

ITALY

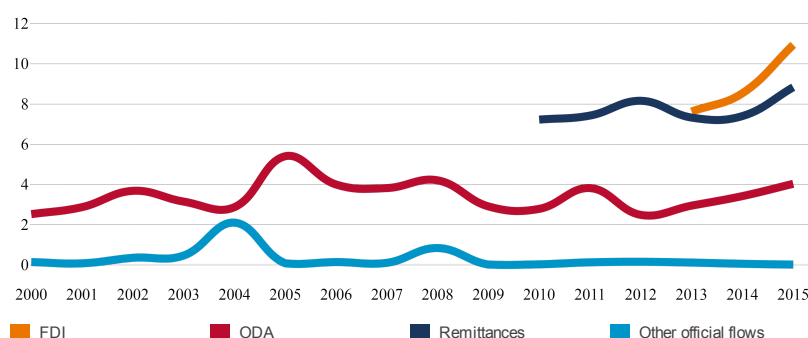
Development finance from Italy grew rapidly in 2015 with FDI, which rose by 28%, accounting for close to half of flows. Remittances make up 37% and ODA 17%. Over a third of FDI was invested in North Africa while remittances go to a number of regions.

- ODA fell by more than 40% between 2008 and 2012 but has since risen 61%, to more than US\$4.0 billion in 2015
- The increase is driven by spending in Italy: over half of bilateral ODA, US\$983 million, was spent on refugee-hosting costs in 2015
- Afghanistan and Iraq are the largest countries, while sub-Saharan Africa is the largest region, for transferred ODA

Resource flows to developing countries

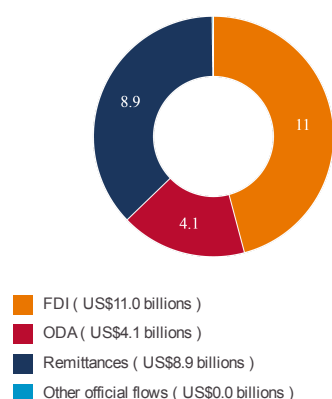
Financing from Italy grew rapidly in 2015, with FDI rising 28%, remittances 19% and ODA 18%

US\$ billions, constant 2015 prices



FDI and remittances together account for 83% of flows

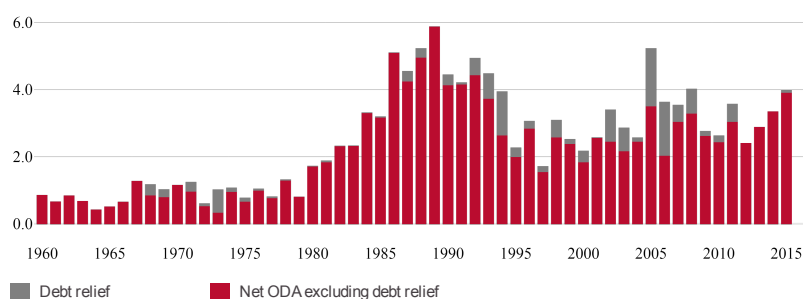
2015, US\$ billions



How much ODA does Italy give?

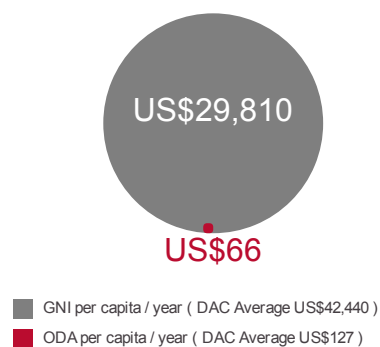
Net ODA rose to US\$4.0 billion in 2015, with totals excluding debt relief at highest levels since 2000

US\$ billions, constant 2015 prices



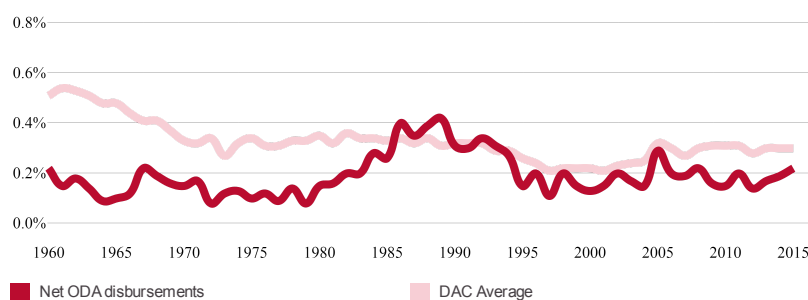
ODA is equivalent to US\$66 per person

2015



ODA rose to 0.22% of GNI in 2015

Net ODA as % of GNI



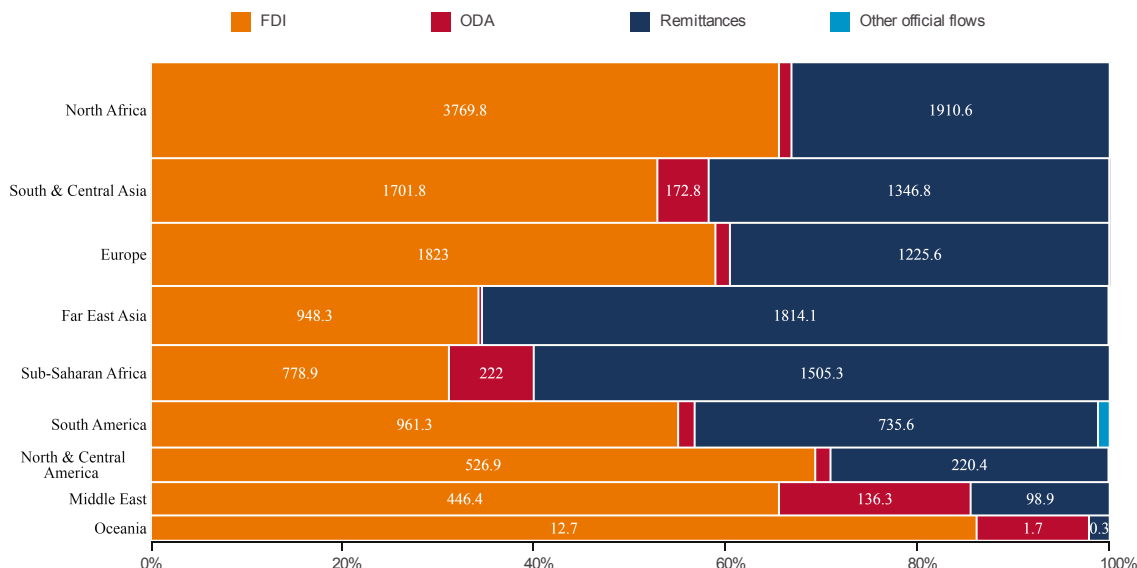
Notes: Acronyms: DAC: Development Assistance Committee; FDI: foreign direct investment; GNI: gross national income; ODA: official development assistance; OOFs: other official flows.

Where do resources from Italy go?

2015 saw growth across different types of financing from Italy, though the distribution of flows varies. Africa is the largest destination overall; FDI accounts for 53% and 34% of flows to South and Central Asia and Far East Asia, respectively. Remittances account for 42% and 65% of flows to these regions. Over 40% of transferred ODA goes to Africa, primarily sub-Saharan Africa – though the largest country recipients are Afghanistan and Iraq.

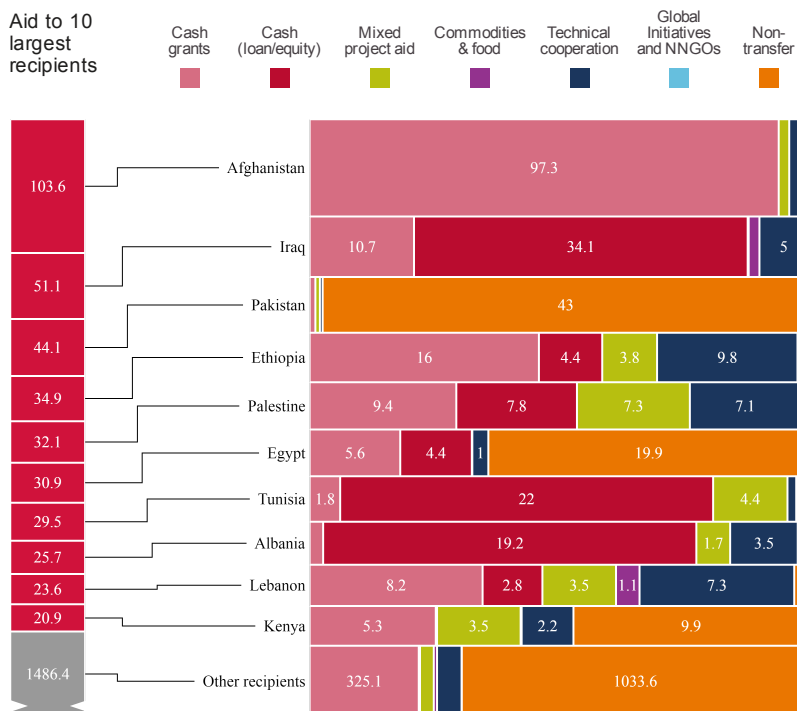
Over a third of FDI is invested in North Africa while remittances are spread across Europe, Asia and Africa

Distribution of international resources by region, 2015, labels are US\$ millions



Afghanistan and Iraq are the largest ODA recipients; the bundle of ODA varies significantly from country to country

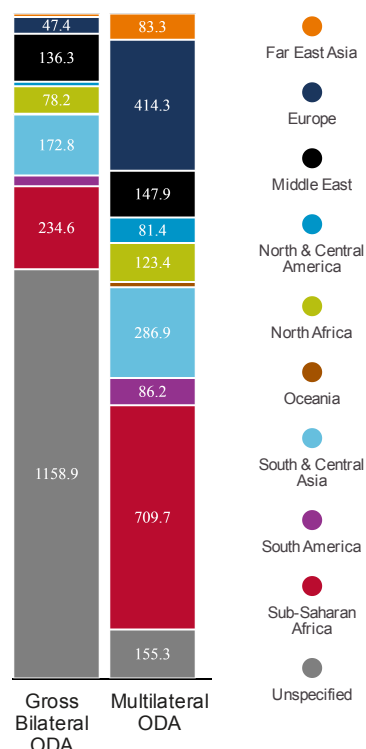
2015, gross bilateral ODA, labels are US\$ millions



What does the aid bundle look like for each recipient?

More than half of ODA is multilateral

Gross ODA, %, 2015, labels in US\$ millions



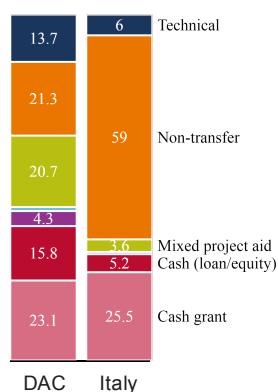
Note: Non-transferred ODA includes debt relief, costs of refugees and students in donor countries, administrative costs and other forms. Where available, FDI figures are based on the 4th edition of the OECD Benchmark Definition of FDI; otherwise they rely on data reported according to the 3rd edition. OOFs data shown does not include OOFs export credits. Acronyms: OECD: Organisation for Economic Co-operation and Development

What is in the ODA bundle from Italy?

The cost of refugee hosting reported as ODA accounted for 52% of total ODA in 2015 – growth in this spending accounted for the majority of the rise in ODA in 2015. At US\$137.4 million, governance and security is the second largest sector, followed by humanitarian assistance at US\$110.1 million. Cash grants account for the majority of disbursements in both sectors, while technical cooperation accounts for 28% of humanitarian assistance.

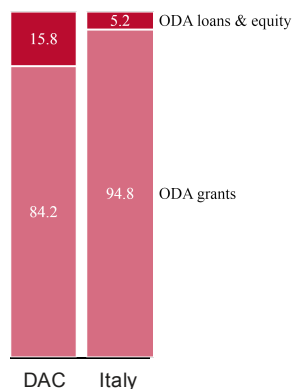
Non-transferred modalities account for almost 60% of ODA

2015, % of gross bilateral ODA



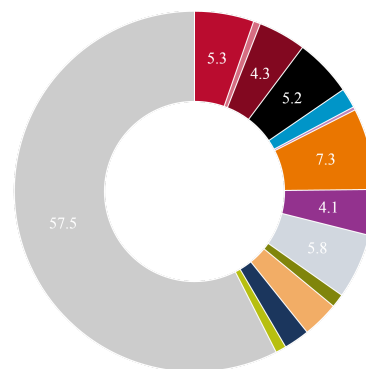
The vast majority of ODA (95%) is provided in grant form

2015, % of gross bilateral ODA



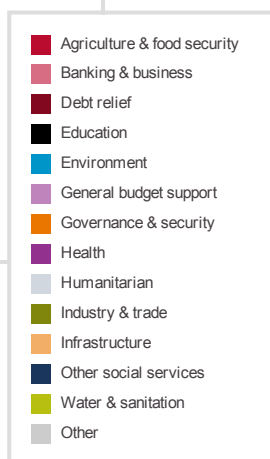
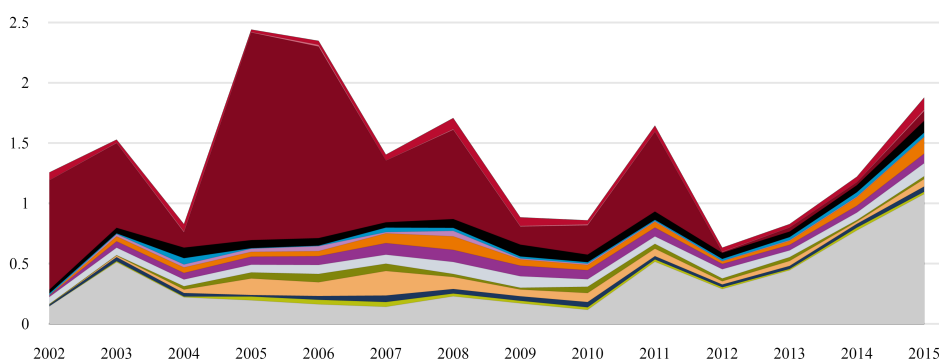
Refugee costs (part of 'other') account for more than half of ODA

Gross bilateral ODA by sector, % of total, 2015



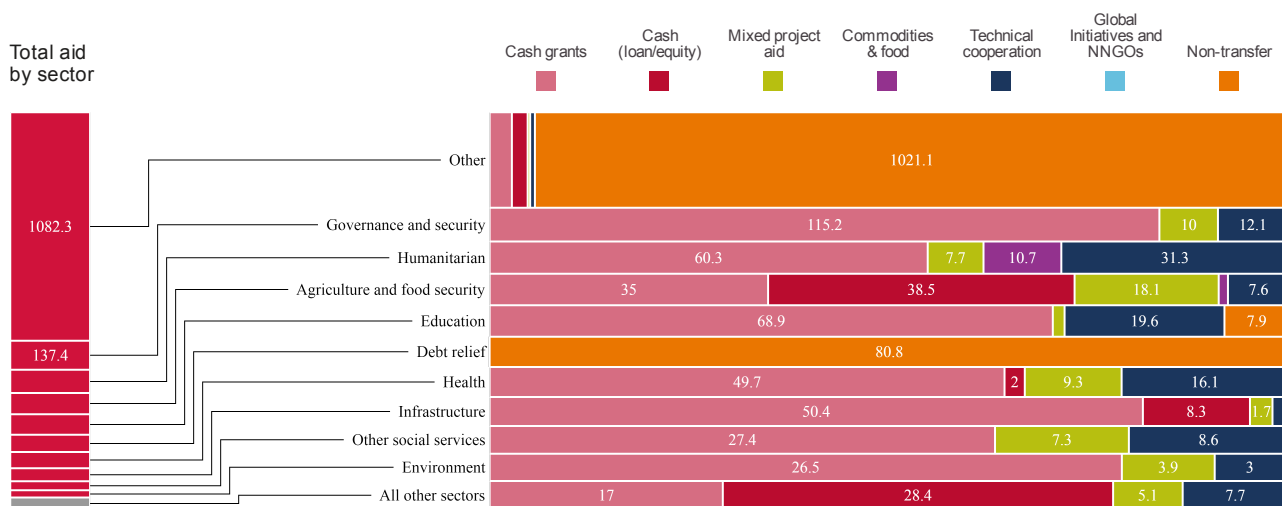
Growth in refugee-hosting costs accounted for 45% of the increase in total ODA between 2014 and 2015

Gross bilateral ODA by sector trends, US\$ billions, constant 2015 prices



Refugee costs account for the majority of 'other'. Cash grants are significant in many sectors

2015, gross disbursements ODA, labels are US\$ millions



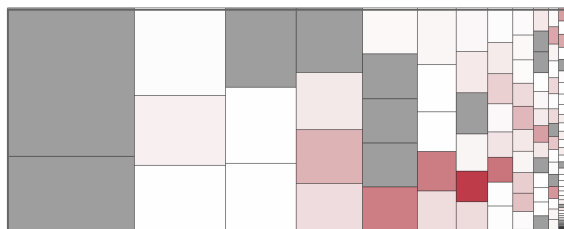
What does the aid bundle look like for each sector?

How are resources from Italy targeted?

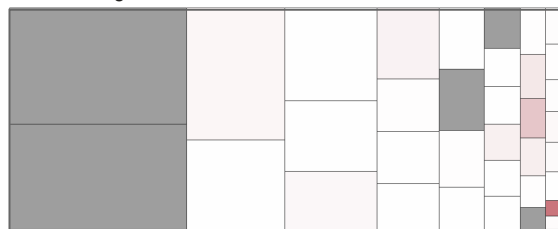
FDI is the largest flow from Italy to developing countries, but is highly concentrated in just a few. Seven countries account for two-thirds of investment, including some rapidly developing economies, led by Algeria and Egypt. ODA is far more dispersed. Six countries received US\$30 million or more in 2015, with 13 more receiving between US\$10 million and US\$30 million. Over a third (34%) of ODA goes to countries with high depth of poverty (above 5%) and 10% to where depth of poverty is most severe (above 20%).

FDI is highly concentrated in a small number of countries while ODA is more dispersed and flows in larger volumes to many of the poorest countries

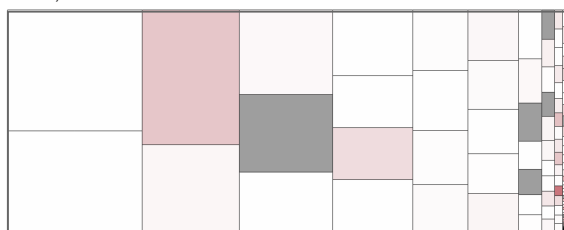
2015, ODA



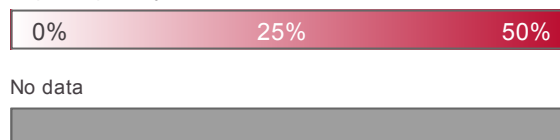
2015, Foreign direct investment



2015, Remittances

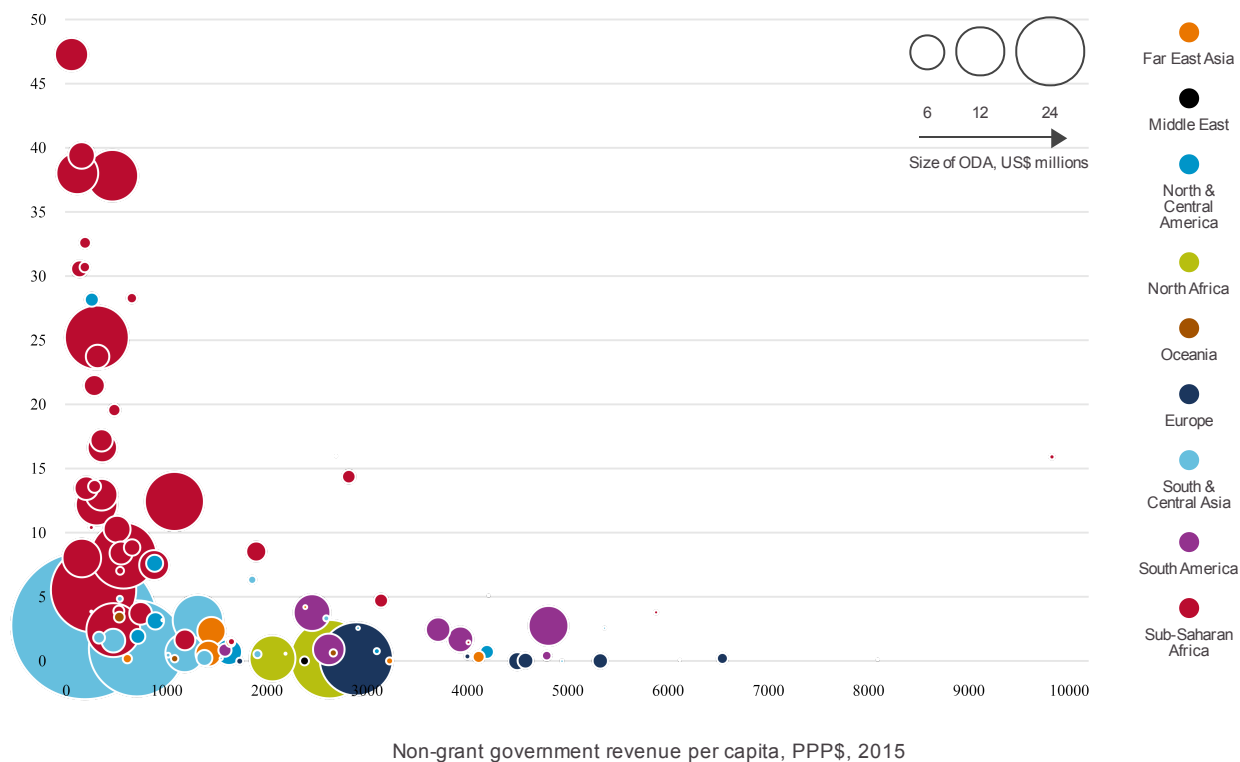


Depth of poverty in destination countries



Almost 70% of country-allocable ODA goes to countries with the lowest levels of domestic resources, where government revenues are less than PPP\$750 per person

Depth of poverty %



Note: Depth of poverty is a measure of the average gap in incomes for people living below the poverty line spread across the population of the whole country, expressed as a percentage of the 2011PPP\$1.90 a day poverty line. 'Purchasing power parity' (PPP) prices are the rate at which a country's currency would have to be converted into that of another country to buy the same amount of goods and services in each country. Government revenue refers to the total non-grant revenue either collected or projected to be collected by the government in the financial year 2015. Median government revenue across all developing countries in 2015 was 2015PPP\$2,620 per person; a quarter of developing countries have revenues of less than 2015PPP\$758 per person.