cooperation to support peace, democracy and stabilisation, consistent with the 2030 Agenda SDG 16 and the commitments made at the 2016 World Humanitarian Summit held in Istanbul.



## APPROFONDIMENTO

# “AWAKENING BEAUTY” CULTURE AS A DRIVER OF DEVELOPMENT



The ties between culture, democracy and the economy are strong. Not least if culture is understood to go beyond the tangible and intangible cultural heritage (including traditions, festivals and knowledge of handicrafts), to include the new cultural and creative industries, such as literature and publishing, music, cinema and audio-visual productions, design and the production of high quality crafts.

This relationship is now well recognised and highlighted in many international documents: the UN resolution of 20 December 2013 on culture and sustainable development (A/RES/68/223), the UNESCO document on “*Culture and Sustainable Development*” (31 July 2014 - A/69/216) and the various “Global Reports” presented by UNESCO in 2015 and in 2017 entitled “Re-Shaping Cultural Policies”.

Consistent with these orientations, the 2013 “**Guidelines for Italian cooperation on cultural heritage and development**” identify as priority topics for Official Development Assistance the promotion of cultural diversity, inter-cultural dialogue, access to culture and support for culture as drivers for economic growth, creativity and innovation. Based on the consolidated

Italian experience in this area, the priorities identified include protecting and safeguarding the cultural heritage via the sharing of knowledge/skills, technologies and innovative methodologies, as well the formulation of policies and institutional guidelines for the protection and enhancement of culture and the cultural heritage. This vision inspires the Italian cooperation initiatives in the sector. These include projects that have recently resulted in refitting the new premises of the **National Museum in Beirut**, inaugurated in October 2016, as well as the current Technical Assistance project in Bolivia to help the local Ministry of Culture and Tourism redefine its planning and operational tools, in order to improve the conservation and sustainable management of the cultural heritage and protected natural areas, while also promoting them for tourism and other purposes.

Italian development cooperation therefore seeks to transfer consolidated skills in the areas of conservation and management of the cultural heritage (both tangible and intangible) and, at the same time, to identify possible new forms of assistance in the broader sector of cultural activities. This also takes account of the way in which culture plays an essential role in tackling the challenges of biodiversity and the relationship between agricultural production and cultural traditions, without forgetting how much the cultural and creative industries of developing countries can produce and offer us, especially with regard to the representative arts, audio-visual productions and high quality crafts.





## ***THE SYRIAN CRISIS AND THE REGIONAL APPROACH OF THE EU “MADAD” TRUST FUND***

In 2017, as part of the long-term package (2016-2018) of 400 million dollars announced by Italy at the conference of donors for Syria, held in London in February 2016, the Agency launched projects for the stabilisation of the Syrian crisis totalling almost **22 million euro**. These programmes are mostly channelled towards the international organisations (70% - 17 million euro), such as **UNHCR** (5.5 million euro), **UNICEF** (4 million euro), **EU “Madad” Trust Fund** (2 million euro), **UNRWA** (1 million euro) and **FAO** (1 million euro), for work in Syria, Lebanon, Jordan and Iraq.

In particular, Italy has supported the **European Union Regional Trust Fund – “Madad Fund” (EUTF)** since its foundation in December 2014 in order to fund stabilisation projects, the reconstruction of infrastructure and the rehabilitation of social services in countries hit by the Syrian crisis (Iraq, Lebanon, Jordan, Turkey, Egypt, Serbia, Macedonia and Armenia).

The fund assists the host States of refugees and their ability to cope with migrant flows, thereby promoting stabilisation. At the same time, long-term action is also being taken for the benefit of refugees and their host communities, to strengthen their resilience in economic and other terms and provide basic services, especially in the education sector to enhance primary teaching, professional training and secondary education.

Italian Cooperation, as a founding member of the Fund and Deputy Chair of the Strategy and Operational Committees of the Fund, has so far contributed 10 million euro to EUTF and - from January, in collaboration with the French Development Agency (AFD) - is set to launch the *“Strengthening the resilience of host communities and Syrian refugees in Lebanon, Jordan and Iraq (Kurdistan)”* project. This project seeks to rehabilitate the infrastructure and basic services in the municipalities most hit by Syrian refugee flows in the three target countries, promote dialogue and social cohesion between the Syrian and host communities, and strengthen the role and skills of the local authorities and civil society organisations.



## SUPPORT FOR THE STABILISATION AND PEACE PROCESS IN LIBYA

In 2016 and 2017, Italian cooperation allocated a total of about 21 million euro in response to the Libyan crisis, acting in two principal directions: emergency measures/humanitarian aid and projects in support of resilience, stabilisation and reconstruction, using both the bilateral and multilateral channels.

With regard to the stabilisation programmes, Italian cooperation has supported two projects of the UN Development Programme (**UNDP**) since 2016.

The first, being the **Stabilization Facility for Libya (SFL)** (2 million euro), is intended to respond to the immediate need to stabilise Libya via an agile financial/operational tool effective over the short-medium term. The SFL also strives to strengthen the legitimacy of the Libyan Government of National Accord (GNA), via quick impact projects designed to rehabilitate critical infrastructure and strengthen the ability of municipalities and local authorities to play a more active role in the peace-building and institution-building processes. Rehabilitation of the infrastructure in areas hit by conflict enables municipalities to re-activate key services. The re-start of business and enterprises, fundamental for the survival of entire communities, plays a role in the rebuilding of confidence and the relaunch of the economy. The strengthening of municipalities gives them legitimacy and enables them to take the lead in stabilisation efforts at a local level.

The second initiative, **Support to Transitional Justice and Reconciliation at**

**the National and Local Levels** (1 million euro), intends to offer a reconciliation and dialogue tool to the communities in conflict, including the Misurata/Towergha communities, provide psychological support for the families involved in conflict caused by the 2011 revolution, and carry out training activities.

Lastly, action in support of **UNOPS** (2 million euro) was authorised at the end of September 2017 to improve the hygiene and environmental conditions of the population resident in the municipality of Tripoli, via the introduction of a more efficient system for the collection and management of solid urban waste. This stabilisation project seeks to strengthen the technical programming and administrative capabilities of the General Service Company (GSC) and the Tripoli institutions involved in environmental management, as well as to ensure the implementation of measures designed to achieve minimum environmental standards. The programme also envisages a series of actions to resolve rapidly, via the purchase of vehicles and equipment, the problems caused by the failure to collect solid waste efficiently.

In addition, numerous capacity and institution-building projects will be launched for Libyan municipalities during 2018, in order to support the process of stabilising and reconstructing the country. Technical discussions are also in progress with the European Union regarding a vast programme of action in favour of those Libyan municipalities most affected by migratory flows, not least in order to strengthen the ability of the local authorities to provide essential services to Libyan populations hit by the humanitarian crisis that is sweeping the country.

### ANALYSIS

## COMMITMENT TO THE PEACE PROCESS IN COLOMBIA

Although Colombia is not a priority country, investment by Italian cooperation during 2017 focused on a series of routine and emergency initiatives intended to support the country in this delicate post-conflict phase. Following membership of the **EU Trust Fund for Colombia**, signed in December 2016 by 19 States, the Agency has allocated 3 million euro to the Fund and also established an outpost in Bogotá, under the responsibility of the Agency office in

Cuba, in order to monitor all cooperation projects in the country.

Given this constant support and the ability to work together, the first Italian project to draw on resources made available by the EU Fund was approved officially in December. This project ("*La paz única esperanza para el desarrollo económico y social - PUEDES*") will receive funding of 3,300,000 euro and will directly benefit about 5,000 families in the municipalities of Puerto Asis, Puerto Caicedo, Orito, Valle del Guamez and Puerto Leguizamo in the department of Putumayo.

The project seeks to enhance rural development with a territorial approach, focusing the action taken with strategies of cooperation, marketing and strategic alliances. Productive projects that generate economic development will be selected and implemented, the local ability to plan and promote development will be strengthened and the cultural identity of the communities in the municipalities involved will be enhanced.









# 08 PARTNERSHIP

The “Dialogue for development” marked the start of 2017, representing a permanent, strategic discussion with the Italian civil society organisations, which are strategic partners of the Agency in its international cooperation activities.

At that time, the Agency made certain commitments to enhance the Italian cooperation system and expand involvement to include new actors. This was in fact achieved during the year.

Discussions by the working party led by the Agency over a period of six months resulted, after a delay of many years, in amendment of the criteria for registering and recognising civil society organisations on the national list of cooperation CSOs authorised to present projects and ideas to be funded in partner countries. In the spirit of innovation and openness to new realities stimulated by the cooperation reforms, it was possible to broaden the pool of eligible parties by defining less restrictive criteria, thereby favouring younger and smaller organisations without foregoing the principles of financial reliability and competence. Special attention has been given to the new associations of migrants, which represent an expanding reality that is significant for its role as a bridge to their territories of origin. This reality will be nurtured and supported, so that it can achieve the standards required for full participation in the Italian cooperation system.

Dialogue and collaboration with the civil society organisations has also resulted in a further increase in the resources allocated to projects and initiatives promoted by them, or that are executed by them on the ground.

The funds made available for annual calls for CSO projects reached 40 million euro in 2017, with 204 Concept Notes presented and 198 Full Proposals admitted for final evaluation.

Funds have also increased for the call for proposals addressing the topic of Education for Global Citizenship, reaching 7,449,550 euro for the 17 projects that were approved.

The role of the Agency as a leading strategic cooperation partner is confirmed by the volume of funding allocated to civil society organisations, considering the funds made available via calls for proposals, approved for projects promoted by or assigned to them and granted for emergencies.

This totalled about 95 million euro in 2017 (30 million more than in 2016), which was considerably greater than the target of 10% of resources allocated to projects indicated by the Italian parliament for the support and involvement of civil society organisations in cooperation activities, and easily in line with the allocations made by our European partners.



## ANALYSIS

# TOUR OF ITALIAN UNIVERSITIES: COOPERATION AS A CAREER

Ahead of the first Italian National Conference on development cooperation, held in January 2018, it was decided to increase awareness within Italian civil society, including young people in particular, about the topics of development and cooperation. The decision was made to inform University students about the job opportunities offered by the sector, which is considered of secondary interest and little known by those preparing to enter the world of work.

The Deputy Minister for Development Cooperation, Mario Giro, and the Director of the Agency, Laura Frigenti, toured many Universities throughout Italy from March to December 2017, including those in Naples, Catania, Trento, Rome, Turin, Forlì, Pavia, Milan, Sassari, Genoa, Florence, Palermo and Perugia. The various persons called upon to speak explained their career experiences to the audience, highlighting the progress and increased opportunities in the realm of international cooperation that have emerged in recent years.



Each appointment was an opportunity for debate at University level, giving rise to dialogue and discussion on the major themes of international cooperation, as well as the skills and professionalism required.

At the close of each meeting, data and proposals ([https://www.aics.gov.it/?page\\_id=11336](https://www.aics.gov.it/?page_id=11336)) summarised the various opportunities made available each year by the various actors in the field of cooperation (the Agency, civil society organisations, the EU, international organisations) to well prepared young people with innovative ideas.

## THE RETURN OF TERRITORIAL COOPERATION

The debate on development is attaching increased importance to such concepts as multilateralism and multi-level actions and actors, which expand the opportunities for local territories and communities to participate in cooperation activities. At an international level, local and intermediate sub-national governments have obtained significant recognition from all official operators for their role as actors in development, resulting in an increased presence and role in both bilateral and multilateral activities. The regional development and territorial cooperation policies of the European Union recognise the Regions as "protagonists" and the "principle of joint programming" at European, national and regional level, giving weight and importance to the concept of cooperation among territories to achieve mutual development.

This represents recognition for the Italian model, founded on territorial

cooperation, active relations among communities, meetings and the sharing of experiences as a focus for development.

The three-year cooperation document assigns an explicit role to territorial cooperation and the OECD recognises it as one of the elements of originality that characterises Italian cooperation. There are two key benefits: drive the development of "similar" realities in other partner countries and enhance awareness and the acceptance of responsibility by our national communities. In this new context, the Agency has commenced and consolidated a structured dialogue among territorial, national and supra-national cooperation organisations, with common and shared priorities by country and sector, in order to ensure that all levels of government work together in a multi-actor approach.

The first call for projects reserved for Municipalities and Regions has been launched. This innovative initiative, seeking to give renewed impulse and strength to territorial cooperation, was so successful that the initial funding of 5 million euro was increased in order to enable the Agency to finance all suitable proposals.



A total of 53 proposals were received, which was very encouraging in terms of both the number and type of participants - Regions, Provinces, Municipalities, both large and small - with projects "promoted" by territorial bodies and innovative requests for the "co-funding" of projects already recognised by the European Union.

In geographical terms, the majority of the proposals focused on the priority countries, while just one initiative will be funded in a non-priority country: the Democratic Republic of Congo. Healthcare, economic development and territorial management were the principal sectors addressed.

## **DEVELOPMENT BANKS**

During the year, relations with the Development Banks focused on organising the release of synergies between Italian cooperation and the international financial institutions, in order to position Agency participation in their programmes in light of the general strategies indicated in the three-year planning document and its priorities by sector and by country. Working in this direction, the Agency primarily sought to strengthen the dialogue and continuity of discussions with the Ministry of Foreign Affairs on the one hand and, on the other, with the Ministry of the Economy and the Italian Executive Directors on the Boards of the Development Banks.

The common objective was to concentrate scarce resources on programmes in countries and contexts where both the Italian flagship and the contribution that our cooperation can make are strong.

We established closest, ongoing operational collaboration with the three principal international financial institutions, being the World Bank, the American Development Bank and the Inter-American Development Bank, having regard for the pre-existing relations, the active presence of Italian Trust Funds and the geographical areas of strategic interest.

## **AFRICAN DEVELOPMENT BANKS**

The Letter of Intent signed on 29 May 2017 between Italian cooperation and the African Bank, represented by Deputy Minister Mario Giro and ADB Chairman Adesina, was particularly important. The purpose is to commence closer cooperation between Italian cooperation and the Bank in a strategically

priority area, working on specific objectives including the exchange of interns and personnel and collaboration with certain ADB programmes: support for youth and female entrepreneurship in Mali and for "InnoLab", a platform that promotes and facilitates the development of innovative ideas and business start-ups in Africa, in which the Agency intends to participate with funds totalling 2.5 million euro.

In view of this relaunch of collaboration with the African Bank, the Agency - together with MAECI - has kept open the Italian bilateral trust fund for use in future to finance targeted studies, programmes and projects of interest to our cooperation efforts.

## **INTER-AMERICAN DEVELOPMENT BANK**

With regard to the resources still available in the Italian trust fund for technical cooperation with the IADB, the Agency has chosen to support projects that address such topics as gender issues, the ongoing work in Honduras as part of the Ciudad de las Mujeres Programme, and training and entrepreneurship in the Dominican Republic-Haiti area, which was severely hit by the recent natural catastrophes.

In addition, drawing on the same funds, the Agency has confirmed its interest in financing new Junior Professional Officer positions within the Italian JPO Programme.

## **WORLD BANK**

With regard to the World Bank, in addition to consolidating relations with the central office in Washington and with the Italian branch, the Agency has decided to support - together with the World Bank - the Tubaniso Agribusiness and Innovation Center (TAIC) in Mali with a contribution of 2.5 million euro. This project is of fundamental interest in terms of supporting development of the local private sector in partner countries (specifically those in the Sahel region), especially in the agri-business sector.

## **ANALYSIS**

### *CONCESSIONAL LOANS*

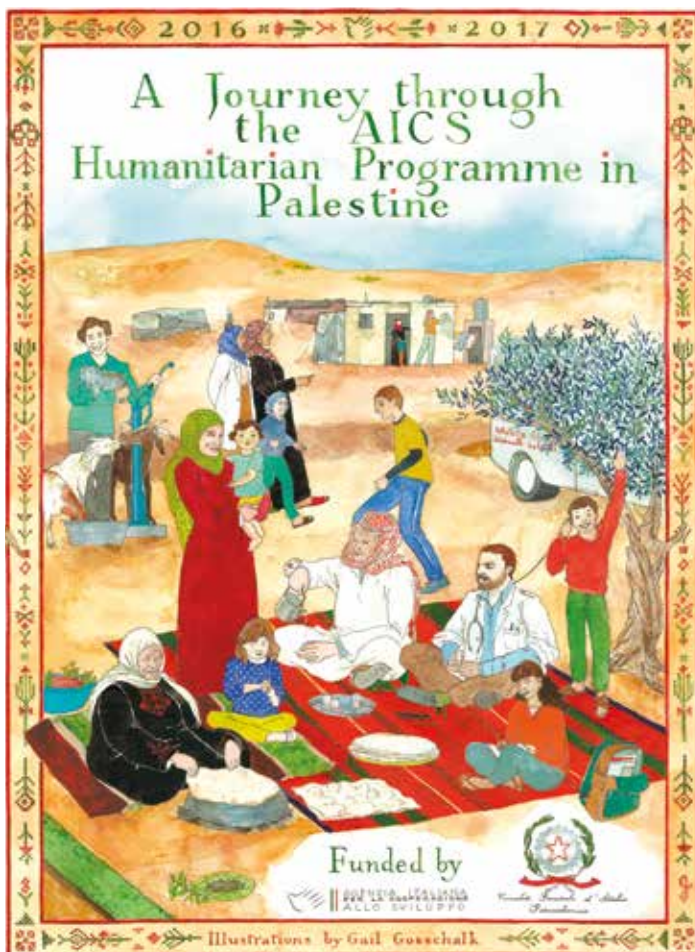
As envisaged by law and the Convention with the Ministry of Foreign Affairs and International Cooperation, the Agency carries out technical-economic assessments of concessional loans that are then presented to the Joint Committee by the Directorate General of the Ministry.

Based on OECD recommendations, these loans finance the governments of partner countries at low concessionary rates, so that they can carry out numerous cooperation projects in various priority sectors. In particular, during 2017, the Agency provided

technical assessments for 8 loans (all approved by the Joint Committee) totalling about 110 million euro, in fields ranging from education to juvenile justice, and from safeguarding the cultural heritage to the rural sector and access to renewable energies. Specifically, projects included improvement of the juvenile criminal justice system in Guatemala and revitalisation of the cultural, natural and anthropological heritage of the Sacatepequez eco-region of that country in central America, as well as professional training and education projects in Vietnam and Tanzania, the development of agricultural value chains in Ethiopia and the cultivation of virgin land and improvement of the water supply in Mali.



# EMERGENCIES AND FRAGILE STATES



With humanitarian needs estimated by the United Nations to total about 24 billion dollars, 2017 was yet again a record year for humanitarian crises, the costs of which were only 56% - 13 billion dollars - covered by the international community. Clearly, it is necessary to review how humanitarian crises are managed, developing the "new way of working" demanded loudly first by UN Secretary General Ban Ki-Moon and then by Antonio Guterres.

The increased commitment made by Italian cooperation in response to humanitarian crises - with a 20% rise compared with 2016 to almost 120 million euro - reflects this concern.

As usual, Africa (48%) and the Middle East (43%) absorbed most of the Italian humanitarian resources, while smaller amounts were allocated to Asia and the Pacific Basin (7%), Latin America (1%) and Europe (1%).

The majority of the funds were dedicated to the most acute humanitarian crises: Syria (25 million euro), the Lake Chad Basin (17 million), Libya (9 million), Central African Republic (5 million), Yemen (5 million) and Iraq (4.5 million). However, this did not impede continued support for chronic crisis situations (Ethiopia, Somalia, Afghanistan, Sudan, South Sudan, Palestine) or the allocation of funds to countries linked to the migration phenomenon (Senegal, Gambia, Guinea Bissau, Guinea Conakry, Mali, Sierra Leone - 3.75 million euro), without ignoring the "forgotten crises" of the Saharawi, the Rohingya, the Democratic Republic of Congo and the Ukraine.

In the humanitarian demining sector, 9 projects totalling almost 2.8 million euro were approved (Afghanistan, Colombia, Ukraine, Sudan, Iraq, DRC) in order to clear land, assist and rehabilitate victims and provide education about the risks, as well as advocacy for the universal application of the related international treaties.

The increase in Italian funding for humanitarian aid was mostly dedicated to bilateral action (+27% with respect to 2016), consistent with the objective of leveraging fully the potential of the civil society organisations and Italian non-profits active in the humanitarian field, which have demonstrated their growing

operational capabilities, even in the context of such highly complex crises as those in Libya and Syria.

A total of 18 Calls for Proposals were launched in 2017, with a total value of about 30 million euro. Of these, 17 were finalised with the award of 61 projects to CSOs, including the first three projects won by local CSOs: 2 in Lebanon (the Lost and Amel CSOs) and 1 in Palestine (the MANN CSO).

In addition, the Call for Emergency Reaction Proposals (Libya and Syria - Raqqa) was used as a tool for the first time in 2017, with simplified paperwork and much faster time scales.

In this regard, Italian cooperation was able to take action in Syria with a joint programme of humanitarian and development aid, consistent with the process of reforming the response to emergencies that, as stated, requires a "new way of working". At a time in which it is clearly impossible for the system to tackle crises solely via the provision of humanitarian aid, it is fundamental to field all available resources in order to bolster the resilience of populations living in areas hit by catastrophes - natural or otherwise - and strengthen the response to emergencies by local systems, while preparing for future development.

This is the direction that was taken by the Agency in 2017, with the introduction of a number of operational changes designed to align Italian humanitarian aid with the new requirements created by ever more protracted conflicts. For example, the maximum duration of emergency programmes has been extended (from 12 to 24 months) and the maximum amount of CSO projects has been increased (to 1.2 million euro, or 1.8 million euro in the case of joint projects).

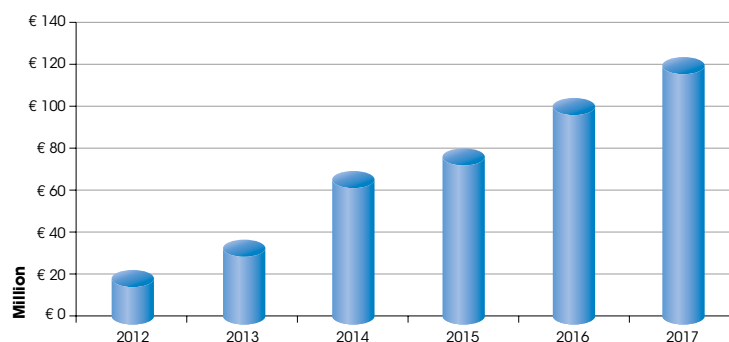
In terms of the immediacy and effectiveness of action, the launch of the calls for emergency reaction proposals and the new ability of local CSOs to access emergency funds, which is a highly innovative solution in the humanitarian field, have generated functional benefits. These steps to enhance the local ability to respond and guarantee the more rapid and efficient use of funds are consistent with the commitments accepted by Italy in the context of the "Grand Bargain" signed at the Istanbul Humanitarian Summit.

## A NEW SYSTEM FOR FINANCING HUMANITARIAN AID: PROGRAMME FOR HUMANITARIAN IMPACT INVESTMENT (PHII)

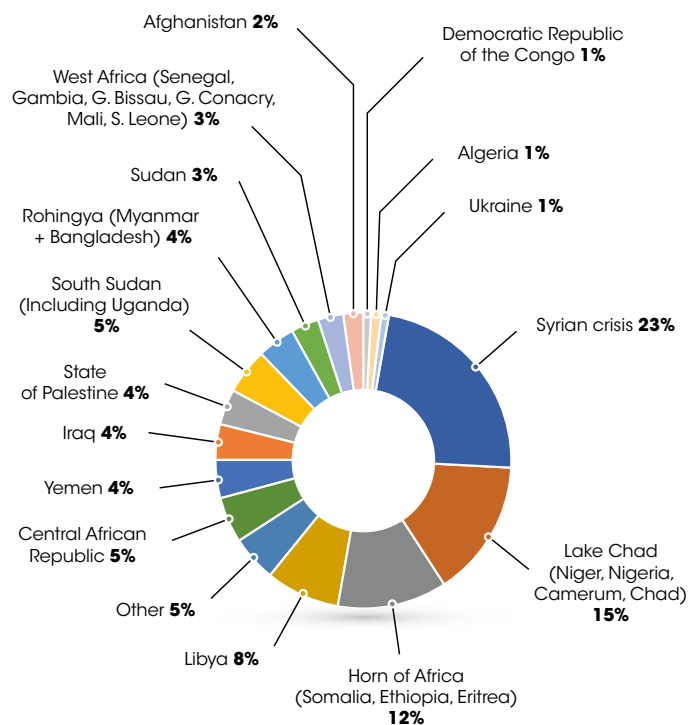
The principal innovations introduced by the Agency during 2017 included adoption of the "Programme for Humanitarian Impact Investment (PHII)". This innovative financing mechanism was launched by the International Committee of the Red Cross (ICRC) to mobilise private capital for the construction of three physical rehabilitation centres in Nigeria (Maiduguri), Mali (Mopti) and the Democratic Republic of Congo (Kinshasa) for the victims of mines and unexploded bombs, as well as for disabled persons. Italy will contribute a maximum of 3 million euro to the PHII for the next 5 years, based on the results actually achieved at the end of the programme. This tool is consistent with the commitments accepted by Italy at the World Humanitarian Summit in Istanbul (May 2016) regarding the need to increase the funding for humanitarian aid, drawing on new funding

mechanisms (Round Table 7 and Grand Bargain), and to enhance action to include persons with disabilities in the humanitarian work carried out (Special Session on Disabilities).

**CHART 1.**  
**Approved humanitarian aid 2012/2017**



**CHART 2.**  
**Approved humanitarian aid by geographical area - 2017**





## **REDUCING THE RISK OF DISASTERS**

Reducing the risk of disasters is an all-encompassing topic, closely linked to multiple sectors as well as humanitarian aid and development. This matter is central to the strategies designed to integrate emergency relief with much broader actions and plays a key role in the new European Consensus on Development, the 2030 Agenda and the Paris Accord on climate change.

During 2017, the Agency started the process of mapping the disaster risk reduction programmes implemented over the past three years, considering the 7 global targets envisaged in the Sendai Framework for Disaster Risk Reduction 2015-2030.

The Agency also attended all major international events on the subject of disaster risk reduction including, most recently, the World Reconstruction Conference held in Brussels last June, the Global Platform held in Cancún and the European Platform held on Istanbul last spring. These events often

provided an opportunity to enhance the collaboration with other institutions active in the sector, including first and foremost the national Department of Civil Protection.

The recent appointment of a permanent representative of the Agency to the Guidance and Coordination Committee of the National Platform for Disaster Risk Reduction represents another important step towards enhancing the synergies between the Agency and all other public bodies that address this matter.

Lastly, in order to translate into concrete actions the commitments made with regard to disaster risk reduction in the 2014 Conclusions of the European Council on the cooperation between humanitarian aid and civil protection authorities, the 2015 Sendai Framework and the 2016 WHS, MAECI, Civil Protection and the Agency signed a Protocol of Understanding last July to enhance coordination and the exchange of information among the three Institutions about the management of international crisis situations and - more generally - disaster risk reduction.









# OUR PRESENCE IN THE WORLD

## WESTERN AND CENTRAL AFRICA

■ *Priority Countries for Cooperation*

- ① BURKINA FASO (Ouadougou)
- ② NIGER
- ③ SENEGAL (Dakar)

■ *Territorial responsibility*

CAPE VERDE  
ERITREA  
GAMBIA  
GUINEA  
GUINEA BISSAU  
MALI  
SIERRA LEONE

## EASTERN AND SOUTHERN AFRICA

■ *Priority Countries for Cooperation*

- ① ETHIOPIA (Addis Ababa)
- ② KENYA (Nairobi)
- ③ MOZAMBIQUE (Maputo)
- ④ SOMALIA (Mogadishu)
- ⑤ SUDAN (Khartoum)

■ *Territorial responsibility*

BURUNDI  
CAMEROON  
CHAD  
GIBUTI  
MALAWI  
CENTRAL AFRICAN REP.  
DEMOCRATIC REP. OF CONGO  
RWANDA  
SOUTH SUDAN  
TANZANIA  
UGANDA  
ZIMBABWE

## NEAR EAST

■ *Priority Countries for Cooperation*

- ① PALESTINIAN TERRITORIES (Jerusalem)
- ② LEBANON (Beirut)
- ③ JORDAN (Amman)

■ *Territorial responsibility*

SYRIA

## ASIA

■ *Priority Countries for Cooperation*

- ① AFGHANISTAN (Kabul)
- ② MYANMAR (Yangon)
- ③ PAKISTAN (Islamabad)

■ *Territorial responsibility*

CAMBODIA  
PHILIPPINES  
LAOS (Hanoi)  
VIETNAM

## MEDITERRANEAN BASIN AND THE BALKANS

■ *Priority Countries for Cooperation*

- ① ALBANIA (Tirana)
- ② BOSNIA HERZEGOVINA
- ③ EGYPT (Cairo)
- ④ TUNISIA (Tunis)

■ *Territorial responsibility*

ALGERIA  
KOSOVO  
LIBYA  
MOROCCO  
MAURITANIA  
SERBIA

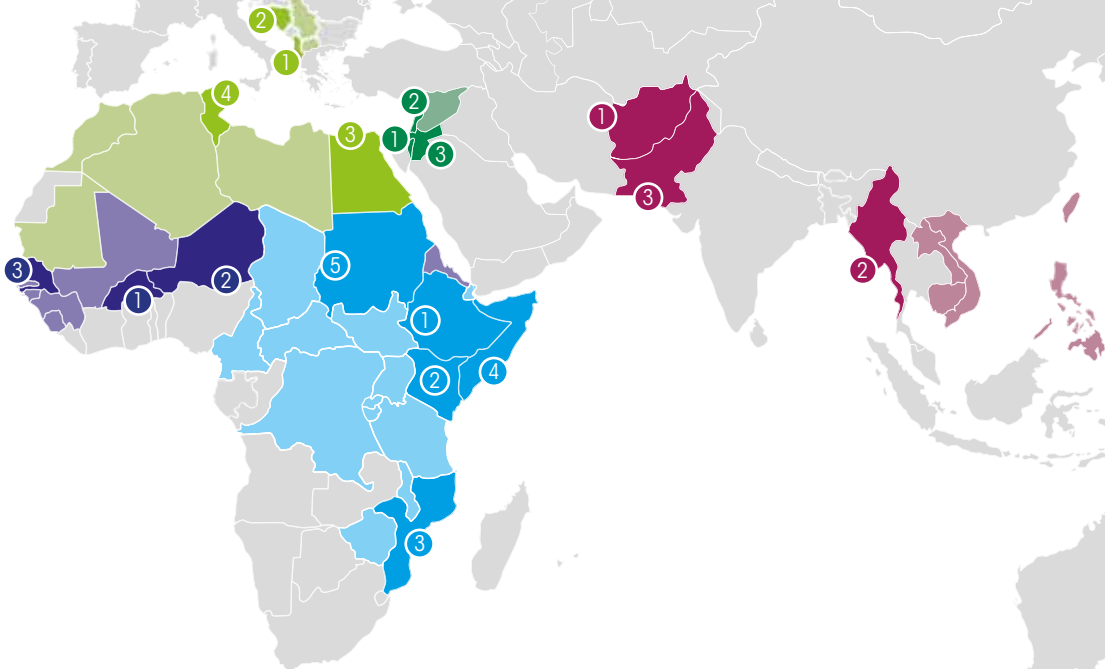
## AMERICAS

■ *Priority Countries for Cooperation*

- ① BOLIVIA (La Paz)
- ② CUBA (Havana)
- ③ EL SALVADOR (San Salvador)

■ *Territorial responsibility*

BELIZE  
COLOMBIA  
COSTA RICA  
EQUADOR  
GUATEMALA  
HAITI  
HONDURAS  
NICARAGUA  
PERU  
DOMINICAN REPUBLIC










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