Belgium and the Grand Duchy of Luxembourg

‘Central Africa is a top priority of Belgium’s Foreign Policy’. Guy Verhofstadt, in a plea to EU states for assistance, emphasised that ‘from a political point of view, the Balkans and the Middle East may seem more important, but from a humanitarian angle, our hesitancy and arms-length policy vis-à-vis the Great Lakes region is unacceptable’.

Belgium – Africa historical and political relations

As indicated in the quotation above, Africa, and Central Africa in particular, loom large in Belgium’s foreign policy. According to the Belgian Ministry of Foreign Affairs, Belgium is a strong advocate of regional co-operation in Africa, especially through the African Union (AU), Economic Community of West African State (ECOWAS) and the Southern African Development Community (SADC), as well as being supportive of the New Partnership for Africa’s Development (Nepad), particularly its commitment to ownership and the implementation of its African Peer Review Mechanism (APRM). Belgium has made substantial contributions to these mechanisms through African civil society and NGO initiatives.

Belgian endorsement was also illustrated in its active participation in the round table on ‘building an African–EU Partnership for Action’, which took place in May 2003 in Athens. When Verwilghen, Belgium’s minister of international co-operation, took part in the Tokyo International Conference on African Development (TICAD) in October 2003, he stressed the need to see progress made with Nepad. To help bring this about, Belgium is taking part in the new Africa Partnership Forum, which the G8 has created to extend its partnership with Nepad.

1 Prime Minister of Belgium, Guy Verhofstadt, at a meeting with the Rwandan president, Paul Kagane, on 11 March 2004 in Brussels.
2 Verhofstadt in Nairobi, 3 July 2001.
3 Belgian Ministry of Foreign Affairs.
Belgium, along with the Netherlands and the UK, has taken various steps to promote socially responsible business practice in line with the MDG 8 obligations. Belgium has also, for the first time, enacted legislation to adopt a currency transaction tax, while France, Germany, Spain and the UK have promoted new financing mechanisms.

According to its Embassy in Pretoria (2005), Belgium has embassies in Algeria, Angola, Burkina Faso, Burundi, Cameroon, Nigeria, Ivory Coast, Kenya, the Democratic Republic of Congo (DRC), Congo Republic, Egypt, Ethiopia, Gabon, Morocco, Rwanda, Senegal, South Africa, Tanzania, Tunisia, Uganda and Zambia.

There have been a number of high-profile political exchanges between Belgium and various African states. Belgium’s former foreign minister, Louis Michel, visited Sudan in November 2002 to review the Machakos process. He met with the Togolese prime minister, Koffi Sama, in Brussels in October 2004 and met with President Kabila of the DRC in June 2004. Michel also visited Senegal and Mauritania in the same month. The Belgian prime minister, Guy Verhofstadt, had discussions with the Rwandan president, Paul Kagane, in March 2004, and Co-operation and Development Minister Armand De Decker has recently completed a Great Lakes visit in December 2005.

Both former Belgian foreign minister, Louis Michel, now the EU Commissioner for Development Co-operation and Humanitarian Affairs, and the incumbent foreign minister, Karel de Gucht, have both played active and constructive roles in the peace process in the Great Lake regions.

**Belgium–Africa security co-operation**

Belgium contributes approximately €60 million to the main political activities of the United Nations (UN), while peace-making and peacekeeping operations are allocated a further €40 million. In total, Belgian assistance accounts for just over 1% of all funding received by the UN, making this small economy one of the top 10 contributors to the UN.
In April 2005 Belgium had 17 UN peacekeepers stationed abroad. Of this number, 8 soldiers were deployed to the United Nation’s Mission in the DRC (MONUC) and two military observers were participating in the United Nation’s Operation in Burundi (ONUB)\(^4\).

Belgium also provided bilateral support to bring about peace and security in the Great Lakes region. Belgium supported the South African Peace Mission in Burundi with €5 million and the Third Party Verification Mechanism in the DRC with €1 million.\(^5\)

**Belgian development co-operation**

Belgium is committed to the principle of coherence between development and international trade, and the contribution of the private sector in this context. Belgium wishes to continue the discussions on debt relief initiated by the Development Council, within the framework of the G8 and the HIPC.\(^6\)

Belgium is committed to achieving the goal of providing state development aid equivalent to 0.7% of GDP by 2010. At present the country allocates over 75% of its ODA to LDCs\(^7\) and, along with Norway, Luxembourg, Denmark, Sweden and the Netherlands, spends more than 0.2% of GNI on development aid to the underdeveloped countries. According to the Organisation for Economic Co-operation and Development (OECD), ODA fell in real terms (by 30.3%), after a peak in spending in 2003 caused by a large debt relief operation for the DRC.

On 15 May 1999 the Chamber of Representatives passed a Law on Belgian International Co-operation. It introduced the notion of ‘international co-operation’, whose goal is defined as sustainable development, partnership and relevance to development. It further provided that bilateral co-operation should concentrate its

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\(^6\) ‘Belgium’s priorities at the 59th United Nations General Assembly’. www.diplomatie.be

resources geographically by reducing its list of partner countries from 25 to 18 (of these, 13 are African), and limiting the number of sectors and institutions involved. This selective approach was adopted to minimise administration costs, facilitate intervention at the sector-level and simplify procedures in order to ensure their greater effectiveness. As stipulated in this Government Agreement, absolute priority will be given to Central Africa, namely Burundi, the DRC and Rwanda. The remaining 10 African states allocated development assistance are Algeria, Benin, Mali, Morocco, Mozambique, Niger, Senegal, South Africa, Tanzania, and Uganda.8

Belgian development co-operation was further defined into five sectoral themes (basic healthcare, education, agriculture and food security, basic infrastructure and conflict prevention) and three thematic priorities in line with the MDGs (society building, social economy and protecting the environment). Of these, the current government highlights the fight against HIV/AIDS (on 1 September 2004 Belgium appointed an AIDS ambassador) and Malaria; the protection of children’s rights (including interventions to stop child labour, trafficking in children and the use of child soldiers); gender equality; and the supply of potable drinking water.

Belgium seeks to improve collaboration between the departments responsible for development co-operation, namely the Directorate-General for Development Co-operation (DGDC) and the Belgian Technical Co-operation (BTC) - the national implementation agency. Since 2004, the Belgian government has also created a single, integrated budget for development assistance.

Belgium also contributes to multilateral for and indirect co-operation via non-governmental partners. Belgium is currently financing 35 international organisations. Almost three-quarters of its multilateral budget is dedicated to mandatory contributions (those that fall under the international agreements to which Belgium has acceded). Its two largest commitments are the financing of the International Development Association (the concessional part of the World Bank) and the European Development Fund. These two alone account for half of the multilateral

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8 Policy outline for the development co-operation department’. Directorate-General for Development Co-operation (DGDC). www.dgdc.be
budget. Belgium has narrowed its focus in this respect as well, and has identified only 12 other organisations with which to work over the next three years.

**Belgium and Central Africa**

Belgium’s most important bilateral partners in Central Africa are the DRC, Rwanda and Burundi.

**Belgium and the DRC**

Belgium and the DRC have a long-standing historical relationship dating back to 1908, when King Leopold II of Belgium formally relinquished personal control of the Congo Free State, renaming it the Belgian Congo and placing it under the administration of the Belgian parliament. This system lasted until the country was granted independence on 30 June 1960.

Since that time, the DRC has been a priority in Belgium’s Africa policy. Former foreign minister, Louis Michel, (now EU Commissioner for development and humanitarian aid) visited the countries in the Great Lakes Region and South Africa to encourage parties to co-operate on a global agreement that would finalise arrangements for the transition in the DRC. The transitional government took office on 30 June 2003. In October 2003, Michel and Verwilghen (Minister for International Co-operation) returned to Central Africa to express Belgium’s support for the various peace and democratisation processes in the DRC. Defence minister, Andre Flahaut, negotiated a new military partnership to assist the transition.

Belgium has been an active and voluntary leader in the DRC and has organised four round table conferences in 2004, which offered political and economic support to the DRC in various areas. Roundtables were separated into on topics of Agriculture (March 2004), Health (May 2004), Education (September 2004) and Infrastructure (October 2004).

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Prompted by concerns over the serious situation in the Eastern DRC, Belgium has been actively involved in the European peacekeeping operation in Ituri. Belgium also works in close co-operation with MONUC, and assisted in the formation of the Multi-Country Demobilisation and reintegration Program (MDRP) to support the Disarmament, demobilisation, repatriation, resettlement and reintegration (DDRRR) programme. Belgium has assisted in the monitoring of the illegal exploitation of natural resources (as a means to prolong conflict) and has shown support for the Report by the Kassem Commission of Inquiry, which investigates how Hutu fighters received weapons during the war.

Belgium’s development co-operation with the DRC has grown significantly since since 30 June 2001\textsuperscript{10}. Although there is no Indicative Co-operation Program, the two governments have signed a number of agreements: the DRC’s Poverty Reduction Strategy Paper (Interim PRSP) and its sectoral development plans; Belgium’s action plan for peace and stability in Central Africa; and the DRC’s Strategy Paper (submitted to parliament in March 2003).

According to the Belgian ministry of development co-operation, Belgian contributed €695 million in ODA to the DRC in 2003. In addition, in 2003–2004 Belgium’s bilateral assistance also included debt relief of €13.634 million. This figure decreased to €213 million in 2004. For the remainder of the transition period (2004–2005), an action plan has been developed for direct bilateral co-operation, which will cost €76 million.

**Belgium and Rwanda**

Pursuant to the 1999 Act on International Co-operation, Belgium holds Joint Committee meetings to lay down the legal framework of its co-operation with Rwanda. Belgium is providing Rwanda with constructive support. In keeping with its pledge on July 2003, between 2004–2006 Belgium is allocating €75 million to Rwanda. This sum will primarily be invested in health care, education, the rule of law,

\textsuperscript{10} ‘DR Congo: Belgian Development Co-operation in the DRC’, Belgian Development Co-operation. www.dgdc.be
and in the implementation of the traditional gacaca (grassroot court) justice system. Belgium is encouraging Rwanda to act on reforms planned in several areas and, in particular, to monitor development in rural Rwanda, which has been bypassed by progress for too long.

In 2003 Belgium aid to Rwanda amounted to €18 million. The federal budget decreased in 2004 to €13.3 million per annum, with €5 million spent on government co-operation, €6 million on non-government co-operation, €1.3 million on multilateral co-operation and €1 million coming from the Survival Fund. This co-operation was highlighted by Belgian Co-operation and Development Minister Armand De Decker on his recent visit to Rwanda from 26 November to 2 December 2005.

**Belgium and Burundi**

Belgium is Burundi’s leading bilateral donor. Belgium is striving to improve the country’s agriculture, food safety, education, and basic health care, and also to consolidate the society in general. According to the Belgian Foreign Ministry, their federal budget for co-operation with Burundi currently amounts to €13.6 million per annum, with €8 million spent on government co-operation, €2.5 million on non-government co-operation and €3.1 million on multilateral co-operation.

In the past Belgium has also been influential in monitoring the negotiation process leading to the Arusha Peace Agreement, as well as offering financial support to Burundi while it implements transitional reforms. These efforts include bringing about political and military integration, in compliance with the provisions of the protocol agreement recently concluded with the Forces for the Defence of Democracy (FDD). Belgium also seeks to offer advice and assistance in bringing the National Liberation Forces (FNL) to the negotiating table.

Belgium is assisting the work of the Arusha Agreement Implementation Monitoring Committee as the representative of the EU presidency in Bujumbura. It is also

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involved in the Burundian DDRR. Another field in which Belgium has been active is in preparing an exhaustive report on the economic and social situation in Burundi for the UN’s Economic and Social Council (ECOSOC).

**Africa – Belgium cultural exchange**

Although these figures are only rough estimates, in 2000 there were 12,000 Congolese living in Belgium, together with many North Africans from Tunisia, Morocco and Algeria. All were applying for permits to live there.\textsuperscript{14}

Some students, especially from less-developed countries in Africa, receive financial assistance from the Belgian government as another means of fostering development. During the academic year 2001–2002, 12,285 of the 61,257 students at the French-speaking universities in the country did not belong to any state in the EU. A high proportion of these students are of African descent.

**Belgium’s economic and internal position**

As mentioned previously, Belgium’s Africa policy is selective, and seeks to benefit certain states in Central Africa. However, Belgium seems preoccupied on improving domestic economic and political issues, while prioritising on its neighbouring European countries.

Excluding Luxembourg and Ireland, Belgium is the most open economy in the EU as measured by the value of exports and imports relative to GDP, and one of the most open in the world. For several years Belgium has been recording substantial external surpluses. In 2004 its trade surplus amounted to $9 billion. Nearly 50% of all Belgian trade is with neighbouring countries (Germany, the Netherlands and France), while slightly more than 60% is with other members of the Economic and Monetary Union (EMU). In 2004, Germany was Belgium’s most important economic partner, trading predominantly in chemicals, machinery and transport equipment.

Despite the progress made on various economic indicators, Belgium needs to improve its position in the global economy. During the period 1980–2003, the average of goods and services traded at fixed prices grew by annual average of 4.2% annually. This was much higher than the 1.9% registered for economic activity. The latter, according to Wim Melyn in the latest edition of the economic review, published by the National Bank of Belgium, was the lowest of any country in the euro zone, where average growth was 4.8%.

Belgium’s economic priorities include the reduction of its public debt, which fell below 100% of GDP at the end of 2003 for the first time in nearly 30 years, and raising the country’s employment rate, which is currently one of the lowest in the EU. The government aims to create 200 000 new jobs during its four-year parliamentary term which ends in 2007. Belgium is also continuing in its efforts to reform its policing and judicial systems and to improve administrative efficiency, a task that is complicated because many of the federal government’s powers have been devolved to the three regions, and further devolution is being debated.

**Belgium and the EU**

Brussels is the home of the headquarters of NATO, and of the European Commission, Council and Parliament, which demonstrates Belgium’s strategic importance in the EU. However, the country is more than a political hub. In 1921 Belgium formed an economic alliance with Luxembourg, the Belgium-Luxembourg Economic Union (BLEU), which is a major trade entrepot for the rest of Europe. An agreement on the reciprocal encouragement and protection of investments, concluded between the BLEU and South Africa, entered into force on 14 March 2003.

Belgium supports European integration and enlargement. Its parliament ratified the EU constitution on 19 April 2005 by a large majority, 118 yes votes, 18 ‘no’ and 1 ‘absent’.

**South Africa – Belgium historical, political relations and security relations**

15 www.diplomatie.be
16 The Economist Intelligence Unit. 12 May 2005.
Although Belgian–South African relations can be traced back to the nineteenth century, it was only in 1934 that direct relations were established between the two countries. During World War II the political representation of South Africa to Belgium was handled by London, and was transferred to the Hague when the war ended. In 1949 Dr PR Botha was appointed as the first South African ambassador to Belgium. Because diplomatic relations had also been established with the Grand Duchy of Luxembourg, he was simultaneously accredited to Luxembourg on a non-residential basis.

Relations between South Africa and Belgium were strengthened by President FW De Klerk’s visit to Brussels on 2 February 1990. In 1998, the South African Embassy to the Kingdom of Belgium and the South African mission to the European Communities were amalgamated.

Many high level visits have also taken place. Minister Neyts’s visit to South Africa in March was the problem of illegal exploitation of natural resources. President Thabo Mbeki paid an official visit to Belgium in November 2004. Issues discussed with this counterpart included conflict in central Africa, support for Nepad and South Africa’s trade, development and co-operation Agreement (TDCA) with the EU.

Belgium granted US$5 million in 2001 towards South Africa’s deployment of a protection unit in Burundi. In January 2003, Louis Michel and President Mbeki met in Pretoria, devoting much of their time to discussing the peace process in the Great Lakes region. Belgium encourages South Africa’s role as a mediator. Trilateral co-operation often takes place between Belgium, South Africa and other African states.

**South Africa – Belgium economic co-operation**

Alongside the political dialogue between South Africa and Belgium there has been a phenomenal growth in trade. South Africa’s commercial interaction with Belgium has increased substantially since 1994, when imports between the two countries were

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17 South African Department of Foreign Affairs. www.dfa.gov.za/bilateral/Belgium.html
valued at R1,737.50 million and exports at R2,605.30 million. By 2002 these figures had improved to R3,902.55 million in imports and R9,258.02 million in exports. Trade decreased slightly in 2003, with imports declining to R3,764.36 and exports R7,364.72.\textsuperscript{18}

In 2003 Belgian exports to South Africa amounted to €617 million (0.27\% of total Belgian exports), which consisted mainly of machinery equipment (20.5\%), pharmaceutical products (12.9\%), organic chemical compounds (9\%), plastics (8\%) and polished diamonds and precious stones (6\%). South African exports to Belgium in that same year were valued at €1,085 million (0.52\% of total Belgian imports). They comprised of mainly of rough diamonds and precious stones (37.7\%), fossil fuels (12.2\%), fruit (9.7\%), machinery and mechanical equipment (7.8\%) and iron and steel products (6.75\%).\textsuperscript{19} The balance of trade is in South Africa’s favour because South African exports consist mainly of raw materials and precious stones. Belgium serves as a distribution centre for South Africa’s products to the EU (coal and citrus fruits) and the world (diamonds).

In 2003, South Africa was Belgium’s thirty-sixth largest export destination and twenty-sixth on its list of suppliers. Belgium is South Africa’s sixth largest trade partner. HRH Prince Philippe of Belgium is set to visit South Africa in March 2006 to pursue the commercial ties between the two states.

Belgium is a constitutional monarchy and a federal state, which is divided into three regions, Flanders, Wallonia and Brussels.\textsuperscript{20} In 2002, 75.15\% of all Belgium’s exports to South Africa and 0.27\% of the region’s total exports came from Flanders. South Africa is the source of by far the largest amount of African trade for Flander’s, followed by Nigeria and Algeria. In 2003, Wallonia’s exports to Africa amounted to €519 million or 1.88\% of the region’s total exports. Trade between Wallonia and Africa is focused on Sub-Saharan Africa, especially South Africa, which is Wallonia’s main trading partner. Trade between Wallonia and Libya, Morocco and the DRC has decreased in recent years.

\textsuperscript{18} South African Yearbook of International Affairs, 2003/2004: 448
\textsuperscript{20} Fact sheet: Belgium. The Economist Intelligence Unit. 21 May 2005.
In 2003 Belgium was South Africa’s tenth largest contributor to foreign direct investment (FDI) committing R1.9 billion. (This is a significant amount, considering that Belgium’s population is only 10.3 million. The sectors targeted for FDI from Belgium into South Africa include chemicals, jewellery, steel, agro-processing and tourism infrastructure. These are primarily high value-added manufacturing, export-oriented investments that will generate maximum employment and revenue for South Africa.

In May 2005 Sander’s International, a Belgian-owned high-end textile manufacturing firm, signed a 20-year lease with Coega for an estimated sum of R200 million. Its factory plants will occupy around 10 of the 40 hectares allocated to the textile cluster at Coega. Belgian company, NCP alcohol, in Durban is the leader of the market in the production of Ethanol, and Belgotex is the biggest producer of wall-to-wall carpets in South Africa, investing €2 million in its factory in Pietermartizburg.

Belgium–South Africa Development co-operation

Since 1994 the federal government has been involved in a number of programmes in South Africa, particularly in the areas of health, police training and land resettlement. Between 2001–2006 Belgium’s direct aid to South Africa amounted to €19.3 million.

South Africa is one of the 18 countries with which Belgium has direct bilateral development co-operation agreements. The first Joint Commission meeting with South Africa, during which a programme for 2001–2005 was agreed, was held in Pretoria in August 2001. In 2002, Belgium and South Africa signed a General Co-operation Agreement. The annual follow-up meeting of the Joint Commission took place in Brussels in February 2003. The programme was accepted without modification. The value of projects currently under way was €12 million, and new projects costing nearly €10 million were approved.

Besides the direct bilateral co-operation channels mentioned above, Belgium also has indirect routes by means of which provides funding for projects led by NGOs, universities and scientific institutions. The NGOs include Oxfam solidarité, Solidarité.
mondiale and Médecins sans frontières. The country also participates in multilateral co-operation. Belgium makes various contributions (some obligatory and some voluntary) to 23 UN agencies, the World Bank and the EU.

According to the Belgian DGDC, the strategy behind its co-operation with South Africa is to intervene in sectors that correspond with the development priorities of both countries. Two of the most important are health-care (especially the prevention of HIV/Aids and tuberculosis) and community-building (which includes land reform policy and transformation of the police service).

The Flemish government has gradually taken on a leading role in development co-operation. It has identified South Africa as a key foreign partner and undertaken co-operation programmes worth €25 million in that country. Currently, South Africa attracts half of Flanders’s bilateral co-operation budget of €16 million. These funds are allocated mainly on the social development sectors in Limpopo, the Free State, Kwazulu-Natal and the Eastern Cape. Fifty joint research projects have also been launched between Flanders and South Africa.

In 2004, cumulative development assistance spending from Wallonia, the French and German-speaking Community in Flanders and Brussels amounted to slightly less than €20 million. Of this, €7.5 million was spent on bilateral relations with Palestine and sub-Saharan Africa (Benin, Burkina Faso, Senegal, DRC and Rwanda), and co-operation focused on Mediterranean countries (Algeria, Morocco, Tunisia, Lebanon, Burundi), America (Chile, Bolivia and Haiti), and Asia (Vietnam). South Africa is not a priority. In 2002, the DRC was allocated €1.7 million compared with the €136 000 provided for South Africa.

**South Africa – Belgium Security Co-operation:**

Belgian Defence signed a Letter of Intent with the South African Defence Force on 16 April 2000. On 15 and 16 November 2004 President Mbeki visited Prime Minister Verhofstadt in Belgium and a common declaration was developed. This declaration,

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besides a number of bilateral issues, recognised the leadership role of South Africa in promoting African wide integration and co-operation through the creation of the African Union. The Joint Declaration pointed to the need for co-operation in the Great Lakes region, searching for peace for the whole region and for the processes that would lead to elections in Burundi and the DRC.

This has lead to trilateral co-operation between Belgium, South Africa and the DRC. Belgium’s responsibilities include: provision of C-130 aircrafts for the transportation of 1300 troops; the appointment of five advisors from 7 February to 2 April 2005 so as to supervise the training at Kamina; and assistance in renovating necessary facilities. South Africa agreed to send its military advisor to the DRC by January 2005; to train six Congolese military to handle in identification; and to provide four team-building instructors. The DRC also agreed to certain responsibilities.

**South Africa – Belgium Cultural exchange:**

There are approximately 40 000 Belgians living and working in South Africa, the majority of whom came from the DRC after independence, while there are approximately 1000 South Africans living in Belgium. Belgium is classified as a potential market for South African tourism and has been entered on the latter’s watch list, even though no direct air links exist at present. South Africa attracted 43 500 Belgian tourists in 2003 –an increase of about 8% over 2002. However, due to the increased strength of the rand the number of Belgians visiting South Africa decreased by 4.4% in 2004.

**Luxembourg’s Africa policy**

The Grand Duchy of Luxembourg, with a population of approximately 450 000, has minimal relations with any African country.

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Sub-Saharan states with embassies or consulates in Luxembourg include Angola, Botswana, Lesotho, Madagascar, Malawi, Mozambique, DRC and Namibia. The only African states in which Luxembourg has established embassies are Cape Verde and Senegal, although it has an honorary consul represented in South Africa.

African states that receive bilateral development assistance from Luxembourg are Burkina Faso, Cape Verde, Mali, Namibia, Niger and Senegal.

During Luxembourg’s EU Presidency from January – July 2005, its biggest challenges included securing a deal for funding of the enlarged EU for 2007–2013; re-examining budgetary discipline within Europe’s Monetary Union (EMU); ratifying the EU constitution; reviewing the Lisbon process; and continuing the EU’s enlargement.

However, although Luxembourg’s foreign policy focused largely on the EU cooperation between Africa and the EU was mentioned in the context of the African Union, subregional organisations and individual countries. Crisis management and conflict prevention in the Great Lakes region and in Sudan remained a focus of the EU during Luxembourg’s term in office, as was the development of an African peacekeeping capacity. Luxembourg also believes that dialogue with Africa will help to prevent the spread of HIV/AIDS and rescue child soldiers.