Belgian aid in turbulent times

Some important evolutions in the period 2010-2015

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Introduction

The turn of the Millennium marked an important era in the aid business. The Millennium Development Goals (MDGs) (2000) stipulated what aid should realize, and the Paris Declaration (PD) (2005) gave some quite precise prescriptions on how aid should be delivered. Both aid goals and aid delivery principles were furthermore operationalized into measurable targets, and, monitoring and evaluation systems were set up to follow up on progress. Such an aid goal and aid delivery architecture providing guidance to donors was quite unique in the history of aid, but it was also short lived. In 2010 it became clear that both the MDGs and the PD targets would not be reached.

To follow up on the MDGs, a debate was launched on the Sustainable Development Goals (SDGs). The list of SDGs is impressively long and diverse: besides the eradication of poverty, it tackles broader concerns such as governance, climate, security and human rights.

Paradoxically this broadening of the aid agenda happens at a time when the importance of aid is declining. The graduation of many low income countries to middle income countries not only led to the changed geography of poverty, it also lowered donor leverage in these countries. A group of fragile states on the

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other hand remain hugely dependent on aid, but the development, post-conflict reconstruction/state-building and security needs they face go way beyond the scope and influence of aid agencies, hence the need to bring other actors on board. The donor landscape itself also changed profoundly. The proliferation of aid players, the (re-) emergence of the BRIC countries (Brazil, Russia, India and China), and the collective action problems between donors has in many occasions replaced donor coordination with donor competition in order to gain visibility and leverage.

In such a highly diversified and complex aid world, a small or medium sized donor like Belgium must think carefully and strategically about its role and added value.

The policy statement of Minister De Croo clearly indicates that Belgium, in trying to navigate in this complex and fast changing context, will opt for those countries that are lagging behind. "The world is converging, but a few countries are at risk of missing this evolution. The government's development policy shall focus on these countries" (De Croo 2014). The choice to invest and focus aid mainly in fragile states, and to slowly yet surely 'drop' middle income countries, however takes place in a setting faced with hard constraints, obvious power imbalances and a wider policy environment that may or may not be able and willing to follow these policy choices.

This paper discusses some of the most important policy changes Belgian Development Cooperation has undergone over the past 5 years[2]. For clarity sake it is important to highlight that this paper will mainly focus on the federal level, particularly on the Directorate General of Development Cooperation[3]. From this perspective we are thus largely ignoring the Official Development Assistance (ODA) that is spent through a plethora of other channels[4] such as other departments of the Ministry of Foreign Affairs, the Flemish and Walloon Communities, the provinces, the municipalities, the NGAs[5], and the fourth pillar initiatives[6]. All these channels have to some extent the freedom to

[2] We will mainly limit our discussion to those choices related to aid spending: choice of countries, and some of the institutional implications these choices entail. Other, also important evolutions – such as internal reforms, new management plans etc – will not be dealt with in this paper.

[3] At the federal level, DGD is situated within the Ministry of Foreign Affairs, Trade and Development Cooperation. DGD, under the political guidance of the Cabinet, sets out Belgian aid policies. The Belgian Technical Cooperation (BTC) is the executing aid agency of Belgium. BTC is a public-law company with social purposes, with the Belgian state as the sole shareholder.

[4] A full financial overview of aid spent per channel can be found here: http://diplomatie.belgium.be/nl/binaries/ODA-2011-2014_tcm314-276260.pdf.

[5] NGAs refer to Non-Governmental Actors (NGOs, Universities, scientific institutions, ...)

[6] For more information on Fourth Pillar: http://4depijler.be/.

develop their own development cooperation priorities and policies, making aid in Belgium a multi-level, multi-actor arena, with a considerable degree of fragmentation (see later). Given however that most of ODA is spent at the federal level, and given that the broad policy framework is defined by the federal level, we limit this paper to the evolutions that have taken place at that level. The findings presented in this article are based on desk research.

This paper first looks at the aid challenges on a more global level, particularly with regards to the changing geography of aid and the scholarly aid allocation debate on this. With this background in mind the paper looks at the policy choices Belgium has taken, particularly to solidify its preference for aiding fragile states. Next we look at the insights scholars and international organisations have developed with regards to approaches to fragile states and what it takes to be effective there. We then move on to see where Belgium stands with regards to this.

The main finding of this paper is that Belgian Development Cooperation has been able to take some important decisions with regards to fragile states, and the implications this holds for principles like value for money, policy coherence and the whole of government approach. Nonetheless this paper also finds that in terms of implementation significant steps remain to be taken[7].

Where should aid be allocated? The changing geography of poverty

The debate on aid goals: aid to poor states or to poor people?

The aid agenda has been broadened substantially over the last years. Aid goals have moved from a quite narrow poverty reduction perspective (cfr the MDGs) towards broader goals. The SDGs include state building endeavours, regime concerns such as the need to support democratic governance and human rights, but also goals that go beyond national boundaries and relate to global public goods such as climate change, regional stability and international security concerns (cfr the SDGs). However relevant all these goals are, aid volumes are

7 One important caveat needs to be put forward here: This paper can at best sketch some of the policy choices taken the last couple of years. To fully assess the ratio of implementation success of these policy choices would require a longer term perspective particularly given the length and complexity of translating policy choices into operational strategies, programmes and projects in development cooperation. The identified challenges for implementation largely rest on an account of the more structural problems DGD has been facing.

less and less important in comparison to other international financial flows such as Foreign Direct Investment, loans, remittances or trade. Fiscal austerity has furthermore led to shrinking aid budgets in some countries (OECD/DAC 2015a; Greenhill & Prizzon 2012), and a clear shift to use more ODA to deal with the recent refugee crisis.[8]

Impact can only be achieved through prioritization. Focussing on a limited number of countries and a limited number of sectors avoids the fragmentation of aid. Aid fragmentation is about too many donors carrying relatively small amounts of money to too many different interventions in too many different countries. Aid fragmentation is a burden for recipient countries. It creates high transaction costs, administrative overlap and undermines aid effectiveness. Donors have therefore pledged to decrease fragmentation by improving coordination and by implementing division of labour (OECD/DAC 2005). Reducing fragmentation thus reduces the risk of being ineffective (Dollar & Levine 1998).

The fundamental question a donor needs to ask itself then is where is aid most needed? Where should aid be allocated? Where should aid priorities lay?

A crucial choice to make here is closely tied in with the changing geography of poverty. Today, over 70% of poor people do not live in the least developed countries (LDCs), but in middle income countries (MICs), such as China, Brazil or South Africa, among others (Sumner 2010) Added to this, a substantial number of Low Income Countries (LICs) have graduated into MICs over the last decade[9]. This has impacted the aid relationship: these recipient countries are less dependent on aid hence donors have less leverage in these countries. Weighing on policy choices with regards to poverty reduction or tackling inequality issues is thus not very realistic. Looking at these countries shows the limited and decreasing power of aid, and the importance of other ties such as access to financial markets, and trade. On the other hand, many MICs also have a more capable and willing public sector, able to absorb and spend aid more effectively. For aid agencies, such return upon investment is important for accountability reasons in the donor home country, not least because aid interventions run less risk of being 'destabilized' by the wider governance environment.

[8] For more information on ODA for refugee costs, see http://www.oecd.org/dac/development-aid-rises-again-in-2015-spending-on-refugees-doubles.htm.

[9] Important to note is that this graduation is not related to aid volumes, but rather to internal economic growth dynamics.

Paul Collier in his book "The bottom billion" (Collier 2008) has made a strong argument against aid to MICs. He argues that these countries have the ability, the institutional framework, and the capacity to tackle their developmental problems. In other words: their problems with regards to inequality and poverty will be solved within a certain time span and there is no need for donors to interfere here. Aid exit thus seems to be the sensible thing to do. On the other hand there is this small group of fragile countries, Collier argues, where aid will remain of crucial importance for the next decades. Aid there is still the most important financial inflow, and donors do have leverage in these countries. According to Collier et al (2008) aid should first and foremost go to these countries, to avoid state collapse, to avoid them sliding back into conflict, to support state building efforts.

Interestingly enough however, some fragile states are MICs. In fact, in the period 2001-2010, there were 6 fragile states in the top 10 the fastest growing economies in the world (OECD/DAC 2013, 2015a).

Not all scholars however agree with the policy implications Collier draws from the changing geography of poverty. Sumner (2010) clearly argues that aid should go to poor people, wherever they are. Furthermore, he argues, inequality concerns, but also deficits in democratic governance in these MICs merit donor attention and aid should continue to flow to the poor people in these countries. Many NGOs may concur with that conclusion.A lot of NGOs (including Belgian NGOs) are active in MICs because civil society is somewhat more developed and stronger there, and because many challenges in these countries remain (11.11.11 – CNCD 2014:23). NGOs also claim that fragile states do not have the enabling environment for policy influencing, and for lobbying and advocacy activities. In the short run service delivery activities seem to be the more feasible option for action by NGOs in these contexts (De Maesschalck et al. 2014).

According to Renard (2015), the above yields four different policy options:

1. Give aid to poor countries
2. Give aid to poor people (wherever they live)
3. Give aid to poor people in better off contexts (MICs), where aid is better absorbed by a more willing and able public sector (better governance)
4. Give aid to poor people in worse off contexts (LDCs, fragile states)

Belgian positions and practices

Belgium has clearly chosen the idea that aid should go to poor, fragile states, and within those states aid should go to poor people. Belgium thus opted for principle 4. A speech given by Peter Moors (the then Director General of DGD) clearly captures that policy choice as follows:

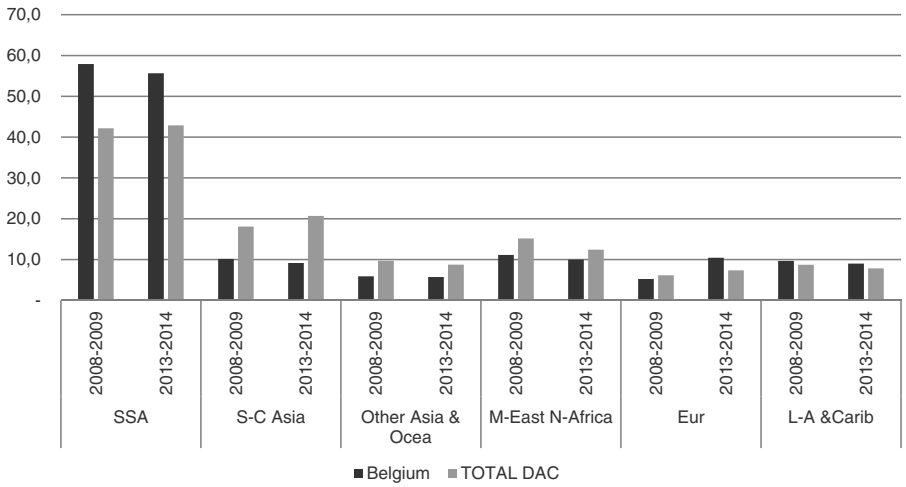
> "I am perfectly aware of the debate on where the poor will live in 2030. Personally, I am convinced the vast majority of the poorest people will again live in Low Income Countries, especially in fragile states and mostly in Africa. Countries devastated by chronic conflict or corrupted by ill-managed natural resources. In those countries, the ODA footprint will remain quite sizable. Traditional bilateral donors such as Belgium will need to focus on these countries. Other donors will prefer to remain engaged in Middle Income Countries, and that is fine. We don't need everybody to do the same thing. But for a donor with the DNA of Belgium, the poorest and most fragile countries in Africa should be the focus. That's where our added value is." (Peter Moors 2013:4).

So Belgium has opted for allocating aid to the LDCs and to fragile states in Africa. This choice appears to be rather unexpected for several reasons. First of all, the liberal orientation of Peter Moors and Minister De Croo might have indicated the opposite move: more involvement in MICs because of the expected trade benefits in relations with these countries. Secondly, the literature has shown that donors in general are risk averse (Birdsall 2004). Fragile states are risky, quite unpredictable environments. As such, planning – particularly long term planning – is problematic, which in turn causes problems for the aid bureaucracies. Return upon investment in these contexts is lower than in more stable/advanced contexts and thus aid effectiveness is more challenging and prone to higher ineffectiveness-risks. At the same time, such a choice does not come as a full surprise, particularly because Belgium has had a long history of engagement with least developed countries and fragile states, such as those from the Great Lakes Region in Africa.

In terms of data, it is interesting to note that the major part of Belgian bilateral aid allocation indeed goes to Sub-Saharan Africa (SSA) and this trend is consistently on the increase (see figure 1 below). Yet allocating this aid consistently in LDCs and fragile states remains a bit more problematic.

The DAC peer review in 2010 stated that Belgium allocates a larger share of bilateral ODA to sub-Saharan Africa (58% in 2008) and to least developed countries (55%) than the DAC average. Belgium also dedicates one-third of its aid portfolio to fragile contexts. In 2015 the DAC Peer review noted that Belgian bilateral allocations to some extent lived up to its promises: there is a strong focus on Africa and LDCs with 70% of total ODA going to sub-Saharan Africa in 2013. But, the report states, support to fragile states seems low, however, given Belgium's stated focus on them: it reached USD 465 million in 2013 accounting for 34% of total bilateral ODA. In 2014 the Directorate-General allocated 62% of its budget for governmental co-operation to these states (OECD/DAC 2015b).

Figure 1: Regional distribution ODA disbursements Belgium compared to DAC



Source: OECD/DAC statistics

Another decision of the Belgian government relates to the number of partner countries and, again, the decided focus on fragile states. In May 2015, the government announced a reduction of the number of partner countries for its government-to-government co-operation. The list of partner countries would shrink from 18 to 14[10]. Over the four coming years governmental co-operation in six middle income countries[11] is going to be phased out. Of the 14 partner

[10] https://www.btcctb.org/files/web/About_BTC/Institutional/14%20partnerlanden%202015_05_21_achtergrondnota_NL.pdf.

[11] Algeria, Bolivia, Ecuador, Peru, South Africa, Vietnam.

countries that will remain, eleven are LDCs, and, 8 are countries in fragile situations[12]. Only three countries are lower middle income countries[13] but these are strategically important due to migration concerns. In the same document, it is stated that this would bring the list of partner countries to 12. Such an aid exit strategy does not mean that the relationship with these countries will end, but rather that its nature will change. Belgium has also developed a new strategy for middle income countries, which according to the OECD/DAC peer review (2015) is a solid strategy.

The above mentioned decisions merit some critical reflections.

Firstly and crucially important is that such focus on LDCs is quite misleading if in reality Belgium's country programmable aid (CPA)[14] is quite low. In 2013, CPA was only at 28% of the national ODA, which is too low compared to the DAC average of 54.5%. This low figure is in part explained by a very high percentage of aid going to and through NGOs: about twenty-five percent of Belgian bilateral aid also goes to NGOs core funding. Humanitarian aid, refugee costs and imputed student costs combined also consume about 25% of bilateral aid (OECD/DAC Peer review 2015).

Secondly, Belgian aid budgets are declining substantially since 2010 (see figures 2 and 3). In 2014, Belgian ODA was USD 2.4 billion and 0.45% of GNI, which is higher than the DAC average of 0.29%. It is however set to decrease to 0.38% by 2019 following the significant cuts approved by the government in the 2015 budget – about EUR 750 million compared to the multi-annual projections in 2014. This implies that Belgium will not deliver on its aid commitments[15] in the medium term. (OECD/DAC Peer review 2015).

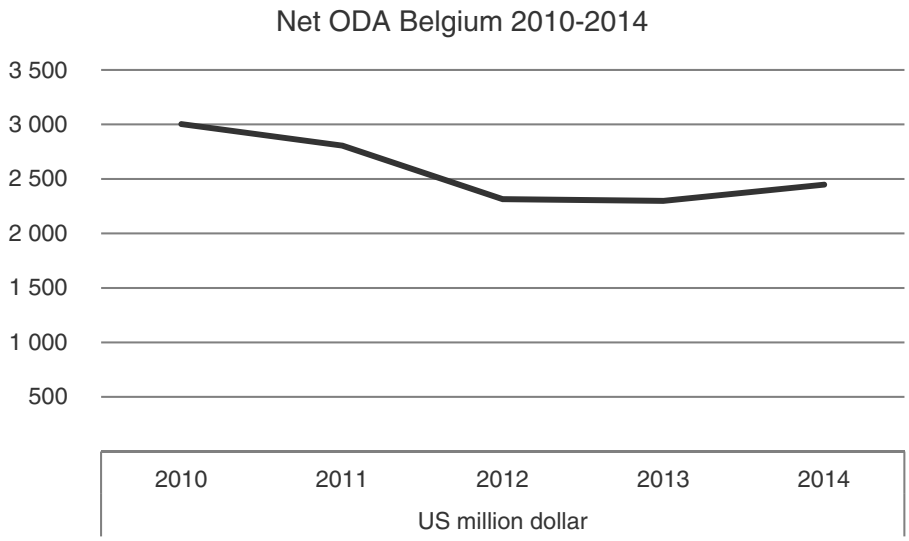
[12] Benin, Burkina Faso, Burundi, DRC, Guinee, Mali, Mozambique, Niger, Uganda, Rwanda and Senegal are LDCs. Burundi, DRC, Guinee, Mali, Niger, Uganda, Palestine and Rwanda are considered fragile states by the OECD.

[13] Morocco, Palestine, Senegal

[14] Country programmable aid (CPA) is the portion of aid that providers can programme for individual countries or regions, and over which partner countries could have a significant say. Developed in 2007, CPA is a closer proxy of aid that goes to partner countries than the concept of official development assistance (ODA) (http://www.oecd.org/dac/aid-architecture/cpa.htm).

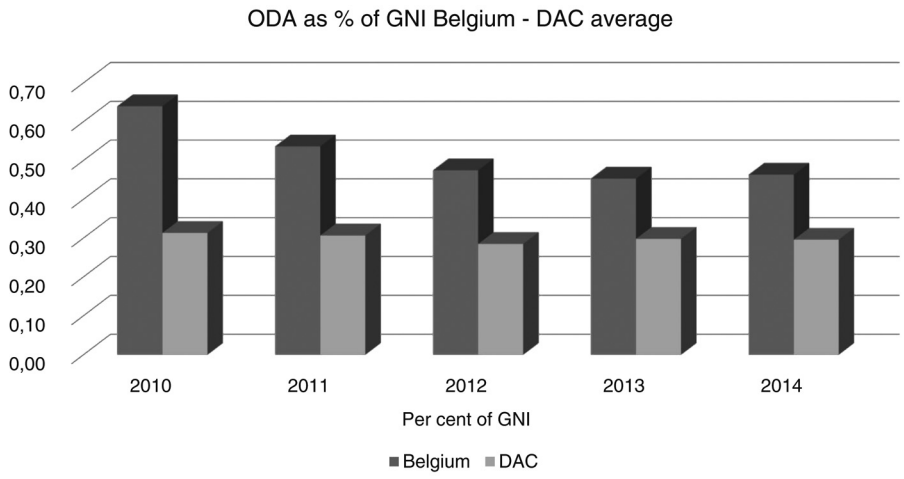
[15] Belgium has committed, by law, to dedicate 0.7% of its GNI to development cooperation. Given the decreasing trend and the foreseen cuts, this legal target will once again not be realized.

Figure 2: ODA evolution Belgium



Source: OECD/DAC statistics

Figure 3: ODA as % of GNI Belgium and DAC



Source: OECD/DAC statistics

Nadia Molenaers

Aid to fragile states: some important institutional requirements for effective aid

The debate: value for money, policy coherence, and the whole-of-government approach

Aid to fragile states tends to be a high risk/low return affair. Aid effectiveness is thus more challenging. First of all there are no recipes for building a state, nor do we have a clear idea with regards to the sequence of reforms in order to build strong, inclusive and if possible democratic institutions (Molenaers et al 2015; Khan 2002; Grindle 2004). There must be room therefore for a lot of trials and errors, including tolerance for unplanned, unexpected and maybe even unpleasant results. Learning (more than prescribing) is needed. Donors have a documented bad track record in this regard (Grindle 2004; Birdsall 2004). Closely related to this is the problem of multiple goals. Since aid to fragile states seeks to impact both developmental and democratic state-building efforts, important tensions and trade-offs may occur which may force aid agencies into taking tough decisions. For example, progress in economic terms may be accompanied by regress in democratic dimensions. This puts donors in a difficult position since moments of political crisis (electoral fraud, third term issues, human rights violations) may lead to strong domestic constituency pressures to sanction such behaviour (by reducing or withdrawing aid), but in doing so, donors may well be undermining the progress made developmental terms.

Secondly, the volatility of political dynamics in such states requires a lot of donor flexibility, speed, risk taking, delegated authority to the field and a long term commitment to state building processes, yet most donors are slow, inflexible as they hold on to rigid planning procedures donors, centralized as decision making powers largely remain in headquarters, risk averse, and they expect short term results (Birdsall 2004).

Third, given the complex and difficult situation, any euro invested in a fragile state will yield less direct value for money than in more stable and consolidated recipient contexts. This is particularly problematic given the high pressure donor agencies face to show results.

Fourth, since absorptive capacity in these countries is low, donors may be confronted with chronic underspending of committed aid. Given the spending pressure aid agencies face, underspending is considererd a 'capital sin' in that

it can lead to the inability to increase next years' budget, or, worse even, to cuts in the budget. In order to avoid the consequences of underspending, donors face strong incentives to spend the money[16]. This may lead to the funding of less optimal, less desirable or even outright bad quality interventions.

All the above is in part produced by the accountabililty obligations donors face, the electoral cycle development cooperation ministers are caught in and the relative weight of (non-expert) veto-players[17] which may push aid policies in suboptimal directions (Molenaers et al 2015).

Given the risk of conflict in fragile states, and the close link between security and developmental concerns, aid agencies must strive for a holistic approach which implies coordinating closely with both foreign affairs diplomacy and defence. The 3Ds approach, integrating defence, diplomacy and development makes sense, but there are also inherent dangers. Poverty reduction tends to take a back seat as national security considerations will almost always override other priorities, hence efforts to reduce poverty in conflict-affected countries, will inevitably suffer (UNESCO 2011). Research has also shown that recipient needs tend to be overruled due to the dominant weight of donor interests in allocating aid and in aid decisions more general (Berthelemey 2006; Svensson 1999; Neumayer 2003). This is why the OECD/DAC and the EU[18] have launched strong calls for policy coherence for development (PCD) (OECD/DAC 2012; Council of the EU 2005). A minimalist approach to PCD refers to minimizing the adverse impact that public policies can have in developing countries. Both the EU and the OECD however propose a more constructive, broader definition which implies that the other policy domains must also be geared toward facilitating and improving development. Crucially important is that PCD can be implemented at different levels: internally within the development cooperation, within the country (coherence between national aid and non-aid policies), between donors, but also at the partner country level.

[16] This does not imply that donors in specific situations can withhold their aid. Particularly in situations of human rights violations, serious democratic regress or corruption, donors do withhold aid to, on the one hand, persuade recipient governments into changing their behavior, and on the other, sooth public opinion concerns about tax-payers' money being used for propping up authoritarian regimes, or undemocratic government behavior.

[17] Veto-players refers to all actors which can oppose government decisions, such as parliament, media, civil society, etc...

[18] In 2005, the EU agreed to follow up on progress in PCD in twelve policy areas (trade, environment, climate change, security, agriculture, fisheries, social dimension of globalisation, employment and decent work, migration, research and innovation, information society, transport and energy) (2005 Council Conclusions). In 2009, the EU introduced 5 priority challenges amongst these 12 policy areas: Trade and finance, climate change, food security, migration, security (2009 Council Conclusions).

One way of achieving PCD is that aid agencies deploy a whole of government approach (WGA). The OECD/DAC also developed guidelines for this, particularly with regards to the importance of a WGA in fragile states (OECD 2006).

Belgian position and practices

Though Belgium has decided that fragile countries are to be the focus of aid efforts, the huge question remains to what extent Belgium will be able to ensure the institutional requirements listed in the section above. Can Belgian aid to fragile states overcome the identified pitfalls which relate to long-term commitments instead of short term (visible) results? Can the Belgian administration be flexible and speedy? Is there tolerance for failure, and emphasis on learning? Are decentralization efforts being undertaken?

The Belgian political system, with the importance of its political Cabinets, does carry some tensions with the idea of decentralization. Micro-management, low appetite for risk, high appetite for visible results, and centralization seem to be preferences shared by the Cabinet, DGD and BTC (Renard 2015). The recent OECD/DAC peer review states: "By delegating more financial and programming authority to the field, the DGD and the Agency would be more capable of engaging in policy dialogue and co-ordination with the government and other partners, while also being better placed to assess contextual and programmatic risks and to identify and respond flexibly to evolving demands and needs. For example, as Belgium scales up its involvement in fragile states, it will need to ensure that it has the right resources, including sufficient delegated authority, so that programmes can be effective in these rapidly changing environments." (OECD/DAC 2015b).

DGD has also been accused of not being a learning organizations. A peer review even went as far as stating that there is no 'evaluation culture' in DGD (OECD/DAC 2010). Human resource management is also a problem, particularly within the Ministry of Foreign Affairs, as it seems to be limited in its ability to have a critical mass of development expertise in the headquarters and in the field. Added to this, the budgetary constraints will lead to a loss of staff: in 2014 DGD had 150 headquartered staff and 73 attachés in embassies, of which 61 will retire by 2019 (OECD/DAC peer review 2015). In 2016, however, about 45 diplomats will start their career at the Ministry of Foreign Affairs. Not all of these will ultimately end up in development

cooperation positions, hence a real, albeit limited, reduction of DGD staff is a fact.

With regards to PCD, this policy choice is taken up in the 2013 Federal Law on Belgian Co-operation and Humanitarian Aid, which is, again, very much in line with what the aid effectiveness debate advises. The integration of development cooperation careers into diplomacy is also an important step for integrating development cooperation more profoundly into foreign affairs. Nonetheless, the peer review acknowledges that DGD faces major challenges in terms of getting buy-in from other ministries (OECD/DAC peer review 2015). In part, the report states, such inability is due to capacity constraints, including the capacity to mobilize other players. We would argue that the capacity to coordinate is just one element. More important however is the (political) leadership. The power position of the Cabinet of Development Cooperation and DGD subsequently, is too limited to take up a strong leadership role. In part this is explained by the relative unimportance of the development agenda in national politics. Hence, national politics and national interests, when at odds with developmental concerns, will not be sacrificed due to the political and electoral pressures of home constituencies.[19]Added to this there is an inherent tension between the objectives of Foreign Affairs (to defend Belgian interests abroad) and development cooperation (to promote development in/of developing countries). As such, the unified career, which aims at mainstreaming development concerns might – at worst – actually lead to the absorption or side-lining of development concerns. The relative danger of policy coherence is that it works against developmental concerns and that DGD policies may become instruments to achieve foreign affair objectives. On a positive note however, the 3D approach has actually materialized in the so-called Black & White meetings on the Great Lakes Region (DGD 2014:23). Although they meet on a regular basis, it is yet unclear what kind of results these meetings have yielded so far.

Besides efforts to achieve horizontal coordination, there is also the challenge of vertical coordination. The highly complex set-up of the Belgian political system with its 'Communities', 'Regions' and the policy space for local and provincial governments to involve with development cooperation has led to a

[19] During the last electoral campaign, the national NGO umbrella looked into the party programmes to conclude that, except for one political party, no parties incorporated development cooperation issues in their party programme campaign. This shows that in Belgian national politics, aid on the whole is not an issue. As such DGD has very little leverage and power when it comes to influencing other ministries.

quite fragmented set of development cooperation policy choices[20]. As such the lists of partner countries differ from one level and/or region to the next (Molenaers et al 2014). Although there is a joint statement by the federal government and the governments of the Communities and Regions (May 2014), where the signatories committed to consider development issues in all policies, to co-ordinate the federal, inter-federal and European level, the question remains how effective this coordination will be. Although the annual report (2014:23-24) of DGD lists an impressive set of coordination initiatives, according to the OECD/DAC peer review 2015, such coordination is mainly limited to an exchange of information through bi-annual meetings (OECD/DAC peer review 2015). Again, it is probably too early to assess the dynamics surrounding these initiatives.

The overall fragmentation of the system probably explains why Belgian net bilateral aid flows still reach over 90 countries[21]. DGD also has had a major challenge to coordinate aid efforts with NGOs. Although non-governmental actors are important players in delivering Belgian ODA, the OECD/DAC peer review states that "DGD does not have a clear policy setting out the objectives, rationale, added value and approaches to partnering with civil society. Having such a policy could help guide important reforms that aim to reduce transaction costs. It would also provide a solid basis for allocating the budget for non-governmental actors and enhancing the focus on results, while also supporting the enabling environment for civil society in partner countries, as agreed in Busan". Here too, DGD has undertaken steps to reform its co-funding system, in order to address some of the shortcomings identified by the Peer reviews. One important element relates to the reduction of partner countries, not just of DGD but also for all Non-governmental actors (NGAs). Another element related to the obligation that NGAs had to undertake joint context analysis so as to promote complementarity and synergy between Belgian NGAs but also with Belgian bilateral aid. Since these initiatives are still very recent however, it seems premature to assess these reforms on their merits so far.

[20] The Lambermont-agreement (2000) presented a de-federalization of the mandate of development cooperation. This decision provoked a shockwave in the development cooperation community, but up until today this reform has been stalled and the full decentralization of development cooperation has not taken place. The current 'grey zone' is one where all levels of government are doing development cooperation.

[21] For more detailed information consult the following link: http://data.worldbank.org/indicator/DC.DAC.BELL.CD/countries?display=default.

Concluding thoughts

The aid scene has undergone drastic changes over the last decade. While the Paris Declaration and the MDGs gave very clear guidelines to donors with regards to 'what aid should accomplish' and 'how aid should be delivered', today the aid business is an amalgam of goals with no clear prescriptions on what to do and how to do it. For a small/medium sized donor like Belgium, strategic positioning in the aid landscape is of increasing importance because aid challenges are multiple and resources are limited, particularly in these times of fiscal austerity.

Belgium has decided to allocate its aid mainly to fragile states, to strive for policy coherence for development and to adopt the whole of government approach. Many initiatives have been taken so as to validate and substantiate these policy choices. DGD has reduced its list of partner countries, it has negotiated with other development actors (decentralized, non-governmental, other federal players) and it has set in motion a number of coordinating bodies.

But some important constraints remain. DGD's position within foreign affairs, given the relative un-importance of development cooperation in the national political agenda, remains weak. Further cuts in the budget and decreasing staff will most probably exacerbate its weak position. There are also deep, almost irreconcilable tensions between the characteristics needed to deliver effective aid to fragile states (flexibility, speediness, risk taking, long term commitment, and decentralization) and the way in which Belgian aid is structured.

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