



BELGIUM

"Even in a difficult budgetary context, Belgium holds on to its promise to reach 0.7% by 2010. Our efforts to reach it are constant and ongoing." Prime Minister Guy Verhofstadt, at Belgian Technical Cooperation, February 2007.

Did Belgium hit the EU target of 0.33% in 2006 without inflating its aid? YES
Will Belgium meet its target of 0.7% of GNI by 2010 without inflating its aid? NGO prediction: UNLIKELY

Belgium has committed to reaching the 0.7% target by 2010. It is very unlikely that it will actually succeed, even with aid inflation. In 2006 Belgian ODA decreased, registering only 0.5% of GNI, according to latest OECD statistics. If we subtract debt cancellation, ODA has barely increased over the last four years.

According to our calculations, €371 million or one quarter of Belgian aid was inflated. €326 million of this was debt cancellation. According to estimates by the Belgian government, €45 million consisted of spending on refugees in Belgium.

Since 2004, Belgian ODA figures have also been systematically inflated by debt relief. After 2008, however, the debt operations in the framework of HIPC will decrease enormously. The debt relief operation for DR Congo (€270 million), probably due in 2008, will provide a final aid spike. After that, Belgium still has a total of €500 million of outstanding debts in Sudan, Ivory Coast and Togo. It is, however, unlikely that the countries concerned will meet the World Bank criteria for debt cancellation operations. The new government will therefore have to find new resources urgently in order to close the gap created after these debt reductions.

Since 2004, Belgium has consistently included its contribution to the MONUC peace-keeping operation in Congo in its aid budget. This is not compatible with DAC criteria, and therefore not reflected

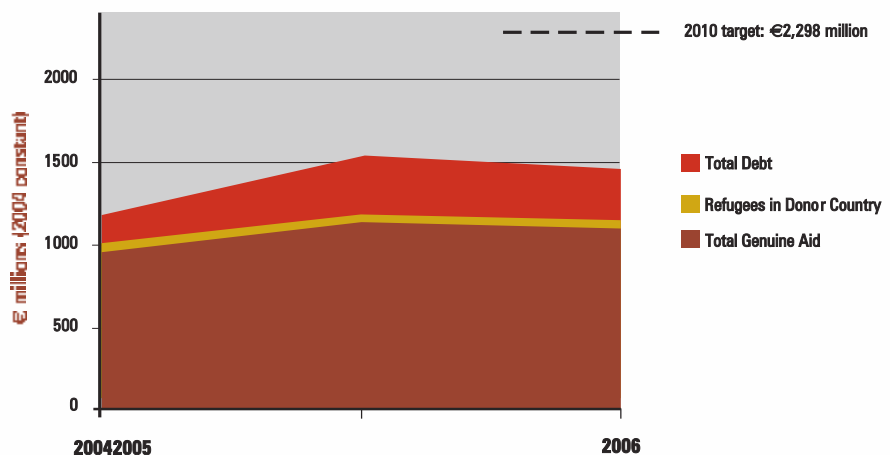
in the ODA statistics. Development Cooperation Minister Armand De Decker repeatedly stresses the importance of peace for development however, and shows he is in favour of including more military spending as part of aid.

Belgian aid lacks predictability. It takes 14 steps to go from the formulation of a project or programme to its actual implementation. Procedures are difficult and lengthy and result in a considerable time lag between formulation and implementation. This process makes alignment with the partner country's budget cycle extremely difficult. A new management contract between the Belgian state and the executing agency BTC sealed in July 2006 should enable the Belgian development co-operation ministry to improve this situation. However, the next government will have to show clear political will in order to increase aid predictability.

Belgian NGOs call on the Belgian government to:

- ◆ confirm its commitment to respect the legal obligation to reach 0.7% by 2010 and to establish an explicit programming of the resources needed for this purpose;
- ◆ end inclusion of debt cancellation and refugee-related expenditure in ODA statistics;
- ◆ reform the current project cycle to enable actual alignment with development country budgeting processes and priorities;
- ◆ oppose any proposals within OECD/DAC to include military spending in the ODA definition.

Belgium's genuine and inflated aid



Note: all figures including 2010 target figure in 2004 prices for comparability (see endnote 1)

Organisations consulted: CNCD- 11.11.11, Coalition of the Flemish North South Movement.