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SIPDIS

AF/EPS CAMILLE JACKSON

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TAGS ECON, IT

SUBJECT: ITALY: GOI PROGRESS ON AID TO AFRICA FOR G8

PRESIDENCY

Classified By: Econ Counselor William R. Meara for Reasons 1.4 (b) and (d).

¶1. (U) Summary: The Director of Italy's Sub-Saharan African Assistance Office said assistance levels are not expected to change with the newly installed Berlusconi government. Italy will continue to focus its funding on Ethiopia and Mozambique, with an emphasis on health and education. Development officials hope assistance issues will continue to be a priority for Italy during its 2009 G-8 presidency. End Summary.

¶2. (U) On June 19 Econoff met with Fabrizio Nava, Director of the Office of Sub-Saharan Africa Assistance, to discuss GOI assistance to Africa. The 2008 GOI budget allocates 4.1 billion Euros for foreign assistance, or .27 percent of GDP, slightly above the percentage of GDP in 2007. The MFA disperses roughly 750 million of the 4.1 billion Euros through the foreign aid office; Africa receives around 140 to 200 million for bilateral and multilateral humanitarian assistance. The Ministry of Finance controls the remaining foreign assistance account which covers Italy's contributions to the United Nations, EU, World Bank and Italy's debt-forgiveness program. Despite the recent arrival of the center-right government and budget cuts, Nava believed African assistance levels would be maintained.

¶3. (U) Italy supplies aid to 36 of the countries in Africa. Of these 36, the GOI gives three countries priority: Ethiopia, Mozambique, and Eritrea. Eritrea is now, however, only given emergency aid due to EU restrictions. Nava said that the GOI recently initiated a pilot program focused on budget support to

Mozambique. Should GOI deem the program a success, Nava said similar budget support will be given to other African countries starting with Cape Verde.

¶4. (U) According to Nava, Sudan, Egypt, and Mauritania are lower priorities, but also receive assistance from the GOI. Nava pointed to a recent memorandum of understanding pledging 12 million Euros over the next three years to Mauritania. The funds have been earmarked for poverty alleviation, the improvement of living conditions, cultural programs and training for judges. (Note: Mauritania is a personal concern of Alain Economides, Head of Minister Frattini's Private Office and former Ambassador to the region. End Note.) In Mauritania and Egypt, Nava noted that most GOI aid focuses on agricultural, medical, and educational development. Nava expects work on gender issues, an initiative started by the previous Foreign Minister, to continue to be a priority as well, although he did not provide specifics.

¶5. (U) Econoff brought up criticism voiced by NGOs such as Bono's "Debt AIDS Trade Africa" (D.A.T.A.) and Action Aid Italy that Italy's aid apparatus is out-of-date and overly focused on infrastructure projects. Nava explained that donating to NGOs is rather difficult due to the small number of them; there are roughly 300 "recognized" NGOs in Italy. In order to be recognized by the GOI, NGOs must go through a three-year vetting process. Nava observed that over the past two years, the Foreign Ministry has made improvements in disbursing assistance through NGOs and said he believed the trend would continue. In closing, Nava said he expected African assistance be a focus during Italy's 2009 G-8 presidency.

¶6. (C) Comment: With its 2009 G8 presidency looming, the GOI may decide to maintain funding levels simply to avoid an embarrassing tongue-lashing from Bono et al. End comment. SPOGLI