



KINGDOM OF BELGIUM
Federal Public Service
Foreign Affairs,
Foreign Trade and
Development Cooperation

Activity Report 2012



TABLE OF CONTENTS

Foreword by Mr Didier Reynders, Deputy Prime Minister and Minister of Foreign Affairs, Foreign Trade and European Affairs.....	4
Foreword by Mr. Jean-Pascal Labille, Minister for Development Cooperation	5
1. Resources	6
1. Internal organisation of the FPS	6
National Security Authority (ANS/NVO).....	6
Revamped mission websites	6
Modernisation of the Central Administration's website.....	6
2. Personnel	7
New Staff Director	7
Number of staff employed and trend at Central Administration and abroad	7
Number and type of embassies and consulates	8
3. Buildings	9
Buildings abroad	9
Buildings in Belgium	9
4. Budget and financial resources.....	10
2. Serving the public	12
1. Protocol.....	12
Preferential rights and immunities	12
Visits by foreign dignitaries and security of diplomatic missions.....	12
Egmont Palace and Conference Centre	13
Val Duchesse / Hertoginnedal Domain	13
Nobility and honours	13
2. Consular affairs	14
US Visa Waiver Program	14
Electronic identity cards (eID) for Belgians residing abroad	14
Biometric passports and visas	14
Belgian passport production	15
Law of persons	15
Schengen House	16
Asylum and migration	16
3. Crisis management	17
Travel advice	17
Contingency planning	17
When nature calls	17
Hot spots	17
Sporting climax.....	18
National mourning	18
FACT	18
Interest groups	18
B-FAST in action	19
4. Peace-building	20
Initiatives for a more peaceful world	20
Two practical examples: follow-up of funded projects in North Uganda and Burundi	20

3. Policy	22
1. Belgium in the world: bilateral activities	22
Western Europe, Central Europe and North America	22
BLEU-Benelux and cross-border cooperation	23
Eastern and South Eastern Europe and Central Asia	24
Middle East and North Africa	26
Africa	28
Asia and Oceania	30
Latin America and the Caribbean (LAC)	32
Central America	33
Diplomacy and economy	34
2. Belgium in the European Union	37
EU's response to the financial and economic crisis	37
The Multiannual Financial Framework 2014-2020	38
The European Union's Foreign Trade	39
Continued fall in transpositions and increase in the number of Belgian transposition acts	39
Number of Commission infringement proceedings against Belgium did not sufficiently reduce	40
Belgian representation before the Court of Justice of the European Union and the Court of Justice of the EFTA	40
3. Belgium in a multilateral context	42
Multilateral coordination	42
North Atlantic Treaty Organisation (NATO)	42
Common Security and Defence Policy of the European Union (CSDP)	42
Organisation for Security and Cooperation in Europe (OSCE)	42
Cyber security	43
Fight against terrorism	43
Belgium and the United Nations budget	43
Human rights	44
Organisation for Economic Cooperation and Development (OECD)	45
Challenges in the area of nuclear non-proliferation	45
International Arms Trade Treaty and the fight against the proliferation of small arms and light weapons	46
Hissène Habré	46
Exploitation of the seabed, a promising economic sector	47
4. Belgian Development Cooperation	48
New cooperation programmes with two partner countries	48
5th Belgian Development Cooperation Stakeholders' Meeting	49
In 2012 the Directorate General for Development Cooperation and Humanitarian Aid (DGD) underwent radical internal reforms	49
Budgetary discipline imposed by the government implies savings in development cooperation	50
OECD Commission for Development Assistance – 2012, the year of the interim evaluation	50
International child protection conference	50
Review of the law on development cooperation	51
Humanitarian crisis in the Sahel	52
Special Evaluation of International Cooperation (DBE)	52
4. Annexes	55
Organisational chart of the FPS	55
World Map of FPS representations in Belgium and abroad (as at 31 December 2012)	56
Acknowledgements	58



Preface

Minister Didier Reynders

Whether on the economic or political front, 2012 was yet another busy year in terms of international relations. The events of the past year have strengthened my belief that, in a rapidly-changing world, in order to maintain stability and our prosperity it is essential that we adapt to prevailing circumstances. This is true not only for our own country, but also for the European Union and international institutions. It is within this context that I wanted to frame Belgium's external initiatives.

In a rapidly-changing world it is also important to maintain a bedrock of values on which we cannot compromise, which is why I wanted to make Human Rights and the Rule of Law the guiding principle of my foreign policy. The abolition of the death penalty, women's rights, respect for minorities and the separation of church and state, as well as non-discrimination in the area of sexual orientation, have been long-standing preoccupations of Belgian diplomacy.

Like the other Federal Public Services, the FPS Foreign Affairs has had to grapple with the necessary budgetary discipline and all indications show that this discipline is to remain with us for several more years. That which could have been merely a source of frustration has instead been seized upon as an unavoidable reality, and an opportunity to accelerate and extend reforms to ensure that these savings do not result in a reduction in the services offered by our diplomatic tools to our citizens and our economy. A practical example is the process to optimise the network of missions, the preliminary phase of which is already underway. I also asked for a process of reflection to be started to explore the possibilities for synergies with other EU partners, particularly the Netherlands.

The FPS has also continued with its process of modernisation, and in 2012 all of our diplomatic and consular missions were progressively equipped with biometric equipment for visas and passports. The law that permits Belgians to vote abroad has been revised in order to improve and simplify the electoral process.

Many acts of economic diplomacy were undertaken by the missions in 2012, primarily in conjunction with my official visits. A lot of work was invested during the year in boosting the resources of the FPS in this area, for example insofar as what is referred to as the "informal" network, the reform of funding for the mixed chambers of commerce, and taking steps to eliminate the office of Foreign Trade Advisor and create the function of Economic Diplomacy Advisor in order to better reflect the institutional developments of recent years.

Belgium's future is inseparable from that of the European Union which is, at present, undergoing an existential crisis. It is because I am convinced of the need for renewed impetus to be given to the European model that I actively participated in the work of the Westerwelle Group which addressed the question of Europe's future. The FPS also invested a considerable amount of time in negotiations for the new financial framework for the 2014-2020 period.

Belgium has contributed, to the best of its abilities, to the EU's efforts to resolve the major security challenges of our time. I am in particular referring to the problems of human and drug trafficking in Niger, the issue of combating piracy and rebuilding the State in Somalia, post-crisis management in Libya, and combating terrorism in the Sahel.

In the international arena, the developments in the Arab world continue to feature among the major priorities of the year. The political and economic transition of the countries concerned have shown that it is a slow and delicate process that requires commitment and vigilance. In Syria, the situation has continued to deteriorate, with the regime descending into a blind logic of increasing barbarity towards its own population. While continuing to support diplomatic efforts to secure a political solution I wanted to emphasise the humanitarian aspect and, in particular, respect for international humanitarian law in the area of healthcare.

I endeavoured to put the situation in Central Africa back on the international agenda. The situation in eastern Congo following the offensive by the M23 has once again highlighted the need to find a lasting solution to the region's problems. I travelled to the region on four separate occasions in 2012

and conducted many discussions on the topic at both bilateral and multilateral level. I accompanied HRH Prince Phillip to the ceremonies marking the fiftieth anniversary of Burundian independence and in this context supported initiatives in the area of democracy and human rights. As regards West Africa, the Sahel has returned to international attention following the invasion of northern Mali by Tuareg rebels and Islamists. I am also closely following developments in the situation in the East and the Horn of Africa. However, from Chile to the Russian Federation and from Australia to Canada, the other parts of the world were not neglected, largely thanks to numerous bilateral initiatives, often undertaken during my visits (China, India, Turkey, the Persian Gulf, North Africa, etc.).

On the multilateral front, the UN agenda was mainly dominated by the Rio+20 summit on sustainable development, thereby opening the debate on post-2015 development. The UN continued with its reforms and the efforts of the Member States enabled increases in the organisation's budget to be substantially reduced for the first time, much to the satisfaction of Belgium which is promoting an efficient, modern form of multilateralism meeting the challenges of the 21st century. Belgium has spared no efforts to get the UN to adopt an arms trade treaty and the hope is for this to be achieved in 2013.

I wish to thank all members of the FPS Foreign Affairs, Foreign Trade and Development Cooperation for their work over the course of the year and am delighted to be able to continue our dynamic, fruitful collaboration in 2013.

Didier Reynders
Deputy Prime Minister and Minister of Foreign Affairs, Foreign Trade and European Affairs

Minister Jean-Pascal Labille

Instead of weakening, the economic crisis and its disastrous impact on the public finances of developed countries has worsened and risks overshadowing the importance of international solidarity. In this context, it is essential that an effective development cooperation and humanitarian aid policy is conducted. That is why, in the last twelve months, I have made the coherence of development policy and the effectiveness of public assistance major priorities of development cooperation. The Policy Coherence for Development (PCD) is a process aimed at ensuring that the objectives and results of a government's development cooperation policies are not stymied by other policies of the same government which impact developing countries. The new law on Development Cooperation places PCD on a statutory footing which applies to all the policies of the federal government. A new management contract with Belgian Technical Cooperation (BTC) and a new Royal Decree on the subsidisation of non-governmental cooperation actors will enable me to give practical effect to my desire to improve the effectiveness of Belgian aid.

The new law on Belgian Development Cooperation in fact renews the general framework of federal cooperation. Through the strengthening of the capacities of developing countries, its general objective continues to be sustainable human development. Within this context, the debate on post-2015 development, both nationally and internationally, will be essential. Belgium is calling for a new framework that sets out unique development objectives incorporating universal sustainable development objectives.

Finally, flows of aid and the types of actors involved are becoming diversified. Promoting the local entrepreneurial sector, promoting novel sources of development funding and engaging developing economies in a win-win process of redistribution constitute new avenues for action. In this area, 2012 will also have seen the beginnings of a review of the mandate of BIO (Belgian Investment Company for Developing Countries), the reform of which will be completed in 2013.

Jean-Pascal Labille
Minister for Development Cooperation



1. RESOURCES

1. Internal organisation of the FPS

National Security Authority (ANS/NVO)

Security clearances and verifications

In 2012, the ANS/NVO processed approximately 12,500 security clearance applications for natural persons, decisions on which had already been given in 8,030 cases. The ANS/NVO received 171 security clearance files for legal persons.

Pending definitive regulation, the ANS/NVO has been authorised, since 15 May 2012, to give security recommendations in relation to airport identification badges. In 2012, the ANS/NVO processed 10,468 applications of this type.

In addition, the NVO processed another 6,000 or so security verifications in relation to security certificates and recommendations.

Bilateral agreements on the exchange and protection of classified information

The ANS/NVO conducted successful negotiations with Bulgaria, Canada, Estonia and the Czech Republic on the conclusion of a bilateral agreement on the exchange and protection of classified information.

On 9 February 2012, while visiting his counterpart in Luxembourg, Deputy Prime Minister and Minister for Foreign Affairs, Didier Reynders, signed the bilateral agreement on the mutual protection of classified information between Belgium and the Grand Duchy of Luxembourg.

On 15 July 2012, Minister for Defence, Pieter De Crem, signed the bilateral agreement with Israel while visiting his counterpart in that country.

Besides creating opportunities for more intensive cooperation between the parties' administrations, these agreements create economic opportunities for Belgian companies in sensitive foreign sectors.

Security committees

The ANS/NVO secretariat represented Belgium on various security committees and working groups of the European Union, NATO, the European Space Agency (ESA), Eurocorps and Galileo.

The number of international meetings gradually increased, as did the impact of the international decisions on the national regulatory context.

Personnel situation

An extra administrative staff member joined the ANS/NVO secretariat in September 2012. The function of INFOSEC coordinator was again filled on 1 December 2012.

There are plans to recruit an extra attaché by January 2013.

Revamped mission websites

In 2011, the FPS Foreign Affairs web team began the process of renewing the websites for the Belgian embassies, consulates and permanent representations abroad. Approximately 120 of the outmoded websites are to be replaced.

The biggest change for the user is that the websites will now be country-specific, rather than specifically for an embassy or consulate. The fact is that Belgians abroad cannot always easily tell which mission to address for which problem. The country-specific websites are also designed to provide the information in a much more uniform manner. The user will find the information in the same place on every country's website, or on the Central Administration website, which creates ease of use and confidence. Naturally, the graphics of the new country-specific websites have also been revamped, and they now all have the same look.

By the end of 2012, 26 new country-specific websites had been created: Afghanistan, Angola, Burkina Faso, Burundi, Congo-Brazzaville, Czech Republic, Ethiopia, Hungary, Ireland, Italy, Ivory Coast, Kazakhstan, Kenya, Lebanon, Libya, Mali, The Netherlands, Niger, Nigeria, Qatar, Rwanda, Senegal, Tanzania, United Kingdom, the Permanent Representation of Belgium to the European Union and the Permanent Representation of Belgium to the UN. All the country-specific websites should be ready by late 2013 or early 2014.

Modernisation of the Central Administration's website

In addition to ensuring a daily update of the FPS Foreign Affairs website (diplomatie.belgium.be), the web team, in collaboration with the FPS Press Department, devoted much of its time in 2012 to a modernisation of the site by integrating social media (Twitter, Facebook) and developing a video channel (<http://vimeo.com/user13888689>).



1. RESOURCES

2. Personnel

New Staff Director

In April 2012, Mr Couchard was appointed as the new P&O Staff Director. He unveiled an ambitious plan to ensure a more modern and more professional management of personnel, buildings and logistics. These are the main aspects of his management approach:

- Implement an integrated and coherent personnel strategy that covers all personnel and career categories and provides solutions, in the short, medium and long term, that are modern, supple, workable and appropriate to the specific needs of the FPS, its managements and the missions. This strategy places competencies centre stage when it comes to analysing needs, recruitments, training courses and evaluations. It must also offer motivating and genuine career opportunities for every member of staff in a stable, modern, accessible and mobile working environment and at the same time stimulate professionalism.
- Implement a strategy that seeks greater equality between men and women on the shop floor and aligns family policy more closely with staff development and expectations.
- Develop a medium- and long-term strategic plan to manage the buildings abroad by systematically introducing the life cycle management philosophy.
- In the medium and long term, pursue strategic management of the buildings in Brussels, to ensure their rational use and the efficiency of the associated logistics.
- Set out a more efficient and effective procurement policy.

Number of staff employed and trend at Central Administration and abroad

The tables below show how the staff is composed at Central Administration and at the missions, as well as the number and types of missions.

On 31 December 2012, our FPS had 3,130 members of staff.

Total number of established officials and officials under contract at Central Administration

Established internal officials	646
Internal officials under contract	396
Diplomats	135
Chancellors (consuls)	60
Attachés for international cooperation (development cooperation)	16
Total at Central Administration	1,253

Total number of established officials and officials under contract in missions and at Permanent Representations abroad and in Brussels

Diplomats	286
Chancellors (consuls)	100
Attachés for international cooperation (development cooperation)	47
Expatriate officials under contract	151
Officials under contract employed on site	1,293
Total in missions and Permanent Representations abroad and in Brussels	1,877

Given that in 2012 there was less room for manoeuvre and a smaller budget for personnel, it was possible to replace only a small number of departing staff. The steady squeeze on staff numbers, which commenced in 2010 and 2011, continued in 2012 and the trend is set to continue in the years to come.

In 2012, the FPS recruited 38 employees from among internal officials (28 A level, 3 B level, and 7 C level) to Central Administration.

As regards careers abroad, 21 external officials (consuls) were taken on in 2012.

Number and type of embassies and consulates

The various missions are shown on the world map at the back of this report.

MISSIONS	
Embassies	89
Consulates-general	21
Consulates	9
Permanent Representations	10
Cooperation Offices *	6
TOTAL	135

** Cooperation offices that do not fall under an embassy. There are, on the other hand, 21 cooperation offices housed in the building used for an embassy, consulate-general or permanent representation.*

In 2012, Rio de Janeiro and Cologne again became consulate-generals and Bru-Cops was set up in the building of the Permanent Representation to the European Union.



1. RESOURCES

3. Buildings

Buildings abroad

The missions helped us assess the condition of the buildings we own so as to better allow us to set our priorities.

Following the sizeable building project in Tokyo it was decided that we should start a new, large-scale property operation in Kinshasa. A new chancellery will be built on *Boulevard du 30 juin*, where Sabena's town houses once stood. In 2012, six plots were purchased for this purpose, and similar purchases and sales will follow in 2013. The second (2009-2012) and third (2013-2016) Master Plans for external buildings make allowance for this.

The purchases of new chancelleries in Kiev and Dublin are complete.

Major construction, conversion or extension works were commenced or continued in missions at which our country owns the property, such as Madrid, Luanda (works completed), Algiers, Luxemburg and Dublin. Preparations for other building projects scheduled to start in 2013 (i.e. in Kiev, The Hague, Cologne, New Delhi, Paris, the Holy See in Rome, Vienna, Stockholm, Helsinki and New York) are now complete.

Some missions that rent their buildings or are in the process of relocating to another chancellery, such as Kampala and Bangkok, had to carry out fitting out and security works.

Numerous missions had already undergone a series of smaller maintenance and renovation works. New initiatives have been taken to give the missions more responsibility, and greater financial autonomy has now been introduced.

The savings deemed necessary in the last quarter did, however, result in a series of non-urgent or reducible expenses being deferred until 2013.

In 2012 an information exchange system came into effect between the European External Action Service and the Member States.

We continued to manage our artistic heritage, new works of art were acquired and several residences

were furnished, decorated and their furniture restored. Various chancelleries were provided with new office furniture. Here as well, however, a number of expenses had to be deferred until 2013.



Very tasteful, new interior for the reception area of our residence in Riyadh © FPS Foreign Affairs

External expertise was brought in to supervise a new transfer/takeover procedure. This procedure is to be evaluated in the short- or medium-term.

In 2013 we will continue to negotiate with other FPSs and the federated entities in order to set them a reasonable contribution for the use of offices belonging to Foreign Affairs.

Buildings in Belgium

It has been decided, as part of a process of rationalisation, to give up the leases on the two buildings on *rue de Namur/Naamsestraat* and the one building on *rue Brederode/Brederodestraat* and relocate the hundred or so members of staff involved to Egmont 1 and 2.

The FPS manages Egmont Palace and *Val Duchesse/Hertoginnedal Castle* in partnership with the Buildings Agency (*Régie des Bâtiments/Regie der Gebouwen*).



1. RESOURCES

4. Budget and financial resources (B&B)

Division	Programme	Area	Commitment credits (i)
1		Strategic bodies of the Minister for Foreign Affairs	
2		Strategic bodies of the Minister for Development Cooperation	
3		Strategic bodies of the Minister for Foreign Affairs	
4		Strategic bodies of the Minister for Development Cooperation	
21		Management bodies	
	0	Management and supervision	
40		General services	
	1	Protocol	
	2	Training	
	3	Conferences, seminars and other events	
	4	Humanitarian aid	
	5	Representations abroad	
	6	Communication, information and documentation	
	7	International cooperation	
42		Embassies, consulates and cooperation missions	
	0	Subsistence programme	
	1	Buildings fund	
43		Directorate-General for Legal Affairs	
	0	Subsistence programme	
51		Directorate-General for Bilateral Affairs	
	0	Subsistence programme	
	1	Bilateral relations	
	2	Economic expansion	
52		Directorate-General for Consular Affairs	
	1	International institutions	
	2	Humanitarian aid	
53		Directorate-General for Multilateral Affairs and Globalisation	
	1	Multilateral relations	
	2	Science policy	
	3	Cooperation	
	4	Humanitarian aid	
	5	Bilateral assistance	
54		Directorate-General for Development Cooperation	
	0	Subsistence programme	
	1	Country-specific programmes	
	2	Civil society initiatives	
	3	Multilateral cooperation	
	4	Private sector programmes	
	5	Humanitarian programmes	
55		Directorate-General for European Affairs and Coordination	
	1	European relation	

31.12.2012

(in € thousands)	Organisation credits (in € thousands)	Credit in ordonnance (in € thousands)	Ordonnance (in € thousands)
30	28	140	123
5	5	27	14
4,147	3,505	4,147	3,406
3,603	3,234	3,603	3,015
70,548	66,236	69,309	66,847
70,548	66,236	69,309	66,847
16,263	11,655	14,602	11,286
2,952	1,776	1,985	1,726
960	819	960	705
308	164	308	136
1,173	194	954	291
3,486	1,831	3,307	1,595
1,400	1,321	1,400	1,268
5,984	5,550	5,688	5,566
203,060	192,290	204,688	197,956
187,778	179,608	189,153	182,882
15,282	12,682	15,535	15,074
758	687	758	717
758	687	758	717
45,057	34,351	34,126	33,302
10	9	10	9
4,862	4,113	4,862	4,076
40,185	30,229	29,254	29,217
286	237	286	165
96	95	96	95
190	141	190	70
147,443	105,606	142,993	112,943
111,368	87,261	110,912	86,945
4,606	4,596	4,606	4,596
507	507	982	951
28,770	13,243	25,502	20,452
2,192	0	991	0
1,787,749	1,332,973	1,427,530	1,046,249
4,389	2,396	4,389	1,713
487,165	309,668	408,821	292,223
406,241	384,037	254,718	236,525
616,741	543,403	493,136	426,201
108,995	2,308	108,228	5,992
164,218	91,162	158,238	83,595
4,111	3,952	4,111	3,908
4,111	3,952	4,111	3,908
2,283,060	1,754,760	1,906,320	1,479,933



2. SERVING THE PUBLIC

1. Protocol

Preferential rights and immunities

It is the core business of the Protocol to permanently ensure the application of preferential rights and immunities to the largest diplomatic and consular community in the world.

The diplomatic community is large in Belgium. At the end of 2012 there were 284 diplomatic missions in our country (188 bilateral embassies, 41 diplomatic missions to the EU and 55 representations to NATO). Belgium is also host to 105 international institutions, the majority of which are located in Brussels. The Protocol ensures the correct implementation of the residence agreements it has with these organisations.

Particular attention was paid in 2012 to an analysis of the tax benefits extended to the diplomatic and consular missions in Brussels, as well as those enjoyed by Belgian diplomatic representations in foreign countries. The following projects were initiated:

- Our Belgian missions abroad helped carry out an excises analysis relating to exemption from vehicle import tax, VAT, initial vehicle licensing tax and annual road tax, for both personal and official use.
- The annual quotas for imports of restricted goods (alcohol, wine, cigarettes) and purchases of petrol were adjusted based on reciprocal agreements.
- With a view to ensuring reciprocity in respect of exemption from building registration fees, a register was started of deeds of purchase and leasing contracts relating to the official buildings used by diplomatic representations.

These projects will no doubt yield benefits for the Belgian Treasury.

To make added improvements to the public services offered to the diplomatic community, the Protocol worked in 2012 on an analysis of the existing work processes with a view to "rationalisation" and "cost effectiveness". Computerisation played an important role in these efforts. Thus, for example, it will be possible in the near future to complete application forms for special identity cards online.

Where the consulates are concerned, an in-depth analysis was made of all consular personnel files.

This resulted, in some cases, in a review of the status of consular staff members. The procedure for issuing consular ID cards was brought in line with that for issuing special identity cards for diplomats. At the end of 2012 there were 21 consulate-generals in Belgium.

As regards the issue of driving licences to diplomats and consuls, we noted a reduction in applications to convert national driving licences to Belgian driving licences, as a result of the new European legislation.

Visits by foreign dignitaries and security of diplomatic missions

In 2012, the Protocol followed-up about 3,500 files relating to visits by foreign dignitaries to Belgium, the European institutions and NATO.

There were no state visits by foreign heads of state in 2012.

There were, however, 2 official visits:

- the Premier of the People's Republic of China, Wen Jiabao,
- the President of Poland, Bronislaw Komorowski.

Belgium was also visited by the Chief Executive of Macao, the President of the General Conference of the United Nations, His Majesty the King of Jordan, the Secretary-General of the Arab League, the President of South Sudan, the Secretary-General of the United Nations, the Governor-General of Canada, a member of the State Council of the People's Republic of China, the President of Germany, the Vice Premier of the People's Republic of China, the President of the German *Bundesrat*, the President of Benin, the President of Egypt and the Prime Minister of the Democratic Republic of Congo.

The Protocol also organises a part of the security aspects of the European Summits in cooperation with the FPS Home Affairs Crisis Centre and the European Council. There were 7 summit meetings held in Brussels in 2012.

The Protocol also governs access to the VIP salon at the national airport during visits by dignitaries, applications for permanent and temporary access badges for this salon, and applications for admission to the CD car park.

Security for diplomatic missions

The Protocol takes on the role of an intermediary as regards the provision of security for foreign diplomatic missions, consular missions and international institutions. To this end, it maintains close contact with the FPS Home Affairs Crisis Centre where a monthly coordination meeting is held to discuss security at diplomatic missions.

Requests for special security measures and complaints in relation to security are directed via the Protocol to the FPS Home Affairs Crisis Centre and other security services. In 2012, roughly 600 security-related files were processed.

Under the Protocol a contact point was set up in 2012 for foreign diplomats and their families who had been the victim of aggression or violence during their stay in Belgium. This contact point is called the IPS (Information, Protection and Support) and it provides initial support, help, advice and assistance.

Egmont Palace and Conference Centre

In 2012, various activities were once again held in Egmont Palace and the Conference Centre. This included meetings organised by the minister and by the various FPS Directorates, official visits by foreign Heads of State, Belgian and foreign ministerial visits and meetings, receptions, conferences, etc.

Receptions, lunches and dinners were also organised for large companies in industry, finance, insurance, foreign trade and international relations, as well as for NGOs and Federal Public Services. The income from these activities was used to refurbish rooms and restore furniture, thereby maintaining the character of Egmont Palace and the Conference Centre.

Val Duchesse/Hertoginnedal Domain

In 2012, discrete official and unofficial working visits and work meetings involving foreign Heads of State, High Representatives of international organisations, the European Union, Belgian politicians, as well as protocol receptions for NATO, the European Union and the Belgian State, all took place at the *Val Duchesse/Hertoginnedal* Domain.

The *Val Duchesse/Hertoginnedal* Domain now comes under the responsibility of the Government Service with Separate Management CCEgmont. The rental income is used to carry out minor renovations of the buildings.

Nobility and honours

In close cooperation with the services of the Prime Minister and the administrative services involved, the Nobility and Honours Department once again prepared a series of specific regulations and equivalences in 2012 regarding the granting of distinctions in the National Orders list in the public sector. The service was also very closely involved in the award of decorations commemorating the economic missions of His Royal Highness Prince Phillip to Japan, Turkey and New Zealand. In 2012, the King once again granted titles of nobility and badges of merit.

This year, an illustrated brochure of the National Orders was published for use by the Protocol. Photos are now available on the FPS website showing the distinctions of the National Orders. The manuscript collection, known as the Heraldic Fund or Beydaels Fund, and the Council of Nobles library, are housed in the FPS's Central Library and are now open to the public.



2. SERVING THE PUBLIC

2. Consular affairs

US Visa Waiver Program

The US Visa Waiver Program - VWP - provides the citizens of 36 participating countries the possibility to enter the United States as temporary visitors for business or tourist purposes without having to be in possession of a visas applied for at the American consulate. On 11 and 12 December 2012 an American delegation visited Belgium to conduct an evaluation. The idea here was to check whether the country still fulfils the conditions required to be able to let its citizens travel to the US without a visa. The main subjects covered were immigration, asylum, the fight against terrorism and radicalisation. In a written procedure, questions were asked about security in relation to travel documents and the reporting of lost or stolen passports. A visit was made to Brussels National Airport and an in-depth study was carried out of how Belgium polices its borders.

Electronic identity cards (eID) for Belgians residing abroad

Belgians on the register of a Belgian embassy or consulate are now only given eIDs identical to those issued by Belgian municipalities under the responsibility of the FPS Home Affairs.

The 15 missions that issue the largest number of eIDs deal with the applications completely autonomously using locally installed Home Affairs equipment and software. The other missions work with an intermediary step at Central Administration (Travel & Identity Documents Department), which receives applications from the missions electronically and then processes them on Home Affairs equipment and software.

Citizens can activate the certificates on the chip at one of the 15 missions equipped with Home Affairs equipment, or in a Belgian municipality, in order to make use of the card's electronic functions.

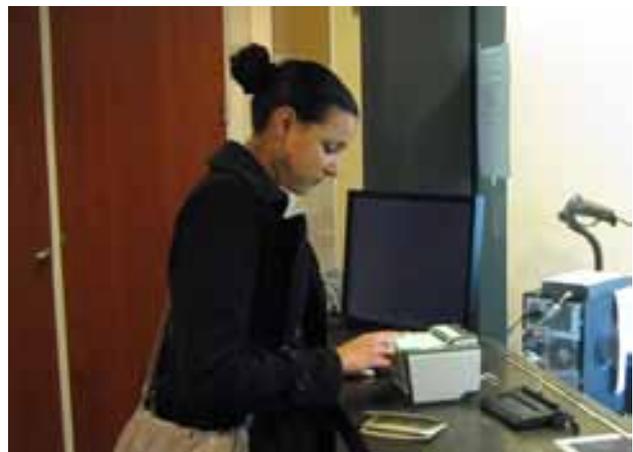
In 2012, a total of 21,158 eIDs were issued to Belgians abroad and 5,301 of these applications were processed via the intermediary step at Central Administration described above.

Biometric passports and visas

Passports

European regulations stipulate that fingerprints taken from both index fingers must be included on the chip of the passport in addition to the passport holder's identity data and digital photograph. This means that all passport offices, both in Belgium and abroad, need equipment and software to take photographs and fingerprints. For practical reasons, this project was split into two parts: one to equip the diplomatic and consular missions abroad in collaboration with the Visa department of FPS Foreign Affairs, and one to equip the Belgian municipalities and provinces.

The work to equip the diplomatic and consular missions was completed in 2012 (with the exception of the embassy in Brasilia) and all missions thus equipped, save those in Damascus and Kingston, have been issuing biometric passports with fingerprints. A total of 29,841 biometric passports with fingerprints had been issued at the diplomatic and consular missions by the end of 2012. The passport counter at Foreign Affairs in Brussels also switched to biometric passports and, by the end of 2012, had issued 1,633 passports with fingerprints, including one for the Prime Minister, Mr Elio Di Rupo, and one for the president of the European Council, Mr Herman Van Rompuy.



Biometric passports with fingerprints © FPS FA

A government contract to equip the municipalities and provincial governments was originally initiated by FPS Foreign Affairs alone, but in early 2012 a different approach to the project was taken and a partnership was set up with FPS Home Affairs, which, in the meantime had also been required - again as the result of European regulation - to store biometric data (fingerprints) in the chips of identity cards held by foreign nationals. The advantage with this partnership is its potential to create technical and financial synergies between the two projects. In December 2012, after concluding the partnership agreement between Foreign Affairs and Home Affairs, and after steering the project through a preparatory period, the pre-pilot phase was commenced in Sint-Pieters-Woluwe, which became the first Belgian municipality to issue biometric passports with fingerprints in 2012. In the first quarter of 2013 the project will roll out to ten other pilot municipalities. Assuming the pilot phase reaches a positive end, it will be possible to start equipping the other Belgian municipalities and provinces by mid-2013, and so switch to the issuing of biometric passports with fingerprints by the end of 2013.

The main change for the passport applicant, particularly the Belgian national abroad, is that he/she will need to apply in person from now on. Taking biometric data (particularly fingerprints) is in fact impossible otherwise.

In a number of consular missions with very large jurisdictions (e.g. the US, Canada, Russia, etc.) or where travelling is difficult or risky (e.g. the Palestinian Territories), several alternatives have been proposed to reduce the inconvenience for Belgian nationals living there, the main alternative being the option of having a flying consul record the biometric data with a mobile biometric kit. In 2012, mobile kits were supplied to 39 consular missions. Ten missions sent the mobile kit out in 2012, and the responses from Belgian nationals abroad were extremely positive.

The introduction of biometric passports has meant that applications are now sent to the production centre electronically. This has resulted, especially where applications through our consular missions are concerned, in considerable time savings, something which is also appreciated by our compatriots abroad.

Visas

European regulations stipulate that the Member States of the Schengen Area must issue biometric visas (live photograph and fingerprints) at diplomatic and consular missions once the Visa Information System (VIS) comes into force. The idea is to promote a common EU visa policy and the fight against visa shopping. All European external border missions (official border crossings) must also be provided with biometric equipment to enable adequate control: it is only based on a check of fingerprints at the external border that one can be 100% sure that the person who is reporting there is the same person to whom the visa was issued. Europe has opted for a regional approach in light of the magnitude of this project.

The VIS was launched in North Africa on 11 October 2011 and in 2012 it was launched in the Middle East and Gulf Region. Since then, all Schengen consulates in this region have been issuing biometric visas. A number of other regions will be added in the course of 2013 in Africa, Asia and the Americas.

Belgian passport production

The government procurement contract announced in 2009, by which the current passport production contract was to be replaced, could not be run in 2012 because neither tender was found to be regular. With the agreement of the Council of Ministers the contract with the current producer was therefore briefly extended to make it possible, pursuant to the legislation on government contracts, to switch to a negotiated procedure without notice for the two original tenderers. In the spring of 2012 a supplement to the original specifications was written to this effect. In early November 2012 the two tenderers submitted new tenders. These tenders are currently under initial evaluation, after which negotiations with the tenderers may commence in relation to the award criteria.

Law of persons

Several draft bills and decrees have been prepared over the previous year:

- The Council of Ministers approved a draft consular code which is to be brought before parliament following recommendation by the Council of State.
- A Royal Decree implementing the new nationality regulations was approved by the Council of Ministers and received a positive recommendation from the Council of State.
- A Royal Decree amending the rules governing the consular registers was approved and received a positive recommendation from the Council of State.
- Two Royal Decrees on the implementation of new regulations on the participation of Belgians living abroad were approved by the government and received a positive recommendation from the Council of State.

Also of note is the growing role played by the Directorate-General of Consular Affairs in the area of recommendations. In the course of 2012, more than 3,000 recommendations were given to municipalities and public prosecutors' offices in respect of registry issues involving a foreign element (foreign deed or non-Belgian national).

Schengen House

The Schengen House Project is a Belgian initiative involving the setup of a communal visa application centre. The Schengen House in Kinshasa has been operational since 5 April 2010. The project was co-funded by the European Union's External Borders Fund until 31 December 2012.



The Schengen House in Kinshasa, then ... and now © FPS FA

The communal application centre method offers significant benefits:

- It is a communal alternative to outsourcing (for several Schengen States).
- It helps prevent visa shopping at the various Schengen missions (fraudulent applicants quickly realise that there are fewer opportunities to shop for visas, and none between the States represented).
- The existence of the Schengen House raises European visibility and makes potential visa applicants aware that the European States work together when it comes to visas. The embassy in Kinshasa, for example, is running a public information campaign that shows the Schengen House as a separate "European mission". At the present time, just about everyone in Kinshasa has heard of the Schengen House.
- It improves the exchange of best practices and expertise between partner states (in relation, for example, to false documents) and enables the application of best requirements in biometrics, with particular regard to the launch of the Visa Information System.
- As a separate application centre it offers a more appropriate, customer-friendly infrastructure than the chancelleries at the embassies or consulates (shorter queues, better equipped waiting room with air conditioning, regular cleaning, etc.). It makes it possible to treat the visitors with respect. It facilitates better VIP treatment, because the opening times are tailored to suit prevailing needs.

It is important for as many Schengen states to take part in the project as possible. Any Schengen State may join by consenting to Belgian representation pursuant to article 8 of the Visa Code. Belgium already receives more than 85% of Kinshasa's visa applications to the Schengen States. This mixed solution (communal application centre involving participation through representation) enables a

single Schengen State (Belgium) to self-finance the communal application centre sustainably using income from the visa fees it receives for applications to the States it represents. As a result, participating Schengen states can also save on visa sections operating at their diplomatic and consular missions.

In Kinshasa, Belgium already represents Austria, Estonia, Finland, France, Hungary, Lithuania, Luxembourg, the Netherlands, Portugal, Slovenia and Sweden. It also represents Germany, but for the time being solely to collect the biometric characteristics of the visa applicants. Negotiations are on-going with those Schengen States not yet (entirely) represented by Belgium in Kinshasa.

Asylum and migration

Directorate C₅ was founded on 1 August 2011 and took over the powers that were previously exercised by the Migration C₄ service. The Head of the Directorate is Ambassador Claude Rijmenans, Special Envoy for Asylum and Migration. Externally he functions as the contact between the various migration policy actors. He is assisted by his two staff members, Jérôme Toussaint and Michaël Vlamijnck.

Main activities of C₅ in 2012

During this period, C₅ organised numerous internal (at the FPS offices) and external contacts with other Directorates, and local and international institutions co-responsible for migration and asylum, such as the DGB (Directorate-General for Bilateral Affairs), DGD (Belgian Development Cooperation), DGE (Directorate-General for European Affairs and Coordination), the Permanent Representations to the EU, the Permanent Representation to the UN in Geneva, policy units, the State Secretary for Asylum and Migration, Immigration Services (DVZ), Office of the Commissioner General for Refugees and Stateless Persons (CGRS), Fedasil (Federal Agency for the Reception of Asylum Seekers), the Permanent Representative at the IOM (International Organisation for Migration) in Brussels, the special representative of the SG/UN for Migration, DG/IOM, DG/UNHCR, etc. The Directorate also regularly acted as the FPS representative in certain forums. There was extensive consultation on matters such as asylum and migration, illegal immigration, secured flights to repatriate illegal immigrants, human trafficking, takeover agreements, political asylum, the European migration policy, migration and mobility, etc., which led to various agreements and arrangements.



2. SERVING THE PUBLIC

3. Crisis management

The crisis centre monitors safety around the globe on a daily basis. Although, happily, not every situation grows into a full-blown crisis, nothing can be left to chance and every potential situation requires a similar level of preparation.

Travel advice

One of the FPS's core tasks is to update travel advice. At the present time advice is given on no fewer than 177 destinations.

This service provision is much appreciated by the public and our advice is a useful source of information to travellers. With as many as 740,000 visits in 2012, the "Travel Advice" page is one of the most frequently visited pages on our website.

In addition, the S1.1 section answers numerous telephone and written questions on travelling abroad.

Contingency planning

Contingency planning is also a crucial element of the crisis centre's broad package of tasks. Based on our practical experience of recent years and with help from the various embassies, as well as our colleagues from the Ministry of Defence, we further refine and explain our crisis management guidelines and instructions during contact days for diplomatic staff, military attachés, and newly assigned consuls.

When nature calls...

There was no escaping the violence of nature in the "apocalyptic year of 2012".

A number of major earthquakes were recorded around the world, in places such as Iran, Sumatra, and even Japan again, some of which involved the inevitable tsunami alert - more than enough to get the telephones in the crisis centre ringing. But in the end, there were no evacuations or rescues of compatriots necessary.

This hurricane season was also something of a record breaker. Not only did hurricane Sandy, which ravaged the US in late October/early November and even hit New York, cause serious flood damage and lengthy power outages, but it disrupted the plans of a few dozen Belgian travellers. We worked with the relevant diplomatic mission to provide assistance for the stranded travellers during this unforeseen "extension" of their stay.

Hot spots

Deserving of special attention were the Middle East, the Sahel Region and the African Great Lakes Region:

Syria

The dramatic situation in Syria led to the Belgian Embassy closing its doors at the end of March 2012, and since then all consular services have been provided by the Belgian Embassy in Amman. Last year, the Syrian exodus created a very serious humanitarian situation along the borders of three of Syria's neighbouring countries (Turkey, Lebanon and Jordan). Although it can be very difficult to help Belgians in Syria - who often have dual nationality - we remain in permanent contact with the Embassy in Jordan and the honorary consuls in Syria.

Lebanon

Fearful that the Syrian conflict might spread to neighbouring countries, Lebanon too features highly in our daily monitoring. At the end of May 2012 there was a DFACT-mission to Beirut and Nicosia to evaluate the state of regional contingency preparedness.

Palestinian-Israeli conflict

The Israeli military operation in mid November 2012 known as Pillar of Defense, which involved targeted bombardments in Gaza, also generated a peak of activity in the crisis centre. Aside from taking calls from departing compatriots, the centre made the preparations needed for effective communications with our Belgian expat community.

Egypt

Internal peace did not really return to the country after the Mubarak era, and so the crisis centre still receives regular calls from worried citizens and travellers setting off for the region.

Mali

Most of the crisis management resources in the spring of 2012 went to Mali, where a number of Islamic rebel groups seized power in the north of the country and a coup d'état took place in the south. These developments coincided with a joint DFACT mission in Bamako, thereby bringing an extremely practical dimension to operational crisis management.

The situation in the whole of the Sahel region has remained very restless to date, and the crisis centre is monitoring events closely.

African Great Lakes

The rise of the M23 rebel movement in the eastern part of the Democratic Republic of Congo placed the African Great Lakes at the top the agenda again in late 2012. With help from the surrounding missions, Belgians were able, if they wished, to flee Goma and the surrounding area for the neighbouring countries of Burundi and Rwanda. Although the situation is calm for the time being, the crisis centre is keeping a very close eye on the situation there.

Sporting climax

2012 was also a year for 2 major sporting events: the European Football Championships in Poland and Ukraine, and the Olympic Games in London. The two events involved countless preparatory internal meetings and required European consultations with the other crisis centres ahead of the events in order to cover every eventuality. Fortunately, sportsmanship ruled the day and the crisis scenarios remained unopened.



The Embassy in London had a busy, sporting summer during the Olympic Games, © FPS FA

National mourning

The coach disaster in Sierre on 13 March 2012, in which 28 children and trip supervisors lost their lives, threw the country into a deep state of mourning. Right from the early hours of this tragic accident the crisis centre worked tirelessly with the Belgian Embassy in Bern and the Consulate-General in Geneva, as well as organisations such as the CGCCR, the Ministry of Defence and FPS Public Health, to handle the flood of calls and make arrangements to bring the parents and families of the dead and injured to the scene of the accident and repatriate them to Belgium. At Central Administration in Brussels, a minute's silence was held in memory of those who died.

On 27 October 2012, 4 of our fellow countrymen died (and a fifth died later from his injuries) in another coach accident, in the province of Karak in Jordan. The call centre was again opened and the process began of coordinating and cooperating with all the players, including the Mondial Assistance travel assistance centre and the tour operator Thomas Cook.

FACT

In 2012, a second selection process was organised for the Foreign Affairs Crisis Team (FACT). In the months to come the new members will be given extensive training to better prepare for potential crisis situations and evacuations. The course alternates theoretical modules with practical exercises. In the spring of 2013, the training will conclude with a 5-day course in Marche-en-Famenne.

Although there were no official FACT missions in 2012, several (FACT) colleagues were sent out on specific substitutions to destinations including Beirut and Cairo.

Interest groups

At the national level the Crisis Centre collaborates with the Coastguard on the international contingency plan. In 2012, two situations were closely monitored; in July there was the containership MSC Flaminia, which went adrift and was safely towed to the Netherlands following mediation by the Bilateral Affairs department and the relevant missions. In November the Crisis Centre – in consultation with the Maritime Information Exchange, the government crisis centre and the FPS Public Health crisis unit - contacted foreign missions and countries following a shipping disaster involving the Baltic Ace, in which a number of fatalities and casualties were brought to Belgium.

There was close collaboration with Defence on the matter of the Defense & Foreign Affairs Crisis Team (DFACT). Thus, there were DFACT missions in Mali, Burkina Faso, Niger, Burundi, Lebanon and Cyprus, as well as a special mission to Damascus.

There was also in April 2012, in cooperation with Defence, a large-scale, two-yearly evacuation exercise, called Active Trip. This exercise involves the use of extensive military hardware in a civilian area and provides the ideal opportunity for Foreign Affairs and Defence to optimise cooperation and exchange expertise, with a view to possible interventions in foreign countries.



FACT participation in the large-scale evacuation exercise Active Trip 2012, April © FPS FA

B-FAST in action

The permanent B-FAST secretariat plays an important role in our department. As a central organ in an interdepartmental infrastructure, the secretariat is constantly concerned with improving its own internal operation through SOPs and it is in permanent contact with its European and international stakeholders (MIC, ECHO, UNDAC, etc.) to develop joint points of interest and to develop synergies.

In January of this year B-FAST donated sand bags to a flood stricken Bulgaria through the European aid mechanism.

In March, a specialist medical team went on a mission to Congo-Brazzaville, following explosions in a munitions depot in the centre of the city.



"Little Patriots", Belgian sandbags, to defend against flooding after heavy snows in Bulgaria, February 2012 © FPS FA

There were also a great many training courses for volunteers at home and abroad. B-FAST was also asked to serve as an end user in a prestigious European Commission research project on the development of unmanned vehicles and aircraft used to help find people trapped in rubble.

2013 will be a special year, one to commemorate B-FAST's 10th year of operation. More about this in the next edition.



2. SERVING THE PUBLIC

4. Peace-building

Initiatives for a more peaceful world

Peace-building is one of the important points for attention in Belgian foreign policy. It is one that we pursue not only through purely diplomatic efforts; our country also finances external initiatives on conflict prevention, preventive diplomacy, human rights and peace building in the long term.

Due to the budgetary restrictions in 2012, the number of requests to fund peace initiatives fell appreciably from 205 in 2011 to 115 in 2012. Of those 115 requests, in the end 47 were approved by the Ministerial Council for a total sum of EUR 13,727,508.

The initiatives financed often take several years to finish and the results and impact are closely followed during that time. It is essential that a real difference is actually achieved in the field.

Allocation of resources

The lion' share of available resources went to initiatives in Africa - more particularly the Great Lakes Region (38%) - and Afghanistan and the Middle East (35%). The remaining resources were divided among 19 initiatives of a general nature or in other regions (27%).

Two practical examples: follow-up of funded projects in North Uganda and Burundi

Again, in 2012, there were a number of follow-up missions, including missions to North Uganda and Burundi. One of the mission's visits in North Uganda was to the Centre for Children in Vulnerable Situations (CCVS), a project funded by Peace-Building. This support centre was set up to improve the psychosocial welfare of children and young people affected by war.



The CCVS is currently running a project in the Ugandan town of Lira, providing psychological help for the victims of war © FPS FA

In the 2 years since the Centre was set up, it has put together a highly motivated team who go into the local communities and schools to detect, treat and monitor psychosocial issues. To date, it has been able to help about 500 people in the centre itself, but its influence extends much further through its outreach activities.

One of the positive aspects is the participatory approach, which makes use of existing structures. Even though the civil war in the region ended in 2006, the project is still meeting a very real need. The many traumas generated by the conflict are still making themselves felt in everyday life and having a negative impact on society. CCVS is laying the Centre's socio-cultural and institutional roots and aiming to integrate the centre into the Ugandan government healthcare structures in the long term.

In Burundi, the mission visited the *Peaceful homes, peaceful communities* project, run by the International

Rescue Committee (IRC). The IRC in Burundi is largely concerned with helping women and children and dealing with the issue of good governance. The organisation operates in the provinces of Bujumbura Rurale, Muyinga, Ruyigi and Makamba. The IRC was already the largest NGO in the Democratic Republic of Congo (DRC) and is now the largest in Burundi, the reason being that in 2011 the IRC took over the activities of the NRC's ICLA programme (the NRC was also funded by this department and has since ended) as well as the logistic support offered to refugees through the UNHCR. As a result, the organisation has grown enormously in a short space of time and there has been a considerable increase in staff numbers. The IRC now employs 300 or so people in Burundi alone. In 2011, the IRC's programme in Burundi was worth USD 5.3 million.

The IRC received funding of EUR 684,690 from the Peace-Building department in 2010 to implement the Gender-Based Violence (GBV) project. This is a 29-month project that ran from 1 May 2010 to 30 September 2012. The project's overall objective is to contribute to sustainable peace and stability in Burundi by improving the status and welfare of women and girls in society and in family life. The project seeks to give the victims of gender-based violence in the provinces of Makamba and Bujumbura Rurale access to basic, quality services. It also seeks to give women and girls better access to basic economic and social resources and, finally, the IRC aims to carry the fight against deeply engrained local customs and perceptions that keep women and girls suppressed in Burundi and lead, all too often, to their unequal treatment.



3. POLICY

1. Belgium in the world: bilateral activities

In April 2012, the federal government set up the Commissioner General's Office for the commemoration of the First World War, the presidency of which went to Mr Paul Breyne, the former governor of West Flanders. He was given the task of working out a federal commemoration programme in cooperation with the federal institutions of science and culture and several other, private partners.

The FPS has been assigned the international dimension of the programme, i.e. the Director General for Globalisation - appointed as deputy Commission General - and the deputy Director General of Bilateral Affairs. The former is required to draft an international declaration and the latter will plan the various bilateral commemoration initiatives. On that subject, there were, in 2012, repeated contacts with several countries including Canada, Australia and New Zealand (the latter two by virtue of Prince Phillip's visit in November).

Western Europe, Central Europe and North America

Over the years our economic and political ties with the countries of the former Eastern Bloc, which became EU Member States in 2004 and 2007 (Poland, Romania, the Czech Republic, Slovakia, Hungary, Slovenia, Bulgaria, Estonia, Latvia and Lithuania), have become ever stronger.

Parallel to this approach, the new Western and Central Europe and North America Directorate was set up in June 2012 under the Directorate General of Bilateral Affairs. This directorate has the task of monitoring Belgium's bilateral relations with North America (the United States and Canada), all of the EU Member States, the four members of the European Free Trade Association (EFTA) (Iceland, Liechtenstein, Norway and Switzerland) and the four "microstates" (Andorra, Monaco, San Marino and the Holy See) - or 37 countries in total.

And so, we have built a logical and efficient structure to monitor the political activity and economic, social and cultural situations in a large number of countries nearby.

We report here, as regards top level political visits prepared by the directorate, the official visit of Polish President Komorowski to Belgium (November), the working visit of Prime Minister Elio Di Rupo to the

French President François Hollande (November) and the visits of Deputy Prime Minister and Minister of Foreign Affairs, Didier Reynders, to Italy (April), Austria (May), Spain (July), and Switzerland (September). On 10 December, Prime Minister Elio Di Rupo took part in the ceremony marking the award of the Nobel Prize for Peace to the EU in Oslo.



Around twenty European Heads of State and Government attended the awarding of the Nobel Prize for Peace in Oslo on 10 December © FPS FA

The following are worthy of mention as noteworthy bilateral activities in 2012:

- The 3rd Bilateral Conference between Belgium and Germany, held on 17 April in Brussels and attended by Minister Reynders, former German Chancellor Schröder and Minister for Employment De Coninck. The theme of the conference was "Social Dialogue in Times of Crisis". Representatives from labour union and employer organisations, academics and politicians considered the impact of the current economic and financial crisis on social dialogue. This exchange of ideas on a theme which is essential to our countries, and indeed the whole of Europe, was possible thanks to the work of the Bertelsmann Foundation and the Egmont Institute, with support from the FPS Foreign Affairs and the German Embassy in Brussels.



The 3rd edition of the Belgium-Germany Conference, Egmont Palace, 17 April © FPS FA

- The 13th Belgian-British Conference, which took place on 7 and 8 November, also in Egmont Palace. This annual event dealt with the theme *Two Countries: how many Europes?* At the plenary sessions participants looked into the effect of the Euro zone crisis on the EU as a whole, on the Union's foreign policy and on relations with citizens. Attention also turned to the bilateral dimension and to retrospective views, standpoints and policy choices. Besides the traditional, official authorities, that finance the conference's organisation, the organisers received support from private sponsors, such as BP, BNP-Paribas-Fortis, Hay Group, UCB, GSK and Eurostar.



The 13th Belgian-British Conference, Egmont Palace, 7-8 November © FPS FA

At times, bilateral relations can unfold like a human drama. The coach accident in Sierre (Switzerland) on 13 March, in which 28 people lost their lives (22 of them children from Lommel and Heverlee), demanded the utmost from the Swiss emergency services and authorities and an unflagging effort at the scene from our diplomatic missions in Bern and Geneva.

Our relations with the United States and Canada are traditionally strong, intensive and constructive; Belgium is well thought of in both countries. This takes shape in regular top level visits, such as that of Prince Phillip (Bilderberg Conference, Chantilly, VA), Prime Minister Elio Di Rupo, Deputy Prime Minister and Minister of Foreign Affairs, Didier Reynders, Minister for Defence Pieter De Crem (NATO summit, Chicago, IL), Minister-President of the French Community, Rudy Demotte (Washington DC) and the visit of the US Secretary of State, Hillary Clinton to Brussels (April). The reopening of the SN Brussels Airlines direct air link between Brussels and New York in June 2012 will also have boosted our image in the US.

Where Canada is concerned, we can report the visit by Governor General David Johnston and Minister Steven Blainey (Veterans Affairs).

But there is room to identify and develop several more projects, interests and specific objectives. This we see from the closing negotiations over a sweeping trade agreement between the EU and Canada and the possibility of commencing negotiations on an ambitious trade and investment agreement.

BLEU-Benelux and cross-border cooperation

In 2012, Belgium took over the presidency of the Committee of Ministers for the Benelux. Under this presidency a ceremony was organised on 3 February to mark the coming into effect of the new Benelux Treaty. Other, additional conventions have been renegotiated, such as that on the Benelux parliament, the new budgetary distribution key (signed on 6 June) and that on the Benelux Court of Justice (signed on 15 October).



At his final session, Minister Reynders explains the priorities of the Belgian Presidency of the Benelux, 3 February, Brussels © FPS FA

For the first time, in accordance with the Benelux Treaty, the governments in question were consulted on a wide range of issues with a view to setting up the multiannual work programme for 2013-2016 and the Annual Plan for 2013. The Belgian Presidency also took initiatives to ensure greater cooperation in the implementation of European directives.

Finally, in keeping with tradition, the three countries consulted in relation to the Benelux within the context of the European Councils. Thus Belgium attempted within the EU, in relation to the Benelux, to develop privileged political relations with interested countries, countries of comparable size or certain other countries. In 2012, Belgium entered into commitments with the Visegrad Group (joint declaration on the Ukraine), Germany, the Austria/Slovenia/Croatia group, the Baltic States (ministerial meeting of 10 December) and the Nordic states (meeting on the margins of the General Assembly of 26 September in New York).

While the cross-border cooperative partnership with the Nord-Pas-de-Calais region is already very intense in the framework of the two European Territorial Cooperation groups, i.e. the Lille-Kortrijk-Tournai Eurometropolis and the GECT West Flanders/Flanders-Dunkirk-Côte d'Opale, things have not progressed as far for the Champagne-Ardenne region. To encourage this cooperative partnership the French Embassy organised, on 20 March, a seminar on the organisation of cross-border cooperation between Wallonia and the Champagne-Ardenne region.

On 9 July our FPS received a delegation from the Dutch Ministry of the Interior with a view to exchanging ideas on cross-border cooperation (GROS) and drafting a shared list of cross-border issues (list of sticking points).

Eastern and South Eastern Europe and Central Asia

There was a major internal reform of the B1.2 service in 2012: the East European Member States of the EU were moved to the B1.1 service and the service's jurisdiction was extended to the major region of the Balkan States and Turkey.

The service's main tasks in 2012, which again related to policymaking, included file preparations, answering parliamentary questions, communicating with external services, etc.

An overview of the main activities per region:

Russian Federation

We briefly state that the legal territory of the Embassy in Moscow has now been extended to cover Armenia and Uzbekistan.

No high-level contacts were possible in 2012. A scheduled meeting between Minister Reynders and his Russian counterpart, Lavrov, in New York was cancelled at the last moment. Only Mr Yunus-Bek Yevkurov, head of the Russian federated republic of Ingushetia, visited Belgium. He was accompanied by a 100-strong delegation, most of whom were artists attending cultural activities in Antwerp. In Belgium, preparations continued on the Bilateral Action Plan for 2012-2016, which was submitted to the Embassy of the Russian Federation. If agreement can be reached, it may be possible to sign it during Minister Reynder's visit to Moscow late in January 2013.

Several internal political issues in Russia, such as the lawsuit against Pussy Riot and the legislation on homosexuality, obliged Minister Reynders and the EU to make specific statements in this regard.

There was a specific problem, in the area of bilateral politics, relating to the visa requirements of European aircraft crew, and this impacted several flights from Belgium. The B1.2 service, along with B3.4 (International Transport), attempted to resolve the issue with the Russian authorities, but no breakthrough came in 2012. Separate bilateral negotiations will be planned and prepared in 2013.

Given that Belgium and the Russian Federation will have maintained diplomatic relations for 160 years in March 2013, a number of cultural events have been planned in cooperation with B3, the Embassy in Moscow and other partners.

Ukraine

In 2012, relations with Ukraine were coloured by the Mixed Economic Commission and parliamentary elections in October.

The Economic Commission was held on 31 May 2012 and was jointly chaired by the head of B1.2 and the Ukrainian Vice Minister for Economy, Vladimir Bandurov. The Commission was a success. For political reasons Ukraine strongly urged that the bilateral roadmap be signed at the highest possible level – it had already been initialled by Belgium and Ukraine – but Belgium was unable to comply precisely due to the sensitive political situation in the country.

There were parliamentary elections in Ukraine on 28 October. For these, the OSCE sent, at the request of the Ukrainian authorities, the largest observation mission ever, including 7 Belgians. One of the members of B1.2 staff took his post in the north western region, around Kharkiv.

In this connection, in October Minister Reynders, together with his colleagues from the Benelux and Visegrad countries, used the occasion to call on the Ukrainian authorities to allow the elections to take place in line with OSCE standards.

Belarus

The European Union did not consider the Belarusian parliamentary elections of September as open and honest. The EU sanctions are thus still in place. Belgian policy and the focus of the B1.2 service rest on maintaining contact with and supporting the civil society in Belarus. The service conducted a study of civil society activities in Russia, Ukraine and Belarus in order to consider forms of cooperation with civil society organisations. B1.2 also received representatives from the Belarus opposition during a visit to Belgium.

Moldova

On 27 June Minister Reynders received his Moldovan colleague, Iurie Leanca, who expressed a wish to strengthen bilateral commitments, particularly in the areas of trade and investment and as regards further implementation of the police action plan. A member of B1.2 staff participated in a conference on Eastern Promises on 10 December, at which prospects for the frozen Transnistrian conflict were discussed in depth.

Central Asia

In 2012 economic relations between Belgium and the Central Asian countries continued as normal. Belgian policy is in line with the framework of the European Strategy for Central Asia, which was reviewed for a second time on 27 June.

The Belgian diplomatic network was reorganised. The Embassy in Moscow was given Uzbekistan and Armenia, and that in Baku was assigned Turkmenistan (and Georgia).

Minister Reynders had an interview on 3 May in Douchanbé with President Rahmon of Tajikistan, and the country is considering inviting Belgium to help in the fight against drug trafficking.

The Director of B1.2 had political consultations with Uzbekistan on 26 and 27 September. Also, at a seminar in April, AWEX presented Walloon expertise and technology in waste management, water and soil pollution. Finally, on 5 December, Mr Minderhoud was appointed Honorary Consul for Belgium in Uzbekistan.

Relations with Kazakhstan were coloured by the candidacy of Astana and Liege for World Expo 2017, where Astana beat Liege by a long way. Belgium is waiting for convincing results following Prince Phillip's economic mission to Kazakhstan in 2010.

Western Balkans

Belgium continues to actively support the international community's stabilisation efforts and European and Atlantic integration of the Western Balkan states.

In 2012 Minister Reynders met the Serbian Prime Minister Ivica Dačić in Brussels, as well as the majority of his colleagues from the Western Balkans. These meetings continued our bilateral relations and led to an exchange of ideas about the region.

In Kosovo, Belgium supports the European Union's civil EULEX mission involving thirty or so policemen, magistrates and experts, and B1.2 evaluates EULEX on a regular basis. As part of its effort to facilitate the investigation of organ trafficking in Kosovo, Belgium authorised the establishment of a special EULEX task force in Brussels.

B1.2 attended in the final meeting of the International Steering Group in Vienna and the formal session in Pristina. The service agreed to the idea of ending the international supervision of Kosovo now that the country has generally implemented the general proposal on Kosovo's status.

B1.2 keeps a close eye, along with the authorities in Serbia, Kosovo, Macedonia, Bosnia and Albania, on actions implemented to curtail the influx of asylum seekers from those countries.

Turkey

In 2012 bilateral relations with Turkey truly began to blossom, the highlight being the economic and trade mission of Prince Phillip in October. In the margins of this mission Minister Reynders had numerous political meetings at which he repeated that Belgium would continue to support Turkey's integration in Europe, but at the same time urged for strict adherence to the criteria, especially the Copenhagen criteria.



Economic mission to Turkey led by Prince Phillip, 15-19 October © FPS FA

A trilateral agreement between Belgium and Turkey on policing, justice and consular affairs has been prepared at administrative level and will give rise to a ministerial meeting early in 2013.

Turkey is a major partner in the Middle-East, in the Western Balkans, the Southern Caucasus, etc. It has a great deal of expertise in these subject matters, which it shares with Belgium and the European Union as part of the periodic political dialogue in which B1.2 is regularly involved.

Southern Caucasus

Belgium maintains good relations with Armenia, Azerbaijan and Georgia and pays close attention to political and economic developments in the region. For that matter, the country sent observers in 2012 as part of the OSCE ODIHR parliamentary election observation mission to Armenia and Georgia. The conciliation process between the three countries and the European Union in the framework of the European neighbourhood policy has simply carried on in a number of areas. The service also maintained relations and contacts regarding the region with Belgian members of parliament during information sessions organised by parliament. A study has also been made of the region's strategically important energy potential.

The three countries call for greater cooperation and various meetings show that our bilateral ties are continually strengthened, like those between Minister Reynders and his Azerbaijan colleague, E. Mamedyarov (10 February), his Armenian colleague E. Nalbandian (23 July) and his Georgian colleagues G. Vashadze (20 April) and M. Panjikidze (4 December). The President of the Executive Committee also met his Azerbaijan counterpart. Azerbaijan is particularly keen to diversify its areas of cooperation with Belgium. The Healthcare consortium maintains privileged relations and is in direct contact with the B1.2 service.

Middle East and North Africa

The Syrian conflict and the recent initiatives in the Israeli-Arab conflict were the most notable events in the MENA region. For that matter, two years after the Jasmine Revolution, the "countries of the Arab Spring" are evolving differently, ranging from relative stability (Morocco, Algeria, Jordan) through conflict situations (Syria) to relatively difficult transitions that leave us fearful of a relapse (Egypt, Libya, Yemen, Tunisia).

The Gulf States are becoming ever more important in terms of economic diplomacy. New themes, such as funding by Islamic countries, are beginning to emerge.

The Israeli-Arab conflict: is the two-state solution in danger?

In the first half of 2012 the peace process in the Middle East had reached a dead end once again. Things got moving when President Abbas announced at the General Assembly of the United Nations that he would request for Palestine the status of non-member state of the UN. Despite international pressure the president, further to the financial, economic, political and social crisis, did not have the option of once again postponing this initiative until after the American elections.

The Gaza War and the Pillar of Defence made everything even more complex. Hamas, for example, saw an opportunity to strengthen its position against a weakened Palestinian Authority. For Israel, the election deadline (brought forward to January 2013) clearly had something to do with its forceful, but to some extent restrained action which, after a week of war, resulted in the end in a cease fire in three stages reached with the approval of the Egyptian President. A few days later there was a vote on the Palestinian request for recognition as a non-member state of the United Nations: 138 "yes" votes, 41 abstentions and 9 votes of "no". The European Union kept its weight behind the two states solution, but its vote was split (14 "yes" votes, including Belgium, 12 abstentions and one "no"). The Israeli response was soon felt: the announcement of a hitherto unknown increase in the number of colonies and an immediate resumption of the sector E1 plan, which poses an immediate threat to the two state solution.

A mission involving Minister Reynders, planned for Palestine and Israel, has been postponed to the spring of 2013.

Syria: a country in a state of civil war

The on-going violence in Syria has brought the country to a state of civil war. The death toll is between 35,000 and 45,000, and more than 500,000 people have sought refuge in neighbouring countries. Various opposition groups came together to form a Syrian Opposition Coalition, which Belgium recognises as legitimately representing the population during the transition to a democratic and free Syria. Lakhdar Brahimi has taken over Kofi Annan's mandate as Special Envoy to the UN and the Arab League for

Syria and continues to search for a political solution. Through concern for the humanitarian situation, Minister Reynders has sought to issue a proposed declaration in order to call on the parties in the conflict to respect international humanitarian rights. Belgium is also proposing to hold in Brussels one of the next meetings of the Group of Friends of the Syrian People, an international group of countries and organisations that meet to find a solution to the Syrian crisis. The B1.3 service has actively participated in all of the meetings of the Group of Friends.

Lebanon: a perilous year

Given the events in Syria and their political, economic and humanitarian impact on Lebanon, we can say that 2012 was a perilous year. But we should note that the peace was maintained thanks to the efforts of the Lebanese government and population. Attempts to destabilise the country were thwarted without serious incident, apart from the deadly attack on the head of the security services, Wissam Al Hassan in October. This assassination, in which Syria may well have had a hand, created new tensions between pro-Syrian (those "of 8 March") and anti-Syrian groups (those "of 14 March"), and was designed to bring down the Prime Minister. However, pressure from the international community maintained the stability of the Lebanese institutions. Yet the situation is still marked by deep regional oppositions, with hotbeds of deadly violence in the north and along the eastern border while the situation remains calm elsewhere.

Egypt: democratisation under threat

The process of democratisation in Egypt brought President Morsi to power in 2012 following parliamentary and Presidential elections. The country's political problems arose as a result of the dichotomy between the Muslim Brotherhood, to which President Morsi belongs, and the liberal, secular, and Christian camp. At the present time there are still a number of steps to be taken, such as the approval of the constitution and the new parliamentary elections. The Egyptian economy is in sore need of assistance, and requests have been made to the IMF for a support package. Under the EU-Egypt Taskforce, the EU is providing EUR 4 billion for the 2012-2013 period to give the Egyptian economy an extra boost.

Libya: a difficult transition

On the basis of the Constitutional Declaration of August 2011 and the Libyan roadmap, Libya is continuing its difficult process of democratisation against a background of violence and incidents between militias. There is an additional risk of Islamic radicalisation through external actors. One of the priorities of Prime Minister Ali Zeidan's new government is that of improving security, which goes hand in hand with setting up a constitutional state and launching an economic recovery. Now that the EU's Libyan discussion partners are official, cooperation with Tripoli is on the agenda once again, particularly in the area of security (disarmament,

supervision of conventional weaponry, CSDP mission project on integrated border controls). Belgium has helped seek a solution to the Libyan conflict (participation in the Contact Group for Libya, support to the Operation Unified Protector NATO mission) and remains willing to support the transition at various levels in cooperation with the other international partners (participation in the MANDAPS project and Healthcare project).

Tunisia at a turning point

Tunisia, pioneer of the Arab Spring, is currently in a phase of instability which could threaten its democratic transition and observance of the roadmap (new constitution, parliamentary and presidential elections in 2013). At stake are the position of religion in the country, the status of women and respect for human rights and fundamental freedoms (such as freedom of the media). The economic and social situation that gave rise to the revolution has failed to improve. The political landscape has also been redrawn, and the opposition is trying to unite against the Islamic party Ennahada, which dominates the governing coalition. Fortunately, Tunisia can continue to rely on support from the EU (formulation of a new action plan in the framework of the European Neighbourhood Policy, the EU-Tunisia taskforce, financial assistance from the EU, EIB and EBRD). Minister Reynders took a mission to Tunisia in February 2012 and Prime Minister Di Rupo hosted his Tunisian counterpart, Hamadi Jebali, in October 2012 in Brussels.

Algeria, increasingly sought after as an economic partner and political point of contact for the Sahel Crisis

The commotion caused by the Arab Spring left Algeria for the most part undisturbed, and the country remains politically and economically stable. Exceptionally, the region is not led by an Islamic government. With its massive hydrocarbon reserves and comfortable financial situation, Algeria is an extremely interesting market for many countries (countries in crisis in Southern Europe, neighbouring countries, Qatar). But the business climate could be improved (51/49 rule for foreign investments, return of dividends). Minister Reynders visited Algiers in July 2012 and is scheduled to return in February 2013.

International politicians are now turning to Algeria for advice because of its expertise in the Sahel Crisis (role of the pivotal state whose authority the conflicting parties recognise). Algiers supports a political solution and advises against military intervention.

Morocco, traditionally a stable partner

Morocco came through the Arab Spring with relative calm. This is because Rabat had left itself "proactively" open and had already brought about a process of reform, which led to a significant review of the constitution. The new version of the document was accepted by referendum on 1 July 2011.

To Belgium and its federated entities, Morocco remains a privileged partner with whom we cooperate in just about every area. There were many ministerial visits in 2012, such as that by Minister Reynders in April and by Flemish Minister-President Peeters in December.

The Gulf Cooperation Council (GCC), a new challenge for the EU

Henceforward the GCC, which represents the six Arab and Muslim (Sunni) oil monarchies in the Gulf, will be dominated by rivalry between the regional heavyweight, Saudi-Arabia, and the small but affluent Qatar, which thanks to its gas revenues is investing prodigiously abroad with economic but also religious intent (Islamisation). For that matter, some GCC members play a key role in financing Islam (Saudi-Arabia, UAE, Qatar). The GCC actively seeks solutions to regional crises, with Yemen at the top of the list. Given the growing economic and commercial importance of the GCC countries, the EU would like to enter into strategic partnership with the organisation. However, the negotiations on the Free Trade Agreement have run aground on the issue of export duties. For that matter, some GCC members associate the reaching of such an agreement with deeper political dialogue with the EU. For Belgium, cooperation with the GCC is extremely important (gas contract with Qatar, imported oil from Saudi-Arabia, the key role played by the Gulf monarchies in Belgian ports). Between 14 and 20 November Minister Reynders led a mission to several Gulf States (Saudi-Arabia, Kuwait, Oman, Qatar).

Iran, uncompromising nuclear stance and increasing international isolation

Despite the deep economic and social impact of EU and US sanctions, Teheran is maintaining its stance on the nuclear issue and refusing to meet its international agreements (resolutions of the Security Council and the International Atomic Energy Agency, IAEA). For Teheran, the survival of the regime remains the first priority, particularly in view of the presidential elections of June 2013. Despite Teheran's - unconvincing - initiatives to present itself as the leader of the region (summit of non-aligned countries in August 2012, meetings of the "Syrian opposition" in Teheran), it is apparent that Iran's international isolation is growing. Like its EU partners, Belgium is holding tight to the twin track policy (sanctions coupled with dialogue), despite the obvious impact the sanctions are having on its trade relations with Teheran. Belgium also deplores the many human rights violations in Iran and is working hard to try to prevent them.

Iraq at a crossroads

Iraq has great economic potential (e.g. oil production) and offers a great many business opportunities. But the fragile process of national reconciliation, the insecurity and the poor governance of the current government present serious obstacles to this. It seems that only the autonomous Kurdish region has escaped these problems. When the US troops

withdrew in late 2011 there arose a new strategic area in the region, based on the – changeable – relations between Iraq, Turkey and Iran. However, Bagdad would like to develop its relations with foreign countries, including the EU (a partnership and cooperation agreement was concluded in May 2011), Russia and China. Should Iraq succeed in resolving its internal problems it could become a key partner in the Middle East and play an important international role (cf. hosting the Summit of the Arab League in March 2012 in Bagdad). Representatives of the Iraqi central government and of the Kurdish region have repeatedly exhorted Belgium to intensify its investments and trade relations with Iraq. In May 2012 Minister Reynders reached agreement with his Iraqi colleague to conclude an MOU (Memorandum of Understanding) on periodic political dialogue among senior officials. The closure of Camp New Iraq (formerly camp Ashraf), however, continues to pose problems for Belgium and in 2012 we received five of the camp's residents on a visit.

Yemen, cautious optimism

Following the departure of president Saleh, Yemen has continued its gradual political transition under President Mansour Hadi, who has been urged by the United States and the oil monarchies to drive away the followers of Al Qaida. The "national dialogue", through which the country's many economic and social problems are to be tackled, is taking its time in coming. Belgium has placed Yemen on its agenda for debate with the member states of the GCC.



Second visit of Minister Reynders to the Democratic Republic of Congo, 19-24 August © FPS FA

Africa

Special Envoy to the African Great Lakes

The situation in the Great Lakes deteriorated considerably as a result of the M23 rebellion in 2012. Therefore, the Special Envoy to the Great Lakes turned his attention to the rebellion's effect on the stability of the region and that of the Democratic Republic of Congo itself. The Envoy remained in close contact with the main partners with regard to this crisis. During his trip to the region he sought to gather as much information as possible, to put across the Belgian point of view and alert the various discussion partners involved in the Belgian evaluations of this crisis to the serious humanitarian consequences. A close eye was also kept on observance (or non-observance) of human rights, illegal mining of natural resources (in the framework of the International Conference on the Great Lakes Region (ICGLR) and OECD), the LRA issue (Lord's Resistance Army), the evolution of the security situation and its bilateral and multilateral cross-border impact.

Democratic Republic of Congo

Minister Reynders visited the DRC for the first time in late March 2012. At that time, the electoral process was the central issue. Dialogue with Belgium and its international partners encouraged the government of the DRC to radically reform the CENI (National Independent Electoral Commission) to ensure greater transparency and the involvement of the opposition and citizenry.

Since the beginning of the M23 rebellion in Kivu in April 2012 the conflict in the country's east has commanded much of our attention. Belgium has done everything in its power to keep this situation at the top of the international community's agenda, i.e. at the European level, and to help find a solution to the crisis. We also support the UN's intervention in this issue, and stand behind the appointment of a Special Envoy to the Secretary-General, whose task it would be to tackle the root cause of the conflict and call for a general brainstorming session for a more efficient deployment of MONUSCO. In this context, Minister Reynders again visited the DRC in late August, when he visited not only Kinshasa, but Lubumbashi, and the capitals of North and South Kivu, Goma and Bukavu. Belgium has continually insisted on the importance of reforming the security sector and is training a 3rd battalion of the FARDC (Armed Forces of the DRC) for fast intervention.

On the economic front, Belgium is working to establish a Bilateral Economic Commission which will have the task of improving the business climate in the DRC, creating more stable conditions for Belgian investors and cementing the position of the DRC in the French-speaking OHADA region (Organisation for the Harmonisation of Business Law in Africa), to which it acceded in July 2012. Belgium and the DRC have also signed an agreement on double taxation, which took effect on 1 January 2012.

As regards human rights, Belgium has supported the

DRC's work to improve its legislation and requested that the country work hard in the fight against immunity from punishment. Finally, we mention that Minister Reynders visited the DRC for a third time in October to represent Belgium at the summit of French-speaking nations.

Burundi

In 2012, Belgium also paid attention to the stages in peace development and supported the strengthening of multiparty democracy. The development of the human rights situation and, in particular, the end of politically motivated murders, the good governance and the setup of mechanisms in support of the transitional judicial system, were also closely monitored.

Celebrations marking 50 years of independence for Burundi in Bujumbura in early July were attended by Prince Phillip and Princess Mathilde, as well as Ministers Reynders and Maignette. And Belgium hosted countless Burundian dignitaries in the course of 2012. Belgium is still Burundi's biggest financier and, at international forums, asks other financiers not to turn away from the country. In 2012 Burundi received another Belgian trade mission, to which the Embassy added extra lustre by organising a Belgium week.

Rwanda

In the course of 2012 our bilateral contacts were strongly influenced by the crisis in nearby Kivu. In August, Minister Reynders travelled to Rwanda, where he met President Kagame and his counterpart, Louise Mushikiwabo. The Belgian message urged Rwanda not to support the rebels, but rather to join the partners in the CIRGL in the search for a solution. The many ties between our countries cover a number of consular and political/administrative issues, and these were discussed during regular diplomatic consultations.

Uganda

Belgium monitors the political and human rights situation in Uganda very closely. Besides providing support for the EU Training Mission for Somali security forces in Uganda, our country helps train the Ugandan soldiers in AMISOM (African Union Mission in Somalia). Minister for Defence De Crem visited Uganda in February.

Central African Republic

Until June 2012 Belgium presided over the Country-specific Configuration of the Peace-building Commission (PBC) for the Central African Republic (UN). The PCB promoted better coordination among international partners and helped find funding for activities under the three priority themes: reform of the security sector, good governance and rehabilitation of communities affected by conflict.

Sudan/South Sudan

Since South Sudan became independent (9 July 2011) and since the brief flare-up of armed conflict in the spring of 2012, a normalisation of relations between

South Sudan and Sudan has been high on the international agenda. However, the implementation of nine partial agreements concluded in late September 2012 is still a long time in coming, as is full agreement over where the border lies. Belgium, chiefly through the EU, supports the African Union's (AU) attempts at mediation. In a meeting on 21 March with his Southern Sudanese counterpart, Nhial Deng, Minister Reynders stressed the need for achieving peaceful co-existence between the two countries.

Somalia

Due to increasing piracy along the coast of Somalia, the EU launched the EU NAVFOR Atalanta (European Union Naval Force Somalia - Operation Atalanta) at the end of 2008. The Belgian frigate Louise-Marie has been committed to this operation since 2010. In 2012, Belgium was present from November to December and intends to remain there until February 2013. Between June and December 2012 Belgium also took part in operation EUTM Somalia (military training in Uganda) and operation EUCAP Nestor in Djibouti (strengthening of the region's local forces). As regards the political and security situation in Somalia, Belgium provided financial support, via the EU, for the AMISOM military operation while at the same time urging that peace be brought to the country. In this respect, Belgium welcomed the election of the new President, Hassan Sheikh Mohamud, in September 2012.

Western Africa

Following the coup d'état against President Touré's regime in March 2012, the situation in Mali only deteriorated, making it a focus for attention. On its own, Africa cannot guarantee the security and stability of the region; there is a role to play here for the international community. Therefore, Ministers Reynders and Maignette attended the high-level meeting on the Sahel during the General Assembly of the UN in September 2012. Belgium keeps a close eye on developments in the region, which is home to two countries on which it concentrates its bilateral development cooperation, i.e. Niger and Mali, in the framework of the EU and for approval of its strategy on development and security in the region. Belgium also monitors new problems, such as emergent terrorism in the north of Nigeria.

As regards electoral procedure in Western Africa, the election of the Senegalese President, which started amid political tensions, turned out to be a democratic success. The elections in Ghana and Sierra Leone also met with international commendation.

The excellent bilateral relations with Benin, one of Belgium's Development Cooperation partner countries, received special attention in the light of the Beninese presidency of the African Union in 2012, as evidenced by the exchange of high-level meetings. Belgium is also aware of this sub-region's economic potential. Consider, for example, the two trade missions to Ivory Coast (February and October 2012), the latter involving more than 35 businesses.

Southern Africa

Improvements in cooperation with South Africa continued in 2012, and did so across the various areas covered by our bilateral relations. This was observed during the visit of Minister Reynders to South Africa in early July, in which meetings were held with the country's political and economic players. Shared concern about the situation in the Great Lakes Region was also one of the main matters for discussion. In the margins of the EU-South Africa Summit in Brussels Prime Minister Di Rupo received President Zuma on 18 September.

The Angolan parliamentary elections of August 2012 - and the first (indirect) elections of the Head of State - passed with no significant problems. Belgium followed the development at close quarters, as we see from the meeting of Minister Reynders with his Angolan counterpart, Georges Chicoti, in Brussels in late July 2012.

During their respective bilateral contacts, the two parties responded with enthusiasm to the announcement of the Prince's economic mission to South Africa and Angola in October 2013.

In 2012, work continued to normalise relations between the EU and Zimbabwe. In July the EU decided to commence a preparation process with the government to ensure that as of 2014 long-term development aid would again go directly to the state. Belgium is monitoring the political situation closely. Where the diamond sector is concerned, Belgium is striving to ensure that any progress made in terms of transparency and cooperation in the Kimberley Process (KP) translates into EU policy, particularly in relation to the restrictive measures (sanctions) against Zimbabwe. Fiscal transparency is still a point to watch for the IMF.

Relations with the African Union

Our dialogue with the African Union, through its headquarters in Addis Ababa and through its diplomatic representation in Brussels, is evidence of Belgium's continuing commitment to Africa. In the European debate on the review of the Joint Africa European Union Strategy (JAES) of December 2007, Belgium argued for African ownership, a rearrangement of the priorities around three cornerstones (peace and security; good governance and human rights; sustainable development, regional integration, investment and trade), simplification of the consultation structure and transparency in the finance mechanism.

Asia and Oceania

China

In the last year our bilateral relations with China were marked by a hitherto unheard of succession of top-level visits to Belgium - State Secretary Liu Yandong in April, Vice Premier Li Keqiang in May, Minister for Trade Chen Deming in early June and, finally, the highpoint, Premier Wen Jiabao in September. We also report that Minister Reynders set off for Beijing in June to discuss matters of political and economic diplomacy. In the latter area we mention that the first ever Chinese-Belgian working group was set up in our FPS in October to promote investment.



Visit by Li Keqiang, Vice Premier of the People's Republic of China, to Belgium, 2 May © FPS FA

Vietnam

Belgian-Vietnamese relations reached a highpoint in 2012 with one of the most successful trade missions ever led by Prince Phillip in March, and a visit by the Vietnamese Minister for Foreign Affairs, Pham Binh Minh, in June. A number of contracts and trade agreements were signed during the mission of March 2012. In 2013 Belgium and Vietnam will celebrate the 40th anniversary of their diplomatic relations.



Minister Reynders and his Vietnamese counterpart Pham Binh Minh, June © FPS FA

Japan

The economic mission to Tokyo, Osaka and Kyoto led by Prince Phillip in June was successful in terms of both public and economic diplomacy. The visit was also an occasion to emphasise once again the close ties between the Belgian Royal Family and the Japanese Imperial Family, and it gave an extra dimension to the acts of solidarity, in both Belgium and Japan, that helped the victims of the triple disaster that struck the north east of Japan in March 2011.



Economic mission to Japan led by Prince Phillip, 10-16 June © FPS FA

India and Bhutan

Our bilateral relations with India gathered pace somewhat, as evidenced by the visits of the Minister of Shipping, G. K. Vasan (April) and the Minister of Trade and Industry, Anand Sharma (June). Minister Reynders went on a successful visit of India from 1 to 9 August 2012, the precursor for a 2013 packed with bilateral visits and cultural events (Europalia Festival). After India, the Minister travelled to Thimphu, the capital of Bhutan, for a two-day visit (6 and 7 August), where he met the King and the country's highest officials. While there he appointed the first ever Belgian Honorary Consul after setting up diplomatic relations between the two countries.

Pakistan

Once again in 2012, the emphasis of our bilateral relations lay on economic potential. The Pakistani Minister for Foreign Affairs, Rabbani Khar, gave his utmost support to the strengthening of our trade relations during his meeting with Minister Reynders on 4 December. The Government of Pakistan's greatest concern is for the national security situation, but security throughout the region (and very specifically Afghanistan after 2014) is also a matter for concern.

Afghanistan

The most important aspect of 2012 was the withdrawal of the Belgian military contingent guarding the airport in Kabul. This decision ties in with the ISAF strategy for 2012-2014. In terms of bilateral discussions, we report those of 12 October between an Afghan parliamentary delegation and the head of the House of Representatives and the meeting, exactly one month later, between Minister Reynders's private secretary and the Afghan Deputy Minister for Foreign Affairs, Jawed Ludin.

Oceania

Our relations with Australia and New Zealand have been given a boost, politically and economically. In November we had a particularly successful economic mission (ten years after the last), led by Prince Phillip. At the same time the Commissioner General of the First World War Commemoration Commission opened new discussions to lay the groundwork for joint activities.

ASEM 9

At the very last minute the Minister for Development Cooperation, Paul Maignette, replaced Prime Minister Elio Di Rupo at the ASEM 9 summit in Vientiane (early November). This enabled him to familiarise himself with the work of the Mekong River Commission and that of the NGO Handicap International, which receive financial support from Belgium. The summit was dominated by difficult and protracted negotiations over the extension of the ASEM and its working methods. The territorial dispute between China and Japan over the Senkaku/Diaoyou Islands led to posturing on both sides. Finally, prior to the summit in Brussels a workshop was held on the exchange of "better practices" with the Laotian organisers.

Specific programme: Working Holiday Program

In December Belgium completed its negotiations on the Working Holiday Program with an Asian partner, in this case Taiwan. Thanks to this exchange programme, 200 young Belgians and Taiwanese in both countries will soon be able to stay a whole year and work a maximum of six months. Negotiations are also underway with South Korea and Japan.

Latin America and the Caribbean (LAC)

Latin America and the Caribbean remain relatively stable, with no conflicts to speak of, only a few deeply rooted problems which are not easy to resolve: drug crime and the insecurity associated with this, and the social and economic inequality which still weighs heavily on the development process.

Bilateral relations with Belgium are good and our trade and investment figures continue to grow at a pace.

In this context the B1.6 service organised a round table discussion in June with representatives from the Belgian Chambers of Trade and Commerce in the region and the trade and economy sections of a variety of Latin American Embassies. The service took part in a one-day Latin America seminar organised by the ICHEC Management School in April, and the Head of the Service was in Hamburg for a two-day seminar on the same subject in September organised by GIGA. Contacts were also established with our sister services in London and Madrid.

Relations with the EU are also evolving in a positive vein. The network of agreements with Europe is expanding (the latest being EU-Central America and EU-Peru and Colombia); Mexico and Brazil are strategic partners. However, the network could be made more specific. Work to this end is being carried out in the run-up to the EU-CELAC summit to be held in late January 2013 in Santiago de Chile.

The continent does not always speak with one and same voice. Regional cooperation remains too superficial and there is a clearly emerging ideological polarisation between states with a populist-statist government style (most of the ALBA group) and those advocating a free market economy (including the *Alianza Pacífica*). The whole Paraguay issue (controversial change of President) was a good example of this situation.

Last year, the region was given seven new Belgian mission heads: three in Brazil (Brasilia, Sao Paulo, Rio de Janeiro), San José, Caracas, Kingston and Havana.

Brazil

Brazil, a member of BRICS, is our most important partner by far. The Consulate General in Rio de Janeiro was reopened and a large Brazil-EU conference was held in Brussels in May. A number of agreements were signed with Flemish and French-speaking universities and research centres through which exchange programmes were set up for students and lecturers. Dilma Rousseff's government has worked on large-scale infrastructure plans, particularly for better and faster road and rail connections, and on the development of (air) ports, which are certain to offer greater opportunities for many Belgian businesses in the years to come. However, the outcome of MERCOSUR-EU negotiations was not as positive. It is a case of waiting for results, and as long there are none forthcoming our businesses will not feel the benefit.



Conference on the strategic challenges in the relations between Brazil and the European Union, Palace of the Academies, Brussels, 7 and 8 May © FPS FA

Mexico

In the course of the year there were several contacts with the Mexican Embassy to prepare the way for the next session of political dialogue between Belgium and Mexico in Brussels (the last session took place in 2007 in Mexico City). A general framework was discussed in which the federated entities would also take part, but in the end – in view of the presidential elections – the plans were shelved until next year.

Haiti

The Haitian president, Michel Martelly, was on an official visit to Belgium from 19 to 21 November. During his stay he underlined his two priorities, education and employment. At a meeting of the CBL-ACP chamber of commerce he stated that he wished to create an investment-friendly climate in Haiti, and the Caribbean Business Club unveiled its plan for Haiti on that occasion.

In early December it was the turn of Princess Mathilde, honorary president of UNICEF Belgium, to visit Haiti.

Peru

Peru, due to its rapid development and remarkable economic growth, seeks to rewrite with Belgium the terms of bilateral cooperation, which until now have rested on development cooperation. Peru has a need to develop further sectors such as science, innovation, technology and education, and it is

relying on greater Belgian investment and more cooperation with our universities. Belgium has given its approval of a mine clearance project run by Organization of American States along the border between Peru and Ecuador. The project was set up to offer help to the victims of anti-personnel mines.

Colombia

On 26 June the European Union signed a multipartite free trade agreement with Peru and Colombia. This agreement represents one of the steps in the ongoing development of a far-reaching bi-regional partnership between the EU and Latin America. This Free Trade Agreement offers not only a framework of legal certainty by which trade and investment can be promoted, it also provides an incentive for greater integration, employment and social development.

Chile

In November 2012 President Piñera came on an official visit to Belgium and the European Institutions. He was given an audience with King Albert II and had a meeting with Prime Minister Di Rupo. As part of the visit there was a seminar on the Chilean economy and the numerous opportunities for investment in which a great many Belgian businesses took part. The Chilean and Belgian Chambers of Commerce signed an agreement establishing a Business Council, whose task it is to further strengthen the economic ties between the two countries.



Chilean President Piñera and Prime Minister Di Rupo, Brussels, November 2012 © FPS Chancery of the Prime Minister

Central America

In mid-January our country was represented at the inaugurations of the newly elected Presidents of Guatemala and Nicaragua, Otto Perez-Molina and Daniel Ortega, respectively.

There were also several high-level visits to Brussels. Thus, Minister Reynders met his Nicaraguan counterpart, Samuel Santos-López, on 25 April and had a meeting with José Enrique Castillo-Barrantes, the Costa Rican Minister for Foreign Affairs, on 14 November. At these meetings they discussed a great

many domestic, bilateral, regional and international subjects. More sensitive subjects, such as the Nicaraguan electoral results, the Costa Rican-Nicaraguan border dispute and the worrying security situation in Central America, were also addressed.

Furthermore, the EU-Central America Association Agreement was signed in Tegucigalpa on 29 June. This important agreement will provide the new basis for relations between the two regions.

It is worthwhile to note that the Honduran Embassy in Belgium has become the biggest Honduran diplomatic mission in Europe since the takeover of the Stockholm jurisdiction.

On 28 November Minister Reynders took part in the annual General Assembly of Euracen, the active European-Central American Chamber of Commerce.

Argentina

Belgium kept a close eye on the domestic political and economic situation in Argentina (increasing protectionism and populism, which is also adversely affecting Belgian businesses), tensions between this South American country and the United Kingdom over the Falkland Islands and the difficult negotiations over the EU-Mercosur Association Agreement.

Cuba

As was the case during the Belgian Presidency of the EU in 2010, Belgium continued in 2012, in line with the example set by the other EU Member States, its proactive policy to create a new framework for relations between the EU and Cuba. Towards the end of 2012, following lengthy and complex consideration, these efforts convinced the EU Foreign Affairs Council to give the green light for negotiations that could turn a new page in relations between the EU and Havana.

Bilaterally, regular political and diplomatic contact simply continued, with a meeting between Minister Reynders and his Cuban counterpart in New York during the General Assembly of the United Nations and a visit to Brussels by the Cuban Deputy Minister for Foreign Affairs, Rodriguez Barrera, and, later in the year, by the Director for Europe, Elio Rodriguez. This had a beneficial effect on our consular relations (the particularly difficult case of F. Simon was resolved) and led to a completion of the texts for an agreement on the extradition of prisoners and an MOU (Memorandum of Understanding) on political dialogue.

Venezuela

Venezuelan current affairs in 2012 were dominated by the crucial presidential elections of 7 October, in which President Chávez was given a new six-year term as Head of State. The Latin America and the Caribbean service closely monitored the national and regional significance of these elections in consultation with their European partners, namely through discussions in the EU working groups and during the official visit to the Spanish Minister for Foreign Affairs in Madrid in June.

Caribbean

Belgium played an active part in working out the EU Caribbean Strategy, which was adopted by the EU Foreign Affairs Council at the end of the year. The aim is to strengthen cooperation in important areas of mutual interest. This includes regional integration, the redevelopment of Haiti, climate change and natural disasters, crime and security and, finally, joint action in international forums.

In the same spirit as the recently adopted EU Caribbean Strategy, the head of the Latin America service took part in a seminar in Paris in October organised by the House of Latin America on the theme *The regional integration process in the Caribbean and relations with Europe*.



The Nicaraguan Minister of Foreign Affairs, Santos López, with Minister Reynders, Egmont Palace, Brussels © FPS FA

Diplomacy and economy

Finexpo

The task of the Finexpo Interministerial Committee (Export Financing) is to support Belgian companies exporting equipment goods and services. Finexpo therefore works with exporters who conclude export contracts and with the banks that finance them.

The Financial Export Support Directorate provides the committee's secretarial services and the Administrative Services of the Treasury are responsible for state-to-state loans.

Finexpo has four financial tools at its disposal: one that is exclusively intended to support trade credits by way of stabilising the interest rate and three tools for emergency credits, which are state-to-state loans, interest indemnification (with or without additional donations) and, finally, donations.

The aim of state-to-state loans, interest indemnifications and donations is twofold: on the one hand they support our companies and, on the other, they help developing countries.

These tools help Belgian exporters compete against their foreign competitors who receive government help with advantageous conditions. This assistance requires substantial budgets.

In 2011, the Manual to Finexpo was produced, a manual reporting evaluations of tools used by Finexpo which was started by the Special Evaluator S.04 Department. In 2012 the Finexpo Committee approved the manual and presented it to the private sector during a seminar at Egmont Palace.

Despite the deepening of the economic and financial crisis in 2012, exporters were able to lend their signatures to seven contracts following protracted negotiations lasting three to four years on some projects. Contracts totalling EUR 86.5 million were signed and supported via interest indemnifications, donations and state-to-state loans.

In 2013, the reconstruction of the budget is likely to adversely affect the number of projects submitted to the Finexpo Committee.

Defending economic interests and promoting Belgium's image

Economic diplomacy and image

In 2012, the Economic Interests Directorate focused on promoting our country's image and the quality of the goods produced and services provided. As part of its economic diplomacy remit it was in regular contact with the authorities and with many players in business.

The image budget further raised Belgium's image internationally and it supported our vocation as an international centre and investment location through the funding of projects and actions dictated by operating resources. What activities were funded? The European Business Summit, the annual meeting in Brussels of the German Marshall Fund, the meeting of Global Compact, the symposium of the International Polar Foundation, various BOZAR projects, the mixed chambers of commerce in Belgium and abroad and projects relating to the Royal Museum of Central Africa (KMMA/MRAC) in the framework of the Summit of French-speaking Nations in Kinshasa.

All kinds of projects presented by our diplomatic missions received support, including:

- Belgium days or weeks in Bujumbura, Chisinau, Tokyo, Mumbai, Havana and Osaka.
- Cultural and academic projects in Los Angeles, New York, Cairo, Maputo, Athens, Taipei, Montreal, Moscow, Santiago, Sydney, Brasilia, Tel Aviv, Hanoi, Seoul, The Hague, Dublin, Mexico, Riga, Berlin, Istanbul, Madrid and Luanda.
- Seminars to promote bilateral economic exchange or attract investment: New York, Riyadh, Beijing and Sao Paulo.
- Diplomatic and consular conferences: Guangzhou and Paris.

Special efforts were made to support Liege's candidacy for the World Expo in 2017.

The Economic Interests Directorate actively participated, in joint cooperation with the network of missions, the Directorate-General for European Affairs and Coordination and the professional associations, in the work of the EU's Market Access Advisory Committee (MAAC) to encourage European institutions to better serve the interests of Belgian companies in foreign markets. In 2012 there were no negotiations over agreements to protect investments because Belgium decided to wait for an EU regulation on the subject to come into effect. This regulation is to set the conditions by which Member States are authorised to conduct bilateral negotiations under the terms of the Treaty of Lisbon.

An agreement on social security was signed with Moldova, and negotiations with Israel, China and Turkey went ahead. There were also talks with Serbia on the conditions governing the agreement's implementation and with Bosnia over the agreement's implementation.

The Economic Interests Directorate also collaborated with the FPS Finance on the negotiation of agreements to prevent double taxation.

Missions led by the Prince

In 2012, Prince Philip chaired four multi-regional and multi-sector economic missions: Vietnam (March), Japan (June), and Turkey (October), with the Prince's last mission being to Australia and New Zealand in November.

There was a record-breaking number of corporate participants and agreements signed, proof positive of the importance and necessity of these princely missions. Princess Mathilde took part in three of the four missions.



The presence of Princess Mathilde brought an extra dimension to the Belgian economic mission to Vietnam, March 2012 © FPS FA

Corporate Social Responsibility

The Directorate has outlined a policy to remind companies of their social responsibility as regards the environmental impact of their activities. As the central node in the Belgian Global Compact network it helped organise a conference to alert businesses to the fact that they have a duty to respect the rights of the child.

Natural resources

As a pivotal organisation in monitoring the Kimberly Process and in the Extractive Industries Transparency Initiative (EITI), the Directorate attended the international meetings for these forums.

International transport policy

In 2012, the International Transport Directorate again interfaced between Belgian and foreign authorities, both civilian and military, in all transport sectors, whether air, sea or land. Where aviation is concerned, one of the tasks (several thousand communications a year) involves obtaining, sometimes at very short notice, permission to fly through foreign airspace or land Belgian military aircraft abroad and, vice versa, granting similar permission for civilian flights by other nations bringing an official delegation to Belgium. Analogous procedures apply to maritime transport in relation to Belgian or foreign military vessels.

In addition, much of our attention in 2012 went to services for the public, particularly driving licences and vehicle registration certificates.

The Directorate keeps in very close contact with the Ministry of National Defence, the FPS Mobility and Transport, and the Directorate-General for Aviation or Maritime Affairs. The Directorate incorporates the European dimension in its powers, such as air transportation to Northern Cyprus or the EU provisions in relation to Taiwan. The Directorate is also involved in the management of international political crises, such as the sanctions policy against Iran and Syria.

Where aviation agreements are concerned, Belgium participated in bilateral consultations with the United Arab Emirates, Senegal (with which a new agreement was concluded) and the DRC in 2012. The International Transport Directorate maintains good contacts with all the Belgian airlines and attempts to serve Belgian interests as a whole, such as during talks with the Russian Federation about their visa policy for maritime navigating personnel.



3. POLICY

2. Belgium in the European Union

In 2012 the European agenda was dominated by the financial and economic situation in the EU: on the one hand, the EU's response to the financial and economic crisis and, on the other, the progress of negotiations over the Multiannual Financial Framework 2014-2020. The year was also marked by action taken in the framework of the EU's foreign trade.

EU's response to the financial and economic crisis

Treaty on Stability, Coordination and Governance in the Economic and Monetary Union

Activities were dominated in early 2012 by negotiations over a new intergovernmental Treaty on Stability, Coordination and Governance in the EMU, which was signed in the margins of the European Council of 1 and 2 March 2012 by the EU Member States, with the exception of the United Kingdom and the Czech Republic.

In this Treaty, the Member States agree to enshrine in a binding and permanent manner a "golden budget rule" in their national legislations, preferably their constitutions. The golden budget rule states that budgets must, in a structural manner, balance or show a surplus. This is satisfied if the budget balance corresponds, one-off or temporary measures aside, to a mid-term budget goal specific to each Member State. The lower limit for any budget deficit is, in theory, 0.5% of GDP. This limit can be raised to 1% of GDP if the debt ratio is significantly lower than 60%. The Member States will also have to incorporate an automatic correction mechanism which will come into effect when there is a significant divergence from the budget plan.

In addition to this budget rule, the Treaty seeks a higher degree of economic policy coordination and convergence through the commitment to take every measure needed in areas crucial to the sound operation of the Eurozone. The aim is to stimulate competitiveness, promote employment, contribute to the sustainability of public finances and improve financial stability.

Finally, the Treaty also aims to strengthen governance of the Eurozone. It specifies that at least twice a year a Eurozone summit will be held, a chairman will be appointed to chair the euro summit, and attention will focus on the interaction between the European

Commission and the European Parliament. The body appointed to ensure better preparation and continuity of the euro summit is the Eurogroup. Member States that sign up to the Treaty but are not (yet) members of the euro area will be involved as closely as possible and kept informed.

The new Treaty took effect on 1 January 2013 following ratification by 12 Eurozone Member States in the course of 2012. In Belgium, the six parliaments will have to ratify the Treaty and the ratification procedure is currently on-going. Moreover, efforts are also underway to determine how the golden budget rule and correction mechanism can best be transposed into Belgian law.

Compact for Growth and Jobs

The European Heads of State and government leaders sought to add a growth-promoting element to their public financing consolidation efforts. Hence the European Council's acceptance on 28 and 29 June of the Compact for Growth and Jobs.

This Compact expresses a determination to do everything possible, at member State and Union level, to promote Europe's growth in line with the Europe 2020 Strategy and to use every lever and every tool to this effect. The objective is to be accomplished while keeping in mind the importance of budget consolidation, structural reform and targeted investment for sustainable growth.

Towards real Economic and Monetary Union

In the spring of 2012 the financial markets reacted very nervously to news from Spain and Italy in particular. At the informal European Council of 23 May there was a general consensus that the economic pillar of the EMU was in need of strengthening. The aim was to place economic union on an equal footing with monetary union. With this in mind, the President of the European Council was asked to report on the main building blocks and propose a work method by which to achieve this objective. To this end he had to work closely with the President of the Commission, the President of the Eurogroup and the President of the European Central Bank (ECB).

The European Council of 28 and 29 June took note of an initial report by these four presidents and concluded that a strengthened EMU would have to rest on the

following building blocks: an integrated financial framework or banking union, an integrated budgetary framework, an integrated economic policy framework and greater democratic legitimacy and responsibility.

The absolute priority was the creation of a banking union. This banking union would rest on a unified banking supervision mechanism under the responsibility of the ECB, and rely on mechanisms to contain the unravelling of failing banks and so guarantee savings. The aim was to break the pernicious link between struggling financial institutions and government financing. To achieve this the European Council decided, in principle, that as soon as a unified bank supervision mechanism had been set up banks in financial difficulty would enjoy support through the European Stability Mechanism (ESM).

After the European Council of 18 and 19 October further channelled the reflections of the four presidents on the basis of an interim report, the European Council of 13 and 14 December looked into establishing a specific, time-limited roadmap to create a genuine economic and monetary union. Note was also taken of the Commission's "Blueprint for a deep and genuine economic and monetary union", which was designed to fuel the debate.

With this as the basis, the European Council of 13 and 14 December agreed to continue the reflection and consultations and to present possible measures and a step plan on the following matters:

- coordination of the national reforms, the aim being to discuss in advance all the major economic reforms that the Member States intended to put in place and coordinate them, as the case may be;
- the social dimension of the EMU, including social dialogue;
- the feasibility and conditions governing individual contractual agreements that might be made between the Member States and the EU institutions with a view to promoting competitiveness and growth;
- solidarity mechanisms that might strengthen the efforts of Member States that enter into these contractual agreements on competitiveness and growth.

The result of these reflections and consultations with the Member States will then be presented at the European Council of June 2013.

The Multiannual Financial Framework 2014-2020

The year was also marked by negotiations on the multiannual financial framework. This financial framework sets out the resources available to the European Union, for the purpose of implementing policy, over the next seven years (2014-2020). This relates to R&D, the sciences, space, social affairs, infrastructure and structural policy for the balanced development of the European regions (cohesion policy), as well as policy in support of agriculture or the European Union's foreign policy. The financial framework is therefore a financial reflection of the European Union's most important political priorities. Note that the financial framework sets ceilings and, therefore, maximum sums for that expenditure (amounts not to be exceeded). The actual European budgets (equivalent to the Belgian budget for the European Union as a whole) are negotiated annually as part of the annual budgetary procedure. With this method of setting ceilings the European Union is able to prevent deficits. We should briefly mention that reform of the financial framework (expenditure) goes hand-in-hand with European Union financing reform (resources). This is because the European Commission has proposed new, own resources, such as a new value added tax (a percentage of the VAT collected nationally) or a tax on financial transactions. These resources would come on top of national contributions.

Negotiations over the financial framework are often tense because certain criteria (number of farmers, social and economic development, performance, etc.) tend to determine the extent to which Member States benefit from Union policy. But the European budget is also directly financed by the Member States (on the basis of their wealth). In other words, Member States will try to extract the maximum from Union policy while at the same time contributing the least to the budget. It is not uncommon, therefore, to see a large net payer (like Germany or the Netherlands) take issue with the major beneficiaries of European policy (such as Poland, Hungary, etc.). Although the gulf between Member States is getting narrower, the European Council of November 2012 did not produce an agreement between the 27 Member States over the future financial framework.

Belgium, for its part, played an active part in the negotiations. From the very start it sought to press home its vision that the European budget is crucial to the stimulation of growth and employment in Europe. This recipe caught on, and was taken up by various European leaders. On the one hand, Belgium was serving its own interests in the areas of cohesion and agriculture and, on the other, furthering the cause for an ambitious budget that would enable the Union to meet the objectives it had set itself, in line with the Europe 2020 Strategy, in terms of research, development and innovation, employment and sustainable economic development. Belgium is also a supporter of new, own resources, which should

reduce contributions and the number of sterile debates they cause among Member States (financiers opposed to beneficiaries).

The Directorate-General for European Affairs and Coordination (DGE) of the FPS Foreign Affairs coordinates negotiations at Belgian level. It feeds the viewpoints of the Belgian institutions, federated entities and, above all, the Belgian citizens through to the various European forums.

The European Union's Foreign Trade

In 2012 the DGE's EU foreign trade activities were largely coloured by the negotiation of bilateral trade agreements between the EU and third-party countries. The Belgian viewpoints on the European Commission's negotiations on behalf of the EU were coordinated by the DGE, which also represented and negotiated on Belgium's behalf in the Committee for Trade Policy.

A few examples of bilateral negotiations:

- A mandate to negotiate a bilateral EU–Japan trade agreement was approved by the EU Ministers of Foreign Trade in late November 2012.
- The EU and Singapore reached an agreement in December 2012 over a bilateral trade agreement, an important precedent for other ASEAN countries.
- The EU's comprehensive and economic trade agreement with Canada presented the DGE with a real challenge. For example, new techniques made their way into the agreement, such as negative instead of positive lists for services. However, agreement between the EU and Canada could not be achieved in 2012.

Various legislative initiatives were also concluded in 2012, with an active role set aside for the European Parliament.

The EU reformed its privileges as follows. Duty-free access was restricted for middle-income countries such as Russia, Saudi-Arabia and Brazil to improve duty-free access for poorer countries. The new instrument promotes good governance, human rights, environmental standards and employment legislation.

The DGE operated in new territory in 2012. This was because the Treaty of Lisbon added investments to the European Commission's trade portfolio. The Council and the European Commission developed a transitional measure for the EU Member States' existing bilateral investment treaties. Intense negotiations were needed in order to arrive at the first common European regulations to protect foreign investments in certain EU bilateral trade agreements. In 2012 a proposal to regulate disputes between investors and a State was added to the European investment section. This proposal will remain a challenge for the DGE in 2013.

Much to the frustration of the EU and DGE the multilateral trade system was not particularly profitable in 2012. The World Trade Organisation did become more representative in 2012 through the accession of, among others, Russia, Vanuatu and Montenegro. However, there was no breakthrough in the impasse reached in the Doha Development Agenda. In 2012 the DGE monitored several multilateral initiatives such those on services and environment goods in the hope that they would provide a basis for future multilateral agreements. A solution to one of the longest running trade disputes, over bananas between the EU and the Latin American countries, was finally officially confirmed by the World Trade Organisation in 2012.

Continued fall in transpositions and increase in the number of Belgian transposition acts

As an EU Member State Belgium is required to transpose directives into national legislation within the fixed time limit. As a coordinating administrative service the FPS monitors the transposition of the directives. Transposition per se is the task of the different authorities competent in the areas to which the directives apply.

Europe has in general seen progress in the transposition of directives. In the 25th Scoreboard for the internal market the European Commission published the figures applicable on 10 May 2012. The EU Member States have, according to its calculations, an average deficit of 0.9% in non-transposed directives, a fall against the Scoreboards for May and November 2011, which showed an average of 1.2%.

Belgium did not follow the downward trend, quite the opposite. With a score of 1.9% upon the finalisation of the Scoreboard in May 2012 Belgium had not done as well as it had for the previous Scoreboard (1.2%). Not only that, but it failed to achieve, for the first time since the Scoreboard for November 2009, the zero tolerance standard on directives with a transposition delay of 2 years or more.

And yet Belgium succeeded in finalising 55 Directives in 2012, which corresponds to notifying the Commission of 214 legislative or regulatory acts. Nonetheless, there was a deficit of 31 non-transposed Directives.

The political crisis in which Belgium found itself in 2011 is not the only explanation for its worsening transposition deficit. In fact, the complexity of many directives means that both the federal government and the federated entities have to be involved in their transposition. Furthermore, there are shorter time limits on many of the directives in the financial and economic sector because they are designed to tackle the present economic crisis.

Number of Commission infringement proceedings against Belgium did not sufficiently reduce

In 2010 and 2011 measures were taken to reduce the high number of the Commission's infringement proceedings against our country for the non-conformity of the transposition or application of EU law. Prevention, proactivity, planning and awareness-raising were emphasised in this regard. This led to a substantial reduction in the number of infringement proceedings by the Commission against Belgium in 2011. Specifically, in 2010 there were 159 infringement proceedings pending while in 2011 the number had fallen to 117. However, this is still not enough.

On 30 November 2012 the Commission published its 29th annual report on monitoring the application of European law. This revealed that Belgium, with 117 infringements, was third last in the European class. Only the records of Italy and Greece were worse.

In producing this report the Commission visited 9 Member States, together representing about 50% of the overall number of infringements. The purpose of these visits was to see what might be done to improve the situation and communication with the Member States. Belgium was the first to be visited. Although the Commission commended Belgium for reducing the number of infringements, due in part to its accession to the Commission's EU Pilot system, it seemed that its efforts were not enough.

Therefore, it was decided to hold bilateral meetings at the national level so as to bring together the political and administrative levels, as well as the negotiators and the transposers. These bilateral meetings, which are designed to identify potential problems in the infringement proceedings, find a way to reduce the number of infringement proceedings and find a way to avoid the late transposition of Directives, are scheduled to commence in early 2013.

Belgian representation before the Court of Justice of the European Union and the Court of Justice of the EFTA

Despite a slight fall in the total case number compared to 2011, Belgium remained highly active before the Court of Justice of the European Union in 2012 (Luxembourg). On 31 December 2012, our country was involved in 68 cases pending, compared with 76 the year before.

By bringing cases before the European legal institutions Belgium seeks to defend its interests and at the same time influence the interpretation and application of European law.

The fall in the number of Belgian cases is the result of a general fall in the number of disputes before the Court (612 cases as opposed to 682 in 2011) as well as a lesser number of direct appeals against Belgium compared to 2011. Indeed, the number of appeals relating to non-fulfilment lodged against Belgium by the European Commission due to an incorrect application of European law or an incorrect transposition of a European Directive followed the previous year's trend and continued to fall in 2012 (5 appeals pending as per 31 December 2012 as opposed to 9 as per 31 December 2011).

Furthermore, Belgium still brings a large number of preliminary cases to court, i.e. when a judge in a Member State asks the Court of Justice for an interpretation or queries the validity of a provision of European law. Belgian involvement in these cases still represents the majority of its appearances before the Court (48 cases pending as per 31 December 2012, of which 27 originating in Belgium).

Last year, for example, Belgium was involved in the case to test the validity of the European Stability Mechanism (ESM).

As regards preliminary cases before the Court in 2012, our country was 8th out of the 27 Member States of the European Union.

Besides these two main categories of legal cases Belgium is also involved in other, more specific proceedings, such as appeals for nullifications or appeals. The country has also frequently taken action in direct appeals against other Member States or institutions in order to lend them support (10 cases pending as per 31 December 2012). Our country took action in favour of Poland and Slovakia, for example, in the first cases of Commission-imposed financial sanctions due to these Member States' failure to communicate measures for transposing legislative Directives in implementation of Article 260, 3 VWEU.

You will find more detailed information on Belgian Member State interventions before the European legal institutions in the report on Department J2.2's activities published by that department.

Finally, 2012 was also a year of reform for the Court, given that its new procedural regulations, which came into effect on 1 November 2012, were approved by the Council. A reform of the procedural regulations for the Civil Service Tribunal should follow in 2013. As regards the amendment of the Court statute, discussions have reached an end over the composition of the Grand Chamber, the introduction of the function of Vice President of the Court, which was assigned to the Belgian Koen Lenaerts, and the appointment of temporary judges to the Civil Service Tribunal, to ensure the sound operation of this legal authority. On the other hand, the appointment of extra judges to the Court with a view to reducing the backlog of cases is yet to be discussed.



3. POLICY

3. Belgium in a multilateral context

Multilateral coordination

In 2012, 82 multilateral coordination meetings (coormulti) were organised to determine the Belgian viewpoint in international organisations. Belgium also took over chairmanship of the International Holocaust Remembrance Alliance (formerly the ITF Holocaust).



Herman Van Rompuy, President of the European Council, at the academic session in preparation for the Belgian chairmanship of the International Holocaust Remembrance Alliance, the former International Taskforce for Holocaust Education, Remembrance and Research (ITF), 26 January, Mechelen © FPS FA

North Atlantic Treaty Organisation (NATO)

The NATO Summit of Heads of State and Government in Chicago on 20 and 21 May was an important event. Discussions were held over the future of the NATO presence in Afghanistan (ISAF). The Afghan security services (army and police) will be trained to take over NATO's tasks by 2014. And NATO does not plan to abandon Afghanistan after 2014: instructors will stay on and a funding mechanism will be set up to provide further support for the Afghan armed forces. Other topics covered were the challenges of the budgetary crisis and how the alliance might respond through the smart defence package, i.e. more joint

purchases along with resource sharing. Although nothing was said about further expansion, the good level of cooperation between NATO and its privileged partners in places such as Libya and Afghanistan did receive special commendation.

Common Security and Defence Policy of the European Union (CSDP)

The CSDP saw the development and planning of new civilian missions and military operations, namely: EUCAP Nestor: this mission aims to improve the capabilities of the coastguards in various countries around the Horn of Africa. The mission complements other CSDP operations in the region (EUNAVFOR Atalanta and EUTM Somalia) and so contributes to the fight against piracy and to the further stabilisation of this strategic region. EUCAP Sahel Niger: this civilian CSDP mission strengthens security in Niger. The Sahel Region is affected by increasing instability, and this has direct and indirect negative effects on the EU, and therefore Belgium, in the form of people and drug trafficking, organised crime, terrorism, etc. Belgium is taking part in both missions and so playing its part in improving security in the region. These are just a few examples of the EU's CSDP initiatives. Since 2003, the EU has launched 25 civilian missions and military operations. This gives the EU a unique tool, particularly in crisis management missions involving the deployment of civilian or military resources.

Organisation for Security and Cooperation in Europe (OSCE)

2012 came to an end with a ministerial conference in Dublin (Ireland). This conference kick-started a process that is designed to give the organisation new impetus. In line with this, coming OSCE presidencies (Ukraine, Switzerland and Serbia) will be asked to handle preparations for the 40th anniversary of the Helsinki Final Act (1975-2015). Also, Mongolia has become a full member of the organisation, which now has 57 member states.

Cyber security

In October 2012, Belgium took part in the Budapest Conference on Cyberspace. The conference showed clear differences between those nations, of which Belgium is one, that support an open Internet without too much in the way of government interference and in which individual freedoms and international law apply, and those that seek greater state control of the Internet.

Fight against terrorism

In 2012 the United Nations continued its activities in the fight against terrorism. In New York, the two-yearly evaluation of the United Nations' worldwide Counter Terrorism Strategy took place in June. Belgium was represented by the director of the Coordinating Body for Threat Analysis, who explained the Belgian experience in the matter.

The new UN Counter Terrorism Centre (UNCTC), whose task it is to encourage implementation of the Counter Terrorism Strategy around the world, was opened in 2012. Belgium is a member of the centre's advisory board.

Belgium also continued its commitment to the group of like-minded nations that support honest and fair UN sanctions in cases of terrorism.

Moreover, our country concluded a bilateral agreement on information exchange with the United States regarding "actual or suspected" terrorists. This agreement gives the competent Belgian services access to an American database and means they continue to satisfy the conditions to apply the visa waiver programme.

Belgium and the United Nations budget

Belgium's total financial contribution to the United Nations in 2012, all budgets considered, came to around EUR 380 million, making Belgium the 15th biggest contributor in 2012 out of a total of 193 Member States.

25% of this sum was made up of mandatory Belgian contributions to the United Nations' operating expenses (USD 29 million), UN peacekeeping missions (USD 75.13 million), the tribunals (USD 2.3 million) and the International Court of Justice (USD 1.7 million).

The remaining 75% was used to finance development aid in a variety of areas (contributions to the UNDP – EUR 41 million, UNICEF – EUR 27 million, the World Food Programme – EUR 25 million, the United Nations High Commissioner for Refugees – EUR 16 million, UNRWA (Agency for Palestinian Refugees) – EUR 9 million, OCHA (humanitarian affairs) – EUR 8 million) as well as emergency aid and food aid. The overall figure can, therefore, vary slightly from year to year. The regular United Nations budget is set every two years. Negotiations over the budget take place in the fifth Committee of the General Assembly (the Committee charged with administrative and budgetary affairs). Resolutions on the budget are

passed by consensus. Belgium is one of the European Union's fifth Committee negotiators. Belgium is also one of the sixteen members of the Consultative Committee on Administrative and Budgetary Questions. This Committee examines the budget proposed by the Secretary General and reports its findings to the General Assembly. Belgium is also a member of the independent high-level expert group on the scale of contribution relating to the distribution of expenditure for the United Nations Organisation. This group thought long and hard about the method for calculating the scale of contributions so that it better represents each Member State's ability to pay and guarantees the sustainable funding of UN expenditures. Belgium is therefore influential in this area, which enables the country to put in place an efficient multilateral system and at the same time recommend healthy budgetary management.

The regular budget continues to grow. While the figure for 2002-2003 was USD 2 billion that for 2012-2013 has reached USD 5.395 billion. For the period 2014-2015 the draft budget proposed in late 2012 was USD 5.392 billion with an extra reserve fund of USD 40.445 million. This growth is partly explained by rising demands from the Member States of the United Nations as new missions (Libya, Syria), new initiatives to protect human rights (Human Rights Council, Committee Against Torture), as well as initiatives in the areas of the environment (decisions of the Rio+20-Conference) and disarmament (Arms Trade Treaty conference), have been entrusted to the United Nations.



Minister for Development Cooperation Paul Magnette took part in the UN Summit on Sustainable Development, Rio+20, June. © FPS FA

The sustained rise in the budget is, however, attributable to the old budgetary process, which grew incrementally; each budget was based on the previous one.

This situation was untenable and Belgium worked hard, in 2012 and before, in cooperation with the European Union and other partners, to bring about step-by-step improvements to this budgetary process. We are convinced of the importance of multilateralism and of the United Nations, but we are nonetheless firmly convinced that we can achieve

the same objectives with fewer resources. Belgium argues the case for applying the nominal zero growth budget rule in the international institutions of which it is a member. New mandates can be set, but only within the limits of the resources available, i.e. through absorption, resource transfer or the rearrangement of priorities.

Our contribution to the regular budget of the United Nations is based on a scale of contributions. This is determined, among other things, by Gross National Product (a review of the method is underway, by the aforementioned group of experts, among others). In past years our mandatory contribution has amounted to 1.075% of the budget. For 2013 and the coming years our contribution has been reduced to 0.998%. About 40 of the 193 Member States of the United Nations account for around 95% of the regular budget, the figure for the European Union being 40%. Therefore, the established principle of basing the contribution on the financial capabilities of the Member States is no longer applied.

Throughout 2012, and certainly during the Fifth Committee negotiations concluded at the end of December 2012, Belgium recommended financial responsibility and a step-by-step reform of the budgetary process. There are plans to optimise personnel management from now on (a review of the organisation's personnel resources was requested in order to optimise the personnel structure), and to ensure better management of the costs relating to inflation and exchange rates. The newly adopted texts offer a better match between the new scale of contributions and the real payment capability. They also leave open the door to optimising the method for calculating the contribution scale.

By the end of 2012, therefore, Belgium, the EU and the other partners managed to strike this vital balance between the two necessities: curtail the growth of the budget yet guarantee funding for new activities. These are important achievements and they should, in the long term, guarantee the greater efficiency of the United Nations and generate new savings for investments in operational activities.

It goes without saying that these achievements were based on compromises. Not everything has been finalised. The Fifth Committee will resume its activities in March 2013 and Belgium will play an active part and continue with the same zest as in 2012.

Human rights

Belgium attaches a great deal of importance to the fulfilment of its obligations under the United Nations' Human Rights Conventions. The priority for 2012 was to report regularly to the UN on observance of the Convention Against Torture, the International Convention on the Elimination of all forms of Racial Discrimination and the International Convention on the Elimination of all forms of Discrimination Against Women. The Federal Authorities and the Communities and Regions contributed to these reports. The opinions of civil society were also sought on the subjects covered. Additionally, in signing the new, third protocol to the UN Convention on the Rights of the Child on 28 February 2012 and the Council of Europe Convention on Preventing and Combating Violence Against Women and Domestic Violence on 11 September 2012, Belgium is entering into new treaty obligations.



François Roux, our former Permanent Representative to the United Nations in Geneva, signed on Belgium's behalf the third optional protocol to the Convention on the Rights of the Child, Geneva, 28 February 2012 © FPS FA

As a member of the Human Rights Council our country continued to argue for the universality of human rights and the independence of the High Commissioner for Human Rights and its Office, as well as the special procedures. In this, Belgium's attention focused on the situation in Syria. Through the Human Rights Council's UPR (Universal Periodic Review) working group, our country gave recommendations to Algeria, Argentina, Bahrain, Benin, Brazil, the Czech Republic, Ecuador, Finland, Gabon, Ghana, India, Indonesia, Japan, Morocco, Pakistan, Peru, the Philippines, Sri Lanka, Tunisia, South Africa, South Korea and Ukraine, or 22 of the 28 countries reviewed in 2012.

At the General Assembly of the UN, Belgium, along with Slovenia, successfully submitted its two-yearly resolution on the International Convention on the Elimination of all forms of Racial Discrimination. Our country also remains an active member of the NGO Committee and the Commission on the Status of Women.

At the European level Belgium worked actively on an EU Strategic Framework and Action Plan on Human Rights and Democracy, which was accepted on 25 June 2012 and contains 97 specific actions. On 25 July 2012 we saw the appointment of Stavros Lambrinidis as the EU Special Representative for Human Rights.

Organisation for Economic Cooperation and Development (OECD)

Elaborating on its vision for the future as defined during the Ministerial Conference in May 2011 on its 50th anniversary, in 2012 the OECD launched the initiative "A New Approach to the Economic Challenges – OECD Action Programme for Inclusive Growth" and approved a "Development Strategy".

Besides the accession of Russia, a process which is still underway, there lay on the table for the first time a new expansion of the OECD: at the end of 2012 seven countries (Bulgaria, Colombia, Costa Rica, Latvia, Lithuania, Peru and Romania) had submitted official applications to join.

Where Belgium is concerned, we are working on an economic study due for publication in the spring of 2013, and there are studies and assessments in the framework of the FATF, the Global Forum for Transparency and Exchange of Information for Tax Purposes, and the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

Challenges in the area of nuclear non-proliferation

The cornerstone in the policy preventing the proliferation of nuclear weapons is the Non Proliferation Treaty (NPT). This treaty is based on:

1. a commitment by all acceding countries not to acquire nuclear weapons,
2. the promise to dismantle existing nuclear weapons, and
3. international cooperation in the area of civilian nuclear applications.

It has helped to limit the proliferation of nuclear weapons and their associated technology in the last decades. The success of the NPT depends on the goodwill of the countries involved and universal compliance with the treaty. North Korea developed a military nuclear programme and withdrew from the NPT. Iran has a nuclear programme, the military implications of which are obvious, and India, Israel and Pakistan remain outside the treaty.

If a few countries were to develop nuclear programmes and escape punishment, there would always be the risk that others would follow suit to defend themselves against these new nuclear powers. At the top of the list is Iran, whose ambition to play a geostrategic role is causing a great deal of

unrest in the region. A new nuclear arms race would bring about a destabilisation of the international security system. A nuclear Iran, for that matter, poses an existential problem for Israel, which has already indicated that it will not tolerate such a situation. It is therefore crucial that Belgium join the international effort to win Iran over. On the one hand, there are negotiations with Teheran, and on the other, an escalation of the pressure against Iran. The negotiations are being conducted by five permanent members of the UN Security Council and Germany under the leadership of EU High Representative Ashton. The pressure of sanctions is gradually rising and the EU has imposed a wide-ranging package of sanctions. Reports from the IAEA (the UN's International Atomic Energy Agency) reveal that Iran is continuing to enrich uranium despite binding resolutions from the Security Council and the Board of Governors of the IAEA. The international concerns are justified because Iran has not demonstrated that its enriching programme is strictly for civilian purposes. This is certainly the case for uranium being enriched to 20%, which takes Iran along the path to nuclear weapons capability. Iran has not responded to the IAEA's questions about a possible military dimension to its nuclear programme and frustrates the IAEA inspections.

This year the EU imposed further heavy sanctions against Iran. Belgium shouldered its responsibility and relinquished certain business interests. The economic loss is justified by the enormous threat to world peace were Iran to become a nuclear power. The aim is to make it clear to Iran that a policy of confrontation will have serious repercussions and that the best course of action is dialogue with the international community based on observance of the binding resolutions of the Security Council.

Under the pressure of sanctions Iran had already made overtures to the international community. Unfortunately, it didn't quite do enough to allow for real talks. The IAEA cannot yet rule out a military dimension to the Iranian nuclear programme. The aim is also to create a zone in the Middle East free of weapons of mass destruction. When, in 1995, the international community decided to make the NPT system permanent, it did so with the idea of making progress in this area. The issue came to the foreground once again during the NPT review conference in 2010. At that time it was decided to hold an international conference on the zone in 2012. The EU actively supported this by organising two preparatory seminars in 2011 and in 2012, but the regional context prevented the conference from taking place in 2012. Consultations on the matter continue.

International Arms Trade Treaty and the fight against the proliferation of small arms and light weapons

In 2012 Belgium actively participated in the diplomatic conference on the negotiation of a UN Treaty on the international arms trade.

Our nation, along with our EU partners, argued for the most ambitious treaty possible to ensure greater accountability for the worldwide arms trade in accordance with the highest possible international standards. Our country and its EU partners supported a treaty that requires States to control transfers of the main categories of conventional arms, munitions, related components and technology based on an evaluation of binding criteria. States must not supply arms if there is a significant risk of serious violations of human rights or international humanitarian law. Our country laid particular emphasis on this treaty's role in the fight against gender-related violence and violence against children.

The conference has not quite reached its objective. After four weeks of negotiations the draft text had not yet met with all the countries' approval. The 67th session of the General Assembly of the UN passed a resolution on 24 December 2012 in which membership of the UN implied the commitment to round off the diplomatic conference on the Arms Trade Treaty in March 2013 by adopting the draft text as it stands. Belgium continues to work to achieve a substantial agreement accepted by as many countries as possible, and certainly the biggest arms producers and exporters.

There was also regular consultation in 2012 with civil society on the subject of these negotiations. Several organisations with expertise in the area of arms control, human rights and international humanitarian law made valuable contributions, both in terms of content and in terms of raising public awareness. At the Review Conference for the UN Programme of Action against the Illicit Trade in Small Arms and Light Weapons in August 2012 Belgium submitted specific proposals to improve weapons marking and tracing. The final document contains references to the exchange of tracing results between States and the authorisation of UN peacekeeping missions to trace illegal weapons in conflict areas. It is now a matter of ensuring that this is done in practice.

Hissène Habré

In 2012, through the agency of representatives from the FPS Foreign Affairs, in cooperation with other FPSs (Justice and Chancery of the Prime Minister) and two renowned lawyers appointed by them, Belgium appeared before the International Court of Justice in the verbal phase of a case known as the "Obligation to prosecute or extradite".

The case was brought by Belgium against Senegal in February 2009 to establish that Senegal was not

meeting its conventional and customary obligation to try the former dictator of Chad, Hissène Habré, or, if it did not intend to do so, to extradite him to Belgium, which had been requesting his extradition since 2005.

The team that represented Belgium before the Court was led by Paul Rietjens, Director-General of Legal Affairs of the FPS FA and the Court's Belgian representative, as well as Gérard Dive, departmental head of International Humanitarian Law of FPS Justice and co-representative of the Belgian government in this case. The sessions ran from 12 to 21 March 2012.



Belgium goes to the International Court of Justice in the fight against immunity from punishment, The Hague, March. The Belgian team, from left to right: Ambassador W. Debuck, Director-General of Legal Affairs P. Rietjens, Ph. Meire, L. Masschelein, E. David, M. Wood QC, V. Delcroix, D. Müller, G. Dive, B. Goes and P. Warnotte © FPS FA

The International Court of Justice passed judgement in the case on 20 July 2012. The Court stated in its judgement that Senegal had violated its conventional obligation to prosecute Hissène Habré, or, if it did not intend to do so, to extradite him to Belgium, as described in the relevant articles of the United Nations Convention Against Torture of 1984. The Court's decision sets an international legal precedent because it confirms for the first time at the very highest judicial level in international relations, namely that of the International Court of Justice, the obligation of a State to combat immunity from punishment for the cruellest of crimes under international law.

Belgium was greatly commended by the surviving victims and groups of victims for its role in the fight against immunity from punishment and on behalf of the victims who have been trying to bring H. Habré to justice for almost 20 years.

Exploitation of the seabed, a promising economic sector

The International Seabed Authority is a body set up under the Montego Bay Convention on the Law of the Sea, of which Belgium has been a member since 1998. It is charged with organising and controlling activities relating to the deep sea bed, which is considered the common heritage of mankind. Its tasks include regulation of prospecting, exploration and exploitation of the resources of the seabed, as well as awarding contracts relating to exploration and exploitation.

At the present time the contracts relate to exploration and as yet there are no regulations governing exploitation of the seabed. Nonetheless, deposits of metals known as sulphides could satisfy the growing need for these scarce raw materials. Whereas until recently interest had been expressed only by scientific institutions from a small number of Member States there is now a growing interest from business. Given Belgium's maritime expertise there can be little wonder that Belgian businesses are jostling for position prior to exploitation becoming a reality.

In this context, a Belgian company has braced itself to compete for an exploitation contract in a particular sector of the Pacific Ocean. To this end, it has had to call on the patronage of the Belgian State. To limit its liability in the event of damage Belgium recently followed a recommendation in this matter by the Tribunal for the Law of the Sea and drew up a provisional legal framework governing the activities of any company that wishes to operate in this new economic branch. FPS Economy led the project, but FPS Foreign Affairs made a significant contribution through its contacts with the International Seabed Authority.

The company managed to land this initial contract thanks to the active support of various Belgian authorities. This will demonstrate Belgian maritime expertise and technology and place our country on the map in a sector with a real future.



3. POLICY

4. Belgian Development Cooperation

New cooperation programmes with two partner countries

In 2012 Belgium signed new Indicative Cooperation Programmes (ICP) with Uganda and Mozambique. The two cooperation programmes run to a total of EUR 119 million. In both countries Belgium is continuing its activities in sectors in which its experience offers added value and continuity with previous efforts.

With its interventions, Belgium satisfies the international agenda on aid efficiency. It pays special attention to a variety of transversal themes like gender equality, environment and climate change and good governance. The cooperation programmes tie in with the sectoral development plans of the partner countries and are designed to supplement the activities of the other donor states in those countries.

Uganda

The new Indicative Cooperation Programme (ICP) covers the 2012-2016 period and will, at the behest of the Ugandan government, operate in two social sectors: education and healthcare. Belgian intervention thus ties in with the previous ICP (2009-2012), which already covered these sectors.

At EUR 64 million, the budgetary envelope remains on a par with the previous ICP. In addition, Uganda will receive an extra sum of EUR 10 million if it satisfies the following three conditions: (i) observation of the recommendations of the European Union observers on the composition of the Ugandan election commission; (ii) respect for human rights and (iii) compatibility of its activities with the Extractive Industries Transparency Initiative (EITI). The decision whether or not to award this incentive will be taken during the interim evaluation. Through this Belgium aims to stimulate reform, the requirements of good governance and respect for human rights.

In education the emphasis will continue to lie on teacher training and technical and vocational education. There are plans for a variety of actions: (i) budgetary support via the Poverty Action Fund for the sum of EUR 14 million, with special concern for the quality of further education (secondary and commercial education, technical and vocational

courses), (ii) support for the development of competencies in secondary education and in technical and vocational courses, for the sum of EUR 16 million.

Where health is concerned the action will continue to focus on first-line health via (i) budgetary support for the implementation of the Health District Development Plan, for the sum of EUR 12 million and (ii) support for the private non-profit subsector, for the sum of EUR 8 million.

Uganda will also receive EUR 8 million in student study grants intended for the most part to increase institutional strength in the two priority sectors.

Mozambique

Belgium and Mozambique have concluded a new Indicative Cooperation Programme (ICP) for the 2013-2017 period for the sum of EUR 55 million. Compared with the previous ICP (2008-2012) the bilateral envelope has fallen slightly, partly due to repeated delays in the implementation of the previous ICP and partly due to economies imposed by the Belgian government.

Two sectors take centre-stage in the new cooperation programme: agriculture and energy.

Where agriculture is concerned Belgium will concentrate on support for livestock breeding to the tune of EUR 25 million. In mid February 2013 based on the following criteria it will be looked at whether this support can take the form of budgetary support: whether there is a considered, operational plan of action for sectoral development, whether there are several donors offering budgetary support, and whether there are efficient public finance management and control mechanisms in place.

Where energy is concerned, Belgium will invest EUR 19 million in the development of new or renewable forms of energy.

Belgian federal development cooperation is withdrawing from the health sector but it has passed the torch to the Government of Flanders, which will place basic health care at the centre of the programme for Mozambique.

The ICP also proposes a new student study grant programme and is developing institutional strength through a support fund.

The new ICP for 2013-2017 devotes special attention to the activities and programmes of non-governmental Belgian partners in Mozambique and makes it possible to collaborate with them on a project in the chosen sectors.

5th Belgian Development Cooperation Stakeholders' Meeting

In May 2012 the 5th Belgian Development Cooperation Stakeholders' Meeting took place in the presence of Princess Mathilde and Minister for Development Cooperation Paul Mignette. Representatives of the United Nations, civil society, the academic world and the political world met to discuss the main theme: "Cohesion of Policy Options for Better Development Cooperation".



5th Belgian Development Cooperation Stakeholders' Meeting in the presence of Princess Mathilde and Minister for Development Cooperation Paul Mignette, Egmont Palace, 8 May © FPS FA

In a world ravaged by international crises (financial, economic, climate, food) the achievement of development objectives is still an essential challenge that does not depend solely on support, good for just 13% of the cash flow to developing countries. It also depends on the decisions taken by the developed countries, i.e. Belgium and the EU, in a large number of sectoral or macroeconomic policy areas such as trade, agriculture, finance, immigration, security, etc.

This mutual dependency is even more relevant for the developing countries. Development cooperation can only be efficient if its authority is no longer set adrift from other areas of federal policy. Clearly, decisions on economy, agriculture, foreign trade, immigration, environment, sustainable development and energy have a direct impact on the development of other countries.

National and international experts have looked into how cohesion might be improved between

the various policy options. These include Helen Clark, Administrator of the PNUD and President of the United Nations Development Group, Supachai Panitchpakdi, Secretary-General of the United Nations Conference on Trade and Development (UNCTAD), Roberto Bissio, Director of the Third World Institute, senator Marleen Temmerman, Claude Rolin, Secretary-General of the ACV/CSC and Arnaud Zacharias, Secretary-General of the National Centre for Development Cooperation (NCOS)-11.11.11. Creating cohesion between policy options is an ambitious and complex process in which divergent and opposing interests often clash.

To guarantee cohesion between the policy options of the Belgian national institutions there is a need to organise, in 2013, an inter-ministerial conference on the cohesion between policy options for better development cooperation, as well as set up an interdepartmental coordination committee.

In 2012 the Directorate General for Development Cooperation and Humanitarian Aid (DGD) underwent radical internal reforms

One of the reform objectives was to reduce staff, but the main objective was to bring about far-reaching change to international development policy. The DGD's task was clear: evolve and adapt to the new aid paradigms.

In the last ten years the majority of the donor countries, the multilateral institutions, and by far most of the developing countries that receive assistance, have agreed to use aid more effectively and more efficiently. This is to take place in line with desired results and based on the development needs of the partner countries and their populations in the South.

To remain as the main link in Belgian Development Cooperation, the DGD will have to operate on a strategic level, coordinate and exchange information more effectively, and involve more closely its colleagues in the embassies, the cooperation offices and the permanent representations in the making of policy. The reform of the DGD involves not just a new method, but a new structure.

The DGD is currently made up of four directorates.

1. The Geographic Directorate, which concentrates on the geographic context of development cooperation from a regional perspective based on the specific context and needs of the countries in the South.
2. The Thematic Directorate, which is responsible for setting the strategy, applying and monitoring Belgian thematic development instruments to achieve development results.
3. The Civil Society Directorate, charged with maintaining contact with non-governmental partners in Belgian development cooperation:

NGOs, universities and scientific institutions, educational bodies, local authorities and labour unions. These organisations play an important role in the fight against poverty, the development of capabilities and providing essential policy support.

4. The Organisation Management Directorate, which supports the strategic mission of the DGD and concentrates on the quality and effectiveness of the assistance. Special importance is attached to the achievement of development results, accountability and responsibility in this area, sharing the information gathered, and developing adequate internal supervision and risk management structures.

In addition to these four directorates, a Strategic Committee was set up to strengthen the internal cohesion of Belgian development policy and make policy proposals to the Minister for Development Cooperation.

Budgetary discipline imposed by the government implies savings in development cooperation

In 2002 the Verhofstadt government decided at the UN Summit in Monterrey that the development cooperation budget should amount to 0.7% of Gross National Income (GNI) by 2010. As it turned out this was not feasible by 2010 but, in consultation with the Member States of the European Union, Belgium aims to reach this level in 2015.

In 2010 the Belgian budget amounted to 0.63% of GNI and in 2011 0.54%. As a result of the financial crisis the Belgian government decided in late 2011 to freeze the growth in the development cooperation budget in 2012 and 2013, and keep it at the 2011 level.

In 2012 expenditures should remain below 0.50% as a result of the government's budgetary discipline, which also affects the Belgian development budget. This downward trend in development cooperation budgets is also apparent in other donor countries.

Although the government is holding fast to its quantitative objective of 0.7% of GNI it sees itself forced to suspend the timescale due to an exceptional budgetary situation.

OECD-Commission for Development Assistance – 2012, the year of the interim evaluation

In 2010 the OECD Commission for Development Assistance presented the results of its peer review for Belgium. Every four years the DAC member countries carry out a stringent audit of each country to exchange ideas and good practices in relation to the new development cooperation challenges. The audit of our country gave rise to 19 recommendations.

In September 2012, Jon Lomoy, Director of the Development Assistance Committee, conducted an intermediate evaluation designed to show how far Belgium has progressed with its implementation of the 2010 recommendations. The outcome of this analysis was seen as extremely satisfactory: Belgium is right on track. In the space of two years it has already implemented various important reforms despite a long and politically difficult period (it took 18 months of negotiations to form a coalition government).

Several projects designed to make Belgian development cooperation more efficient were launched in 2012: the updating and harmonisation of the sectoral strategies and transversal approach, the BIO reform, preparation of the 4th management contract with BTC, the review of the humanitarian aid strategy, and the reform of the regulations governing subsidies for the actors in non-governmental development cooperation.

International child protection conference

In February 2012 Belgium and UNICEF organised an international conference on child protection to commemorate the tenth anniversary of the coming into effect of the Optional Protocols to the Convention on the Rights of the Child: the protocol on the involvement of children in armed conflict and the protocol on the sale of children, child prostitution and child pornography.

Princess Mathilde graced the event with her presence. Other dignitaries took part, namely the Minister for Development Cooperation, Paul Maignette, the Director of the UNICEF programmes, Nicholas Alipui, the co-founder of Network of Young People Affected by War, John Kon Kelei, the Special Representative of the Secretary-General for Children in Armed Conflict, Radhika Coomaraswamy, and the Special Representative of the Secretary-General for Violence Against Children, Marta Santos Pais.

Through this event, Belgium and UNICEF sought to refocus the attention of the international community and other actors involved on the serious violations, exploitation and abuse with which children are faced in crisis situations.

In her opening address Princess Mathilde spoke of the importance of the school as a safe haven in emergencies and expressed her support of long term measures and the need to involve children in the development of their own futures.

Minister Maignette listed a number of specific support measures put in place by Belgium to protect children in crisis situations and said that the rights of the child permeated to the core of development cooperation. Besides the approach to emergencies he emphasised the importance he attaches to social protection in his development policy.



The Human Rights Department (M3) organised an in-camera meeting of experts on children in armed conflict. Radhika Coomaraswamy and the Chairman of the Executive Committee, Dirk Achten, took part in the debate, February. © FPS FA

Belgium, UNICEF and the other speakers argued the case for universal ratification of the extra protocols and their implementation. They urged that sustainable measures be taken and called on all parties to build a world that offers greater protection to all children.

Review of the law on development cooperation

The need to modernise the 1999 legislation on international cooperation became clear from the sessions of the parliamentary commissions in the House and in the Senate, from the Stakeholders' Meeting at which the Belgian and foreign actors meet, and from the evaluation report produced by the Special Evaluator of International Cooperation in 2008. A review of the law was therefore one of Minister Maignette's main objectives for 2012.

The new law incorporates many innovative points in accordance with the new development cooperation paradigms and aims to:

- make government assistance more effective by better adjusting it to the policy of the partner countries who themselves take care of their own development, through better coordination between the European donors, a more result-oriented approach, and allowing democratic approval of development policy in the partner countries and giving a say to organisations in local civil society;
- make assistance more sustainable and predictable, better suited to climate change and assessable according to the three indicators of sustainable development (economic, social and environmental);
- strengthen cohesion between the policy options that contribute to more development;
- build development cooperation on a policy based on rights in which economic, social and cultural rights (healthcare, education, a decent job, housing, food, etc.), civil and political liberties (non-discrimination, freedom of opinion, etc.) and the right to development are central.

The approval of this law embodies the Belgian vision of development cooperation for the coming decade, a modern vision based on solidarity and progressiveness. It will be the peg to which other major on-going reforms for 2013 will be pinned, such as the review of the mandate and role of the Belgian Investment Company for Developing Countries (BIO), the implementation of the 4th management contract with Belgian Technical Cooperation (BTC) and the review of the regulations governing subsidies for NGOs, universities, towns and municipalities, labour unions and other actors in non-governmental development cooperation.

Humanitarian crisis in the Sahel

In 2012 the DGD turned its attention to the humanitarian crisis affecting the Sahel.

In the Sahel there are a good 18 million people facing food insecurity and 1 million children at risk of serious malnutrition. With food consumption dwindling, this alarming level of malnutrition has only gotten worse. Added to this there are the conflicts across the region which are inhibiting cross-border trade, wasting economic opportunities and the money that immigrants send back, increasing the flow of refugees and the repatriated to vulnerable communities in Niger, causing unrest in traditional herding communities, restricting access to grazing land and water, and worsening terms of exchange for livestock keepers.



The humanitarian crisis in the Sahel © FPS FA

The waning power of the population to resist these crises, which revisit the Sahel time and again, is typical of the region, where a family cannot scrape enough together after living through one crisis to survive the next.

Although the immediate needs in the Sahel Region are currently of a humanitarian nature (short-term approach to save lives, alleviate suffering and help increase the population's resilience), it is essential that long-term solutions be found by thinking about

how to minimise the negative impact of the present crisis on food security in the region and how to create the conditions to get vulnerable populations to their feet again and return them to independence to enable them to protect their livelihoods.

The food and nutritional crisis in the Sahel is so geographically widespread and so thematically complex that several Directorates of the DGD are involved. For that matter, three of those Sahel countries (Senegal, Mali, Niger) are direct bilateral development cooperation partner countries and five (Senegal, Mali, Niger, Burkina Faso and Benin) are targeted by the Belgian Fund for Food Security. Several non-governmental actors are also active in those countries and receive subsidies from the DGD for programmes and projects relating to farming and food security. Finally, the Sahel situation has been a complex, priority crisis for the Humanitarian Aid Department for years.

Belgium must ask itself, as a major financier of several of the countries suffering through this crisis, how through its various programmes and initiatives it is helping to change the structural causes of the Sahel crisis and helping to develop a common vision to promote greater synergies between humanitarian aid, rehabilitation and development. To this end, a cross-Directorate team has been set up to bring together all of the infrastructure and knowhow available in Brussels and at our missions with a view to developing a strategy for this complex region. Belgium also supports initiatives at European level (AGIR - Global Alliance for Resilience Initiative) and those of the OECD via the Sahel and West Africa Club.

Special Evaluation of International Cooperation (DBE)

The Special Evaluation Office of International Cooperation (DBE) run by Mr Dominique de Crombrughe, Special Evaluator, carries out the strategic evaluation of Belgian federal activities which the OECD's Development Aid Committee (DAC) recognises as official development aid (ODA).

The objectives here is to give account of the use of public funds as well as draw lessons to improve the effectiveness of Belgian development cooperation.

Several evaluation processes took place at once in 2012. We focus on three which related to financial cooperation instruments.

Budget support: conditional results

Budget support is a form of development cooperation that consists of providing financial support to the treasuries of recipient countries. The support increases the financial resources of the partner countries so that they can implement their own budgets according to their own procedures. In addition, a process of policy dialogue between partner countries, donors and civil society has been set up.

Budget support has been a matter for discussion for several years. Questions are regularly raised over good management and the State's actual capability for improvement.

The European Commission has prompted a series of evaluations of this tool to check whether this form of assistance is an effective means of achieving good results in the fight against poverty and in efforts to promote economic growth.

To this end the DAC has developed a pilot methodology to evaluate the results of budget support. This methodology was tested for three countries: Tunisia, Mali and Zambia. The DBE took part in the exercise involving Mali.

The findings, also supported by a recent study in the Netherlands, are as follows:

- Budget support contributes to better management of public finances in the recipient countries.
- It is the most predictable form of assistance.
- Local systems of implementation were effectively strengthened; transaction costs were effectively reduced and more assistance went to the social sectors.
- Budget support is particularly effective in sectors that also have other forms of support. Support of a partner country's government policy is particularly effective. On the other hand, it has been shown that budget support is not an effective means of "buying" a policy change in a partner country.
- Good political will alone in the partner country cannot be taken as a guarantee of success and an administration with the competence to manage this form of assistance is also necessary.
- Nonetheless, donors have not been selective enough in the past. They gave budget support to States that were not yet sufficiently competent or ready to administrate it.
- The evaluation could not sufficiently demonstrate the impact of budget support on financial poverty.
- Donors have exerted pressure to alter the partner governments' policies, but in some countries this was counterproductive.

On 21 and 22 March the DBE, in cooperation with the European Commission and DAC, held a workshop on the evaluation of budget support. Some 100 participants from over 20 countries met at the Egmont Palace on this occasion.

The aim of the workshop was to bring together, inform and train the parties involved (donors, recipients, evaluators and civil society) with a view to further evaluations of this instrument.

The experience garnered from these three case studies is now being used to refine and simplify the methodology. A new series of joint evaluations is now being prepared and the DBE will participate in the evaluation of Burundi in 2013. Specific to this evaluation is the fact that Burundi is the first fragile/post-conflict State to be evaluated in this area. The other countries are Morocco, Mozambique and Tanzania.



Dominique de Crombrughe de Looringhe, Special Evaluator of International Cooperation, speaking at the workshop, Egmont Palace, 21-22 March 2012 © FPS FA

Debt relief: a clean slate, but then what?

There are some similarities between this type of intervention and budget support. The two arrangements are designed to increase the budget resources available to the partner country, one through a contribution of cash in foreign currency, the other through a lowering of expenditure in foreign currency. As is the case with budget support, it is not possible to assess the impact of Belgian assistance on debt relief separately. Since the support is negotiated in the Paris Club it is necessary to look at the impact of debt relief in its entirety. Despite some similarities the two instruments are nevertheless different.

For the last 35 years developing countries have been extremely heavily in debt, making them unable to provide their populations with the services they need. Improvements in the management of debts is one of the elements to which the States have committed in the framework of building a worldwide development partnership.

Several processes have been set up at the international level to help make the debt burden more "bearable" again for these countries over the long term. In this regard there is the HIPC (Highly Indebted Poor Countries Debt-Initiative) and the MDRI (Multilateral Debt Relief Initiative).

The DBE sought to uncover the details. Statistics published by the World Bank (WB) and the International Monetary Fund (IMF) (total debt relief and/or other rearrangements) are one thing, but how convincing is the intervention logic behind the principle of debt relief? Does the process bring about development or not?

The DBE therefore decided to conduct two joint evaluations with the Inspectorate of Development Cooperation and Policy Evaluation (IOB) of the Dutch Ministry of Foreign Affairs of the debt relief granted

to Nigeria and the Democratic Republic of Congo. The DBE also carried out its own evaluation of Belgian debt relief policy, with Cameroon being the case under study.

The evaluations revealed that debt relief did in the past bring countries back to solvency, but the impact on development is very difficult to measure. The real effectiveness of such operations very much depends on the allocation procedures and political will.

The conclusions of these evaluations were presented and discussed at a seminar on Wednesday, 26 September 2012 in Egmont Palace in Brussels. More than 130 participants from 22 countries took part in the gathering.

The seminar brought together speakers from international organisations (WB, IMF, Paris Club, UNCTAD) and from civil society (AFRODAD, Erlassjahr, CNCD), as well as delegations from the countries involved in the evaluations.

Various aspects of the subject were debated: the challenges relating to the manageability of the debt, the need for an international charter for responsible lending and borrowing, astronomical debt, debt audits, etc.

It should be noted that the countries in the South are still highly in need of investment and that the risk of spiralling debt has not receded.

BIO: private-sector supporting actor

BIO, the Belgian Investment Company for Developing Countries, set up in 2001, has now been in existence for over 10 years. In 2007 the DBE evaluated BIO, then still a young and fast-growing company. Five years later it was recommended that BIO, which has since grown with vigour, be evaluated again.

The evaluation was carried out in two phases.

In the first phase the evaluation looked at policy, management and development relevance at BIO. These were then benchmarked against a few other European Development Finance Institutions (EDFI).

The main conclusions were as follows:

- The evaluation reasserts BIO as an important private-sector supporting actor in Belgian development cooperation.
- BIO must pay greater attention to the development relevance of its investments.
- There is a contradiction between BIO's profitability requirements and the expectation that it invest in projects with a strong development character that carry financial risk (e.g. in DRC). Some of the resources should be able to go to such projects with high development relevance.
- The evaluation raises no serious objections to the use of Offshore Financial Centres.
- BIO must develop a clearer communication policy.
- The functioning of the Board of Directors is in

need of review/optimisation and should focus to a greater extent on strategy.

The second phase (2013) will involve an evaluation in the field with a strong focus on the development results associated with BIO interventions. Through this the findings from the first phase can be explored in greater depth. A final report is expected by late 2013.

Conclusions

It is not a simple matter, from one year to the next, to identify and present the problems and successes of development cooperation in a simple and straightforward manner.

Most evaluations give us accurate information on the immediate, short-term results (outputs) and effects (outcomes) of a given initiative. Information on topics such as sustainability and long-term impact is, however, much more difficult to obtain.

To improve the credibility and quality of the evaluation of the results and impact it would have to be incorporated into a project or programme cycle. Ideally then, it would have to be planned at the same time as the project or programme itself. Clearly, the more the design and management of the initiative are geared to the expected results the easier it will be to measure and assess these results. Once the initiative or programme has been planned it must be ensured that the SMART indicators along with their respective values (start and target values) are created. A system of data gathering, monitoring and evaluation must also be developed to provide the most accurate measurement of progress towards the expected results.

For more info:

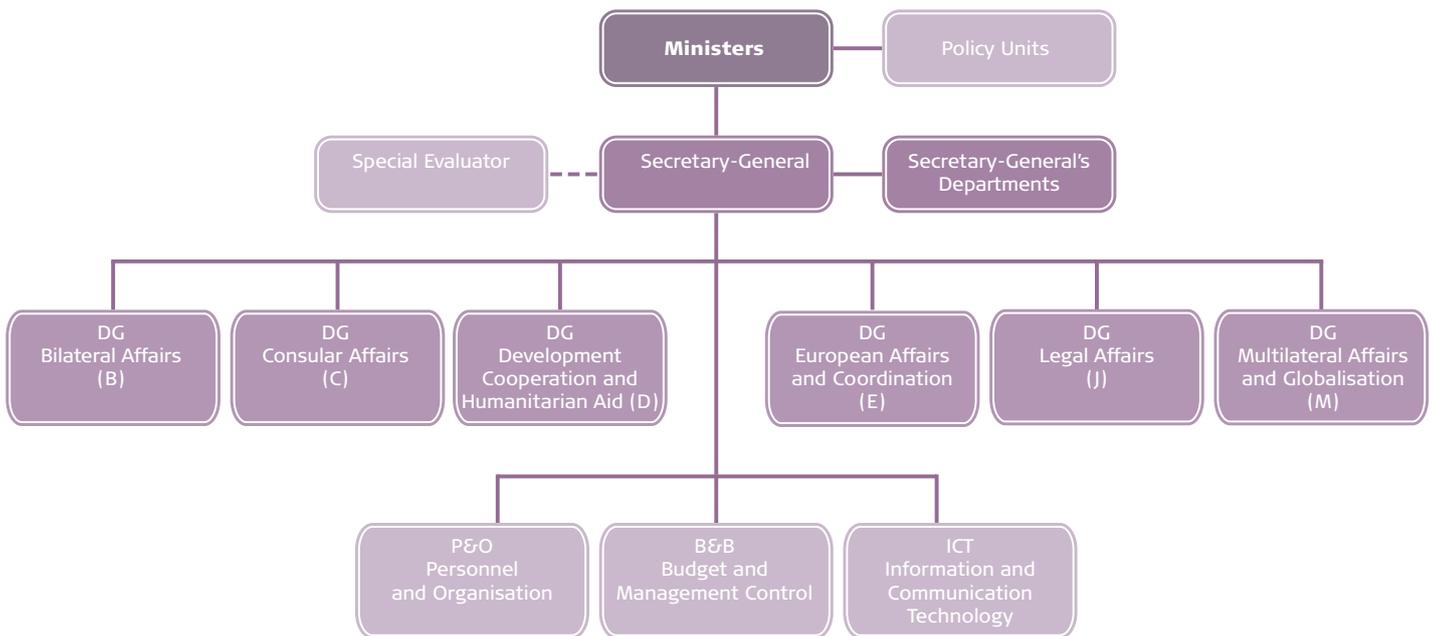
<http://oecd/dacbudgetsupport>

http://diplomatie.belgium.be/en/policy/development_cooperation/evaluation/



4. ANNEXES

1. Organisational chart of the FPS





4. ANNEXES

World Map of FPS representations in Belgium and abroad (as at 31 December 2012)





© CARTO uitgeverij, Brussels (2009)



4. ANNEXES

3. Acknowledgements

Federal Public Service Foreign Affairs, Foreign Trade and Development Cooperation
Communication Department (P&C3)
Karmelietenstraat/rue des Petits Carmes 15
1000 Brussels
Tel. +32 501 81 11
diplomatie.belgium.be

English translation: Data Translations

Photo copyrights:
Federal Public Service Foreign Affairs, Foreign Trade and Development Cooperation
Chancery of the Prime Minister

Content Publisher:
Dirk Achten: rue des Petits Carmes 15, 1000 Brussels

The information contained in this report is for information only. The Federal Public Service is in no way legally bound by it.

2013



KINGDOM OF BELGIUM
Federal Public Service
**Foreign Affairs,
Foreign Trade and
Development Cooperation**

