

The following organisation of the geographical priorities of Italian Co-operation for the coming three years will be harmonised during the implementation phase with a view to maximising all possible synergies with the non-governmental organisations operating in individual countries, with the emergency initiatives that may prove necessary and with the training activities in Italy for citizens of developing countries. Similarly, action will be taken to promote the use of aid credit and innovative public-private co-operation instruments, in particular in the infrastructure sector that Italian Co-operation considers to be a strategic sector for development.

With regard to the priority geographical areas indicated below, special attention will continue to be placed on Italian Co-operation in **crisis areas** and **fragile and post-conflict states**. In these cases, the activity of Italian Co-operation will continue to be part of our country's comprehensive commitment towards peace, stabilisation and full restoration of the necessary conditions for development, also using resources provided for co-operation activities through *ad hoc* legislative measures for the countries concerned. All of these countries are specifically mentioned in the following paragraphs of this document.

2.1) Sub-Saharan Africa

Over the coming three-year period Italian Co-operation will give greater priority to Sub-Saharan Africa, where progress towards meeting the Millennium Goals presents the most serious difficulties and is most inconsistent.

The Italian Co-operation will concentrate its commitment on a few priority countries, following the basic criterion of reducing the fragmentation of aid and seeking greater co-ordination and complementarity among donors. The targeting of these countries takes into account, in particular, the countries and sectors in which traditionally Italian Co-operation has already been active so as to ensure the continuity of our programmes and further develop the capacities that are now a recognised strong point of Italian Co-operation.

In the priority countries, programmes and projects will focus on the priority sectors already identified in Part 1) of this document.

Financial resources: Sub-Saharan Africa will receive 50% of the total funds available for bilateral activities in each year of the 2010 – 2012 period.

West Africa

(UTL: Dakar, Abidjan)

Priority countries 1: Niger, Senegal; Priority countries 2: Burkina Faso, Ghana, Sierra Leone, Guinea Bissau

Other countries in which Italian Co-operation will be operating over the next three years to continue and complete initiatives already under way are: *Cape Verde*, *Cameroon*, *Cote d'Ivoire*, *Mali* and *Nigeria*.

West Africa's importance in the activities of Italian Co-operation has increased in recent years in the light of the key role the region has come to play because it is the main source of migration flows to Italy (Senegal and Ghana, but also Nigeria), but

also because it includes some of the poorest and least developed countries in the world, several of which are in post-conflict situations (such as Liberia, Sierra Leone and Guinea Bissau). Special importance will continue to be given to gender issues and women's empowerment.

Italian Co-operation will maintain a careful balance between multilateral (UN agencies, IOM and others) and bilateral operations. Bilateral action will be chiefly aimed at "priority 1 countries", while the various contributions to international bodies will be concentrated on "priority 2 countries" and the other countries of the region not included on this list, where the commitment to these partners' development must be maintained, even if it is through sectoral operations aimed at several countries.

Consideration will also be given to the possibility of aid credit initiatives in the most politically stable countries of the area.

Equatorial Africa

(UTLs: Khartoum, Nairobi, Kampala)

Priority country 1: Sudan; Priority country 2: Kenya

Other countries in which Italian Co-operation will be operating over the next three years, although this will be limited to continuing and completing the initiatives already under way, are: *Burundi, Democratic Republic of the Congo, Uganda, Tanzania*

In **Sudan**, Italy is committed to supporting the peace agreements between the north and south of the country signed in Oslo in 2005, and to participating in the peacemaking efforts in Darfur. Italian Co-operation will continue to focus on the health sector, promoting the use of multilateral instruments in response to the Consolidated Appeals of the UN, including that for Darfur.

The region of the **Great Lakes** will continue to require much attention, particularly with regard to emergency operations, given the continuing uncertainty regarding security conditions and political stability. In **Uganda**, a country in which our co-operation efforts are better organised, initiatives have recently been approved, in particular in the health sector, which will ensure the necessary continuity in the next years.

In **Kenya**, education and training initiatives will continue to predominate, with the possibility of aid credit initiatives in the infrastructure sector (water management). In **Tanzania**, initiatives in the health sector have recently been approved that will be continued throughout the three-year period.

Horn of Africa

(UTLs: Addis Ababa, Asmara)

Priority countries 1: Ethiopia, Somalia

Other country in which Italian Co-operation will be operating over the next three years: *Djibouti*

During the three-year period, **Ethiopia** will remain, together with Mozambique, the top priority Sub-Saharan African country. The programming for the 2009-2011 period, which was approved as Memorandum of Understanding with Ethiopian Government respecting local ownership, focuses on four priority sectors: basic health, education, water and hygiene and rural development and food security.

In **Somalia**, for reasons of security, operations are currently limited to the multilateral channel, which has still not shown much effectiveness, partly because of the delays caused by the withdrawal of UN staff from the country. Insofar as possible, the level of financial initiatives will be maintained on a par with the role that they have played until now.

The possibility of resuming co-operation with **Eritrea** is related to the evolution of the whole bilateral relationships.

South Africa

(UTL: Maputo)

Priority country 1: Mozambique

Other countries in which Italian Co-operation will be operating over the next three years: *Angola, South Africa, Swaziland*

Mozambique will continue to have priority. The current sectors of activity will be continued (health, local development in rural and urban environments with special attention to decentralisation, basic and higher education and administrative capacity building) in line with the current reduced financial resources available.

In the southern region, the Italian Co-operation will maintain but not increase a considerable number of activities concentrated in the health sector in **South Africa**, and will be ready to intervene in **Zimbabwe** with emergency activities and NGO programmes if the political framework achieves real improvements. Renewed attention will also be given to possible initiatives in countries that are an economic priority for Italy, such as Angola.

2.2) Balkans, Mediterranean and Middle East

Financial resources: the areas geographically close to Italy – Balkans, Mediterranean and Middle East – will receive 25% of the total funds available for bilateral activities in each year of the 2010 – 2012 period.

Balkans and Eastern Europe

(UTL: Sarajevo, the closing date is scheduled on 30 June 2010; Tirana, Belgrade)

Priority countries 1: Kosovo, FYROM, Bosnia-Herzegovina

Priority countries 2: Albania, Serbia

Other countries in which Italian Co-operation will be operating over the next three years with initiatives aimed at consolidating programmes under way: *Georgia, Armenia, Moldova, Montenegro, Ukraine*

The Balkans are a key area for Italy politically and economically, in which Italian Co-operation will remain actively committed during the coming three-year period. The priority countries for Italian initiatives will be **Kosovo, FYROM and Bosnia-Herzegovina**, since the unresolved inter-ethnic crises are still causing difficulties at both the economic and social level. In addition, given the major commitments undertaken thus far, **Serbia** and **Albania** will remain on the Italian Co-operation's agenda. Subject to the availability of resources, targeted initiatives will also be envisaged in some Eastern European countries, particularly in the **Caucasus** (in

response to specific crisis situations, as already performed in Georgia) and in **Ukraine** and **Moldova**, which are the source of significant migration flows to Italy. With regard to the six priority macro-sectors for Italian Co-operation during the three-year period, the following will be given strategic importance in this area: education and vocational training, the environment and support for micro, small and medium-sized enterprises. The efforts in these fields will support Italy's broader policy action in this area and will further the basic objective of political and economic stabilisation with a view to European and Euro-Atlantic integration in the medium and long term. To this end, in line with an initiative already under way in Balkan countries, which are pursuing a path of rapprochement with the European Union, support will also be provided to specific technical assistance programmes aimed at building the necessary institutional capacities for access to pre-accession funds (IPA).

North Africa

(UTIs: Cairo, Tunis, Rabat)

Priority countries 1: Egypt, Tunisia

Priority countries 2: Morocco, Mauritania

Other countries in which Italian Co-operation will be operating over the next three years with initiatives aimed at consolidating programmes under way: *Algeria, Libya*.

Given the strength of the relations with all the countries concerned, Italian Co-operation will reaffirm its significant presence in all of North Africa. Priority will be given to **Egypt** (in particular in the education and health sectors) and **Tunisia** because of their special relations with Italy, which are also embodied in agreements already signed and in force. With regard to countries that are important sources of migration flows and that play a pivotal role in a complex geopolitical context, Italian Co-operation undertook some new and significant initiatives in **Morocco** and **Mauritania**. Subject to the availability of resources, there will be specific initiatives to provide support in the field of education and vocational training and humanitarian assistance to **Algeria** and the **Saharawi** population.

With regard to the six priority macro-sectors for all countries, the following will be given strategic importance for the region: agriculture and food security, environment and land use, health, gender policy, support for micro, small and medium-sized enterprises, governance and civil society. In this regard, special attention will be given to the issues of water resources and enhancement of the cultural heritage.

Middle East

(UTIs: Jerusalem, Beirut)

Priority countries 1: Palestinian Territories, Lebanon, Iraq

Priority countries 2: Yemen, Syria

Other countries in which Italian Co-operation will be operating over the next three years with initiatives aimed at consolidating programmes under way: *Jordan, Iran*.

Given the area's importance for Mediterranean, European and global security, Italian Co-operation will reaffirm its significant presence in the Middle East. Priority will

therefore be given to initiatives in crisis areas and the immediately adjacent areas: **Palestinian Territories, Iraq and Lebanon** first of all, and then **Yemen and Syria**.

The initiatives will include the following sectors: agriculture and food security, environment and land use, health, support for micro, small and medium-sized enterprises, governance and civil society, again with special attention being given to water resources, enhancement of the cultural heritage and education.

2.3) Latin America and the Caribbean

Financial resources: the Latin America and the Caribbean area will receive 15% of the total of funds available for bilateral activities in each year of the 2010 – 2012 period.

Andean countries

(UTL: La Paz)

Priority countries 1: Ecuador, Peru, Bolivia

Bolivia is a priority country since it has the lowest economic indices of all South American countries. Italian Co-operation's initiatives will be continued chiefly in the sectors of health, local development, environment and land management and through cross-cutting programmes aimed at assisting children.

Ecuador and **Peru** have particularly low development indices. The sectors of intervention over the coming three years are health, local development, environment and land management, governance and civil society.

In the other developing countries in the region – particularly in Colombia – the programmes that are under way or for which commitments have been undertaken will be continued, possibly with initiatives to consolidate the results achieved. No new initiatives will be launched.

Central America and the Spanish-speaking Caribbean

(UTL: Guatemala City)

Priority countries 1: El Salvador, Guatemala

Priority countries 2: Haiti

The area in question has very low development indices, and many countries still suffer from high poverty rates and serious social unrest.

El Salvador. This country will be given priority by Italian Co-operation, partly because of the role that our country will play in SICA (*Sistema de Integración Centro Americana*), where it has observer status. The sectors that will be given the greatest emphasis over the next three years will be education, health and local development, as well as support for civil society, giving special attention to minors.

Guatemala. The Italian Co-operation works primarily in the field of local development, governance and education, with a special focus on minors.

Haiti. Given the renewed international commitment in this country, Italian Co-operation will be able to contribute to post-earthquake reconstruction programmes.

In Honduras and the Dominican Republic, the programmes under way or for which a commitment has been undertaken will be concluded – although additional resources may be provided to consolidate the results achieved – without launching any new initiatives during the three-year period.

Southern Cone

(UTL: Buenos Aires)

Because of the higher development indices in the Southern Cone countries and the large amounts of funding devoted to **Argentina** and **Uruguay** during the years of economic crisis, Italian Co-operation will be limited to consolidating the initiatives under way in these two countries, primarily in the sectors of health and support for micro, small and medium-sized enterprises, in particular through the tool of decentralised co-operation.

In **Brazil**, a country in which Italian Co-operation has major initiatives in the environmental sector (protection of the Amazon forest, training in the water sector and rehabilitation of *favelas*), there will be a regular assessment of the feasibility of financing projects of limited size, using the contribution of decentralised co-operation, primarily in the field of capacity building in the environment and in the fight against urban poverty, even under triangular co-operation programmes' framework in Third Countries.

Central America – Western Caribbean

This area is the target of a sectoral priority through ongoing initiatives in the field of environment and land conservation in small islands, with special reference to the attention that the Millennium Goals give to the needs of the least advanced countries, land-locked countries and small island developing states.

2.4) Asia and Oceania

Financial resources: the Asia and Oceania area will receive 10% of the total of funds available for bilateral activities in each of the years of the 2010 – 2012 period.

Southern Asia

(UTL: Kabul, Islamabad)

Priority countries 1: Afghanistan, Pakistan

Afghanistan is being given absolute priority. Italian Co-operation, together with the international community, will remain committed to the reconstruction of the country, which is the main recipient of grant aid in Asia. The intervention priorities will concern the governance fields, the local and health development, the vulnerable groups support and infrastructures, as well as the stabilisation and consolidation of democratisation processes and social policies, through initiatives such as the fund for the National Programme for Justice, the programme of support for presidential and parliamentary elections (2009/2010) and the construction of the Maidan Shar-Bamyan road.

Support will be provided to the Afghan administration through participation in the major trust funds for the improvement of governance and conditions of legality and security, as requested by the Afghan government during the January 2006 London Conference. The multilateral channel will gradually be reduced in favour of the bilateral channel, through the financing of Afghan government national programmes and with the necessary co-ordination among donors to increase aid effectiveness, maintaining the visibility of our initiatives, particularly in the western region and Herat, in close co-ordination with the Defence Ministry for CIMIC activities.

In order to cover the financial commitment required to meet the international commitments undertaken by Italy for the three-year period (approximately 50 million Euros per year), it will be necessary to draw upon the additional financing provided for peace-keeping missions.

In the regional context of stabilisation and security, great importance will be given to development assistance to **Pakistan**, particularly with regard to the flow of Afghan refugees who must return home, currently financed on the so-called “*Decreto Missioni*”. Pursuant to these goals, Italian Co-operation launched debt conversion activities, and will establish its presence in Islamabad. During 2009, two soft loan programmes in the field of rural development and vocational training were approved and amounted to 60 million Euros. They should be implemented in the next three-year period.

In the other developing countries (India, Nepal, Bangladesh, Sri Lanka), the programmes under way or for which a commitment has been undertaken will be completed – although additional resources may be provided for activities to consolidate the results achieved – without launching any new initiatives.

South-East Asia and Oceania

(UTL: Hanoi)

Priority countries 2: Vietnam and Myanmar

An aid credit package of 38 million Euros has recently been approved for **Vietnam** in the water and environmental sectors and grant-based initiatives are currently under way in the health field and to develop a more open and regulated commercial and financial system, following its accession to the WTO. The main sectors of intervention will be health, water-environment, local development with a strong capacity building component.

Programmes in **Myanmar**, one of the poorest countries and with the lowest development indices, will primarily be in the sectors of health and agriculture and food security.

In the region’s other developing countries where Italian Co-operation is operating (Cambodia, Indonesia, East Timor, Pacific islands, the Philippines, Laos), the programmes under way or for which a commitment has been undertaken will be completed – although additional resources may be provided for activities to consolidate the results achieved – without launching any new initiatives.

Far East

(UTL: Beijing)

Over the next three years, the Italian Co-operation will continue to disburse funds to commitments which were already launched in China, but its assistance will keep on moving towards a partnership focusing on sustainable development. The priority sectors will be the environment, in particular climate change, the enhancement of the cultural heritage and the quality of health services in the poorest provinces.

In **North Korea**, all project will concern the agricultural sector and food security.