REPORT

FLANDERS ODA 2016

Government of Flanders

FLANDERS
DEPARTMENT OF
FOREIGN AFFAIRS

COLOFON

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FLANDERS ODA REPORT 2016

10 graphs on official development assistance by the Government of Flanders in 2016

content

INTRODUCTION: WHAT IS FLEMISH ODA?

The Flemish ODA report 2016 provides an overview of all expenditure made by the Government of Flanders on development cooperation. ODA is the abbreviation of Official Development Assistance. Official development assistance is defined as those flows to countries and territories on the DAC List of ODA Recipients (available at www.oecd.org/dac/stats/daclist) and to multilateral development institutions which are:

1. provided by official agencies, including state and local governments, or by their executive agencies; and
2. each transaction of which:
   - is administered with the promotion of the economic development and welfare of developing countries as its main objective; and
   - is concessional in character and conveys a grant element of at least 25 per cent

Under the terms of the Framework Decree on Development Cooperation, the annual ODA report is a report required to be delivered to the Flemish Parliament. The report lists the measures taken by the Government of Flanders which go towards meeting the international target of spending 0.7% of the Gross National Income on ODA (Framework Decree, Art. 23, 24).

The Government of Flanders delivers this report to the federal authorities, more specifically the Directorate-General for Development Cooperation and Humanitarian Aid (DGD). This Directorate then bundles together all ODA originating from the Belgian territory and submits a complete report to the Organisation for Economic Cooperation and Development (OECD).

BROADER INTERNATIONAL FRAMEWORK: THE SUSTAINABLE DEVELOPMENT GOALS

Flanders wants to commit actively to the global Agenda for Sustainable Development. The expenditure included in this report contributes to the realisation of sustainable development in developing countries and in Flanders.

On 18 April 2016, the Government of Flanders organised its first States General for Development Cooperation. This stakeholder meeting was dedicated to anchoring the global Agenda for Sustainable Development in Flemish development cooperation. The lessons learnt from this meeting were used to design the concept paper "*De Vlaamse ontwikkelingssamenwerking anno 2030. Naar een nieuwe identiteit voor Vlaanderen als partner in ontwikkeling*" *(Flemish development cooperation in 2030. Towards a new identity for Flanders as a partner in development).*

DIGITAL ACCESS: FASTER ACCESS TO MORE INFORMATION

This report documents global trends in Flemish ODA in 2016 on the basis of 10 graphs. The actual project data are made available online through the website of the Flanders Department of Foreign Affairs.
Please refer to http://www.vlaanderen.be/int

The Department website refers visitors to the online ODA database which offers access to all the project data of the past five years. This is the web address which offers direct access to the ODA database:
https://awesome-table.com/-KZexmXgsXnaSIXoSRIF/view

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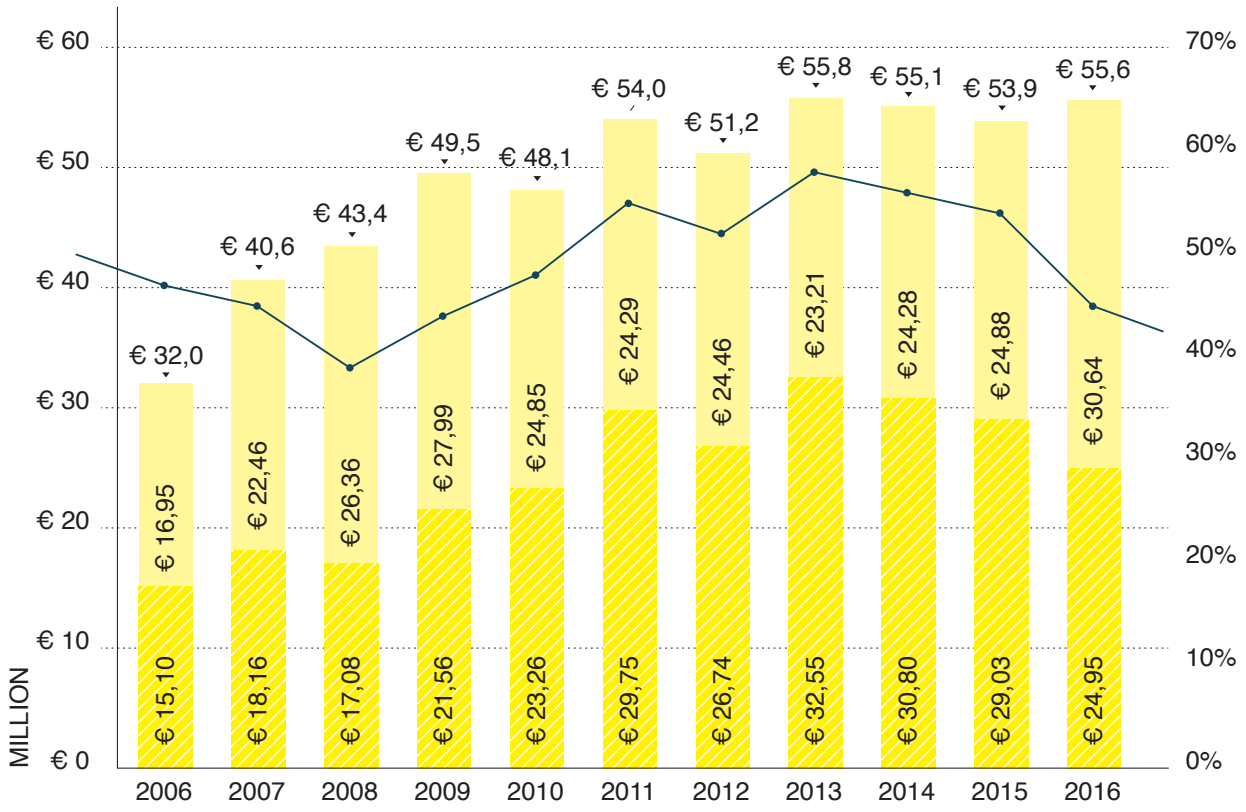
[1] Framework Decree of 22 June 2007 on Development Cooperation

[2] Online available at https://www.vlaamsparlement.be/parlementaire-documenten/parlementaire-initiatieven/1097896

1. EVOLUTION OF TOTAL ODA: BREAKDOWN BETWEEN DEVELOPMENT COOPERATION POLICY AND OTHER ODA

{Data set: total ODA}



Development cooperation policy expenditure

Other ODA

€ Total ODA (in bold above stacked column)

% development cooperation policy in total ODA (right axis)

Total ODA is composed of two large funding sources:

1/ **Expenditure under the development cooperation policy**, managed by the Flanders Foreign Affairs policy area. In 2016, this expenditure originated from two funding sources: the cooperation development budget and the Flemish Climate Fund.

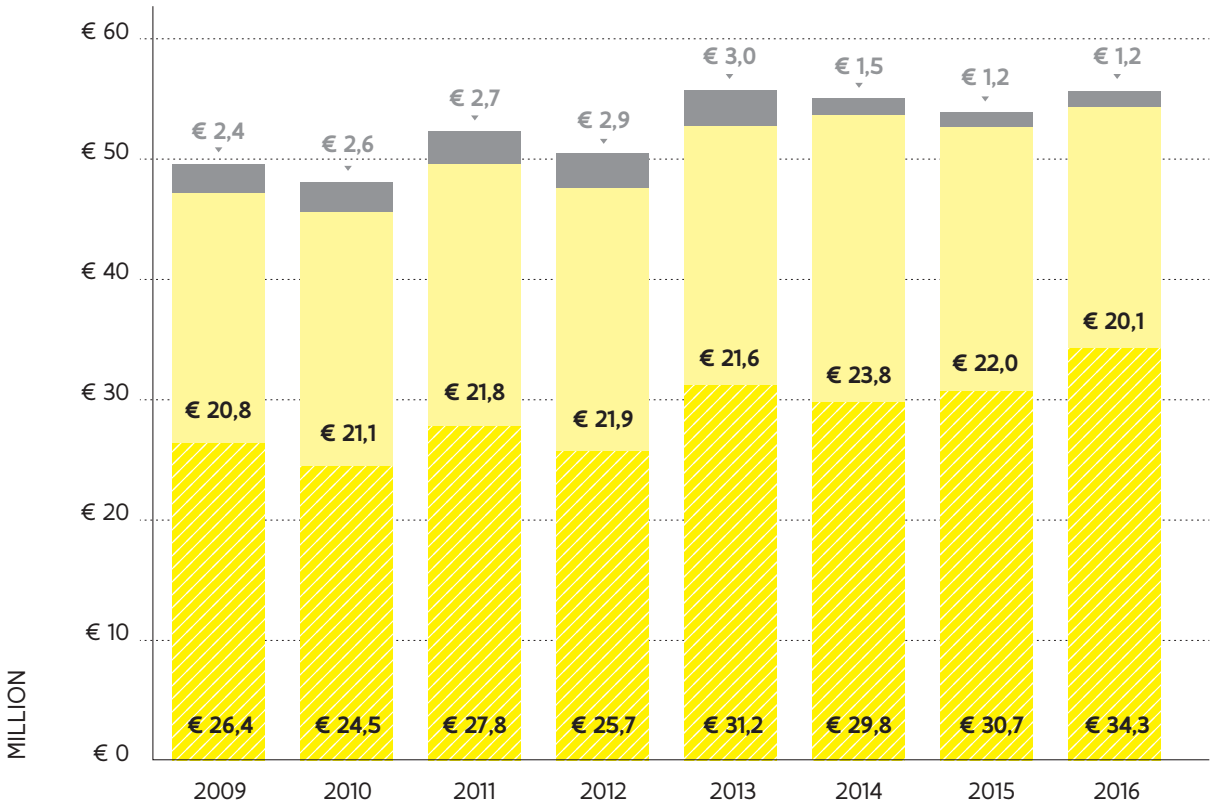
2/ **Other ODA**: Other policy areas of the Government of Flanders also appropriate resources for projects, programmes or funds that have a positive impact on developing countries. Graph 4 gives the source for each policy area.

The text between brackets at the top of each chapter of this report clarifies to which data set the analysis is related. Graphs with 'total ODA' as data set can be further split into 'Development cooperation policy' and 'Other ODA'. The key of each graph shows where the given data originate from.

In 2016, total ODA rose to €55.6 million, which is an increase by 3% compared to ODA in 2015. A growth is recorded in the segment 'Other ODA'.

2. CONTRIBUTIONS FOR DEVELOPING COUNTRIES, FLANDERS AND ADMINISTRATIVE COSTS

{Data set: total ODA}



Developing countries
Flanders
Administrative costs

In 2016, Flemish ODA amounted to €55,583,308, of which €34.3 million or 62% is allocated to projects, programmes and funds that are focused on developing countries (bright yellow surface in the graph). This is the geographical breakdown of this expenditure (100%):

- 41% to the focus region of Southern Africa
- 18% to other regions in the world
- 41% to unearmarked aid (multilateral cooperation).

Graph 3 of the ODA report, on the ratio between 'ODA-eligible climate finance' and 'total ODA', offers an explanation for the increase in contributions to developing countries.

Contributions in Flanders amounted to €20.1 million or 36.1% of total ODA in 2016 (pale yellow surface in the graph). These contributions benefit domestic actors who play an important role in the field of development cooperation. In the first instance, these funds do not leave the country. They may have an indirect effect, however, on the socio-economic development in developing countries.

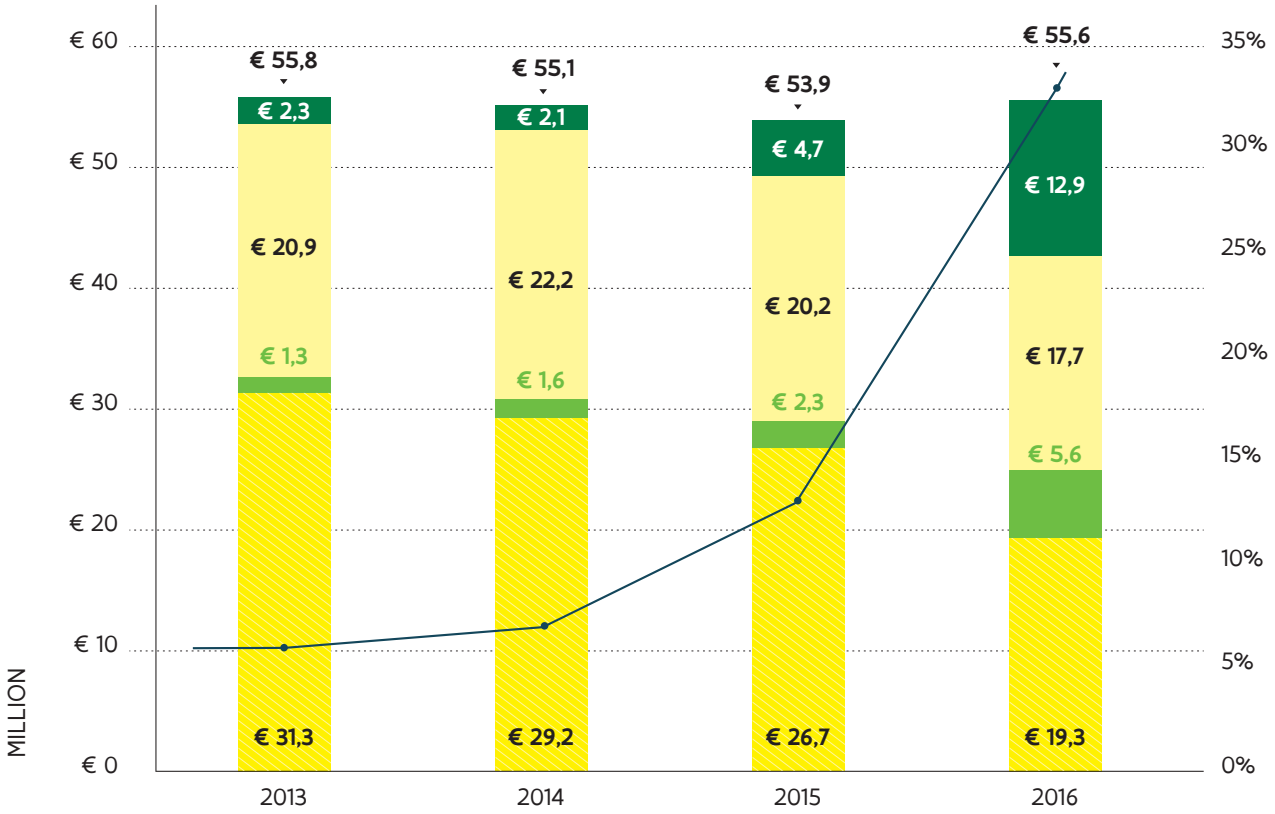
The falling funds in Flanders can mainly be attributed to the transfer of the resources for municipal development cooperation to the Municipal Fund. Until 2016, the Flanders Department of Foreign Affairs transferred these resources to the municipalities concerned, and could subsequently report this contribution as Flemish ODA. Since 2016, these resources are allocated to the Municipal Fund as an unearmarked contribution. As a result, they do not a priori meet the ODA criteria. The municipalities themselves report directly to the federal government on which resources from the Municipal Fund they spent on development cooperation in the past year.

Finally, the Flanders Department of Foreign Affairs also charges **administrative costs** that need to be incurred to realise the development cooperation policy and the implementation thereof. In 2016, these costs accounted for 2.3% of total ODA.

In 2016, ODA expenditure to developing countries increased by 12% compared to 2015. ODA expenditure in Flanders decreased by 9% in 2016 compared to 2015.

3. EVOLUTION OF ODA-ELIGIBLE CLIMATE FINANCE IN PROPORTION TO TOTAL ODA

{Data set: total ODA} [3]



- Development cooperation policy expenditure: total excluding climate finance
- Development cooperation policy expenditure: ODA-eligible climate finance
- Other ODA: total excluding climate finance
- Other ODA: ODA-Eligable climate finance
- € Total Flemish ODA (bold figure above stacked column)
- Share of ODA-able climate finance in total ODA (in %, right axis)

[3] Methodological footnote:
- This comparison on the basis of payments starts from 2013 as, prior to 2013, climate finance was reported on the basis of commitments.
- In order not to compare apples and oranges, this graph only contains contributions that meet the ODA criteria.
- Detailed information on the composition of Flemish international climate finance can be consulted on the website https://docs.google.com/spreadsheets/d/1kypWZ0x6nKicy6V0Ccch4JLTsPhHXQkprXbWE_2nVEM/edit?pref=2&pli=1#gid=0

In 2016, the Government of Flanders spent €19 million within the framework of international climate finance, €18.5 million of which meets the international ODA criteria. The table below offers more information about the source of ODA-eligible climate finance:

	Total ODA-eligible climate finance	Financed by the Flemish Climate Fund
Development cooperation policy	€5,643,118	€3,157,091
Other ODA	€12,886,027	€12,500,000
Total	€18,529,145	€15,657,091

In 2016, €17.5 million of international climate finance was committed on the Flemish Climate Fund. It concerned additional funds on top of the development cooperation budget.

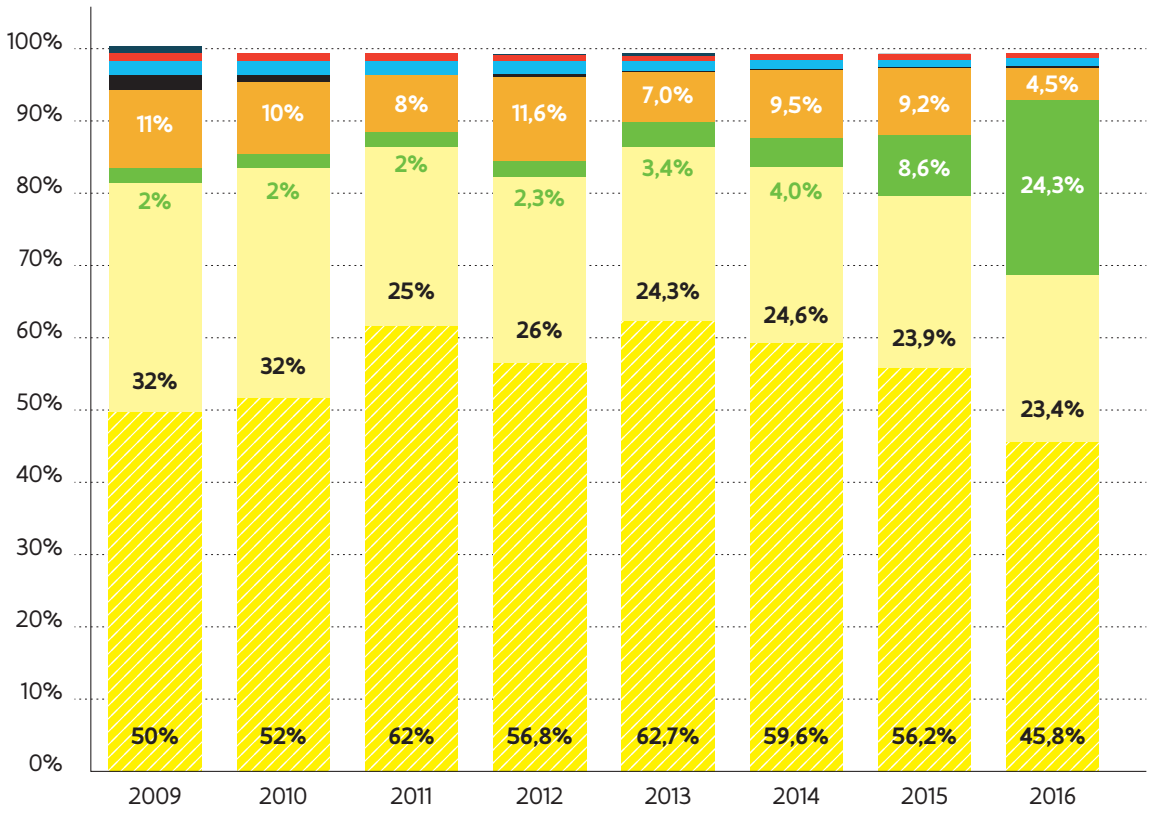
In 2016, €15.7 million of these commitment appropriations already led to payments, €3.2 million of which under the development cooperation policy and €12.5 million under Other ODA.

As illustrated by the graph, the additional funds from the Climate Fund in part compensated for the decreasing expenditure under the development cooperation policy.

New and additional resources for ODA-eligible international climate finance explain the increase in total ODA in 2016. The share of climate finance in total ODA rose from 13% in 2015 to 33% in 2016.

4. BREAKDOWN OF ODA BY POLICY AREA

{Data set: total ODA}



- Flanders Foreign Affairs (iV)
- Education and Training (OV)
- Environment, Nature and Energy (LNE)
- Economy, Science and Innovation (EWI)
- Culture, Youth, Sport and Media (CJSM)
- Work and Social Economy (WSE)
- Mobility and Public Works (MOW)
- Agriculture and Fisheries (LV)

The Flanders Foreign Affairs policy area (iV) is responsible for implementing the development cooperation policy. The share of iV fell to 45.8% in 2016 as a result of:

- the decrease in expenditure under the development cooperation policy
- the remarkable increase in Other ODA in 2016.

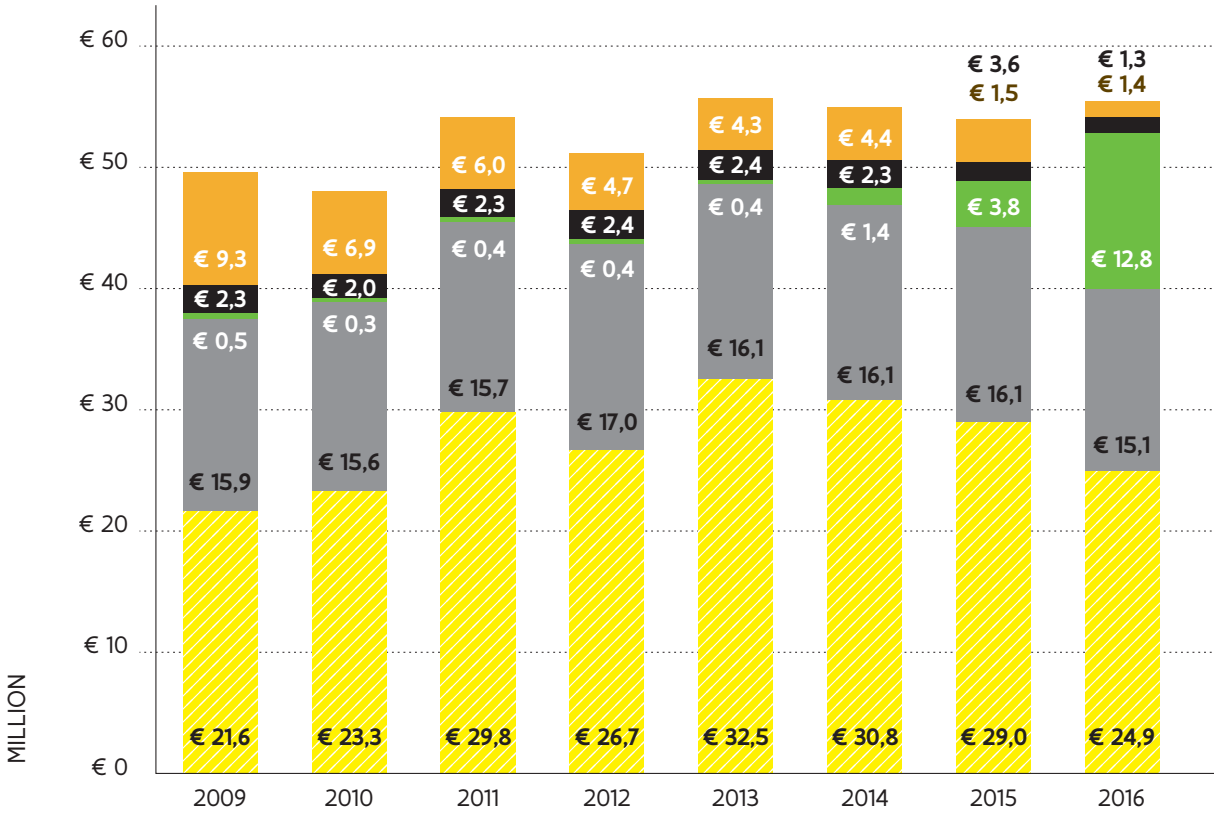
Other policy areas of the Government of Flanders also reported expenditure that meets the ODA criteria.

In 2016, the share of the Environment, Nature and Energy (LNE) policy area rose to almost one fourth of all Flemish ODA. This is owing to the unearmarked contribution of €6.25 million within the framework of international climate finance to both the Adaptation Fund and the Green Climate Fund. These multilateral contributions cover the period 2016-2019, but were already paid in full in 2016. In 2017, the LNE share is projected to see a spring back to the average share of the previous years.

Four policy areas account for 98% of ODA in 2016: Flanders Foreign Affairs (iV), Education and Training (OV), Environment, Nature and Energy (LNE) and Economy, Science and Innovation (EWI)

5. GLOBAL COMPOSITION OF FLEMISH ODA

{Data set: total ODA}



- Development cooperation policy expenditure
- Other ODA: funding of scientific research and universities
- Other ODA: unearmarked aid (Adaptation Fund, Green Climate Fund, environmental conventions, ...)
- Other ODA: expenditure in Flanders: scholarships, support to NGOs, strengthening of public support
- Other ODA: concrete projects in developing countries

The bright yellow bar chart represents the expenditure under the **development cooperation policy**. This expenditure amounted to €24,947,994 in 2016. Graph 8 provides more information about the decrease in this expenditure since 2013.

All other bar charts in this graph relate to 'Other ODA', which is ODA of all the Flemish policy fields with the exception of development cooperation.

The financing of **scientific institutes and universities** has remained fairly constant for the past five years (grey bar chart). This aid is largely committed in agreements that provide for an annual indexation, which leads to a more stable progression of expenditure. The grants stem primarily from the policy areas of Education and Training (OV) and Economy, Science and Innovation (EWI).

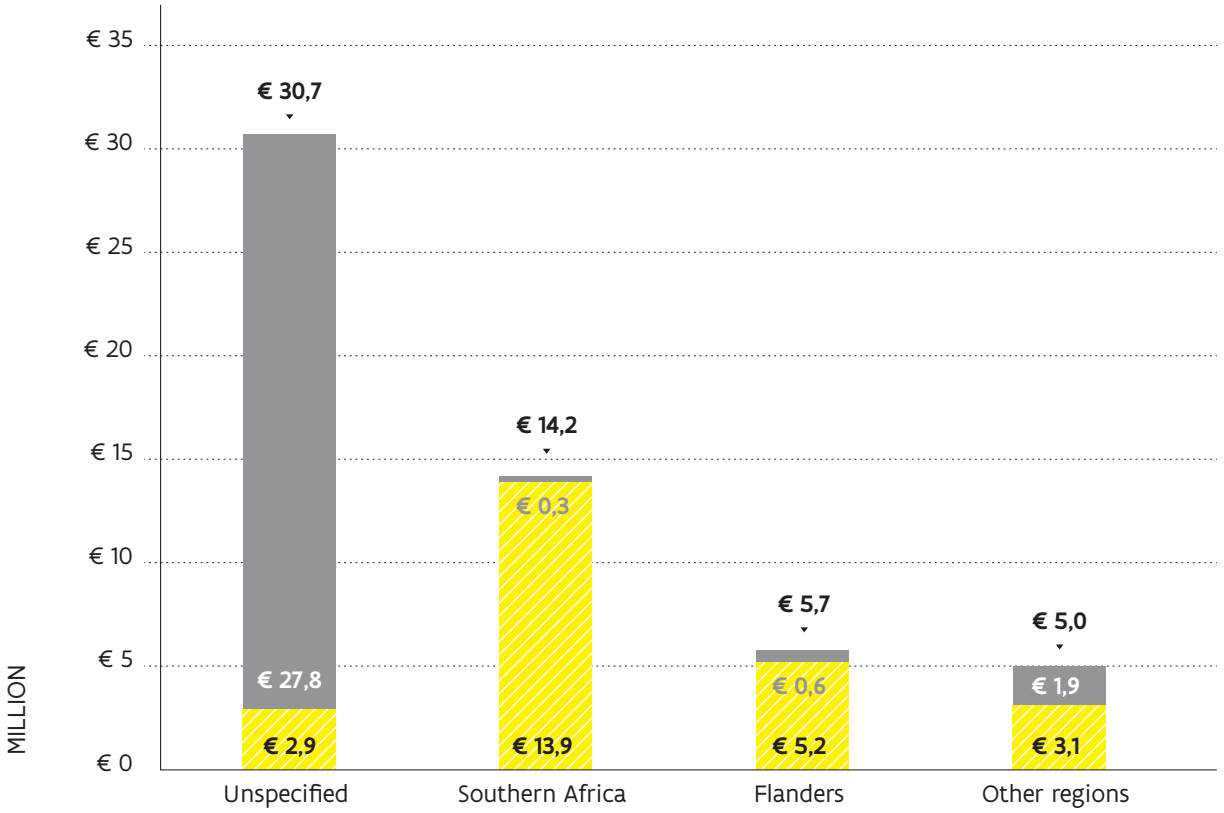
The green bar chart refers to unearmarked aid to multilateral organisations. The bulk of the resources are used within the framework of **international climate finance.** In 2014, €1 million was allocated to the Adaptation Fund. In 2015, the aid was granted to the Green Climate Fund (€3.5 million). In 2016, €6.25 million went to the Adaptation Fund and €6.25 million to the Green Climate Fund. Contributions to these institutions were classified by the OECD as 100% ODA-eligible.

The top two bar charts represent the residual expenditure within Other ODA for contributions in Flanders (black bar chart) and the contributions to developing countries (orange bar chart). Both residual categories have shown a constant falling trend since 2009.

Other ODA mostly consists of structural funding of scientific institutions and unearmarked aid to multilateral climate finance institutions. Within Other ODA the funds for concrete projects and programmes in developing countries are declining.

6. GEOGRAPHICAL CONCENTRATION OF FLEMISH ODA, BROKEN DOWN BETWEEN DEVELOPMENT COOPERATION POLICY AND OTHER ODA

{Data set: total ODA}

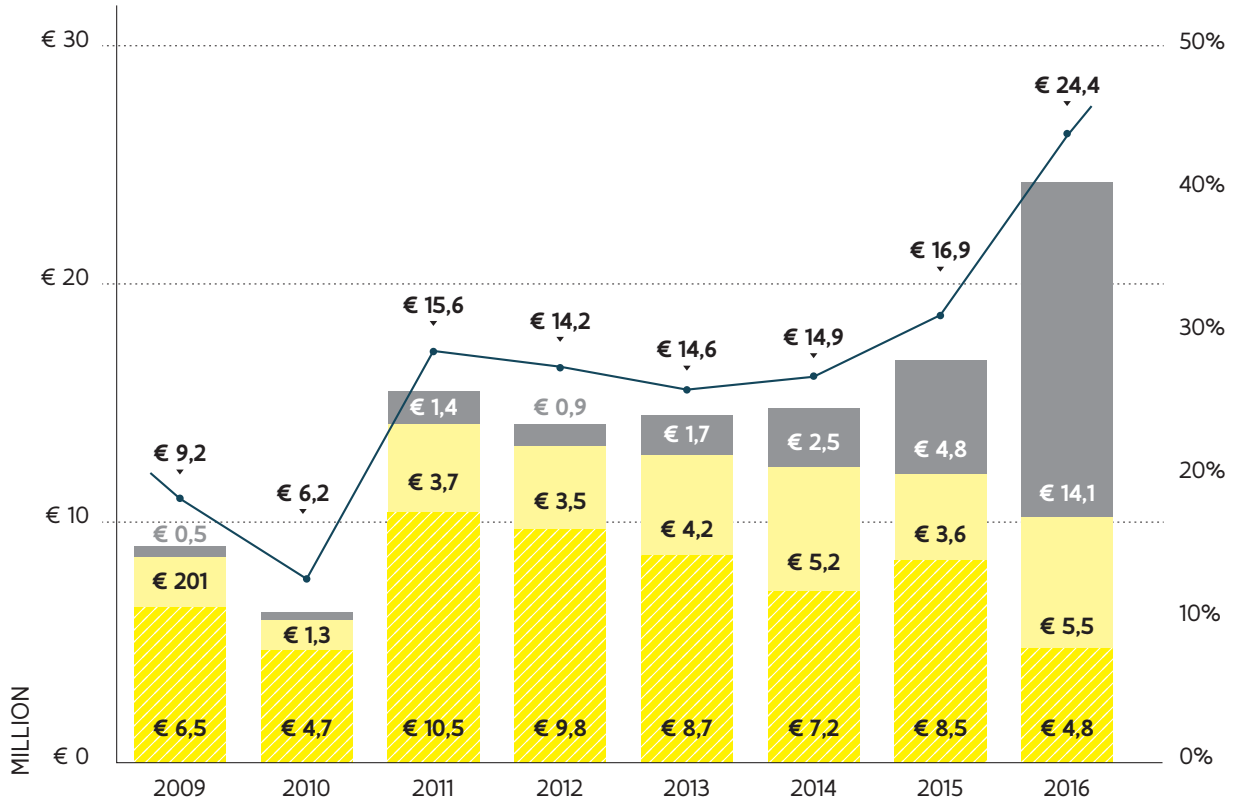


Development cooperation policy
Other ODA
€ Total (in bold above stacked column)

The development cooperation policy is strongly focused on Southern Africa. Other ODA mainly consists of unearmarked contributions, like aid to scientific institutes and multilateral funding.

7.
COOPERATION WITH MULTILATERAL ORGANISATIONS

{Data set: total ODA}[4]



- Bi-Multi contributions, earmarked on projects (OECD types of aid C01, D01, D02)
- Bi-Multi contributions, earmarked on existing programmes and funds (OECD type of aid B03)
- Unearmarked, multilateral contributions
- Share of cooperation with multilateral institutions in total (in %, right axis)
- € Total ODA through multilateral institutions (in bold above stacked column)

[4] More information about the OESO-types of aid is available online: http://www.oecd.org/dac/stats/44479737.pdf

Cooperation with multilateral institutions is growing. This cooperation usually takes place through unearmarked (multilateral) and in part earmarked (Bi-Multi) contributions.

Multilateral cooperation - whereby contributions are core support to the budget of a multilateral organisation - totals €14.1 million (grey bar chart). Unearmarked aid allows for flexibility for the organisations concerned to spend the Flemish contributions according to ever-changing needs.

The **Bi-Multi** category (EUR 10.3 million) includes all contributions to multilateral institutions which are earmarked either geographically or thematically. Earmarked contributions consist of targeted financing of projects or programmes (bright yellow bar chart), and funding for existing funds managed by multilateral institutions (pale yellow bar chart). Both sub-categories represented a spend of around €5 million in 2016.

Alongside, an overview is provided of the expenditure to multilateral institutions. The overview is split between unearmarked and earmarked contributions.

The share of Flemish ODA for multilateral organisations is on the increase. In 2016, unearmarked multilateral funding exceeded earmarked Bi-Multi funding. Geographically earmarked contributions are focused on Southern Africa.

Multilateral cooperation (unearmarked contributions)	€ 14.072.151
Adaptation Fund	€ 6.250.000
Green Climate Fund	€ 6.250.000
Central Emergency Response Fund (Ocha)	€ 600.000
Funding for environmental conventions (UNFCCC, UNEP, UNECE)	€ 274.524
UNICEF International	€ 250.000
Joint United Nations Programme on HIV/AIDS (UNAIDS)	€ 250.000
United Nations Relief and Works Agency for Palestine Refugees (UNRWA)	€ 150.000
International Renewable Energy Agency (IRENA)	€ 47.628

Bi-Multi: earmarked resources in 2016 by international organisation (Euro)	€ 10.291.264
International Fund for Agricultural Development (IFAD)	€ 1.000.000
African Development Bank (AfDB)	€ 2.000.000
International Labour Organisation (ILO)	€ 1.590.926
United Nations World Food Programme (WFP)	€ 1.378.301
Food and Agriculture Organisation of the United Nations (FAO)	€ 848.135
World Health Organisation	€ 750.000
One UN Fund Malawi	€ 709.666
Joint United Nations Programme on HIV/AIDS (UNAIDS)	€ 500.000
Unicef	€ 479.860
United Nations High Commissioner For Refugees (UNHCR)	€ 350.000
World Agroforestry Centre (ICRAF)	€ 298.790
United Nations University Institute on Comparative Regional Integration Studies (UNU-CRIS)	€ 268.000
United Nations Educational, Scientific and Cultural Organisation (UNESCO)	€ 83.513
Office of the United Nations High Commissioner for Human Rights (OHCHR)	€ 50.000
Organisation for Economic Cooperation and Development (OECD)	€ 46.000
International Trade Centre [RECLAMATION]	€ -61.927

8. DEVELOPMENT COOPERATION POLICY: EXPLANATION FOR THE FALLING TREND

{Data set: development cooperation budget) [5]

Commitment appropriations (excluding administrative appropriations and variable appropriation)

Payment appropriations (excluding administrative appropriations and variable appropriation)

[5] Methodological footnote:
- The budget appropriations for development cooperation are exclusive of personnel and operational costs.
- The variable appropriation - €50,000 on an annual basis - has not been included for practical reasons (graph scale). This is a recurring amount which does not undergo any evolutions throughout the years.

In 2016, the expenditure under the development cooperation policy amounted to €24,947,994, which is a decrease by €4.1 million compared to 2015 expenditure. This may be explained as follows:

1. The main source of funding for the development cooperation policy is the development cooperation budget. These appropriations determine how many ODA-eligible payments can be made as a maximum. Between 2014 and 2016, these appropriations decreased by €4.3 million.
   - In 2015, a 10% cutback was made (generically throughout the Flemish administration). This resulted in a reduction of €3 million in the payment appropriation.
   - Since 2016, the funds for the incentives policy for municipal development cooperation are transferred to the Municipal Fund. This causes the total payment appropriations to diminish by €2.7 million between 2015 and 2017.

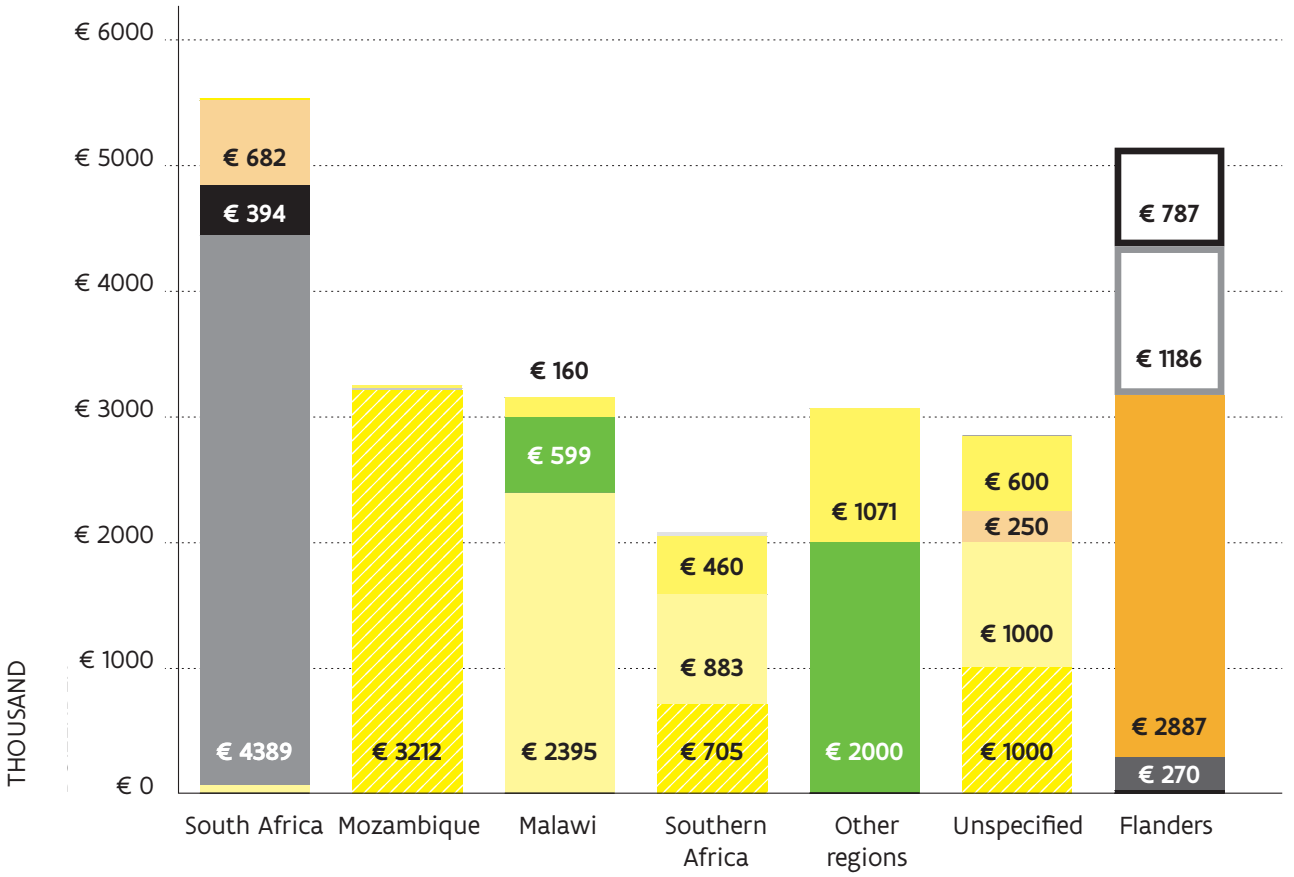
2. In 2016, several payments were recovered. This resulted in negative ODA amounting to €518,753. About half of the reclaimed payments pertain to projects in South Africa which were supported more than a decade ago.

3. Almost 100% of the payment appropriations available in 2016 were actually used for ODA-eligible payments. However, a number of payments were only made in January 2017, which is why this payment information no longer falls within the 2016 reporting period. The ODA decrease in 2016 resulting from the payment date is practically the same in terms of volume as the additional resources from the Flemish Climate Fund (€3.2 million) which were used in conformity with the development cooperation policy. As a result, total expenditure under the development cooperation policy strongly corresponds with the payment appropriations that were available under the development cooperation budget in 2016.

[6] Including ASWAp, i.e. sector-wide agricultural support in Malawi for an amount of €2.5 million.

9. BREAKDOWN OF DEVELOPMENT COOPERATION POLICY EXPENDITURE BY SECTOR

{Data set: development cooperation policy}



- Health, population & reproductive health
- Agriculture, fisheries, food aid
- SMME development, enterprisesn
- Environmental protection, forestry, water & sanitation
- Social infrastructure
- Government & civil society
- Humanitarian aid, conflict, peace, safety
- Education
- Development education and awareness-raising
- Administrative costs
- Sector unspecified

In the 2014-2019 policy paper the Minister for Development Cooperation chooses to concentrate aid on a limited number of sectors in each partner country, whenever possible. In order to create synergies in the region of Southern Africa, Flanders also plans accompanying projects and programmes, which dovetail with one of the bilateral focus sectors at regional level. Doing so allows for the know-how and experience gleaned to spark cross-fertilisation in other countries around the region. For humanitarian aid on the other hand, there is no geographical delimitation to allow a flexible response to be brought to urgent needs.

The graph shows that these sectoral and geographical policy choices are also reflected in the actual expenditure.

Health and reproductive health is the main sector of Flemish development cooperation, and represents 19.4% of all expenditure. It is the focus sector in Mozambique. At regional level too, Flanders provides aid (through the World Health Organisation and UNAIDS).

Agriculture and the pursuit of food security represent 17% of the expenditure. Aid in this sector is entirely focused on Malawi.

The cooperation in South Africa is concentrated on employment (sector: social infrastructure). The International **Labour** Organisation runs an employment project revolving around public procurement in South Africa. In pursuing decent work, Flanders is seen to strategically focus on the **development of enterprises** (17.4% of the expenditure). Among other things through the Social Enterprises fund (SEF) Flanders supports social and environmentally friendly companies that have a major social impact on local communities.

Democratic participation and human rights (**government and civil society sector**: 3.7%) are supported in South Africa (democratic participation in the area of climate policy, employment policy, agriculture) Through UNICEF, Flanders promotes children's rights in South Africa and Malawi. UNICEF also received unearmarked aid.

10.4% of the expenditure is allocated to the **environmental protection and forestry sectors**. The World Agroforestry Centre was responsible for agroforestry programmes in Malawi. In Malawi, Flanders focused on the implementation of the National Climate plan. Moreover, €2 million was used for the African Climate Change Fund (cf. other regions).

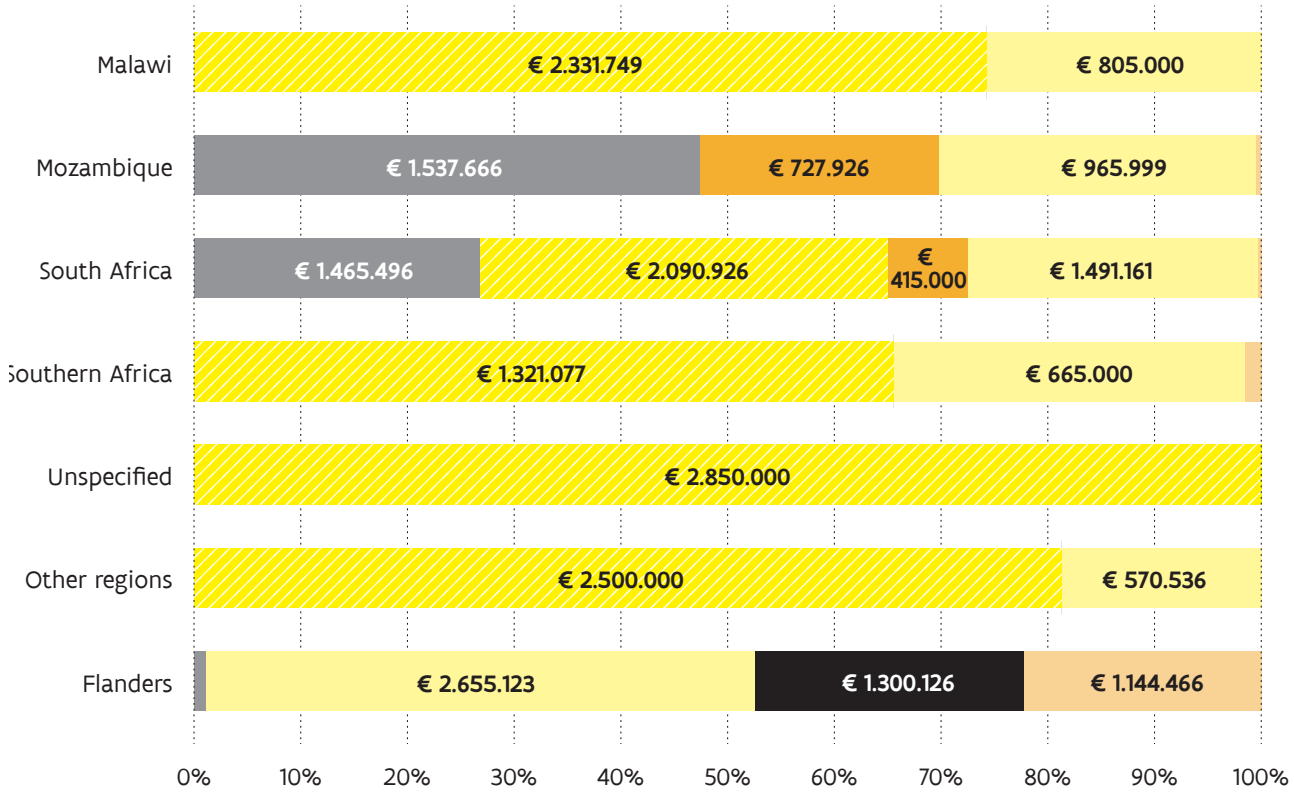
Support for **humanitarian aid** (9.3%) went to Malawi, Mozambique and regions other than Southern Africa. In 2016, CERF received €600,000 in unearmarked aid, which allows the organisation to intervene swiftly in urgent needs. The contribution to the Malawi Humanitarian Emergency Response Fund (€160,000) is intended to strengthen the coordination and speed of emergency response in Malawi.

Expenditure incurred in Flanders is targeted on **development education and awareness-raising** (11.6%), **administrative costs** (5%), **general aid to NGOs** (sector unspecified: 3.2%) and general aid to the Flemish Association for Development Cooperation and Technical Assistance (**education**: 1.1%).

The development cooperation policy is strongly focused on a limited number of sectors in each partner country, in line with the priorities which Flanders has determined in mutual agreement with the partner countries concerned. Accompanying initiatives in the region of Southern Africa are as closely in line as possible with the bilateral development priorities.

10. SPENDING CHANNEL OF DEVELOPMENT COOPERATION POLICY EXPENDITURE

{Data set: development cooperation policy}



- United Nations and multilateral institutions
- NGO's
- Governments
- Scientific insitutes
- Cities and municipalities
- Other

Multilateral institutions account for 38.2% of development cooperation expenditure in 2016. These actors operate as implementing bodies in all partner countries and Southern Africa as the focus region. The institutions of the United Nations also received unearmarked support (region unspecified).

Governments in Mozambique and South Africa laid claim to 10.3% of all expenditure from the development cooperation budget in 2016. Aid to governments in Malawi was allocated in 2016, but actually paid in January 2017.

Scientific institutes promote a good understanding of public healthcare in Mozambique and sound evidence surrounding effective strategies for social entrepreneurship in South Africa.

NGOs both at home and abroad together take around 24.6% of the total expenditure. In addition to being the implementing body in the partner countries and the focus region, the NGOs also received grants for emergency aid projects, general aid and grants for the implementation of awareness projects in Flanders.

Flemish **cities and municipalities** received 4.5% of the expenditure. Since this contribution has been integrated into the Municipal Fund, this share will disappear almost completely from the ODA statistics from 2017 onwards. **Administrative costs** (5%) are shown in the category '**Other**'.

The Flemish development cooperation policy uses the portfolio approach, in which several actors play a role in the implementation of the priority development goals in the partner countries and the focus region.