

Global Partnership for Development

Millennium Development Goal 8

First progress report by Belgium 2004



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Belgium supports the Millennium Development Goals

In September 2000, the Prime Minister of Belgium, together with political leaders from 188 other countries, reconfirmed at UN headquarters in the “*Millennium Declaration*” a set of universal values and objectives. Together, they also emphasized the interdependence of peace and security, poverty eradication, sustainable development and human rights, stressed the need for a global approach to all these issues and set out a framework for a partnership with shared responsibilities for developed and developing countries. From this “*Millennium Declaration*”, 8 specific development objectives, the Millennium Development Goals (MDGs), have been derived. Moreover, clear targets have been defined for each goal, and a limited set of indicators selected. Together, these goals express the many dimensions of poverty reduction and human development in the form of time-bound quantitative targets.

As such, they are at the centre of our development agenda as we defined it collectively throughout the UN conferences and summits of the late 90s and early 2000s: “part of a global vision that sets out a mutual commitment to progress, struck at the highest political levels, between developed and developing countries”, as Mark Malloch Brown, Administrator of UNDP, put it. But the MDGs are more than that. The idea of cutting poverty, putting children in school, building a cleaner environment and providing better healthcare for mothers and infants is something that every citizen of this world can understand and relate to in a very tangible way. “It makes development *local* – and thus provides a unique development entry point into political debate by focusing on the issues that really matter to ordinary people.” As such, the MDGs are also the ultimate “bottom-up, grassroots development agenda”.

While providing a broad framework for development, the MDGs are of course not a programmatic tool themselves. In the majority of developing countries, in particular the poorest, Poverty Reduction Strategies have now become the medium term “national roadmap” of policies and actions required to reach longer-term targets. Within the PRS the MDG can and should be tailored to country realities and priorities. This “tailoring” must balance ambition with realism: over-ambitious targets are not likely to trigger action; non-challenging targets are unlikely to mobilise extra resources. In this sense, the MDGs are also a powerful tool for mobilizing political commitment around country-owned strategies to implement the outcomes of UN conferences.

For all these reasons, Belgium endorses the MDGs as *a time-bound set of development priorities for the next decade, focusing specifically on the promotion of human development and the fight against poverty*, and each of them geared towards the alleviation of a particular dimension of poverty.

Belgium also views these MDGs as *a tool for the coordination of development efforts* deployed by rich and poor countries alike, as well as by the international institutions.

Belgium supports these MDGs because they reflect *a stronger joint focus* by both governments and donors *on outcomes and results*. The MDGs offer an integrated way for *tracking progress* at the global, regional and national level. MDG reporting will help to retain the attention of the world on global development issues and to mobilise the general public, the media and political leaders for working towards the achievement of the MDGs.

Belgium is committed to rise to the challenge of implementing these Goals by 2015 and to fulfil, together with its partners from developing countries, its share under the partnership Goal, in close coordination with all European countries and other donors. The contribution expected from countries like Belgium under MDG 8, the partnership goal, amounts to the provision of increased volumes of aid, the improvement of aid effectiveness, and the adaptation of their national policies in matters that have significance for global development such as debt management, trade regulations, and investment issues.

This document is a first progress report by Belgium and provides information on its efforts undertaken under Goal 8, which calls for a global partnership for development, in support of Goals that constitute our common agenda. I am particularly pleased that it can be released at a moment when the United Nations prepare themselves for a first review of the Millennium Declaration and hope that the Summit, to be celebrated in New York in September 2005, will strengthen the resolve of developing and developed countries alike to reinforce this partnership Goal and thereby make the implementation of the common targets and objectives by 2015 a reality.

Armand De Decker

Minister for Development Cooperation

1. Introduction

In September 2000, political leaders from 189 countries, attending the Millennium Summit at UN headquarters, agreed on a “*Millennium Declaration*” on universal values and principles, particularly on peace and global development. The UN General Assembly subsequently endorsed this declaration. It emphasizes the interdependence of development and governance, environment, human rights, gender equality, peace and security; and stresses the need for a global approach to all these issues. It sets out the framework for establishing a new partnership with shared responsibilities between developed and developing countries in fighting poverty.

From the Millennium Declaration, a set of 8 specific global development objectives, the “Millennium Development Goals” (MDGs), has been derived. Together, the 8 goals cover the broad notion of fight against poverty, each of them geared towards alleviation of a particular aspect of poverty. Clear, time-bound, targets have been defined for each goal, and a total of 48 indicators have been selected in a joint effort by the major international organisations¹. The MDGs have generated a very wide international consensus and have become, with the resolutions of the Conferences of Monterrey (Financing for Development, 2002), Johannesburg (World Summit on Sustainable

¹ The United Nations, the Bretton-Woods institutions, the Organisation for Economic Cooperation and Development, the World Trade Organisation

Table 1 The Millennium Development Goals

THE GOALS	TARGETS
1 Eradicate extreme poverty and hunger	1 Reduce by 2015 the proportion of people living on less than 1 dollar a day 2 Reduce by half the proportion of people suffering from hunger
2 Achieve universal primary education	3 Ensure that all boys and girls complete primary schooling
3 Promote gender equality and empower women	4 Eliminate gender disparity in primary and secondary education preferably by 2005, and at all levels by 2015
4 Reduce child mortality	5 Reduce by 2015 by two thirds the under-five mortality rate
5 Improve maternal health	6 Reduce by 2015 by three quarters the maternal mortality ratio
6 Combat HIV/AIDS, malaria and other diseases	7 Halt / reverse the spread of HIV/AIDS by 2015 8 Decrease incidence of malaria + other major diseases by 2015
7 Ensure environmental sustainability	9 Integrate sustainable development in country policies and programmes 10 Reduce by half the proportion of people without access to safe water by 2015 11 Improve the living conditions of at least 100 million slum dwellers by 2020
8 Develop a global partnership for development	12 Equitable trading and financial system 13 Address the least developed countries' special needs 14 Address the special needs of landlocked/small island countries 15 Deal with debt problems 16 Develop work for youth 17 Improve access to essential drugs 18 Make available the benefits of new technologies, particularly ICT

Development, 2002) and Doha (Doha Development Agenda, 2001, World Trade Organisation), a cornerstone of the development agenda.

Belgium fully acknowledges the importance of the commonly agreed objectives as reference marks in the fight against poverty. It is committed to rise to this challenge and to fulfil its share in close coordination with all European countries and other donors.

Monitoring progress towards global development and the fulfilment of the MDGs is an indispensable component of the partnership between rich and developing countries. In addition, MDG reporting will be essential in retaining the attention of the world on global development issues and MDG goals. In developing countries, it will also help mobilising the general public, the media and political leaders for working towards the achievement of the MDGs at country level.

MDG monitoring takes place on a global and on a national level. At global level, the UN Secretary General reports annually to the General Assembly on the implementation of the Millennium Declaration. At national level, both developing and donor countries are encouraged to report on their accomplishments within the MDG framework. As of today, 73 progress reports had been completed, often with the support of UN development partners, and 5 reports by donor countries are being published.

The contribution expected from the richer countries to the MDG partnership mainly amounts to the provision of increased volumes of aid and the improvement of aid efficiency on the one hand, and the adaptation of their national policies in matters that have significance for global development such as debt management, trade regulations, and investment issues on the other hand.



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2. Goals and targets to be met by developed countries

Belgium fully subscribes to the commonly agreed objectives. This report focuses on MDG 8 and 7, since they reflect donor commitments.

Establishing a partnership between developing and developed countries (MDG 8) has an overarching importance for the MDG approach as a whole. Developed countries have pledged to improve development aid provided to less advanced countries in a quantitative as well as in a qualitative way. In addition, policies in other areas such as trade regulations and debt management are of equal or even greater significance for the future of developing countries. Progress in this field can only be reached by international consensus. The Belgian contribution, discussed here, is placed within the broader context of the efforts of the community of donor countries, particularly the European Union and its member states. The report also discusses how Belgium, as a donor, aligns its programmes on the MDGs.

2.1. Aid

2.1.1. Current Status

Volume of Official Development Assistance (ODA)

The UN had proposed, already in 1970, that the industrial countries allocate at least 0.7% of their Gross National Income (GNI) to official development aid (ODA). In May

2005, the European ministers agreed to a level of 0.56% for 2010, and 0.7% by 2015. In 2004, the DAC members allocated 0.25% of their collective GNI to ODA. The average for all EU countries was 0.36%.

Through the 90's, Belgium stabilised its ODA volume at a level of 0.35 to 0.37% of GNI. At the Monterrey Conference in 2002, Belgium strongly supported a steady and concerted ODA increase by developed countries, and its own ODA rose above the threshold of 0.39% of GNI put forward in the Barcelona commitments (0.43% in 2002, 0.61% in 2003 and 0.41% in 2004). The remarkable increase in Belgian development aid between 2002 and 2003 is explained by an exceptionally large debt cancellation initiative for the Democratic Republic of Congo.

Alignment on the MDGs: Objectives and priorities of ODA

The Law on International Cooperation of 25 May 1999 defines the Belgian Official Development Assistance. This Law formulates the global objective of Belgian development assistance as “sustainable human development”, to be achieved through poverty reduction based on a partnership approach between beneficiary and donor countries”. This overall objective coincides with the vision of the Millennium Declaration.

MDG 8 and 7: the focus of this report

Even though the fulfilment of all MDGs will depend on common endeavours by developing and developed countries, the efforts required from industrialised countries are primarily spelled out in Goal 8 “developing a global partnership for development”. Developing as well as developed countries also bear an important responsibility in achieving Goal 7 “environmental sustainability”, in particular its target # 9, which deals with sustainable development and the conservation of environmental resources. A specific reporting by donor countries on those objectives (Goals 7 and 8) and corresponding targets (targets 9, 12-18) is therefore valuable.

Table 2 Belgium's Official Development Aid

INDICATORS IN %	1990	1995	2000	2002	2003	2004
Net ODA total, as % of GNI	0.46	0.37	0.36	0.43	0.60	0.41
Net ODA to LDC's as % of GNI	0.27	0.17	0.20	0.22	0.46	0.25
Part of bilateral sector-allocable ODA to basic social services	19.8	17.4	25.2	20.6	20.6	20.1
ODA to landlocked countries	14.8	10.2	11.5	10.2	6.6	9.8
ODA to small island developing states	1.5	1.0	1.8	1.0	0.6	1.0
Multilateral ODA	38	50	41	34	23	39
Bilateral ODA that is untied			99.5	99.6	99.1	95.9

Sources:

Statistical yearbooks of the DGDC and the OECD

The Law recognizes 5 sectors of concentration for the Belgian development assistance, and these sectors match the themes targeted by the different Millennium Development Goals. These priority sectors are basic health care, including reproductive health (corresponding to goals 4, 5, 6), basic education and training (goal 2), agriculture and food security (goal 1), basic infrastructure and conflict prevention / community strengthening. Gender equality and the empowerment of women (goal 3), social economy and environmental sustainability (goal 7) are considered cross-sectoral themes, to be taken into account in all policies, strategies, programmes and activities.

Table 3 provides indications on the share of ODA earmarked, by Belgium and by the DAC countries as a whole, to actions contributing to the fulfilment of the different goals and their associated targets. These estimated figures suggest that the largest part of ODA means has been focussed, in the DAC countries and more particularly in Belgium, towards the achievement of the Millennium Objectives. The proportion of aid going to each of the targets varies widely but, in total, the part of the contributions aiming at the MDGs has increased in the last years and amounted to more than a half of the Belgian official development aid, in 2002.

Least Developed Countries (LDC)

Belgium hosted the Third UN Conference on Least Developed Countries, in May 2001, during which the Brussels Programme of Action for LDCs was adopted. Belgium is committed to its implementation, provides financial assistance to the follow-up of this Programme of Action and supports the participation of a NGO consortium in the monitoring of its implementation. This grouping of several hundreds of local NGOs, called 'LDC Watch', operates in each partner country and represents civil society in international meetings where the progress of the Programme of Action is discussed (e.g. at the high level segment of ECOSOC of June 2004).

The major part of Belgian ODA has consistently been devoted to the least developed countries (LDC). Currently, official assistance to LDCs exceeds 0.20% of GNI, which is the minimum level recommended by the Brussels Programme of Action for LDCs. Part of this assistance, estimated at 0.10% of GNI (in 2002) is implemented through direct bilateral programmes, and another part is channelled through contributions to international Funds and Programmes and to development Banks (multilateral aid).

Since 2003, Belgian direct bilateral assistance is concentrated on 18 countries (so-called "partner countries"), generally among the poorest. Ten of these partner countries belong to the Least Developed Countries category.

Table 3 How is Belgium supporting the Millennium Development Goals (MDGs)?¹

MILLENNIUM GOALS	DAC	BELGIUM			
	2001	2001	2002	2003	2004
Fight against hunger	4.0%	3.9%	3.5%	2.9%	3.4%
Primary education	1.6%	0.2%	0.3%	0.7%	1.5%
Gender equality	0.8%	1.0%	3.8%	7.1%	12.8%
Youth employment	1.2%	3.1%	1.8%	1.2%	1.4%
Other education (incl. 2^{ary} and 3^{ary})	4.1%	9.4%	4.8%	4.1%	7.4%
Child mortality	1.3%	3.2%	1.4%	1.1%	1.7%
Maternal health	1.1%	0.4%	0.6%	0.3%	0.5%
HIV/aids, malaria and other diseases	2.8%	2.6%	2.8%	1.4%	3.1%
Other health	2.3%	6.5%	2.7%	1.8%	2.0%
Environmental sustainability	3.8%	1.5%	14.1%	3.3%	5.1%
Water and sanitation	6.2%	2.6%	1.2%	1.4%	1.7%
Housing & slums	1.0%	0.7%	0.2%	0.9%	1.3%
Trade capacity building	2.3%	0.9%	0.2%	0.1%	0.1%
Debt relief	7.3%	9.8%	19.1%	42.0%	14.6%
Communications	0.7%	1.0%	0.2%	0.2%	1.4%
TOTAL²	40.5%	46.9%	56.8%	68.6%	57.3%

¹ A degree of caution is required when interpreting the figures: the calculations are based on the sector codes of the DAC statistics, which are not always compatible with the MDG classification. This is why DAC stopped using these calculations.

² The ODA expenditures earmarked for non-MDG projects go to sectors that are relevant to development, but are not part of the MDGs (transport, industry), are not related to a specific sector (budget assistance) or concern awareness raising and administration.

Sources:

OECD – Creditor reporting system; DGDC – D 0.2 – PMEO – DAC – Statistics

Landlocked developing countries

Belgium concentrates a predominant part of its direct bilateral aid on the largely landlocked region of the Great Lakes in Africa (Rwanda, Burundi, Uganda). Niger,

Mali and Bolivia are also partner countries of Belgian bilateral aid. Until 2003, Laos, Burkina Faso and Ethiopia were beneficiaries as well, and they still host a number of programmes initiated before 2003.

List of the 18 Partner Countries (since 7 November 2003)

Algeria	Burundi*	Mali*	Niger*	Rwanda*	Tanzania*
Benin*	Dem. Rep. of Congo*	Morocco	Palestine	Senegal*	Uganda*
Bolivia	Ecuador	Mozambique*	Peru	South Africa	Vietnam

* belongs to the Least Developed Countries

Given the Belgian focus on the Great Lakes region in Central Africa, the proportion of aid going to landlocked countries is likely to be maintained in the coming years. Belgium advocates a regional approach to the challenges of economic development for landlocked countries and regions.

Untied Aid

In international fora such as the Development Assistance Committee (DAC), Belgium acts as an advocate of the untying of aid from procurement and from the use of national experts. This position has been incorporated in the latest Government Agreement on Development (2003). In practice, Belgian aid has been gradually untied and is almost totally so since 2000.

ODA for basic social services

Basic social services include basic education, basic health, nutrition, safe water and sanitation and are part of the priorities of Belgian bilateral and multilateral aid. Most of the new programmes concentrate on them. It is difficult, however, to provide satisfactory estimates of the amounts spent on these services, which were not always earmarked as such. Certain important expenditures, such as core contributions to multilateral Agencies, are not captured by this marker.

2.1.2. Trends and Challenges

Keep ODA growing

The gradual increase of ODA towards the benchmark of 0.7% of GNI by 2010 has been included in the Budget Bill (of 24 December 2002) and has been reconfirmed in the Federal Government Declaration on Foreign Policy of July 2003. However, the precise annual ODA allocation remains to be decided by Parliament every year. It will be essential to keep the general public aware of the issues at stake and to organise information campaigns on global development.

Innovative sources of finance

The Belgian Parliament, in a majority vote cast in July 2004, tried to meet the challenge of the MDGs by advocating the gradual introduction of a tax on international financial transactions (Tobin-Spahn proposal) in all donor countries. The implementation of such a new taxation system in all donor countries is expected to double the amount of internationally available ODA. Since Belgian Parliament approved the Tobin Tax Law, on 19 November 2004, Belgium is the first country with the adequate legal instruments to implement the necessary tax recovery system immediately. This will be put into practice when the other countries belonging to the Eurozone also decide to introduce an international financial transactions tax.

Belgium is also ready to discuss other proposals for alternative financing, as submitted during the September 2004 meeting of world leaders at the UN, launching their 'Action against Hunger and Poverty' (Lula initiative).

Belgium supports basic education

During the Conference on Education for All (Dakar, 2000), the rich countries committed themselves to help developing countries with the financing of basic education plans, if and when such plans are well prepared and credible.

In the context of that commitment, Belgium puts its support to basic education into a multi-donor approach, whenever possible. Belgium also participates in the World Bank-led Fast Track Initiative and provides some funds to the Catalytic Trust Fund allowing countries to implement their programs on basic education.



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Direct bilateral ODA: quality and modalities

No less important than the amount of financial means committed to development assistance, is the improvement of aid quality and effectiveness. In order to reduce the scattering of limited resources and to optimise aid impact, Belgium henceforth concentrates its state-to-state assistance on a restricted number of partner countries (18), in a few selected domains (5) and cross-sectoral themes (3).

Priority is given to sub-Saharan Africa, particularly to the Great Lakes region where, besides Uganda and Tanzania, 3 countries (DR Congo, Rwanda, Burundi) can count on a major share of Belgian support. Particularly in this unstable region, results of any efforts undertaken, together with governments, towards development, will depend to a large extent on designing durable solutions for political issues, and on taking their regional dimension into account.

To reinforce the focus on the selected geographical, sectoral and thematic priorities and to improve consistency and coherence of activities through time, an intervention strategy has been worked out for each of the partner countries (this is done in line with the national Poverty Reduction Strategy Papers, PRSPs, when they exist). Country strategy papers for Belgian aid have been drawn up in cooperation with each partner. They are based on national priorities and planning, focussed on poverty alleviation, and take account of planning documents and preparatory work developed by the partner and by other assistance institutions. In the same way, strategy papers have been prepared for each of the priority sectors and cross-sectoral themes of the Belgian aid. Further methodological work is needed to ensure the optimal use of MDG criteria for the monitoring and evaluation results of the strategies.

The community of donor and developing countries is currently investigating new cooperation modalities. Belgium is actively taking part in their discussions. Approaches based on multi-annual programmes are increasingly preferred over project-based interventions. Where the environment is favourable, various forms of budget support may be considered. A wide range of flexible instruments is becoming available, from the sector-wide approach (SWAP) through basket funding and sector-oriented financial support, to general budget support. Various experiments have been carried out so far, including for example an earmarked budget support in Niger, aimed at the sector of basic education, a similar intervention in Burundi (balance of payment, reform of security forces, socio-economic assistance), or a participation in a multi-donor budget support to the sector programmes (education and health) in Ethiopia, Mozambique and Tanzania.

Multilateral ODA

About a third of the Belgian ODA is channelled through multilateral institutions, including the Aid structures of the European Union, the United Nations System, and the international financial institutions. This multilateral cooperation complements the action of bilateral aid. In recent years it has followed a similar evolution, in search of improved effectiveness.

As for the partner countries, the Belgian multilateral financial support is now concentrated on a few selected partner organisations. At present, voluntary contributions are disbursed to about 20 international Organisations (down from more than 40, before 1999), with larger amounts granted to each. The Administration of Development Cooperation is working on a strategic approach, enhancing coherence between the Belgian contributions to the various Organisations.

Belgium is also putting increased emphasis on better monitoring and evaluation of its multilateral cooperation programmes. Within the decision making bodies of the UN and of the Bretton Woods Institutions, Belgian representatives will consistently strive to improve result-based management, evaluation procedures, monitoring and audits. The same effort is being pursued at Headquarter level in Brussels.

Even beyond the framework of Belgian-sponsored activities, the identification and development of synergies between different organisations is encouraged, in order to minimise overlapping and duplication and to ensure the most effective and efficient utilization of available financial and human means. The long-term goal is a simplification of the international assistance architecture.

Also with a view to contributing to a better predictability of resources, leading to improved planning of activities and impact, Belgium has agreed to the multi-year funding of most of its partner organisations, UNDP amongst others.

Belgian Partnership for Poverty Reduction

In order to contribute to an improved coherence between multi- and bilateral programmes, Belgium has established, with the World Bank, a “Belgian Partnership for Poverty Reduction” (BPRP), with a mandate to monitor and help enhance efficiency in the implementation of poverty reduction strategies. This fund supports continuous field analysis carried out by “poverty economists” and finances various PSIA studies (Poverty and Social Impact Analysis) investigating the impact, in partner countries of the Belgian bilateral aid, of strategies supported by multilateral, Belgian or other bilateral donors. Since 2003, Belgium also provides funds to the UNDP to carry out PSIA’s, and it encourages the UNDP and the World Bank to work together on common subjects in 6 of its partner countries.

In the past, most donor countries and organisations have often been operating within their own institutional framework. Considerable efforts have been made in recent years, aimed at improved coordination. Those efforts have been particularly encouraged at the Monterrey Conference where the Bretton-Woods Institutions and the United Nations Agencies cooperated effectively. However, there is still room for improvement at several levels.

At the national level, progress has been achieved in ensuring coherence between different Belgian sectors and actors by the establishment of a formal coordinating body ('Coormulti'), which brings together institutions from the federal and the regional levels and sometimes also the non-State actors.

Coordination between programmes, either bilateral or multilateral, is indispensable, but coordination between different donors' initiatives is still, in many developing countries, a remote objective. Harmonisation will go a step further as donor countries and institutions start simplifying and harmonizing their procedures for programme identification, formulation, execution, monitoring, evaluation. The ultimate purpose of this rationalisation process will be to align the management of all development contributions on the partner country's own policies and procedures, reducing the bureaucratic burden on its public administration to a minimum. Belgium encourages the development and recurrent updating of a National Poverty Reduction Strategy (PRSP) by each

partner country and devises its development aid within the framework and priorities set by this document.

The DGDC has established a working group to revise and simplify procedures within its administration, and to take an active part in international fora dealing with coordination and harmonisation at OECD and EU level. This group is also working on the alignment of Belgian cooperation policy on the development and poverty reduction strategies of partner countries.

2.1.3. Supportive environment in developing countries

Belgium is involved, as one of the main contributors, in a multilateral programme led by UNDP in several African countries designed to offer institutional support to parliaments of partner countries. This programme provides training to people's representatives and supports parliaments' efforts to fulfil their role in governance and to improve their capacity to monitor the development agenda.

A major aim of the programme is to enable parliamentarians to discuss effectively the substance of their national PRSP, to monitor its implementation, to appraise progress made by their country towards the MDGs.

The Belgian Survival Fund

Following public preoccupation with basic needs and extreme poverty in sub-Saharan Africa, the Belgian Parliament set up a special fund in 1983, entitled "*Survival Fund for the Third World*". The Survival Fund has the mandate to reach the poorest amongst the poor and focuses on a limited number of countries (20), mainly situated in famine-stricken regions of Africa. Seventeen of these countries are LDC's. The Fund operates in a decentralised manner and interacts directly with local stakeholders. The Belgian Survival Fund has been replenished in 1999 with an amount of € 250 million. The Fund is disbursing about € 30 million each year, financing bilateral and multilateral programmes as well as NGO initiatives in fields like food security, micro-finance, basic infrastructure and women empowerment (some 70 projects a year). It also contributes to rural development programmes. The Fund works with a restricted number of partner organisations, including 14 Belgian NGO's and 4 international institutions (FAO, UNICEF, UNCDF, IFAD).



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Belgium's development policy in Vietnam

Since the early nineties, Belgium's ODA-policy in Vietnam is aimed at poverty reduction. In the context of the Vietnamese reform policy towards an open market economy, the Belgian cooperation concentrates on the social deficits occurring as a result of these reforms.

Belgium has actively participated in the dialogue between Vietnam and its cooperating partners, leading to the PRSP (in Vietnam the "Comprehensive Poverty Reduction and Growth Strategy"– CPRGS). After its endorsement by the Vietnamese authorities in July 2002, Belgium, like most of Vietnam's partners, has explicitly stated it would align its aid-policy to the CPRGS.

Belgium's ODA policy is outlined in tri-annual "Indicative Cooperation Programmes - ICP" negotiated at ministerial level (Joint Commissions). Throughout the preparatory talks leading to a new ICP in December 2003, alignment on the CPRGS has been the overarching principle. As a result, the programme covers the areas of education, public health, and environment, water and sanitation, while it concentrates on socially deprived groups: rural and urban poor, women, and ethnic minorities.

At the level of programme preparation and implementation in Vietnam, Belgium has fostered the participation of the beneficiaries, such as consultative workshops, flexible project design and joint programme steering committees.

2.2. Trade and Subsidies

2.2.1. Status and trends

Trade, particularly the participation in an open international trading and financial system, is of vital importance for the economic development of any country. Open international markets governed by transparent and fair trade regulations are necessary to enable the developing countries to successfully integrate their economies in the global framework. Until today, this integration has been hindered by several constraints, ranging from the tariff and non-tariff barriers imposed on import products, to export subsidies. Several constraints also stand in the way of a harmonious and sufficient development of the much-needed South-South trade. In the framework of the Doha Development Agenda (DDA) negotiations are taking place at the WTO between industrialised and developing countries. Belgium is looking forward to the continuation and successful completion of the DDA negotiations of July 2004 in Geneva.

In an open trade context, developing countries, particularly LDCs, will need to preserve their own production and enterprises during a transition period before they can face international competition at home. Immediate removal of all custom barriers on

their side could, in some cases, be counter-productive. Therefore, there is a necessity to implement a 'special and differentiated treatment' for the production of less developed countries. A transitional period that would provisionally secure the policy space, requested by developing countries and discussed by the recent UNCTAD Conference, should enable these countries to install the relevant systems and policies, upgrade their products, and reinforce their domestic industry.

Trade and agriculture matters are the exclusive competence of the European Community. Most of the information provided in table 4 therefore refers to the situation in the European Union as a whole. It is as a member of EU that Belgium can suggest and promote initiatives for the improvement of the international trading system and for a more efficient and beneficial involvement of developing countries. The Belgian approach focuses on the improvement of access for exports from developing countries to the EU market, the reduction of domestic subsidies in sectors competing with vital developing countries export products, the training in fields related to trade, trade policies and commercial negotiations, while taking into account its own sensitive sectors and non-trade concerns.

Table 4 Trade with developing countries and LDCs

INDICATORS	1990	1995	2000	2002
Percentage of EU imports admitted free of duty (excluding arms and oil)				
- from all developing countries		33.6	52.4	47.0
- from LDCs		94.0	97.5	96.7
Average tariffs imposed by the EU on products from developing countries				
Agricultural products:				
- non-LDCs		13.4	11.7	11.1
- LDCs		3.3	3.0	2.2
Textile products:				
- non-LDCs		6.9	6.2	5.4
- LDCs		0.0	0.0	0.2
Clothing products:				
- non-LDCs		10.6	10.2	9.6
- LDCs	0.0	0.0	0.9	
Agricultural support estimate for the EU				
- as percentage of GDP	2.2	1.7	1.3	1.3
- in volume (billion US\$)	132.8	145.9	100.1	112.6
Proportion of total bilateral, sector-allocable ODA provided to help build				
- trade policy and regulations capacity *		0.1	0.3	0.3
- trade development capacity *		0.1	0.1	0.2

* Figures extracted from the DGDC statistical database.

Sources: EU statistics on imports, import tariffs (common to the whole EU), agricultural support.

Market access

Access to the markets of industrialised countries and of the merging economies needs to be improved by lowering or removing barriers to products from developing countries, and in particular from the least developed countries. This issue is at the core of the negotiations at the WTO. Europe has offered the effective cancellation of import tariffs for products from LDCs, and their substantial lowering for the benefit of other developing countries. Through the “Everything But Arms” (EBA) initiative, duty free and quota free access is granted to all goods (except arms) originating from LDCs. The EBA system is now operational but the full benefit of this initiative will be obtained only after a few years, once the transitional period for a number of important agricultural products (rice, sugar, bananas) has elapsed.

Belgium encourages initiatives by the industrial world beyond the EU, and by developing countries themselves -particularly the economically more advanced (emerging economies)-, to open their borders to products from developing nations, as requested during the XIth UNCTAD Conference (São Paulo, June 2004).

Non-tariff barriers have an important impact in restricting LDCs ability to export to developed countries. EU standards and regulations are related to hygiene, safety, and environmental preoccupations. An efficient way of helping developing countries overcome these barriers is by assisting export candidates to meet the EU requirements.

Export Subsidies

Most domestic subsidies (i.e. with the exception of the so-called green box subsidies) generate market distortions that are detrimental to major export products of developing countries. Europe has agreed to work towards the elimination of these subsidies, though appropriate consideration will be given to the interests of domestic producers. The framework agreement on the Doha Agenda of the WTO, adopted on 31 July 2004, paves the way the elimination of export subsidies in developed nations.

The agricultural sector, for example, is a principal pillar of the economy in most developing countries and offers



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these considerable development and export opportunities. It is important that developed countries consent to substantial efforts and reforms its policies to enable developing countries to benefit from their comparative advantage in this sector. Efforts by other developed countries as well as by important trading nations among developing countries are also required.

In this context, the EU has reacted favourably to the “Cotton Initiative” of West African cotton producing countries. It is important that the US implement their export subsidies reduction and that the EU renders its new internal market organisation for cotton operational.

2.2.2. Challenges: Trade capacity building

The Doha Development Agenda and the São Paulo Declaration resulting from the XIth UNCTAD Conference stress the need for capacity building in fields related to trade, trade policy and negotiation in developing countries. In 2001 the Creditor Reporting System of the OECD made an estimate of the level of aid dedicated by donors to trade capacity building. The average figure for this type of aid amounted to 2.3% of each donor country's total ODA. Belgium's contribution, mostly channelled through UN organisations and the WTO, reached only 0.9% in 2001 and 0.2% in 2002. In contrast, Belgium's aid for debt relief was almost 3 times the OECD average of 2002.

Programmes supported by Belgium tackle both the developing countries' capacity to negotiate trade agreements and their capacity to produce goods with export potential. With regard to the latter, Belgium supports the important initiative of the Integrated Framework for Trade-related Technical Assistance to Least-Developed Countries – Window II. This initiative has as goal the major challenge of engaging the less developed countries in the world economy. It defines export strategies in cooperation with all stakeholders, and draws up a general technical assistance framework for each country. Belgium also contributes (with € 0.5 million a year) to the financing of the Trade Related Technical Assistance Programmes, mainly for the training of trade negotiators.

For the development of negotiating capabilities, Belgium has financed UNCTAD projects for several years, particularly a ‘Train for Trade’ programme, providing distance learning with the participation of several universities. A further step was taken when a ‘Virtual University on Trade’ was launched in June 2004, during the XIth UNCTAD Conference.

2.2.3. Promotion of ‘Fair trade’

‘Fair trade’ is a field of intense NGO activity worldwide, and Belgium is one of a few European countries providing official support to these activities. The objective is to provide a better share of the profits along the production chain to the producers in developing countries. A national promotion campaign for fair trade products (coffee, cacao, textiles) is currently being financed by the Belgian Government, for the third successive year. Under the Fair Trade Initiative a network of ‘third world shops’ has been set up, and the introduction of fair trade products into the mainstream commercial circuit is a next objective. The Belgian Development Cooperation is one of the key promoters in the introduction of ‘responsible products’ into large retail chains in Europe.

After two years of informative campaigns, results are perceptible: the market for such products in Belgium increased by 58% between 2001 and 2003. It is now proportionally one of the largest in Europe. A growing part of the Belgian public has become aware of the challenges and constraints met by fair trade, as more and more people also know where to find fair trade products. According to the June 2004 opinion poll², 25,9% of the public have an active knowledge about fair trade.

Long-term success of fair trade requires transparency of the commercial process as much as sustained promotion. The new awareness campaign, financed by the Belgian Cooperation and called ‘Fair Trade Week’ (6 to 16 October 2004) has had features and publicity in all leading newspapers and on various radio and television stations. A train toured the country with the products and known personalities promoted them. The Fair Trade Labelling Organizations International (FLO, an NGO established in Belgium) was awarded the annual prize of the King Baudouin Foundation in 2003.

² Opinion poll on the knowledge and attitude of the Belgian public on development issues (DGDC, June 2004)



Minister for Development Armand De Decker launches 'Fair Trade Week' in railway station Brussels-Midi © DGDC/Jean-Michel Corhay

2.3. Debt

2.3.1. Status and trends

An unsustainable debt burden is an obstacle to social and economic progress. The EU has committed itself (Barcelona Commitments) to develop policies to restore the sustainability of low-income countries debt and ensure “that developing countries, and especially the poorest ones, can pursue growth and development unconstrained by unsustainable debt dynamics”. Belgium is participating in all major platforms where the debt problem is discussed, notably the Club of Paris and the Bretton Woods Institutions, and contributes to debt cancellation mechanisms.

2.3.2. The Initiative for Heavily Indebted Poor Countries (HIPC)

The amounts involved in debt relief transactions by Belgium have increased considerably over the past fifteen years, particularly after the Highly Indebted Poor Countries Initiative (HIPC) has been launched. These amounts represented some 19% of total ODA in 2002

and 40% in 2003, well above the average figure for CAD countries, which amounted to 6.8% of their collective ODA in 2002. The sharp increase observed in 2003 is related to a one-time debt reduction to the benefit of the Democratic Republic of Congo, concluded in the framework of the Paris Club. Debts at commercial rates are by far the major component of credits held by Belgium, while concessional loans account only for a marginal proportion.

In addition to bilateral debt relief, Belgium contributes to the reduction of multilateral debts, through participation in trust funds. It has also provided financial support to international institutions (IFAD, West African Development Bank) in their participation to HIPC.

2.3.3. Challenges: New approaches to Debt Sustainability

The Belgian Government considers the improvement of low-income countries' debt sustainability as a priority. Various debt alleviation modalities are available to the community of creditor countries. Belgium considers that a combination of debt ratios and quality indicators of policies and institutions, rather than the quotient of debt

Table 5 Debt

INDICATORS (in % ODA)	1990	1995	2000	2002	2003	2004
Debt forgiveness as a percentage of ODA (HIPC incl.)	1.7	6.5	5.0	19.1	40.6	14.6
HIPC debt relief			5.0	19.1	40.6	14.6
Proportion of grants in ODA	96.8	95.9	97.5	97.0	98.5	96.5

Source:

Statistical yearbook of DGDC and the Treasury Department, Ministry of Finance.

to exports alone, should be used to describe the debt situation of a country. Next, different tools could be used to overcome the 'unbearable debt' situation, depending on economic specifics and potential as well as on the development policies of each country.

Total debt cancellation should be reserved to LDCs with a limited natural resources base and development potential. At the same time, debt relief programmes should not be assimilated with new ODA resources and should not result in reductions of already planned ODA.

Except for part of the multilateral aid (contributions to the International Financial Institutions), for state-to-state loans, and for the Belgian Investment Organisation (BIO, mentioned in § 3.2) Belgian ODA exclusively takes the form of grants. Grants are predominantly intended for the social sectors, especially in countries with a modest economic development potential, where economic impact of assistance programmes in these sectors cannot be expected or will only be felt in the long term. Belgium

considers that lending procedures should be preferred wherever support to potentially viable undertakings is intended, and does not favour highly concessional loans for productive investments.

Belgian initiatives

Belgium has sponsored initiatives in this field during the preparation and follow-up of the Monterrey Conference, and had mentioned a theoretical model developed by Belgian universities as a potential basis for specific alternatives to or for the enhancement of the HIPC system. In this model, debts are bought back (by a special fund) at current market values and the reimbursements by LDC countries are directly used for the development of the productive sectors.

Further research is needed to understand the conditions necessary to prevent debt accumulation from picking up soon after debt relief programmes have been completed and from becoming again, on short term, unsustainable. Belgium is favourable to a new approach put forward by the Bretton-Woods Institutions, where a Debt Sustainability Analysis (DSA), based on a Country Policy and Institutional Assessment (CPIA), is carried out periodically to assess each country's debt situation.

2.4. Environmental sustainability

The Federal Law on International Cooperation (passed in 1999) establishes environment issues as one of the three priority cross-cutting themes to be integrated in the “mainstream” of the development cooperation policy of Belgium, from the political dialogue with the partner countries to the implementation of projects in the field. On the basis of this, an Environment Strategy Note has been elaborated, with the collaboration of major stakeholders in development or environment. Belgium considers that the environmental dimension should also be systematically taken into account in the partners’ PRSPs and in development strategy documents in general.

2.4.1. National environmental Plan

Belgium is implementing its “Federal Plan on Sustainable Development” for the period 2000-2004, (approved by a Royal decree of September 2000) and is now preparing the next Plan, setting time-bound targets related to the Agenda 21, the action programme of the UN Rio Conference on Environment and Development (1992). The links with the Global Public Goods and with development goals in general, have been clearly established. It is thus important to stress here that sustainable development is considered, in Belgium, as a goal that cannot be achieved without progress in developing countries.

Table 6 Environment

INDICATORS	1990	1995	2000	2002	2003
Proportion of land covered by forest ¹	20.14	20.14	20.05	20.05	20.04
Ratio of area protected to maintain biological diversity ²	2.52		2.70	2.82	2.74
Energy use (GDP per kg oil equivalent) (PPP) ¹		0.53	0.56	0.61	
Energy use (kg oil equivalent) per € GDP (PPP) ¹		1.89	1.80	1.64	
Carbon dioxide emissions per capita (tons) ³	11.65	11.91	11.79	11.49	11.83

Source:

¹ www.statbel.fgov.be

² www.sea.unep-wcmc.org

³ Belgium's GHG inventory (1990-2003)

Kyoto Protocol

In the framework of the Kyoto Protocol, Belgium develops partnerships with developing countries so as to contribute to its CO₂ reduction or absorption targets, through the Clean Development Mechanism, while transferring environment friendly technologies.

The implementation of the Convention on Biological Diversity, in particular through a substantial support to the implementation of Clearing House Mechanisms and the Global Taxonomic Initiative (Classification of all living species occurring in developing countries) in partner developing countries is now well under way. A special effort is made in Central Africa, despite conflict situations affecting many National Parks.



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2.4.2. Environment and development

The Federal Plan on Sustainable Development also emphasizes the interdependency between environmental sustainability at the global scale and development issues. Several of its targets are related to development objectives. The challenge of climatic change, for example, is to be addressed not only in Belgium or in Europe, but also through partnerships with developing countries, aiming at creating an enabling environment for climate change mitigation measures (e.g. by promoting renewable energies) and for the adaptation to the consequences of climate change (e.g. by rethinking land-use planning). Such bilateral or multilateral partnerships are essentially based on building capacities and strengthening institutions.

The Belgian Development Cooperation is currently developing a set of methodologies and procedures to integrate the assessment of environmental impacts at earlier stages of the decision-making and planning process (Strategic Environmental Assessment, SEA). This is being done at a national level, with scientific

expertise from Belgian universities, as well as at an international level, through participating in an SEA task team at OECD/DAC, within an overall aid harmonisation process between donors.

2.4.3. Participation in multilateral environmental programmes

Belgium supports several important international programmes aimed at improving environment in developing countries. Belgium is one of the main contributors to UNESCO programme in biodiversity and National Parks in the RDC. The Belgian Cooperation also makes important contributions to the UNEP coastal waters programmes, mainly in West Africa, in sanitation programmes as well as in projects combating slums (in collaboration with UN-Habitat).

Belgium is active in the follow-up and implementation of the three so-called “Rio Conventions”: United Nations Convention on Combating Desertification (UNCCD),

UN Convention on Biological Diversity (UNCBD) and UN Framework Convention on Climate Change (UNFCCC). It has organized meetings and seminars on this subject and is participating as a member of the bureau of the Conference of Parties of two of these (UNCCD and UNCBD) representing the WEOG (Western Europe and Others Group, i.e., most of the donor countries). It is also party to most multilateral environmental agreements, such as the Montreal Protocol, the CITES (Convention against Illegal Trading of Endangered Species). It plays a leading role in the promotion of a Global Biodiversity Partnership and of increased coordination and synergy between the different Multilateral Environment Agreements.

2.5. Productive work, affordable drugs and new technologies

2.5.1. Decent and productive work for youth

Belgium acts as one of the staunchest defenders of the ILO Conventions and strongly supports their implementation, particularly in relation with direct foreign investments (DFI). It considers that Belgian investors should adhere to such conventions, also in order to provide young workers more decent jobs, ideally combined with training.

In partner countries, several bilateral programmes for education concentrate on technical training for the youth, in vocational schools and specialised training centres. Belgium is also very active in supporting the ILO programmes against the exploitation of children for dangerous or illegal activities, seeking alternatives for those children.

Micro-finance programmes are being implemented by Belgium in many partner countries. One of their main objectives is to empower young entrepreneurs. Such programs provide financial means to a large number of micro-enterprises, many of which are run by young people of the poorest groups of society.

2.5.2. Affordable, essential drugs

Industrialised countries have pledged to guarantee access of developing countries to affordable, essential drugs.

Belgium considers that the accessibility to essential drugs should be part of a global approach of improving access to basic health care services. National Drug Policies should indeed include the following four pillars: rational use, affordable prices, adequate financing, and good distribution systems. Effective distribution is subordinated to the availability of good basic health infrastructure. The Belgian development cooperation has for many years provided special support to the development of basic health in Africa. Such efforts will continue, since Belgium also considers a basic health infrastructure to be a prerequisite for fighting the diseases of the poor in a sustainable way.



Aids Ambassador Françoise Gustin
(© DGDC)

Belgium appoints Aids Ambassador

Belgium has become an important contributor to the Global Health Fund to combat AIDS, tuberculosis and malaria. Financial and technical support is also provided to UNAIDS. Belgium has created a national “Aids Platform” to strengthen and coordinate Belgian efforts in the fight against AIDS. It has appointed an “Aids Ambassador”, whose role is to foster interest and raise awareness on issues associated with AIDS, such as prevention and non-discrimination, both in Belgium and in partner countries.



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Belgium supports the declaration on TRIPS following the Ministerial Conference of Doha (December 2001), stating that public health priorities go before the commercial interests of pharmaceutical groups. In particular, it supports the agreement reached in August 2003, enabling developing countries to make use of all exceptions to the TRIPS agreement, such as compulsory licensing, differential prices and the use of generic drugs, not only for HIV/AIDS, malaria and tuberculosis, but also for the other neglected diseases.

Belgian development cooperation, in a joint effort with Belgian health funds owned by the public sector and by private mutual assistance organisations, has contributed to the establishment of a network of Health insurance schemes ('mutuelles de santé'), in Africa and in Central and South America. This is a partial answer to the difficult problem of sustaining basic health systems when the population is poor.

The local health insurance schemes that are being installed are non-profit, based on voluntary contributions from the local community and independent from public authorities. They generally work together with micro-credit schemes; at the village level. Necessary

technical assistance is provided by the Belgian technical cooperation together with the specialised NGO's. Basic training is offered for the management of such funds.

Along the same lines, the Belgian Development Cooperation has encouraged various specialised NGOs in Belgium to establish a 'common platform for health insurance funds and for 'micro-insurance', for the benefit of LDCs. With the inputs of the relevant specialists (coming also from the large Belgian health insurance organisations and 'mutual benefit associations') this platform should contribute to the organisation of effective mutual funds, able to function in an environment of poverty.

2.5.3. Technology transfer, introduction of new technologies

Information and Communication Technology - ICT

Stakeholders from the information technology sector in Belgium took part in the preparation and final discussions of the first round of the World Summit of the Information Society (WSIS) in Geneva. Many stakeholders from Belgian civil society were worried about the dangers of unregulated expansion of information technology, including that of the eradication of local cultures, and the promotion of superficial globalisation. Their representatives took an active part in the preparatory discussions.

Challenges for ICT cooperation

In 2001 the DAC had found that a figure of 0.7% of the total of ODA was generally dedicated by a donor to ICT support. The estimated figure for Belgium reached 1% of ODA in 2001 but decreased to a modest 0.2% in 2002, showing that this sector does not yet benefit from the special international attention that should have resulted, in 2003-2004, from the preparation of the World Summit of Information Society (WSIS).

Other innovative technologies

In the field of tropical agriculture, a partnership was created between the Belgian Development Cooperation, Belgian scientific institutions, Southern partners and the CGIAR (Consultative Group on International Agricultural Research). The objective of this partnership is to achieve sustainable food security and reduce poverty in developing countries through scientific research and research-related activities in the fields of agriculture, forestry, fisheries, policies and environment. Belgium provides support to different research activities in some centres, in particular, to the INIBAP transit Centre for the preservation of and research on the banana and plantain gene bank.

Belgium has played a key role in the preparation of the EU Water Initiative. Along with 14 other EU member states, it is financing, in the framework of the European Development Fund, an ACP-EU Water Facility established as a result of this Initiative. As for bilateral aid, however, Belgian contribution is more modest. The figures indicate that in 2001 and 2002, 1.22% of the assistance went to water and sanitation projects. This figure increased to 1.35% in 2003 and 1.68% in 2004.

3. Other efforts related to developing countries

3.1. Non-official resource flows

In addition to official assistance to development, there are a number of other channels contributing to resource flows between developed and developing countries. Some of them are well known and have been reported upon since a long time: private financial flows and direct foreign investment are the most important ones. The DAC also regularly reports on transfers from voluntary organisations. More recently there has been some interest for workers remittances. Indeed their magnitude now exceeds official development assistance by an ever-increasing margin. The following table presents the data for foreign direct investment, remittances and flows from private voluntary organisations flowing from Belgium to developing countries.

Remittances

Citizens from developing countries working abroad send part of their earnings home and contribute in an important manner to their countries' development. This flow should not be considered as part of the donor

countries' contribution to MDG 8, since it is the product of the emigrants work. On the other hand, the emigration of a (often the more educated) part of their working force carries negative effects on developing countries economy. Investigations are under way at European level, analysing the impact of this brain drain and comparing its estimated cost, for developing countries, with the financial flow generated by emigrants' remittances.

It is very difficult to estimate the amounts that are transferred home in this way. A study by the Catholic University of Leuven (KUL) estimates remittances from Belgium to developing countries at € 69 million for 2001 (mainly to Morocco and Turkey).

The Belgian development cooperation now takes a keen interest in identifying suitable programmes for channelling remittances of interested persons towards productive sectors in developing countries. Belgium is cooperating with the International Organization for Migrations (IOM) in this area.²

²The MIDA programme in Central Africa.

Table 7 Non-official resource flows

INDICATORS	1995	2000	2002
Volume of FDI to developing countries (in million US\$) ¹	130	1,441	555
Volume of remittance by migrants (in million of euros) ²	63.7	57.7	69.2*
Volume of grants by private voluntary organisations/NGOs/Foundations (in million US\$) ¹	61	75	74

* = 2001

Source:

¹ Database DGDC

² Research project KUL (2004): "Transfer van migranten: omvang en effecten".

3.2. Private sector development

Belgium is convinced of the important role private investment can play for the economic development of emerging economies. In certain sectors (infrastructure, some essential services) it encourages partnerships between public and private sectors.

The Belgian Investment Organisation (BIO) was established in 2001 as a new form of public-private partnership between the Belgian State and the Belgian International Investment Society. The objective is to promote private sector development, especially in Africa, by granting long-term loans at market conditions, while respecting environmental and social criteria. This initiative should become a fundamental instrument of Small and Medium Enterprise (SME) and micro-enterprise promotion and for fostering partnerships. BIO is also providing equity (up to 35% of capital) to such enterprises. Total investments into SMEs can range from € 250.000 to € 5 million.

Besides the initiatives mentioned above, focusing on small and middle-size enterprises, bilateral programmes are oriented towards micro-enterprises situated in Africa, Latin America and Asia. Particularly in the field of rural development, support is provided to smaller, informal ventures. Support to micro-enterprises in developing countries mostly takes the form of micro-finance initiatives, implemented through bilateral projects as well as in collaboration with international institutions (IFAD, UNCDF). Belgian aid has been very active in this field, in Central America as well as in a number of African countries and this sector of activity keeps expanding, through large bilateral projects.

3.3. Gender equality

The issue of gender equality is not limited to a single MDG (goal # 3), it relates to all of these. Without progress towards the empowerment of women there can be no progress in any other goal. So far, women have suffered disproportionately from the burden of poverty and are increasingly vulnerable to HIV/AIDS.

Therefore, the Belgian Development Cooperation stresses the need to integrate gender in all MDGs (using sex-disaggregated data and indicators), and addresses women's empowerment as a central concern.

Gender equality is one of the three crosscutting themes prescribed by the Belgian Law for Development Cooperation (25 May 1999). Gender needs to be taken in consideration in all policies and programmes. This preoccupation has been mainstreamed and included in country strategy papers, as well as in key thematic documents on institutional capacity reinforcement and civil society strengthening. A specific strategy paper on the gender issue has been drafted, with three main priorities: elimination of gender discrimination in basic education, reproductive health, peace and security. During political dialogues organised within the Joint Commissions in the partner countries, such priorities draw special attention. At project level, women's organisations in local communities are systematically taken into consideration. Special attention is also given to the implementation of micro-finance mechanisms (by the Survival Fund), to the involvement of women entrepreneurs (e.g. with a micro-credit programme for women in Vietnam) and to the training of girls.

The 'gender-responsiveness' of the general budget of the Belgian Development Cooperation is measured using the OECD/DAC gender marker. However, a gender-disaggregated cost-benefit analysis (or impact measurement) is not yet possible, given the lack of suitable data.

The Commission on Women and Development³ is also playing an important role in raising the awareness of the Belgian public opinion on gender and development. The commission informs, advises and gives recommendations to policy makers. An international Conference on "Women beyond the Millennium Goals" was held in 2003.

³ The Commission on Women and Development, created by Royal Decree in 1994, is an advisory body of the Minister for Development Cooperation. It is composed of representatives of development NGOs, Women's councils, inter-university councils, DGDC and gender experts.



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3.4. Trends in the Belgian Development Cooperation

This chapter briefly reviews indirect cooperation (mainly with and through NGOs) and new trends in multilateral cooperation.

As mentioned above when discussing the quality and modalities of Belgian ODA, the relevant mechanisms are now in place and they are able to channel most development efforts of the donor country towards the seven development goals.

3.4.1. Special support provided to Non Governmental Organisations (NGO's), to the Universities and to other partners working in the development field

Introducing indirect aid: co-financing

Belgian ODA includes an important component of 'co-financing' development NGO's, in order to promote their projects and to support their educational and advocacy

role among the public. This form of aid is proportionally one of the highest in the EU. Cooperation with national universities is fostering research projects (for instance in biotechnologies for tropical agriculture) as well as direct cooperation between faculties.

Co-financing of Non-Governmental Organisations

The Belgian Cooperation is helping NGO's active in development by subsidising their activities in the field (up to 85%). In 2003, it reached 109 development NGO's with a total of more than € 93 million. Such NGO's are active in more than 75 countries (the choice of countries is their own). The financing is related to the sending of volunteers and experts, 'partnership financing' (i.e. of local NGO's working with the Belgian ones), education programmes and general services.

The NGO's are grouped in two Federations, which are in permanent dialogue with the Belgian Cooperation.

NGO's are encouraged to work with five-years programmes and a working group composed of representatives of the administration and NGO's coordinators is now trying to reduce the administrative burden of the existing financing system.

Cooperation with universities and research institutions

The Belgian Cooperation works with the Inter-University Councils of the two linguistic communities of the country and gives direct subsidies to the universities. The Inter-University cooperation programmes are organised around 5-years cycles and put emphasis on institutional cooperation, aiming primarily at strengthening partner universities (27) located in 20 developing countries, principally in Africa. Other cooperative research and training programmes involve a wider group of universities in the South. Specialized cooperation programmes are also implemented in collaboration with the Institute for Tropical Medicine (in Antwerp) and its partners (i.e. faculties of medicine in Africa), the Royal Museum for Central Africa (Tervuren) and the Royal Institute of Natural Sciences (Brussels). Collaboration with the two last named institutions puts emphasis on the protection of biodiversity (in National Parks) and on the implementation of the International Conventions on the Environment.

Cooperation with other partners

The Belgian cooperation also grants subsidies to other partners that implement development related activities both in Belgium and in developing countries. Within this framework € 1.5 millions were provided in 2003 for cooperation activities by the Belgian Cities and Municipalities. Similarly, initiatives of the three major trade unions were supported to the amount of € 3.25 millions.

3.4.2. Special areas of concentration for Belgian ODA

Support for post-conflict activities

This is an area where Belgium is most active, especially in the Great Lakes Region. Large programmes, promoting national reconciliation, are implemented in the Democratic Republic of Congo, Rwanda and Burundi to improve the post-conflict situations and to disarm rebel groups.

During 2003, the Belgian development cooperation was active in 37 programmes, in the following sectors: strengthening of local institutions and of civil society, strengthening the State of Law, peace and security (more than 50% of the programmes), humanitarian affairs. Central Africa was the main beneficiary (receiving 68% of the € 22 million).

Belgium provides assistance to Gacaca in Rwanda

In Rwanda an original programme is under way. It is the result of a national initiative supported, from the beginning, by the Belgian Cooperation. After the genocide, several thousands suspected murderers have been detained. They have already spent many years in makeshift prisons awaiting decisions by tribunals that were hopelessly swamped by the thousands of cases. Since 2001, Belgium is providing financial and technical assistance to a network of traditional tribunals, called Gacaca. The role of such 'community juries' is to identify the real culprits of the genocide and to decide what to do with the lesser criminals. The system (monitored by independent lawyers) appears to be effective and to bring some justice to the country.

In the Congo, Belgian post-conflict activities cover the range from the rehabilitation of child-soldiers to the elimination of anti-personnel mines and the buy-back of small arms (in the Eastern part of the country) but also include direct support to the transitional Central Government.

These efforts are important for bringing support to MDG 8, simply because they are a '*conditio sine qua non*' for any development work in countries trying to emerge from conflicts. For instance, the disarmament programmes have been effective in the Democratic Republic of Congo and are encouraging ex-combatants to start activities in agriculture.

Therefore, economic development and poverty reduction issues need to be discussed and handled in a broad framework that should include social, political and governance considerations. Belgium strongly encourages this type of integrated approach with its partner countries. In addition, a specific budget line within the resources of Development Cooperation is earmarked for "preventive diplomacy" purposes. This budget line provides financial and technical support to activities fostering political dialogue, conflict prevention and resolution.

The same can be said about Belgium's support of democratic processes (e.g. financing the UNDP programmes for strengthening Parliaments). Such support helps to create the necessary enabling environment and the good governance without which MDGs cannot be reached. These trends in the Belgian cooperation should normally continue in this decade and are worth mentioning.

3.5. The Millennium Development Campaign

At a time when assistance to the development of less advanced countries requires increased financial resources, it is important to maintain public awareness and support. This is the aim of the MDG campaigns organised in Belgium as in several other countries. Other campaigns have been set up previously on the issue of development

and aid, notably the campaign entitled 'coalition against hunger', promoting actions in LDCs, organised by the Survival Fund on the occasion of World Food Day, in 2002 and 2003.

Several networks of NGO's, civil society organisations and research institutes are now conducting actions and are generating sustained interest from the general public for development problems, mainly focussed on Africa. A recent poll (June 2004) organised in preparation of the MDG campaign, indicates that 65,7% of the Belgian public is interested in the development aid issues, even though its knowledge of existing aid modalities and actors remains very scanty.

According this poll, only 3% of Belgian public knows about the UN target of 0,7% of BNI for ODA; the Millennium Development Goals are almost completely unknown with 83% of the respondents saying they have no idea, 5% thought they are about world peace.

Belgium thus participates in the Millennium Development Campaign. The official public awareness campaigning already started in 2004, it will go on even more intensively this year with a wide range of new information and sensitisation activities. In order to mobilize public opinion and the media and obtain a strong support for the Millennium Development Goals, Belgium invites all development cooperation partners from the public and private sector together with civil society organisations to join the Belgian partnership for MDG's.

In the spring of 2005, the DGDC continued its millennium campaign with the inauguration of a mobile information exhibition that can be viewed throughout the year in schools and municipalities across the country. A national awareness-raising campaign is also running in the press and audiovisual media to make the Millennium Development Goals known to the public. The DGDC website (www.dgdc.be) is closely monitoring the awareness-raising activities in the Millennium Campaign section.

LIST OF ABBREVIATIONS

ACP	African, Caribbean & Pacific
AIDS	Acquired Immunodeficiency Syndrome
BIO	Belgian Investment Company for Development Countries
BPRP	Belgian Partnership for Poverty Reduction
CFCs	Chlorofluorocarbons
CGIAR	Consultative Group on International Agricultural Research
CITES	Convention on International Trade in Endangered Species
CPIA	Country Policy and Institutional Assessment
CPRGS	Comprehensive Poverty Reduction and Growth Strategy
DAC	Development Assistance Committee (OECD)
DDA	Doha Development Agenda
DGDC	Directorate General for Development Cooperation of Belgium
DFI	Direct Foreign Investments
DSA	Debt Sustainability Analysis
EBA	Everything But Arms
ECOSOC	Economic and Social Council
EU	European Union
FAO	Food and Agriculture Organisation of the UN
FLO	Fair Trade Labelling Organisations International
GDP	Gross Domestic Product
GHG	Greenhouse Gas
GNI	Gross National Income
HIPC	Highly Indebted Poor Countries Initiative
HIV	Human Immunodeficiency Virus
ICP	Indicative Cooperation Programmes
ICT	Information and Communication Technologies
IF	Integrated Framework
IFAD	International Fund for Agricultural Development
INIBAP	International Network for Improvement of Banana and Plantain
ILO	International Labour Organisation
IOM	International Organisation for Migrations
KUL	Catholic University of Leuven
LDC	Least Developed Countries
MDG	Millennium Development Goal
MIDA	Migration for Development in Africa
NGO	Non-Governmental Organisation
ODA	Official Development Assistance
ODP	Ozone Depletion Potential
OECD	Organisation for Economic Cooperation and Development
PMEO	Performance Monitoring and Evaluation Office
PPP	Purchasing Power Parities
PRS	Poverty Reduction Strategy
PRSP	Poverty Reduction Strategy Paper
PSIA	Poverty and Social Impact Analysis
RDC	Democratic Republic of Congo
SEA	Strategic Environmental Assessment
SME	Small and Medium Enterprise
SWAP	Sector Wide Approach
TRIPS	Trade-Related Aspects of Intellectual Property Rights
UN	United Nations
UNCBD	UN Convention on Biological Diversity
UNCCD	UN Convention on Combating Desertification
UNCDF	UN Capital Development Fund
UNCTAD	UN Conference on Trade and Development
UNDP	UN Development Programme
UNEP	UN Environment Programme
UNESCO	UN Educational, Scientific and Cultural Organisation
UNFCCC	UN Framework Convention on Climate Change
UNICEF	UN Children's Fund
WEOG	Western Europe and Others Group
WTO	World Trade Organisation
WSIS	World Summit on the Information Society

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