

Evaluation of the Belgian exit strategies of 6 countries from direct bilateral cooperation

Summary - October 2019

Special Evaluation Office (SEO)

Context of the Evaluation

In May 1999, Belgium adopted a law on development cooperation with the objective of encouraging greater coherence of aid in terms of the number of countries supported and the sectors of intervention. This law was followed by several Royal Decrees between 2000 and 2015 that gradually reduced the number of partner countries from 25 to 14. The Royal Decree of 29 May 2015 specifies the six exit countries covered by the present evaluation: South Africa, Algeria, Bolivia, Ecuador, Peru, and Vietnam.

Two central documents served as a guide for the exit process. First, the Law of 19 March 2013, which in particular laid down the time frame for the exit process (maximum period of four years) and set out the principles of a partnership with the countries in question and an integrated policy with the Belgian actors involved. Second, the strategic note on Belgian development cooperation in Middle Income Countries (MIC) of June 2013, known as the "MIC note". This note sets out the analytical framework for Belgium's eventual exit from bilateral cooperation in the MIC countries and specifies the course to follow, in particular regarding: the factors to be taken into account in selecting the exit countries; the continuation of cooperation in other forms (non-governmental or multilateral cooperation is still justified in most cases, for example); and alignment with European development policy.

In this context, the Council of Ministers of the new government of October 2014 took the official decision regarding the exit from six countries on 21 May 2015. The services of the Minister for Development Cooperation subsequently communicated this decision to the embassies of the countries concerned, announcing the exit deadline of 30 June 2019. The decision reflected the government's desire to concentrate Belgian development cooperation on a few homogeneous geographical regions with significant poverty and instability which have, among other things, an impact on migration flows to Belgium. These include in particular the Great Lakes region in Central Africa, and West Africa.

The exit decision prompted a process of analysis and reflection in each target country, whereby actors of the Belgian non-governmental cooperation (ACNG in French), embassies and the Belgian Development Agency (BTC, which became Enabel on 1 January 2018) were urged to consider scenarios for transition to other forms of cooperation.

On 8 March 2016, the Minister for Development Cooperation sent final, comprehensive and country-specific guidelines, which severely limited the resources and support available for the transition and called for a downward revision of the first exit strategies. In particular, the guidelines stipulated that there could be no new commitments, identification of new projects or supplementary budgets, including for civil society organisations. In addition, the budget balances were to be returned to the Belgian Treasury. However, a communication budget was allocated per country.

Objectives of the Evaluation

This independent evaluation was commissioned to the consultancy firm ADE by the Special Evaluator Service (SES) of the Belgian Development Cooperation. The evaluation aimed at providing an assessment of the exit strategies from direct bilateral cooperation that were applied in the six exit countries between May 2015 and June 2019. The objectives of the evaluation were to analyse: (i) the relevance of the choice of exit

countries and the criteria used; (ii) the content and implementation of exit strategies; and (iii) the results achieved by the implementation of these strategies. Finally, the evaluation had to draw lessons from the experience gained during the exit period in order to improve strategic decision-making on the possible exit of new countries in the future.

Methodology

The general methodological approach was initially based on the "theory of change", which traced the logical sequence of cause-and-effect relationships between the exit decision and the expected outcomes. On that basis, eight principal evaluation questions were defined, as well as judgement criteria and indicators for each of them. They covered in particular the relevance, effectiveness, efficiency, sustainability and visibility of the output processes and formed the framework of the present report. A document review was carried out together with a series of interviews at the headquarters of various actors in Belgium, and visits took place between 10 June and 19 July 2019 successively to Peru and Bolivia, Algeria, Vietnam, and South Africa. Only Ecuador was not visited, but the evaluation team met in Lima with several actors involved in cooperation with this country and conducted telephone interviews with actors in Ecuador. The evaluators had the opportunity to meet with the relevant people working at the embassies in these six countries as well as Enabel, national and local authorities, key project actors, civil society organisations and Belgian institutional actors. The information collected was triangulated and analysed, to answer the eight evaluation questions. On that basis, conclusions and recommendations were formulated.

General assessment

Overall, the choice of exit countries was relevant with regard to the criteria stated in the MIC note. However, in a difficult budgetary context and despite the initial intentions to set up a transition to new partnership models, there has been no overall strategic approach or transition programme. The approach followed was almost exclusively centred on the phasing out of government cooperation (in parallel with the complete closure of the Belgian embassy in two of the six countries).

The very clear and strict nature of the Minister's exit guidelines meant that all countries met the exit deadline of 30 June 2019. Nonetheless, this also led to various challenges and constraints, as well as negative effects on results in several countries. Enabel's commitment and flexibility also helped the deadline to be met, and made it possible to overcome some of these challenges.

Belgium's image remains generally intact, but disengagement presents clear risks of loss of influence in the exit countries.

Figure 1 : Meeting in Vietnam "Belgium-Vietnam: A Successful Development Partnership"



Principal conclusions

Relevance

The choice of the six exit countries appears to be **generally relevant**, as the government's decision was based on a combination of economic criteria - which make the difference between LICs (Low Income Countries) and MICs - and policies. The latter, in the absence of an official explanatory note, appear consistent with the situation in the countries concerned, even if the use of socio-economic criteria (inequalities, proportion of poor people, etc.) is not apparent. The result is an increased concentration of Belgian development cooperation in Central and West Africa.

The exit strategy also reflects a **desire for internal coherence** based on a four-year period, as laid down in the law of 2013, even if the interpretation of the law may have been restrictive. This period corresponds to a full legislature between the exit decision in May 2015 and the federal elections planned for May 2019, and thus enabled the Minister to manage the exit from start to finish.

However, **the four-year period generally turned out to be short** - sometimes too short - for all exit countries - except in Ecuador, where projects were wound down well before the deadline of 30 June 2019. Although this period was used to its full extent, it included, in addition to implementation, identification and negotiation phases that were often complex. For infrastructure projects in particular, the initial identification realistically envisaged a much longer implementation period. In practice, the strict application of the four-year period limited the possibilities for a "soft landing" of government cooperation.

Some analysis aiming at a transition to other forms of cooperation - as envisaged in the MIC note - can be found in the proposals made by embassies and in the discussions of the initial "Common strategic frameworks" of the ACNGs. **However, these reflections were unsuccessful** due to a lack of political will, budget and flexibility. On the contrary, the Minister's guidelines of March 2016 focused on winding down ongoing projects without new commitments. The strategy therefore did not offer any concrete action plan towards transition, nor any support budget other than for communication.

The six partner countries were informed but not consulted regarding the decision to end bilateral cooperation and the terms for disengagement. On the other hand, by (re)negotiating the terms of the most recent cooperation programmes, specific agreements and technical and financial dossiers for exit projects, these countries - with the partial exception of the Andean countries - had the opportunity to become deeply involved and **integrate their national priorities**, which generally reflected areas of mutual interest (environment, innovation, academic cooperation, gender equality, etc.). Some projects in South Africa and Algeria were also specifically formulated in the spirit of the MIC note to support the exit while strengthening - at their request - the most critical capacities of partners around key themes.

It should also be stressed that **Enabel was able to maintain close contact with the partner countries**, and generally demonstrated appropriate flexibility to support the winding down of projects. Structurally, most of the projects were developed by Enabel in such a way as to encourage the resumption of activities by the institutional partners of the receiving countries. However, the merit of this approach was limited in some cases by a highly curtailed implementation period - to avoid exceeding the deadline of 30 June 2019, and by the sometimes varying capacities of the partners.

In general, the decision to end bilateral cooperation with higher MIC countries to "transit" to a new type of partnership is **in line with the practices and positions of the European Union (EU), Member States and other OECD donors**. In particular, it is in line with the principle of "differentiation" between lower and upper MICs as set out in the Agenda for Change adopted by the EU in 2011. However, by completely stopping its bilateral cooperation, **Belgium is going further than the consensus** in the rationale of differentiation, not only because it has not set up a "transition" as such, but also owing to the fact that the EU and many Member States have decided to take into account other factors. Among these, the importance of maintaining a form of cooperation as a lever in global issues such as climate change and the fight against drugs in Latin America, to keep addressing threats to human rights, or the significant inequalities and fragility of some MICs, must be outlined.

Effectiveness

The exit was **completed on time and within budget**, despite the various challenges involved.

Nonetheless, the operationalisation of the strategies was hardly conducive to optimising the results. The exit strategies **focused exclusively on winding down all projects by 30 June 2019**. In this context, only visibility benefited from a budget, but this was divided into annual tranches that did not allow for optimal flexibility.

The Minister's guidelines of March 2016 imposed **three deadlines for disengagement** between June 2018 and June 2019 (respectively for infrastructure works, other commitments, and finally all expenditures). These deadlines gave the strategy a certain sense of progressivity, but they were not targeted at the transition, and they **did not provide flexibility or opportunities for joint development** with partners.

There is **little evidence of "close political dialogue"** in the context of the exit strategy, despite the initial search for ways forward towards an appropriate transition that took place in all countries with Belgian national partners and ACNGs. Due to a lack of budget, and sometimes other support, the initial dialogue was not continued. The pre-existing forms of cooperation (academic exchanges, civil society, private sector, the Red Cross in South Africa) were often continued on an individual basis but without much support from the headquarters.

The **reduction in international cooperation staff was sometimes too hasty** and was not always consistent with the strategy. The remaining cooperation offices in Bolivia and Ecuador, following the closure of the embassies in 2006, were closed from 2015 on. In Algeria and South Africa, the diplomatic posts that were supposed to accompany the transition were closed in 2015 and 2016. These closures took place in parallel with the international relocation of Enabel's resident representatives, which did not facilitate relations with partners and other actors - Belgian or international - in the exit countries.

The **reduction in project staff was more coherent**, albeit with one exception. The management of this reduction was progressive, flexible and adapted in Vietnam and especially in the Andean countries - which present an example of good practice in this field (including through the use of "outplacement"). On the other hand, in Algeria, the complete closure of the Enabel office and the laying off of all experienced staff by 30 June 2019 - without even keeping on a temporary administrative agent - must be seen as being potentially counterproductive.

Efficiency

As already mentioned, there was often **a continuous and fruitful technical dialogue** within the projects. Enabel's programme-based approach - regardless of the exit strategy - integrated knowledge and technology transfer as systematically as possible into the formulation of many exit projects, in coordination with the partners. The same is true for the institutionalisation and capitalisation activities that were implemented whenever relevant.

However, this approach was sometimes affected by the varying capacities of the partners, and by the **limited duration of the projects**. In terms of relevance, the deadline and the maximum duration of four years imposed by the strategy turned out to be (too) short in most cases - except in Ecuador. The identification of projects often required a protracted period of time, and there were frequent delays in implementation. As a result, the deadline often hindered the successful completion of projects, and **some activities remained unfinished**, such as capitalisation activities, which are often planned near the end when maximum effort is required to complete such components on time. This was particularly true for complex infrastructure projects, which generally had to be curtailed at the expense of their "soft" activities, such as capitalisation. However, the commitment of the actors and flexible implementation partially managed to offset this negative effect.

On the other hand, in some cases (the Andean countries) the application of a strict deadline resulted in a faster than usual implementation, with little apparent negative impact on the results.

Sustainability

By paying particular attention to knowledge transfer and local ownership activities in the exit projects, Enabel **tried to ensure that they would be sustainable**, taking into account resources and sometimes unstable situations - as in some Andean countries. On the other hand, some projects were specifically formulated to optimise transfers in an exit context in South Africa and Algeria; these projects (PRCDE and BAPED) proved to be effective in creating optimal conditions for sustainability.

As already mentioned, the **deadlines for closure did not favour the sustainability** of some projects. The same applies to the complete departure of Enabel, without offering any possibility of future support, even on an ad hoc basis or via projects for third parties. However, there are some exceptions, such as the extension of the international technical assistant for the AGID project in Algeria, paid for by the Enabel headquarters.

Some lessons can also be learned about sustainability, for instance the importance of **appropriate flexibility** which, in the formulation of exit projects, can enhance their sustainability.

Visibility

The budget of EUR 50,000 per exit country allocated by Belgium for communication **proved to be adequate**. Overall, the communication was successful and **Belgium's positive image remained intact** in all six countries, even if the initiative was left to the embassies without guidance from headquarters or exchanges on best practice, and in a context of limited human resources. Fortunately, communication also benefited from the capitalisation events organised individually by the projects - which were highly appreciated by the partners, as well as from an active collaboration between Enabel and the embassies.

Conversely, **the terms for applying the communication budget**, divided into three annual tranches (2016, 2017 and 2018), was problematic - except in the Andean countries (see below). The understaffed embassies had not scheduled communication activities before the end of the exit period in 2019, and therefore had to organise closing events by other means. In Algeria, this plan was thwarted by political tensions between national actors.

In the Andean countries, the "**Bélgica Contigo**" campaign helped to improve Belgium's image by developing a genuine communication and public diplomacy strategy, and can therefore be considered as an example of best practice in this respect. However, this campaign focused more on Belgium's image than on the actors who remain engaged in the three countries and on new forms of partnership - which was the subject of communication efforts in other countries, notably in Vietnam and South Africa. Finally, the continuity of efforts in the context of the **Bélgica Contigo** campaign after 30 June 2019 (e.g. managing the Facebook account) was not guaranteed after that date.

Figure 2 : Public Diplomacy - Logo **Bélgica Contigo** (Peru)



Main recommendations

At the strategic level, it is particularly important to:

- systematically take into account, in the choice of exit countries and the terms of disengagement, socio-economic indicators other than average per capita income, following the example of the EU and in accordance with the MIC note;
- adapt the exit conditions to the different countries and types of projects (particularly in terms of infrastructure) by following the principle of "one size does not fit all";
- develop a strategic vision and action plan to set out a new form of partnership, taking into account issues of mandate and expertise, timelines, human and budgetary resources required, in consultation with all relevant actors;
- promote specific activities adapted to MICs such as alumni networks, expertise funds or the deployment of junior experts;
- systematically support a real political dialogue, to move towards a new type of partnership and subsequently sustain this partnership, in close coordination with the Belgian actors concerned;
- consider maintaining actions in the strategy to target global issues or priority interests for Belgium; in accordance with the EU's Agenda for Change, remain active in European coordination bodies and multi-donor in priority interest sectors;
- start the four-year period from the signature of the specific agreement, so as not to hinder implementation, which may be curtailed by long periods of identification and negotiations;
- develop guidance and ensure appropriate budgets for new partnerships with exit countries;
- systematically examine the opportunity of projects specifically formulated to strengthen the most crucial capacities in an exit context, such as BAPED or PRCDE;
- make it possible to systematically identify opportunities for other actors to take over as soon as the programmes are (re)formulated.

At the operational level, it is advisable in particular to:

- ensure the necessary flexibility at all levels, whether for reasons of efficiency, sustainability or communication;
- capitalise on the experience of disengagement from government cooperation, ensuring that teams tasked with exit can meet other people who have experience with a similar situation, and set up a mechanism to safeguard experiences available to all parties, to guide future exits;
- gradually withdraw cooperation staff according to the situation in the various exit countries. Adopt a flexible attitude and possibly strengthen existing teams if necessary; similarly, draw inspiration from best practice in Andean countries in terms of reducing local staff, such as using outplacement;
- better focus communication on new forms of partnership that can be envisaged, including through civil society organisations, institutional actors and the private sector;
- draw inspiration from the best practice of "Bélgica Contigo" in terms of strategy and tools for communication and public diplomacy. Ensure the follow-up of the key tools of the campaign, for Belgium's future communication in these countries or even at regional level. Ensure that sufficient attention is paid to the remaining actors in the country and the new types of partnerships envisaged;
- mobilise or develop the communication skills and resources of the DGD for the benefit of the field. These skills should make it possible to set out a communication strategy, provide guidance to stakeholders, and encourage the exchange of best practice;
- better explain Belgian federal and regional competences to the authorities of the partner countries;
- ensure the systematic implementation of the "one roof" policy, including, if possible, the regional investment agencies (FIT, AWEX and Brussels Invest & Export).