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DEVELOPMENT CO-OPERATION DIRECTORATE
DEVELOPMENT ASSISTANCE COMMITTEE

Peer Review

Mid-term Review of Belgium

The mid-term review of Belgium was conducted in 2023 following the 2020 peer review.

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To: DAC Delegates and Observers

Belgium's Mid-term Review, 25 October 2023, Brussels

On 25 October 2023, I conducted the mid-term review of Belgium, together with Rachel Sberro-Kessler of the Development Co-operation Directorate (DCD). I wish to thank Heidy Rombouts (Director-General, Directorate-General for Development Cooperation and Humanitarian Aid or DGD), Jean van Wetter (CEO Enabel), Luuk Zonneveld (CEO of Belgian Investment Company for Developing Countries, BIO), Olivier Thery (Deputy Head of Cabinet) and their respective staff as well as civil society representatives. I would like to thank all stakeholders for taking the time to discuss with us and the DGD staff for the excellent preparation of the review.

Multiple global crises such as the Covid-19 pandemic and Russia's war of aggression in Ukraine, as well as the increase in fragility in several of Belgium's partner countries, notably in Great Lakes and the Sahel Region, have significantly impacted Belgium's development co-operation. However, throughout, Belgium has sought to protect its core development programme. Support to Ukraine to respond to the impacts of Russia's war of aggression, of about USD 70 million, has been additional and mainly in the form of humanitarian assistance. While Belgium has hosted more than 65,000 Ukrainian refugees, it is one of the few countries that decided not to count in-donor refugee costs as Official Development Assistance (ODA) in 2022, thereby minimising the impact on its development programme. Regarding Covid-19 vaccines, donations of excess doses to developing countries accounted for less than 12% of the Covid-19 response in 2022.

The mid-term review focused on Belgium's progress towards the ten recommendations identified in the [2020 OECD-DAC Peer Review](#) and the developments that have occurred since. We were encouraged to see that Belgium has made progress on all recommendations, if to varying degrees. Since the peer review, Belgium has strengthened its poverty and inequality focus and has continued its leadership as an advocate for sexual and reproductive health and rights. The upcoming EU presidency will be an opportunity for Belgium to further support progress towards equitable health. Fully implementing the peer review recommendations notably on the strategic framework and country strategies, human resources, the Humanitarian, Development and Peace (HDP) nexus and the ODA roadmap towards 0.7% would help Belgium further increase its impact. This review comes at an important time for Belgium's development co-operation, as several reforms are being prepared or are under way such as the preparation of a new management contract for BIO, the reorganisation of DGD aiming at increasing the coherence between Enabel and Non-Government Actors (NGAs), and the implementation of the new management contract with Enabel.

Stronger coherence across stakeholders and an increased strategic role for DGD will enhance Belgium's co-operation

While progress has been made, there remains scope to further refine Belgium's thematic priorities, increase coherence and align human resources to match priorities. Belgium has made efforts to increase the coherence of its development co-operation across its partners, while preserving the "right of initiative" of NGAs and the autonomy of Enabel and BIO. Following the fusion into one single Direction of governmental cooperation and non-governmental cooperation (NGAs) within DGD, a pilot orientation note has been tested in Burkina Faso, to take stock of activities from Enabel and NGAs and identify common priorities. As DGD is analysing lessons learned from this pilot, it could consider including NGAs more closely in this strategic dialogue to bring their valuable expertise. In addition, it would be useful for countries where BIO is active, to define areas for potential co-operation between BIO and Enabel. Indeed, while Enabel and BIO have different mandates, technical assistance from Enabel and investments from BIO could usefully complement each other, in sectors such as agriculture or climate. Finally, given Enabel's funding model with 50% of external funding, Belgium could further explore how Enabel's global partnerships, including EU delegated co-operation, reinforce positively bilateral co-operation.

DGD has developed two-pagers on specific thematic topics, with the intention that these will evolve over time, adapting to changing priorities and circumstances. However, rapidly changing Government priorities for development co-operation have been challenging to manage for staff and for Enabel, although its funding model has allowed the agency to keep technical staff when Belgian priorities

have changed. As Belgium seeks the right balance in programming to reflect Government priorities, partner countries' priorities, and Belgium's expertise, adopting a strategic framework that defines a core set of thematic priorities reflecting Belgium's added value would help ensure more predictability for staff and partners. DGD has made efforts to strengthen the skills of its staff notably on monitoring and evaluation, for DGD to be able to play a stronger strategic role. Digitisation of administrative tasks have also helped reduce the administrative burden on staff. Building on these efforts, DGD could free-up more time for staff by streamlining the decision-making process for NGAs, in particular allowing flexibility to allow limited changes in programmes managed by accredited NGAs.

Increased budget flexibility, internal coherence and greater ownership can enhance impact in fragile contexts

Belgium has maintained its focus on fragile contexts and least developed countries (LDCs) in spite of challenging environments. In 2021, LDCs received 34.8% of Belgium's gross bilateral ODA, above the DAC average of 22.9%. Belgium can make further progress by increasing budget flexibility across its various budget lines related to the HDP nexus. Furthermore, Belgium recognises the potential for increased co-ordination between DGD and the Peacebuilding department in the Directorate General for Multilateral Affairs and Globalisation supported by operational guidance on the Peace Pillar. In addition, Belgium could explore whether identifying principles on how to react when crisis or human rights violations occur in partner countries could help Belgium react more quickly and effectively, as well as conveying clearer messages to the public on its engagement in politically constrained environments.

The new management contract for Enabel aims at increasing partner country ownership, notably through increased transparency. Going forward, ensuring that partner countries can actually influence decision-making, in particular beyond middle income countries, will be key to promote locally-led development. With some partner countries, Belgium has made the choice to engage with local authorities rather than central governments and the unintended consequences of such partnerships should be continually assessed.

A roadmap to increase ODA, strong cross-government engagement on climate change and continued progress on policy coherence can amplify Belgium's international voice

Belgium has made domestic, international, and EU commitments to achieve a 0.7% ODA/GNI ratio by 2030. Reaching this target would require a significant increase compared to the past five years when this ratio has oscillated between 0.41% and 0.48%. Learning from the budget growth trajectory which has been adopted for the defence budget, Belgium should agree on a roadmap to reach 0.7% ODA/GNI by 2030.

Belgium's cross-government efforts on climate have led to a clear Belgian position in multilaterals regarding fossil fuels. A joint climate strategy between DGD and the Federal Public Service (FPS) Environment is being developed which is expected to reinforce alignment with the Paris agreement and the Global Biodiversity Framework. This strategy is welcome as Belgium's climate-related and biodiversity related Official Financial Flows have slightly decreased in 2021. In line with Belgium's ambitions to become an import and transit hub in Europe for hydrogen, further cross-government engagement could explore the role of development co-operation towards this objective.

Belgium has recently made concrete progress on policy coherence for sustainable development (PCSD) notably on biofuels production and chemical exports. As Belgium's European presidency will be focused on equitable access to health, Belgium's position on providing access to patents for vaccines and treatments will be of particular importance. The activation of an inter-ministerial consultative body on PCSD within the Inter-ministerial conference for Sustainable Development and the preparation of an action plan on PCSD would further enable progress.

Conclusion

The mid-term review found serious and considered progress against recommendations. The next peer review in 2027 will be an opportunity to assess Belgium's actions to further capitalise on its strengths, in particular reinforcing DGD's strategic role, making progress on the HDP nexus and mobilising greater resources. I encourage Belgium to continue its close collaboration with the DAC and the DCD team, to update on new developments, share lessons and seek guidance from other members and the Secretariat.

Yours sincerely,



Frederik Matthys

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Annex: Table on progress against the 2020 peer review's recommendations

Annex - Progress against the 2020 peer review's recommendations

Keywords	2020 Peer Review recommendations	Progress
Whole-of-Government	1. The Federal Public Service (FPS) Foreign Affairs should expand the mechanisms set up under the comprehensive approach, strengthen co-ordination between task forces and involve key partners more systematically. It should build on this approach to anchor the whole-of-government approach in its development agenda.	<i>Some progress.</i> Interdepartmental consultations on the Sahel and Great Lakes region (including FPS Foreign Affairs, Trade and Development but also Defence, Federal Police, and with Enabel) are frequent and valuable in developing joint approaches. Beyond these specific regional task forces, there are opportunities to strengthen whole-of-government approaches on topics such as climate and politically constrained environments.
Humanitarian Development and Peace Nexus	2. DGD should continue to adapt its approaches to ensure that programming is driven by resilience and development needs, rather than implementation modalities, by: ensuring that budget lines, funding channels and management systems provide the necessary flexibility for adaptive management and partnerships; continuing to raise awareness among its staff and that of its partners, including those in support roles, of the implications of operational issues specific to fragile contexts.	<i>Some progress.</i> A new position of fragility coordinator has been created in DGD which is expected to help coordinate development and humanitarian teams in DGD and could also improve external coordination including NGAs and Regions. In addition, training on HDP has been developed and rolled out in DGD and Enabel. However, Belgium can make further progress by increasing coordination between DGD and the Peacebuilding department in DGM (e.g. currently NGAs that receive funding from DGD cannot obtain funding for peacebuilding). Increasing budget flexibility across various budget lines (e.g. four budget lines for humanitarian assistance, limited ability to reallocate funds between Enabel and NGAs) would allow further progress on the HDP nexus.
Delegation of Authority	3. Belgium should clarify the delegation of authority in defining co-operation policy, developing country portfolios and managing strategic and technical knowledge in order to streamline decision making and optimise learning.	<i>Good progress.</i> The new management contract between Enabel and the Belgian State clarifies roles and simplifies decision-making processes, with Enabel having a leading role in drafting country programmes based on an instruction letter from the Minister. However, the decision-making process for NGAs, in particular for small changes in programmes managed by accredited NGAs, could be further streamlined. DGD has made efforts to increase learning from partners through for instance a new strategic learning group between DGD, Enabel and SEO to strengthen information exchange, and through new M&E guidelines for NGAs. It will be important to ensure that Belgium translates this learning from Enabel and NGAs into decision-making.
Country and regional strategies	4. Belgium should develop comprehensive country and regional strategies that include all delivery channels active in priority regions, countries and territories, and focus the dialogue with implementing partners on priorities identified in the process.	<i>Some progress.</i> Regional governmental programmes have been developed, for instance Climate in the Sahel (2022-2026) and Social Protection in Central Africa (2022-2026), which is a positive step given that Belgium's partner countries share common challenges. No comprehensive country strategies have been developed. -A preliminary approach for developing country strategies or "orientation notes" has been introduced with a pilot note for Burkina Faso. Learning from this will be important for other contexts.
Ownership	5. Drawing on its experience of robust dialogue, Belgium should ensure that the governments of partner countries and territories are involved sufficiently early enough in defining country portfolios in order to strengthen ownership and mutual accountability and ensure sustainable results.	<i>Some progress.</i> The new management contract with Enabel (2022-2026) has reinforced the involvement of partner governments at various stages of bilateral programmes. However, these efforts have mainly focused on providing better information to partner governments, and more opportunities for discussion and participation. The next peer review will be an opportunity to explore whether in practice partners influence decision-making on development co-operation, in particular beyond middle income countries.
Private sector	6. BIO should strengthen its efforts to measure and communicate ex-ante and ex-post results for each investment, and to seek synergies with Enabel's portfolio.	<i>Limited progress.</i> In 2021, BIO published its first Sustainability Report with a number of aggregated development results but does not report to DGD at the level of individual investments. BIO, jointly with DGD and the Cabinet, developed an impact matrix with quantitative targets and indicators on BIO's contribution to the 2030 Agenda. Belgium can further improve its reporting to the DAC on private sector instruments, particularly regarding the use

		of gender and climate markers, as well as on commitments. The proposed creation of a working group presided by DGD and composed of BIO and Enabel to identify complementarities and synergies, would be an opportunity to increase the coherence of Belgium's development co-operation. BIO's disbursements to Low Income Countries are higher than the DAC DFI average (18% in 2019-2021 compared to a DAC average of 7%) and could further learn from and share this experience with the DAC.
Strategic framework, poverty and cross-cutting	7. The DGD should, in consultation with its partners, develop an overall strategic framework which clarifies: the order of priorities and how these priorities and cross-cutting themes are addressed in fragile contexts; the operational consequences of a rights-based approach for reducing poverty and leaving no-one behind. This reflection could serve as a roadmap for developing future thematic and regional strategies and country portfolios.	<i>Limited progress.</i> There is no strategic framework that clarifies priorities, based on broad themes identified in the 2013 law , that highlights the order of priorities, ensures predictability to staff and partners and can serve as a basis for country portfolios. DGD has developed sectoral strategies (on migration and water) as well as two-pagers (e.g. food security, gender, D4D, access to vaccines). Enabel adopted a concept note in 2020 on inequalities to clarify concepts and definition, including how inequality relates to poverty and human rights. Other tools have been piloted by Enabel (including an ex-ante equity assessment tool) but not yet mainstreamed into all interventions. Belgium's screening on environmental issues ex-ante is strong, but ex post impact monitoring could be improved. In particular, Belgium could consider adding, including in fragile settings, simple key performance indicators, such as CO2 avoided, to better understand impact ex-post.
PCSD	8. In pursuing its comprehensive approach, Belgium should mobilise the task forces created under this approach as well as other existing or upcoming mechanisms to identify domestic policies that have a negative impact on developing countries and relay the challenges to the relevant federal public services, ministries and their cabinets.	<i>Some progress.</i> A focal point for PCSD has been assigned in DGD, and DGD now dedicates a significant portion of its annual report to this topic. The Advisory Council on Policy Coherence for Development has been used increasingly and the Regulatory Impact Assessment tool is being reformed to order to increase its usage. The activation of an inter-ministerial consultative body on PCSD within the Inter-ministerial conference for Sustainable Development and the preparation of an action plan on PCSD would further enable progress. The new Technical Support Instrument supported by the EU and the OECD could be an opportunity to strengthen PCSD.
ODA	9. Belgium should establish a roadmap to maintain the stability in ODA volumes in the short term before returning to a medium-term growth path.	<i>Limited progress.</i> In terms of volume, Belgium's ODA slightly increased since the last peer review (from USD 2.5 billion to USD 2.8 billion), mainly driven by support to Ukraine. However, ODA/GNI ratio decreased from 0.48% in 2020 to 0.45% in 2022. This is below Belgium's ODA peak in 2010 (0.64%) and not in line with Belgium's commitments. Preparatory documents for a path towards 0.7% have been prepared by DGD highlighting that, in the short-term, increases in ODA would mainly be driven by World Bank's IDA replenishments, climate finance and humanitarian assistance. Belgium aims at legally anchoring the roadmap towards the 0.7% ODA/GNI target in the annual budget law during the next legislature (elections in 2024).
Human resources	10. As part of a strategic workforce planning, the DGD should map the skills available across the system, assess whether they match its strategic priorities, support the continued roll-out of recent reforms and build capacities to deliver on those reforms. This could include job rotations across departments and with the other direct bilateral co-operation actors.	<i>Limited progress.</i> While DGD has taken some actions such as the creation of a fragility coordinator position and the roll-out of new training programmes (for diplomatic trainees, well-being in workplace training for managers, a new 6-module course on results-based management) it has not mapped skills available and assessed whether they match strategic priorities. Regarding job rotations, legally the FPS cannot easily employ Enabel staff, however some DGD employees have temporarily rotated to Enabel which is positive. Further strengthening strategic skills of DGD's quality staff and freeing-up time from administrative tasks would allow DGD to play a stronger strategic role.
Climate	Progress on DAC Climate Declaration (the 2023 Peer Review Methodology includes a commitment to monitor progress during all mid term reviews).	Belgium is part of the group of countries that have committed to go further than the DAC Declaration on Climate in limiting their ODA investments in fossil fuels. Belgium's climate-related and biodiversity related Official Development Finance (ODF) flows have slightly decreased in 2021, respectively by 9% and 2%. Looking only at ODA, 26% of total bilateral allocable aid focused on climate change overall (below the DAC average of 29%) in 2020-21, down from 33.8% in 2018-19.