



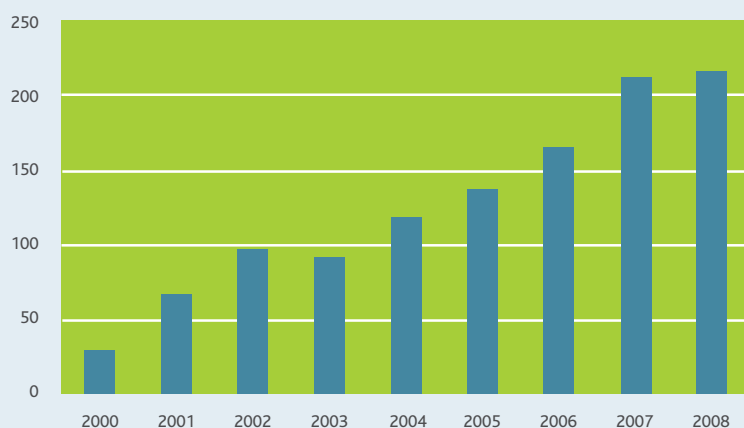
Belgian Technical Cooperation

Annual Report 2008

Key figures 2008

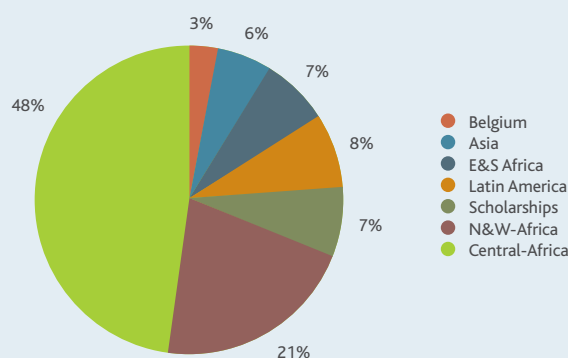
Turnover

EUR 217 million (213 in 2007)



Geographical distribution of the activities

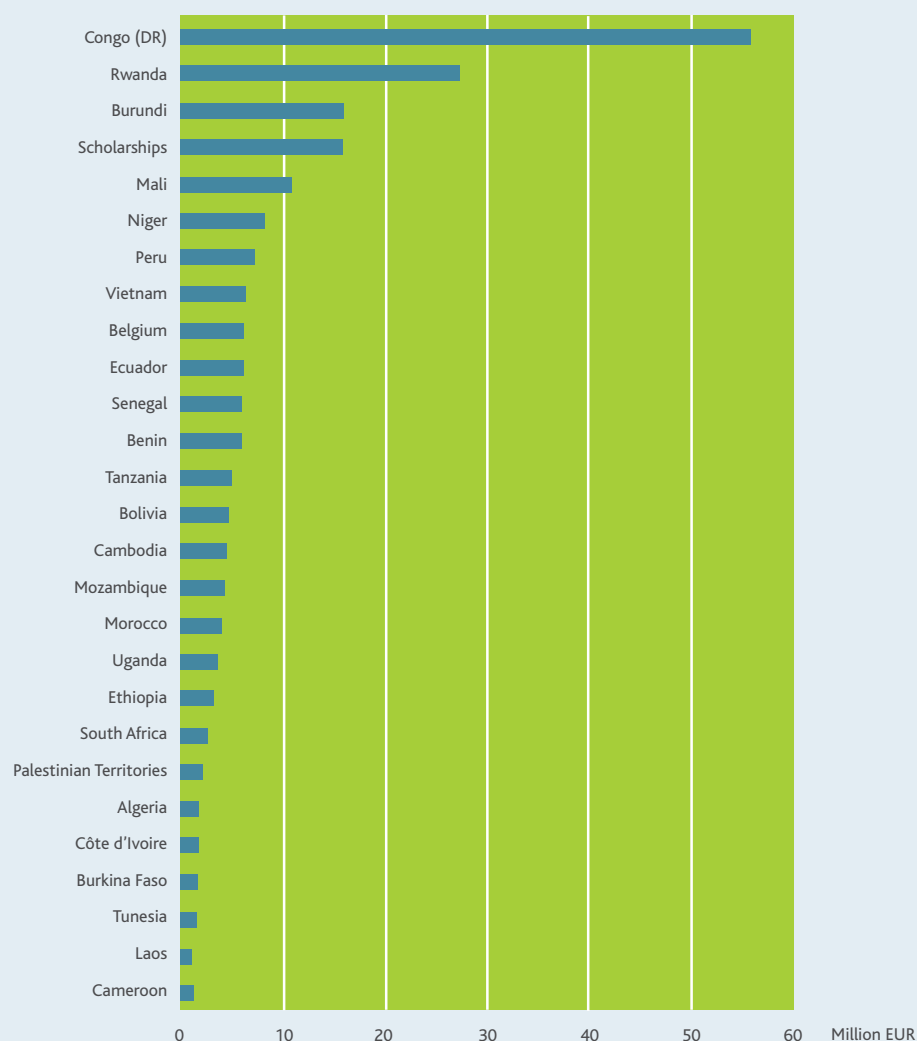
Central Africa (Congo, Rwanda, Burundi and Uganda) represents almost half of the turnover; North and West Africa take up 21%.



Turnover by activity (million EUR)

Public development cooperation tasks (direct bilateral cooperation)	192
Specific public development cooperation tasks (General information Cycle, Kleur Bekennen, Annoncer la Couleur, Fair Trade Centre, emergency aid, rehabilitation aid...)	10
Other development cooperation tasks that are entrusted to BTC by third parties (European Union, World Bank, DFID...)	12
Voluntary Service for Development Cooperation (VSDC)	3
Total turnover	217

Turnover per country in 2008



Staff (31 december 2008)

Staff in Brussels	181
International experts	184
Development cooperation volunteers	73
Local staff in the country offices	212
Total	650

Partner countries of the Belgian development cooperation

- **Africa** : Algeria, Benin, Burundi, Democratic Republic of Congo, Mali, Morocco, Mozambique, Niger, Uganda, Rwanda, Senegal, Tanzania and South Africa
- **Palestinian Territories**
- **Asia** : Vietnam
- **Latin America** : Bolivia, Ecuador and Peru

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Foreword

As Belgian agency for development cooperation BTC has to do everything possible to execute tasks on behalf of the Belgian State – the Belgian development programmes in the South and the awareness-raising and training tasks in the North – as efficiently as possible. Also other donors of BTC (the European Union, World Bank...) can count on the same quality guarantee.

The ultimate goal of the Belgian development cooperation is to achieve sustainable human development. That is the legal framework in which BTC's tasks are set. It is only credible to take up that commitment if BTC's corporate social responsibility is taken into account. Operating transparently is essential to show that public funds that are entrusted to BTC are used correctly and lead to results. But corporate responsibility goes much further than good financial management only. It also regards ecological and social responsibility.

For its environmental management BTC is already EMAS certified; this is the field the agency is spearheading. In 2008 other actions are formally brought together under the strategic process Corporate Social Responsibility (CSR), so the conditions are met to develop a full CSR policy. This Annual Report is already a concrete output of the commitment made.

BTC is situated on the fault line between public and private sector and has a unique position as a service provider. From its position BTC can be an example and introduce very diverse concepts from other sectors in development cooperation (risk management, process management...). Professionalism in development cooperation must keep pace with the growing complexity of methods and solutions.

The Belgian government has committed to spending 0.7% of GNI to development cooperation. BTC has to be able to execute the increasing bilateral cooperation in a responsible and efficient way. BTC's structures and procedures have to be geared towards that important task.

In the context of the Paris Declaration development partners are given more responsibility and trust while the donors have to be offered an acceptable system of risk management. That is why the new aid forms gain in importance: budget support, delegated cooperation, division of labour between the donors... All these new evolutions have to be integrated quickly and well thought out while continuing to ensure the results of the activities. Finally, development cooperation is not immune to its environment; the economic crisis will certainly have an impact over the following years on the sector as a whole.

BTC has to be learning organisation, and that means it is important to look back and learn from the poorer experiences. Therefore, knowledge management will be one of BTC's strategic priorities for the coming months and years.

The challenge is huge, the context is especially difficult and the evolution is sweeping. But BTC has already proved that it can meet its commitments and provide professional services. In 2008 several experts are attracted to even better prepare and manage the increasing number of projects. The financial processes are completely under control and BTC can now execute contracts for the European Commission in the context of centralised indirect management.

These successes are enhancing our future. In 2009 BTC celebrates its 10th anniversary. This anniversary will coincide with the approval of the new mission and vision, which will be an impetus for the next ten years.

Yves Haesendonck
President of the Board of Directors



BTC Identity card

The Belgian Technical Cooperation (BTC) is the Belgian agency for development cooperation. BTC is a public-law company with social purposes, established by the Law of 21 December 1998. Its only shareholder is the Belgian State, which is represented in the General Meeting by the Minister of Development Cooperation. The relations between the Belgian State and BTC are governed by a management contract.

Executing the Belgian international cooperation

BTC has the exclusive competence – inside and outside the Belgian territory – of executing public service tasks of direct bilateral cooperation.

These public service tasks are:

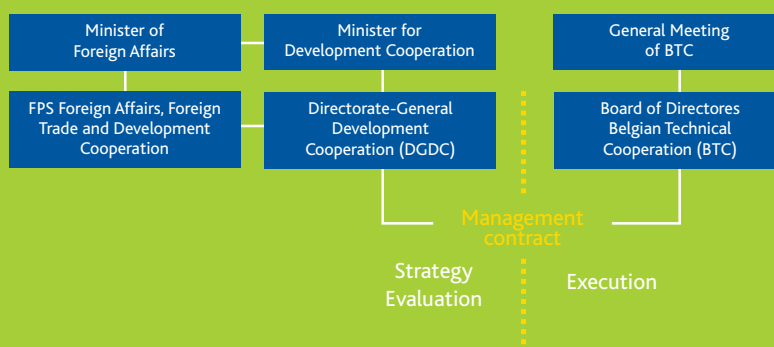
- Executing the direct bilateral projects and programmes;
- Executing projects and programmes with regards to financial cooperation and debt relief with the partner countries;
- Executing actions in support of the private sector of the partner countries;
- The management of scholarships and internship grants for foreign scholarship holders;
- The formulation of proposals and the elaboration of technical files for the above-mentioned projects and programmes;
- The provision of short-term emergency relief and rehabilitation aid as well as food aid, on the basis of a Council of Ministers decision.

Besides, the minister who is competent for BTC can present other public service tasks exclusively to BTC. These are:

- Executing exploratory studies;
- Training of overseas staff;
- Short-term emergency relief and rehabilitation aid at the request of an aid organisation;
- Expertise and evaluation tasks for programmes and projects in the context of indirect and/or multilateral cooperation.



Legal framework



Other donors

Beside the tasks on behalf of the Belgian State BTC can also execute tasks for other donors, provided these tasks are compatible with the performance of public service tasks. It regards specifically all Belgian, foreign and international public-law legal bodies. Non-public legal bodies can also qualify as donor for BTC, if the objectives are in line with the social purposes of BTC.

Social purposes

The social purposes of BTC are achieving the priority objectives of the Belgian international cooperation, in particular achieving sustainable human development in the partner countries by fighting poverty through a real partnership. Besides, geographical, sectoral and thematic concentration as well as a qualitative improvement of development aid are pursued in view of achieving greater effectiveness. BTC uses a planned approach to ensure the continuity and sustainability of the interventions. BTC wants to actively cooperate with all the actors of international cooperation.

Mission

BTC is a public enterprise; its people commit to executing cooperation interventions to promote sustainable human development in the world. On behalf of the Belgian government BTC supports developing countries in their fight against poverty. To achieve this global challenge BTC also works for other donors.

2007-2010 vision

By 2010, BTC will be recognized as a development cooperation agency on a national and international level.

By 2010, BTC will have elaborated a framework for responsible management in favour of sustainable social, economic and ecological development, which is fully endorsed by all its stakeholders.

By 2010, BTC will also have considerably strengthened its permanent expertise and will be able to take on new challenges in line with the Paris Declaration and the Millennium Development Goals (MDGs) via partnerships with agencies, donors and partner countries.

Values

BTC is driven by values that were explicitly endorsed in 2004: Integrity, respect, customer service, team spirit, innovation and entrepreneurial spirit, responsibility and accountability, transparency and passion.

Since 2007 BTC's operations are strongly influenced by changes like the Paris Declaration, the third management contract, the Belgian Harmonisation and Alignment plan and the Accra High-Level Forum.

In this context the staff and management commit to focusing even more on BTC's values. This can imply that a choice is made to emphasise certain values more than others for a while.

Linked to its values, BTC wants to use its Code of Ethics, which materializes in 2008, as a starting point for all management systems. The Ethical Code is available on the BTC website (WWW.BTCCTB.ORG), under the 'About BTC' heading.



Strategy

In two words, the BTC strategy is: Quality and Partnership.

In the eyes of BTC quality rhymes with working towards results, based on process management. Also the capacity strengthening of staff in Belgium and overseas to better execute tasks in a professional and effective way is part of quality.

Partnership is essential to BTC's approach. Only that way transparency, accountability and responsibility can be ensured. BTC cooperates with other development partners in the North to harmonise activities and divide labour. BTC encourages the partner countries in the South to take up ownership and to manage aid through national systems.

In concrete terms, this means that BTC will develop new aid forms in which the beneficiary instances will themselves be responsible for the execution of the projects and programmes.

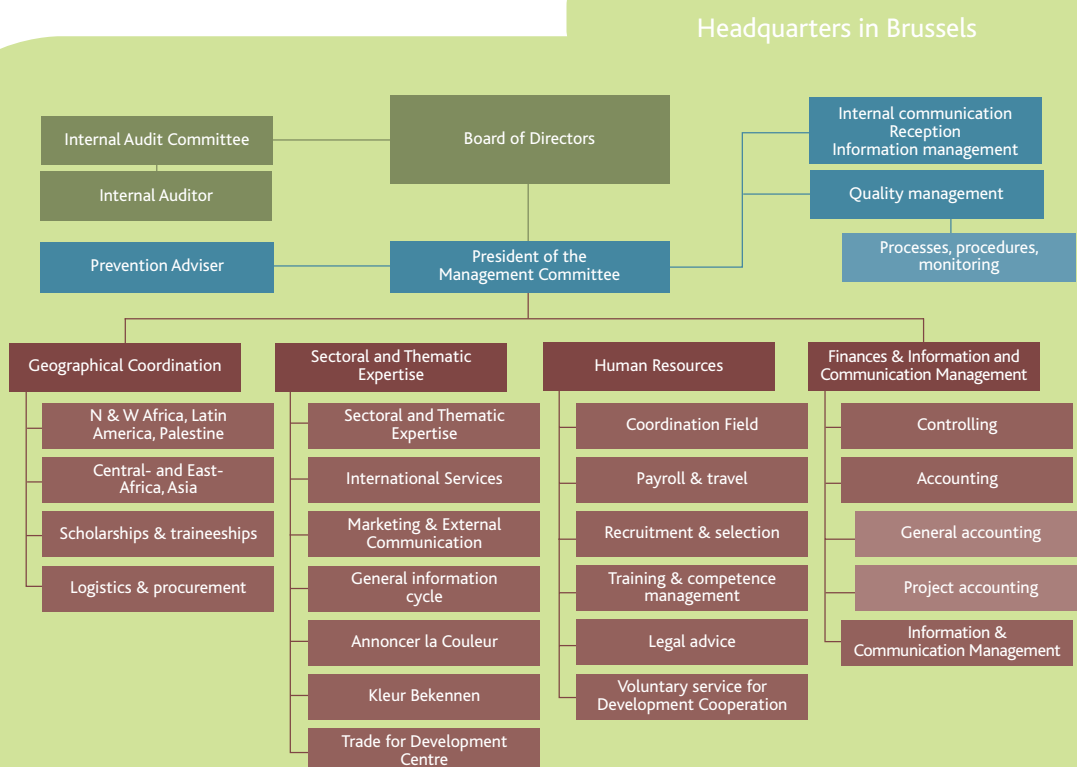
This is only possible if there are clear agreements, and on the condition that innovative ideas are welcomed in the preparation of projects and programmes.

New Mission – Vision – Strategy

In 2008 BTC starts a process that should lead to a new mission, vision and strategy. This is necessary, because over the last few years BTC has strongly evolved in response to the Belgian institutional reality and to the strongly changing international context.

A working group with representatives of all services and directorates accompanies the process. Staff is involved in this exercise through surveys and workshops. The new mission, vision and strategy have to provide an answer to the big challenges BTC is facing. How can BTC guarantee as much effectiveness as possible to donors and beneficiaries? How does BTC have to translate the Paris Declaration principles and the Accra Agenda for Action? How do we develop risk management and the fight against corruption?

BTC wants to publish the new mission, vision and strategy no later than by the end of 2009.



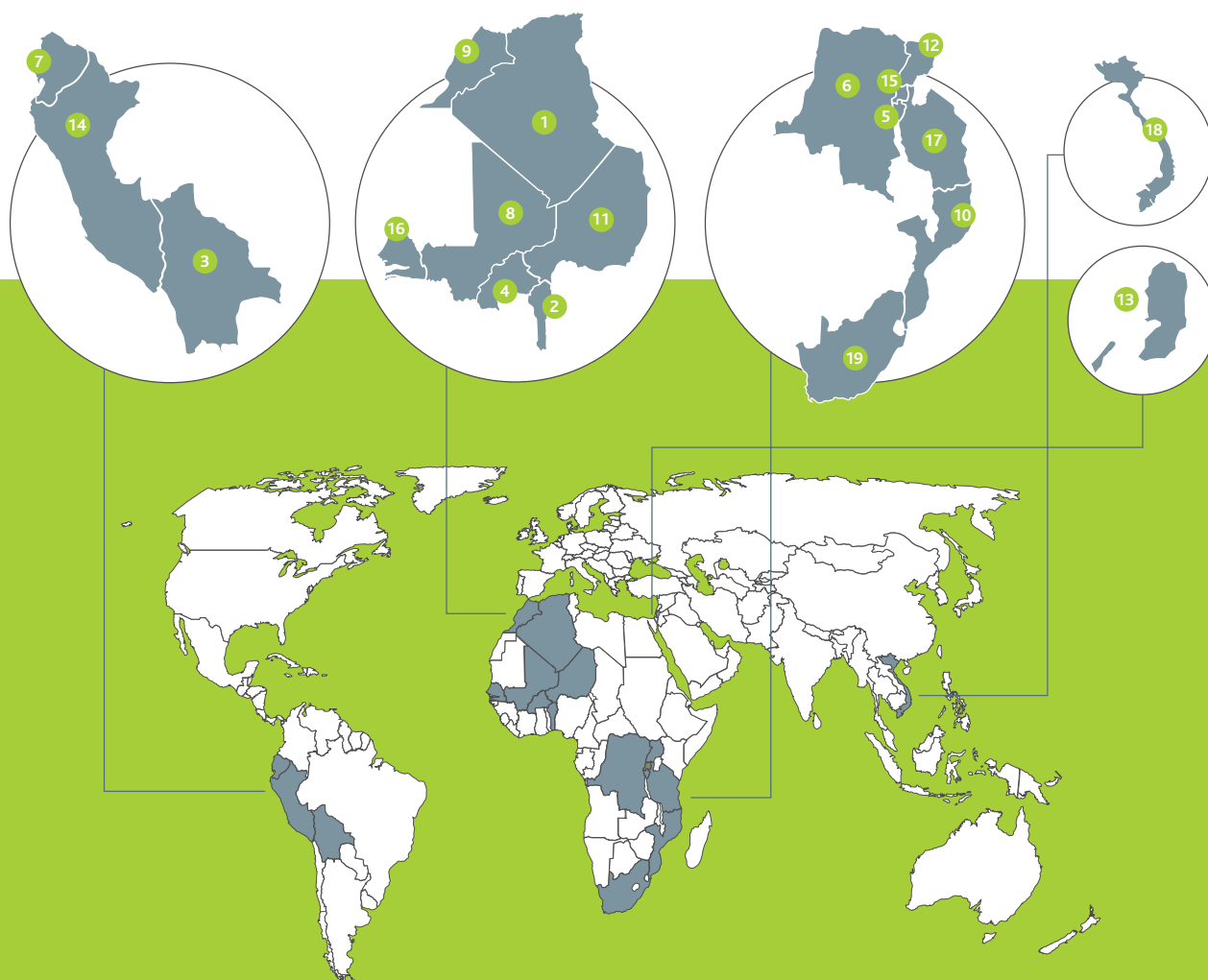
Abroad

BTC has country offices in most countries where it is active. Every country office is led by a Resident Representative, who reports to the Management Committee in Brussels.

On 31 December 2008 the agency has 19 country offices abroad:

- | | |
|---------------------------------|---|
| 1. Algeria – Algiers | 11. Niger – Niamey |
| 2. Benin – Cotonou | 12. Uganda – Kampala |
| 3. Bolivia – La Paz | 13. Palestinian Territories – Jerusalem |
| 4. Burkina Faso – Ouagadougou | 14. Peru – Lima |
| 5. Burundi – Bujumbura | 15. Rwanda – Kigali |
| 6. Congo (Dem. Rep.) – Kinshasa | 16. Senegal – Dakar |
| 7. Ecuador – Quito | 17. Tanzania – Dar Es Salaam |
| 8. Mali – Bamako | 18. Vietnam – Hanoi |
| 9. Morocco – Rabat | 19. South Africa – Pretoria |
| 10. Mozambique – Maputo | |

The offices in Cameroon (Yaoundé) and Côte d'Ivoire (Abidjan) are closed in 2008.



Management report

Board of Directors

The Board of Directors has twelve members, including the president who is a member by right. The Board of Directors has as many Dutch-speaking as French-speaking members. The members of the Board of Directors are appointed by the King on the basis of their knowledge of international cooperation or management; their four-year term is renewable. The members of the Board of Directors do not take up management functions in the company.

The Board of Directors is competent for all acts that are necessary or useful for the achievement of the social purposes of BTC. The Board of Directors determines the strategy of BTC on proposal of the executive manager and it approves a business plan every year in which the objectives and the strategy of BTC are determined for the medium term.

The members of the Board of Directors are:

- Mr Yves Haesendonck, civil servant – president of the Board of Directors;
- Mr Jef Valkeniers, honorary member of Parliament, replacement of the president of the Board of Directors;
- Mr Claude Bougard, honorary senator;
- Mr Xavier De Cuyper, Administrator-General of the Federal Agency for Medicines and Health Products;
- Mrs Kathelijn De Decker, staff member of the National Union of Socialist Mutualities;
- Mr Luc De Lobel, civil servant;
- Mr Etienne Godin, political advisor of PS;
- Mr Etienne Knoops, former minister, honorary member of Parliament;
- Mrs Leen Laenens, Manager of Bioforum Vlaanderen;
- Mr Jacques Lefèvre, president of the Université des Aînés (UCLouvain);
- Mr Willy Peirens, honorary president of ACV (Confederation of Christian Trade Unions);
- Mr Milan Rutten, communication manager of sp.a.

In agreement with the decision of the Special General Meeting of 13 September 1999, amended by the decision of the General Meeting of 17 December 2004, the members of the Board of Directors benefit from the following remunerations:

The president: An annual sum of EUR 7,000 and an attendance fee of EUR 150 for every board meeting;

The replacement of the president: An annual sum of EUR 5,500 and an attendance fee of EUR 150 for every board meeting;

The other members: An annual sum of EUR 4,000 and an attendance fee of EUR 150 for every board meeting.

The president and his replacement may receive a flat rate allowance for expenses of EUR 309,87 per month; the members may submit the actual expenses made to attend the board meetings for reimbursement.

In 2008 The Board of Directors meets 8 times.

Internal audit

The internal audit of the company is entrusted to an internal audit committee, which includes the president of the Board of Directors and two members of the Board of Directors. The executive manager is invited to the meetings of the internal audit committee.

In 2008 the committee meets 5 times. The operational internal audit unit consists of a unit head and a staff member. They work on the basis of an approved annual plan and ad hoc assignments.

General Meeting

The General Meeting has no other competence than the competence provided through the provisions of the coordinated laws on commercial companies, which apply to companies with social purposes, and through the law. The General Meeting decides about any change of the statutes. However, any change is only applicable after approval by the King through a Council of Ministers decision.

The Minister under whose competence the company falls, or his replacement, represent the Federal State at the General Meeting.

Management Committee

Members of the Management Committee:

- Mr Carl Michiels – Chairman;
- Mrs Krista Verstraelen – Human Resources manager;
- Mr Jean-Pierre Luxen – Thematic and Sectoral Expertise manager;
- Mr Peter Pauwels – Finances and Information & Communication Management manager;
- Mr Mario Goethals – Geographical Coordination manager.

The King appoints the executive manager through a Council of Ministers decision for a renewable six-year term on the basis of his/her knowledge of international cooperation or management.

The executive manager is invited to all meetings of the Board of Directors and has an advisory vote at the meetings. Only the executive manager can be entrusted with daily management and with representing that management.

On the recommendation of the executive manager the Board of Directors composes a Management Committee, of which it determines the number of members, who will each have the title of member of the Management Committee. The total number of members of the Management Committee may not exceed six.

On the recommendation of the executive manager the Board of Directors appoints and discharges by an absolute majority the members of the Management Committee for a renewable six-year term.

The executive manager is a member of the Management Committee by right and chairs it.

The rights and duties of the members of the Management Committee and their remuneration are determined in a specific agreement that is concluded between each member of the Management Committee and the company, which is represented by the executive manager, provided preliminary agreement of the Board of Directors, which decides by an absolute majority. The remuneration of the members of the Management Committee is paid by the Company.

The members of the Management Committee are entrusted with the competences that are transferred to them by the executive manager and they help the executive manager in executing his tasks, especially by executing his decisions.

In 2004 the Board of Directors decided to entrust the task and competence of the executive manager for an undetermined time to the Chairman of the Management Committee.

Administrative supervision

The company is under the controlling supervision of the Minister under whose competence the company falls and of the Budget Minister. This supervision is in the hands of two government's Auditors, who are appointed and discharged by the King; one is appointed on the recommendation of the Minister under whose competence the company falls and the other one is appointed on the recommendation of the Budget Minister. They do not report to the Board of Directors, but they directly report to the minister concerned. In 2008 they had no objection to decisions of the Board of Directors, which would have led to a cancellation and would have necessitated a new decision by the Minister. The Belgian State pays the government's Auditors.

Financial supervision

The control of the finances, of the Financial Statements and of the regularity, from a legal or BTC statutes point of view, of the transactions in the Financial Statements is assigned by BTC to a board of four Auditors. The members of that board have the title of Auditor.

Through a Council of Ministers decision, the King can impose further rules with regards to the assignment, the means and the status of the Auditors.

The Court of Audit appoints two statutory Auditors. The other Auditors are appointed by the General Meeting. The Auditors appointed by the Court of Audit are appointed among the members of the Court. The other Auditors are appointed among the members, natural persons or legal bodies, of the Institute of Registered Auditors.

The Auditors are appointed for a renewable term of six years. They may only be discharged from their assignment, under penalty of compensation, for legal reasons. Except for pressing personal reasons a Auditor may not resign, unless on the occasion of submitting the report on the Financial Statements and after having informed the Minister under whose competence the company falls in written about the motives of the resignation.

The King determines the remuneration of the Auditors appointed by the Court of Audit. The Registered Auditors' mandate is determined through the respective public contracts. These remunerations are for BTC.

The mandate plans an intermediary and an annual audit of the accounts. Moreover, the Auditors can conduct six audit assignments in the partner countries. Each assignment delivers a report that will be presented in a meeting of the internal audit committee (five meetings in 2008). This way, sufficient audit information is provided for an annual statement. The Statement about the 2008 Financial Statements is without any reservations.

The total remuneration of Court of Audit Auditors for 2008 is EUR 14,498. The remuneration for the Registered Auditors' mandate in 2008 is EUR 427,280.

Ethical code

It goes without saying that BTC, as the Belgian agency for development cooperation, operates within the set lines of an ethical framework. This framework is put down in the BTC Code of Ethics. It takes the federal civil servants' code of ethics (Circular letter of 17 August 2007) as its guideline and is based on four core values: respect, impartiality, professionalism and loyalty.

Professional ethics at BTC

BTC's mission is to generate sustainable development in Belgium's partner countries by combating poverty and fostering a spirit of partnership. This means that BTC has to assume ethical responsibility when carrying out its tasks. The ethical code provides BTC staff with a guideline on how to act responsibly when doing their work and engaging in contacts with colleagues and external associates.

1. Respect

Respect is a core value in BTC's field of work. Staff demonstrate a respectful attitude in contacts inside and outside BTC. Key elements here are discretion and an appropriate attitude towards colleagues' and external associates' privacy. Staff members with management duties ensure a constructive work environment and show understanding for any difficult situations in their employees' professional or private life.

Employees have access to all administrative documents, unless stated otherwise by law. They also have access to their personal files. Moreover, nothing may be added to their personal files without their knowledge.

Another important aspect is ensuring a safe and healthy work environment. Employees can let their manager know about any risks they notice. In addition, drugs, alcohol and smoking materials are not allowed in the workplace.

2. Impartiality

Discrimination, for whatever reason, is not allowed. Gender, race, skin colour, origin, national or ethnic background, sexual orientation, civil status, wealth, age, faith or creed, state of health, disability or physical handicap ... can never be a ground for discriminating behaviour.

We do our job with an impartial attitude. To safeguard this neutrality, conflicts of interest must be avoided. However, if you do find yourself in such a position, inform your manager, who will then look for an appropriate solution to put an end to this situation.

Gifts, remuneration or benefits, too, may compromise our neutrality. Therefore these are not permitted, apart from symbolic gifts of minimal value.

3. Professionalism

BTC aims to do its work with care and precision. A precondition for this is that BTC policy, tasks and objectives are clear and familiar to everyone. Therefore staff members with management duties inform their employees about these matters and involve them in the management of the department.

The employees themselves ensure that they keep their professional knowledge up to date. They seize the opportunities that BTC offers them in this regard (for example, in the form of sharing knowledge and training courses).

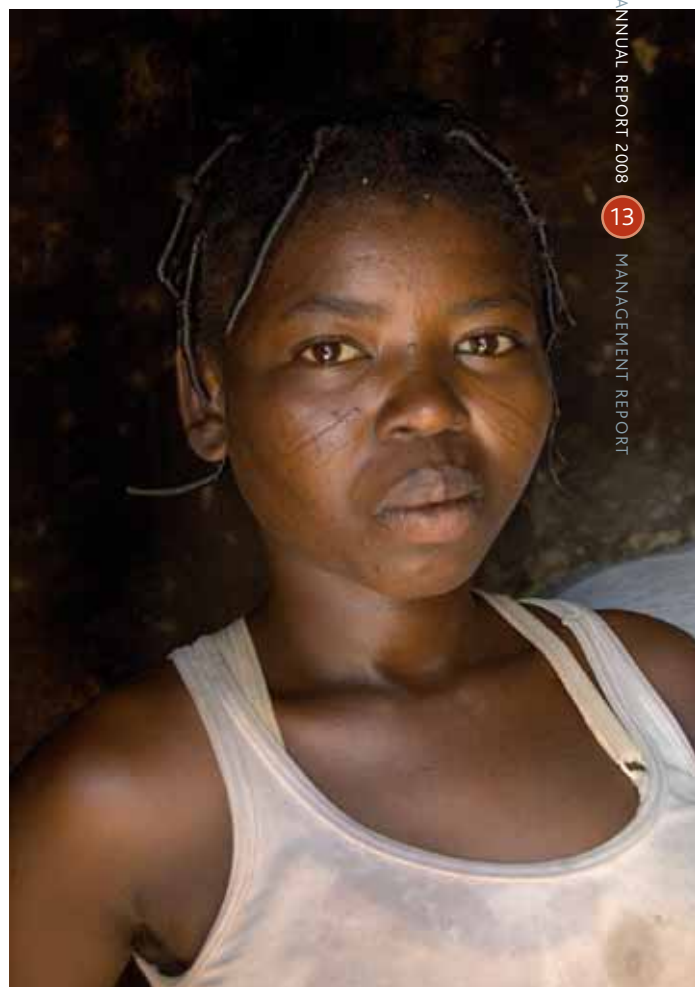
4. Loyalty

We do our job in line with BTC's mission, tasks and objectives. If any BTC employee engage in (or attempt to engage in) illegal or irregular practices, you notify so to your manager.

We respect the confidentiality of the information available in BTC.

Everyone has the right to freedom of expression and therefore can participate in information campaigns, conferences, and so on as a BTC member of staff. However, any opinions you express in these settings will be considered personal opinions. Only authorised employees may make official statements and express official positions.

The BTC Code of Ethics is available on www.btcctb.org >> About BTC >> Ethical code





Stakeholders

BTC distinguishes four groups of stakeholders: The partner countries and their populations, the donors, society and BTC employees. The identification of the stakeholders is the direct result of the Law of 21.12.1998 establishing BTC, which determines the agency's task.

Partner countries and their populations

They are the final beneficiaries of BTC's core business – the execution of development projects – and therefore they are the main stakeholders. The beneficiary authorities, institutions and organisations help determine how the projects and programmes look. At the ministerial level this is done in the so-called joint commission, in which representatives of Belgium and the partner country determine the cooperation for the coming four to five years. For every project an implementation agreement is signed and a Joint Local Consultative Body is installed, in which also representatives of Belgium and the beneficiary country have a seat. This body manages the project and ensures that the objectives are met.

Donors

BTC's main donor as the Belgian agency for development cooperation is the Belgian State. Duties and rights of both parties are put down in a management contract. The Directorate General for Development Cooperation and the FPS Foreign Affairs, Foreign Trade and Development Cooperation and BTC collaborate closely, among others via a joint management committee that meets regularly. In the partner countries both parties are respectively represented by the Attaché for Development Cooperation and by the Resident Representative of BTC.

BTC also works for other donors, like the European Commission, the World Bank, DFID... BTC's strategy consists of aligning these commissions for 'other' donors (third parties) with the interventions of the Belgian bilateral development cooperation to use the expertise that the agency has to its full extent and to use the available resources more rationally and efficiently.

Society

BTC has a public function and uses tax revenues to this end. It goes without saying that BTC accurately and completely accounts for these and provides evidence that the money is spent well. BTC's tasks also include awareness-raising activities and training in development cooperation (see p. 29-32). That way BTC wants to contribute to broader and stronger public support for development cooperation.

BTC employees

The human capital is BTC's wealth. Development cooperation is a difficult but passionate business, which is reflected in the usually very high level of education and the strong human and professional commitment of the employees. Through the Voluntary Service for Development Cooperation BTC can also offer young people the opportunity of a first professional experience in the sector. It provides a unique opportunity to BTC to pool expertise and work for the future.

Partnerships

Developing and maintaining partnerships is one of the strategic priorities of BTC.

In the projects and programmes in the South this seems evident. After all, these are executed in consultation with the beneficiary instances, organisations and other donors via formal consultative bodies and steering groups.

But also in Belgium, in Europe and in the partner countries BTC is active in different partnerships. BTC collaborators are members of platforms and working groups and participate to seminars and conferences.

In Belgium

BTC has good relations with different organisations of direct and indirect development cooperation in Belgium. NGOs, universities, advisory offices... are natural allies. With its 'Espace Jacqmotte' BTC provides meeting and modest conference capacity, which is regularly used by the sector. Gradually, 'Espace Jacqmotte' is becoming the meeting place of Belgian development cooperation.

The objective for 2009 is to start partnerships with public and semi-governmental organisations and with institutions of the federal state, the regions and communities. After all, their civil servants have the expertise that can be very useful in strengthening the institutional capacity in the partner countries.

In Europe

BTC's International Services invest a lot of time and energy in the relations with the European institutions in general and with the European Commission in particular.

In 2008 BTC's International Services continue the search for strategic partnerships (consortiums, donors) for Belgian development cooperation.

In April 2008 BTC's International Services participate to the annual meeting of the 'Practitioners' Network for European Development Cooperation', an open platform for exchange, coordination and harmonisation between European actors in development cooperation. At the beginning of 2009 BTC becomes a member of the network.
www.dev-practitioners.eu

BTC is a member of **Eunida**, the European Network of Implementing Development Agencies, and is the president of this network in 2008.

www.eunida.eu

An overview of the BTC network

Since January 2008 BTC is a member of the **U4 Anti-Corruption Resource Centre**, which is a knowledge and advice centre that helps development organisations in efficiently dealing with corruption in international cooperation.

www.U4.no

Together with DGDC BTC represents Belgium in different OECD technical platforms, such as the **Informal Network of DAC Development Communicators**.

www.oecd.org/dev/devcom

The awareness-raising programme **Kleur Beken** has close contacts with the **Dutch National Committee for International Cooperation and Sustainable Development** (www.ncdo.nl) and the **Global Education Network Europe** (GENE).

Be-cause Health: Belgian platform for International Health and Health Care.

www.itg.be/becausehealth

Be-Troplive: Belgian platform on Tropical Animal Health and Production.

www.be-troplive.be

Masmut: Belgian Platform Community Health Insurance/Mutual Health Organisations.

www.itg.be/masmut

Kauri: Network and knowledge centre that promotes ethical, sustainable and transparent business practices.

www.kauri.be

Close the Gap: International not-for-profit organisation that promotes Corporate Social Responsibility by offering IT equipment to communities in the South.

www.close-the-gap.org

Train4dev: Competence Development Network and open forum for donors and multilateral organisations.

www.train4dev.net

Aidscompetence: Network for the fight against AIDS, in the Democratic Republic of Congo, among others.

www.aidscompetence.org

FABEC: (Foro de los Actores belgas de la Cooperación en Ecuador): The Belgian development co-operation organisations in Ecuador.

www.fabec.org.ec

Corporate Social Responsibility (CSR)

The Brundtland report for the United Nations (Our Common Future, 1987) defines sustainable development as development that 'meets the needs of the present without compromising the ability of future generations to meet their own needs'.

The 1992 UN Conference on Environment and Development in Rio de Janeiro was a landmark for sustainable development and sustainable entrepreneurship. The Rio conference reached agreement on two key texts: The Rio Declaration and Agenda 21. With these two documents and with other agreements related to the Rio summit (among which the Kyoto Climate Agreement of 1997) government leaders defined a clear agenda for sustainable development. The 27 Rio principles have become leading guidelines for international, national and local policy formulation.

In Belgium the Law of 5 May 1997 with regards to the coordination of the federal policy on sustainable development provides the framework in which the policy has to be developed at the federal level. The Law installs permanent consultation between the different ministries and public institutions via the Interdepartmental Commission Sustainable Development (CIDD/ICDO). Moreover, this Commission is mandated to prepare four-year plans for sustainable development and to organise a broad (public) consultation before presenting the draft to the government.

Since Rio the discussion on sustainable development has broadened: Beside the ecological capacity of our planet (Planet) there is also increasing attention for the social and cultural dimension (People) and for the economic dimension (Profit).

Planet: Attention is paid to good management of natural resources but also to environmental indicators and biodiversity. Recently climate change and the impact of human activities on the climate have become additional points of attention.

People: Not only the social dimension but also the respect for cultural diversity is part of the people dimension. This is about all stakeholders: own people (staff), customers, target groups and suppliers.

Profit: Economic activities do not aim at financial profit only, but also at other added values.

Since 2007 BTC commits in its business plans to developing CSR as a management process. The generic management process 6.0. 'Manage Corporate Social Responsibility' (see Process management p. 46) embodies CSR at BTC.

In 2008 BTC takes a few important steps: A reference framework is established to set up a CSR policy and it is formally decided to establish a working group that has to develop the policy in 2009.

The CSR reference framework sees 14 fields of activity, which are grouped under three pillars: good governance, transversal themes and a social pillar. The objective is to develop or follow up at least one pilot action in each of the 14 fields of activity (in the course of the following years) from a CSR perspective. Besides, there will be a focus on BTC's purchase policy.

Possible pilot actions for 2010 are:

- Good governance: ethical code, internal control, anti-corruption, transparent business reporting.
- Transversal themes: the environment, gender, AIDS, children's rights, social economy.
- The social pillar: customer relations, relation and communication with staff, safety and well-being, relation with the neighbourhood, community-involvement.

Certain CSR actions are already being implemented and there are working groups active in the realm of CSR. All working groups are orienting their actions on the reference framework mentioned.

Current actions

Charter for access to quality medicines

Together with about twenty other Belgian actors BTC signs the Charter for quality medicines and diagnostic products in December 2008. This charter was drawn up by a working group of Be-cause Health, the Belgian Platform for International Health and Health Care. In the short term all purchases of medicines and diagnostic products by BTC have to meet strict quality standards. BTC will also financially contribute to quality audits of medicine producers with Because Health.

An AIDS policy for BTC staff

Since the beginning of 2008 a steering group works out a policy note on HIV/AIDS in the workplace.

The policy note regards a framework for an AIDS policy for BTC staff and deals with issues as prevention, information, awareness raising and measures to take in case a staff member is infected with HIV.

The different BTC departments are represented in this steering group; they are assisted by an external expert of the International Centre For Reproductive Health of the University of Ghent and a representative of Sensoa.

Gender mainstreaming

Gender mainstreaming is the process of assessing the different implications for women and men of any planned action, including legislation, policy guidelines or programmes in all areas and levels.

In 2008 BTC prepares the application of the Law of 12 January 2007 on gender mainstreaming. This Law includes certain new obligations to which also BTC will have to adapt. To this end, several BTC departments participate to a colloquium and a series of 4 thematic seminars organised by the Institute for the Equality of Women and Men.

The job description of the BTC gender expert is rewritten in 2008, in view of turning the gender theme into a transversal theme for the whole organisation and not just for the actions and projects that BTC executes in the South.

Fraud and fighting corruption

In January 2008 BTC becomes a member of the U4 Anti-Corruption Centre. The U4 Anti-Corruption Resource Centre is a knowledge and advice centre that helps development organisations in efficiently dealing with corruption in international cooperation. The U4 membership is an important stimulus to expand knowledge and exchange experience with other agencies. U4 offers free online courses and provides a free helpdesk for questions pertaining to corruption and fighting corruption. In 2008 47 BTC staff register for an online course; 29 of them complete the training successfully.

www.U4.no

Integrity management

At the end of 2008 the Terms of Reference are drawn up for an internal working group on integrity management. The objective of this working group is to formulate technical proposals for a BTC 'integrity and anti-corruption' desk and to embed the ethical code for BTC collaborators. The desk and the ethical code are essential first steps in fighting corruption. The working group, which consists of collaborators of different BTC departments, will start its activities at the beginning of 2009.

Environmental Report cf p. 51.



Activity Report

A bird's-eye view of 2008

January - The Urban Factor (Reflection & Discussion Paper)

As an output to its fourth international seminar about the city as a (f)actor of development in December 2007, BTC publishes its fourth Reflection & Discussion Paper entitled The Urban Factor - Challenges facing sustainable urban development (2008/01, 88 p.). The publication is available in English and French on the BTC website.

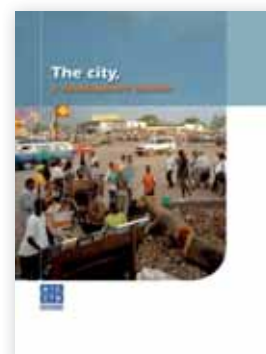
[>> Publications](http://www.btcctb.org)



February - The Urban (F)actor

BTC publishes a thematic brochure about the city as a (f)actor of development. The brochure, which targets a broad audience, explains why development partners and donors also have to pay attention to sustainable urban development. The brochure is available in Dutch, French, English and Spanish. The pdf version is available on the BTC website.

[>> Publications](http://www.btcctb.org)



April - Launch of BlogCooperation.be

In 2006 the Voluntary Service for Development Cooperation (VSDC) was created to offer young people the opportunity of a first professional experience in development cooperation. One of the programme's objectives is to raise the Belgian population's awareness of international solidarity. That is why BlogCooperation.be is created, a blog of Junior Assistants to witness about their daily life and work in the field.

www.blogcooperation.be



April - BTC gets green light on European Commission implementation tasks

After an Ernst & Young audit BTC obtains the recognition that is needed to execute specific tasks on behalf of the European Commission.

In December 2008 BTC concludes its first contract in this context with the European Commission for a budget of more than EUR 18 million for an energy project on the Rwandan countryside. Belgium already financed several projects in the energy sector in the past; now Belgium is leading the Rwandan rural energy sector.



April - New EUNIDA website

The new EUNIDA website goes online in April 2008. The European Network of Implementing Development Agencies is a network of European agencies that have a public mandate to elaborate, manage and implement development programmes. BTC is a founding member of EUNIDA.

www.eunida.eu

eunida

July - BTC at the Economic and Social Council of the UN

On 2 July 2008 the Annual Ministerial Review of ECOSOC, the Economic and Social Council of the UN, is held in New York. Different countries, Belgium among others, assess the progress made towards agreed goals and commitments in regard to sustainable development, among which the Millennium Development Goals.

The central theme of this meeting is Millennium Development Goal 7 about the environment and sustainable development. Representatives of BTC present the urban renewal project in Ho Chi Minh City (Vietnam). Le Dieu Ahn, Vietnam project manager, and Benoit Legrand, BTC expert, discuss the project's problematic issues and lessons learned, as well as the possibilities to use certain parts of the project in other interventions.



September - Results of the Carbon Balance analysis and climate strategy

In the context of its EMAS environmental management system, BTC conducts a carbon footprint analysis in 2008. With validated methods the main CO₂ emission sources of BTC (at head office and in the country offices) are identified and the annual emissions are estimated; next, a general climate protection strategy is developed. The strategy adopted is based on 3 principles: The reduction of emissions by adopting good environmental practices, the promotion of technological innovation and renewable energy in the projects and compensation (for flights, which stand for BTC's main source of emission) by buying CO₂ certificates from 2009 onward.

October - The Millennium Film Club opens

On Friday 3 October 2008 the new Millennium Film Club opens in the Espace Jacquemotte in Brussels. The Millennium Film Club is an initiative of Millénium Édition and BTC. The objective is to draw attention for the documentary as humanist technology. To start festively the Millennium Film Club is launched with a free documentary festival on Fair Trade during the Fair Trade Week (from 1 to 11 October).

<http://milleniumedition.org>



October - BTC participates to the Open Company Day

BTC participates to the Open Company Day on Sunday 5 October 2008. More than 500 visitors face all weather and come to the BTC offices to get familiarized with development cooperation in the year 2008. Projects from Cambodia, Senegal, Burundi and Peru are in the spotlight. The Open Company Day is also the occasion to organise a contest, which was won by Ellen Geerts from Lille (Turnhout). In January 2009 she goes on an immersion journey to Benin and visits BTC projects.

November - European Development Days in Strasbourg

The European Development Days have become a fixed item on the European and international summit agenda with topics as governance (in 2006) and climate change (in 2007). Every year approximately 3,000 participants from all continents represent about 1,200 development organisations and organisations from civil society at the event.

The 2008 European Development Days focus on the consequences of the financial crisis on development, the local dimension of development and especially the role of local authorities, the progress made in Millennium Development Goals, food security and hunger, climate change, the volume of assistance and the influence of the media on development.

www.eudevdays.eu



© Be-troplive, G. Jean

November - Be-troplive Symposium

On Thursday 13 November 2008 Be-troplive, the Belgian Platform on Tropical Animal Health and Production, organises its second symposium entitled: Integrating livestock in farming systems: A guarantee for sustainable agricultural development. 125 experts of 22 nationalities attend the symposium. Apart from experts who work in the field or in international institutions, also the European Commission, the Belgian development cooperation and African, South American and Asian ministries are represented.

www.be-troplive.be

November - International colloquium on Alma Ata

On 26 and 27 November 2008 an international colloquium is held in the Institute of Tropical Medicine in Antwerp on the occasion of the thirtieth anniversary of the declaration of Alma Ata. The core question is whether primary health care is the right strategic choice to ensure health care for everyone. The colloquium is organised by the Institute for Tropical Medicine, DGDC, BTC and the Belgian platform Be-cause Health.

www.itg.be/becausehealth

November - BTC Process management nominated

The BTC Quality Platform is nominated for the 'Business Process Excellence Award 2008' in the 'Governance, Risk & Compliance Management' category. This prize is awarded by the German enterprise IDS Scheer. It is an international recognition for innovative projects that optimise business processes. With this nomination BTC joins the company of large enterprises that also subscribe to a process approach (BASF, Deutsche Post, Rodamco Europe, E.ON Sales & Trading...).

November - International seminar on drinking water in Senegal

In December 2008 the drinking water project in the Senegalese Bassin Arachidier (Parpeba) ends. It is the occasion for BTC to organise an international seminar in Senegal from 3 to 7 November to share the experience of the project, especially in water network management by the beneficiary communities. About 120 people from Algeria, Belgium, Benin, Burundi, Mali, Morocco, Niger, Congo, Rwanda and Tunisia participate to the seminar.

www.parpeba.sn

December - Charter for quality medicine

Medicines in the South are not always of good quality. Be-cause Health, the Belgian Platform for International Health and Health Care, draws up a charter for the use of quality medicines, vaccines, diagnostic products and small medical materials. Members of Be-cause Health, like BTC and DGDC, sign the charter on 12 December.

December - Film 'Sanitation Kinshasa'

The post-election emergency programme for Congo, which Belgium started after the 2006 elections, targets a large part of its efforts on sanitation in Kinshasa. BTC produces a documentary in which the problems and challenges are highlighted.

Kinshasa is becoming a megalopolis. Whoever loves Kinshasa, knows that the city that used to be called "Kin la belle" now has reached such a dire state that it deserves the nickname "Kin the dump". Nevertheless, it is impressive to see how public services have recently tried to clean this city and give it back certain decency.

You can watch the film on www.btcctb.org, >> Countries >> Congo





Trends in the international development sector

Paris and Accra

Starting from the observation that development co-operation last century insufficiently contributed to the development of the partner countries, a few donors, members of the OECD development committee, proposed a new development paradigm. The essence of that paradigm is that the development responsibilities are put in the hands of the partner countries.

After Rome in 2003 a second High Level Forum on development cooperation was held in 2005 in Paris. This meeting led to the meanwhile well-known Paris Declaration. This Declaration was signed by Belgium and increasingly influences the Belgian contribution to development cooperation.

The Paris Declaration states that the effectiveness of development cooperation can only increase on the condition that the partner countries really take up ownership of their development, that the donors harmonise their efforts and align these efforts with the local systems, that the development cooperation partners work towards results and that partners are held mutually accountable for the commitments made.

This has specific consequences for BTC. State-managed project execution has to be replaced by national implementation. Also, far more emphasis is put on capacity development of local institutions with reliable and efficient financial management systems, on public contracts, on management for results and even on management of development cooperation itself.

In 2008 the third High Level Forum in Accra (Ghana) dealt with shortcomings of the Paris Declaration. Starting from the observation that changes were in general weak and slow, it was insisted upon that even more responsibility be transferred to the partner countries and that donor-guided initiatives be avoided. Aid should also be increasingly unconditional. The group involved is extended to all actors in development cooperation and especially to the non-governmental sector.

Moreover, attention is required not just for the approaches, but also for the content and especially for the consequences of the increasing food insecurity and the global economic crisis.

The fourth High Level Forum will be held in 2011 in Korea.

Impact on BTC

This changing international context also requires that BTC change comprehensively. Ideas on the matter were exchanged during the annual meetings of the Resident Representatives and during the summer seminars with the Technical Assistants. The challenges and risks of the new approach and the 'new role' of the cooperation expert were discussed there.

These are themes discussed:

- Donors will be involved less and less in the concrete implementation of aid
- Capacity development of individuals and institutions becomes more and more important
- Policy advice and expertise (which is increasingly short-term) are essential
- The experts must be given further training to function in the changing context
- It is likely that execution terms will become longer
- The donor will have to be prepared to take more financial risks in the short term in exchange for better development results in the long run

New instruments

One of the reasons why aid failed in the past is the linear and mechanistic thinking that sees a direct causal link between activities and results. Nothing could be further from the truth. It is increasingly accepted that development is a matter of changing behaviour in the target groups in the first place. Development cooperation is increasingly seen as change management in which the partner is responsible for reaching sustainable results with the support of the donor.

That is why BTC looked for tools that go with the new aid paradigm.

The 'Outcome Mapping' tool was developed in 2001 by the IRDC in Canada. The tool assumes that you cannot achieve sustainable results without involving all stakeholders in the process. The model is participative to a high degree.

The core of 'Outcome Mapping' is the mapping of changes in the behaviour of the target groups to achieve effective sustainability. It clearly links development to processes of socio-economic change, supported by technical and financial input where needed.

The underlying reasoning is that development is made through and for people. A project or a programme can influence the activities of people, but it cannot control them. The final responsibility is in the hands of the people concerned.

BTC will gradually introduce the method. A first group of collaborators was already trained in 2008; the rest of staff concerned will be trained in 2009.

Train for Development

In 2007 the Train for Development (T4D) network of the OECD development committee presented a methodology named 'Ex-ante Poverty Impact Assessment' (PIA).

This tool enables the assessment of the impact of the results chain of a project or programme on poverty reduction. This way the objectives of a project or programme can be determined much more in detail.

In 2008 three BTC collaborators are trained in using the tool at GTZ.

The mission of BTC is to fight poverty in the partner countries. The Poverty Impact Assessment can, to a certain degree, also be used as a touchstone for the mission of the organisation. From 2009 onward the tool will progressively be used.

Manage interventions in the South for Belgian authorities

Formulating interventions

In 2008 BTC formulates 35 new interventions for a total budget of almost EUR 175 million. All these dossiers are approved by the joint quality committee of DGDC and BTC and by the beneficiary partners.

That result is a success, especially when considering the fact that the formulations for the Democratic Republic of Congo, which amounted to EUR 60 million, could not result in signed contracts because of the troubled relations.

It was a reason to open a few new dossiers in other countries in the final months of 2008 to still obtain the EUR 175 million target.

Country	Amount (euro)	Formulations
Algeria	9,000,000	1
Benin	13,300,000	3
Burundi	27,300,000	7
Cambodia	3,000,000	1
Ecuador	14,000,000	1
Mali	1,682,442	1
Morocco	19,500,000	3
Mozambique	3,400,000	1
Uganda	5,568,525	2
Palestinian Territories	15,000,000	2
Rwanda	40,970,000	6
Senegal	6,900,000	2
Tanzania	5,211,832	3
Vietnam	10,000,000	2
Total	174,832,799	35

For every formulation BTC appoints an internal Formulation Manager, who will supervise the process from beginning to end. BTC does still rely on external experts for the formulations but, in a break from past practice, they have no final responsibility for the formulation. Final responsibility is now in the hands of the Formulation Manager.

Of course, in formulations BTC also pays attention to the Paris Declaration principles for aid effectiveness. The main challenge is to make sure that these efforts

do not slow down project execution and that risks are controlled. Therefore, at the end of 2008 a few country studies are opened to investigate this issue.

BTC strengthens the project and programme formulation teams in 2008: 10 new experts are hired. For each theme (health, education...) BTC now has sufficient expertise to execute its task optimally. Thanks to these extra human resources BTC can also pay more attention to the technical follow-up of the projects in execution, which also contributes to the quality.

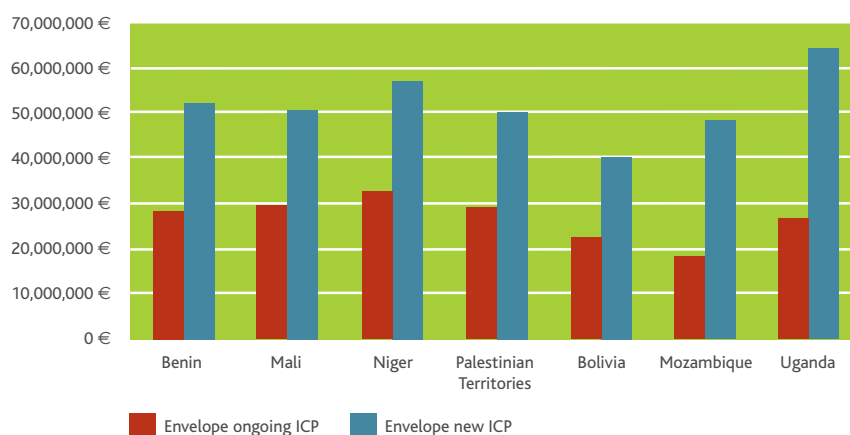
Executing interventions

26 new projects are approved in 2008. Together with a number of budget increases for ongoing projects, they amount to more than EUR 90 million, as opposed to more than 295 million in 2007. It should be noted here that the amount in 2007 was exceptionally high because a few formulations from 2006 were included and because the finalization of a few formulations was speeded up in 2007. Another reason explaining the decline compared to 2007 is the political crisis with the Democratic Republic of Congo, resulting in EUR 60 million worth of formulation files being blocked off.

Joint Commissions

Seven joint commissions are held in 2008 during which Indicative Cooperation Programmes for the next four years are approved. The following table shows the budget of the previous and of the new cooperation programmes for each of these seven countries. It shows a substantial rise of the Belgian bilateral aid in each of these countries.

Comparison of 2008 ICP's with previous programmes



The following joint commissions are scheduled for 2009 in Peru, Senegal, Tanzania, Morocco and Burundi.

Specialisation

The new Indicative Cooperation Programmes show a further specialisation; from now on efforts are concentrated on two or three key sectors in each country. The cooperation programmes also take into account the priorities of the beneficiary country; the projects and programmes of the Belgian development cooperation should be in as close alignment with these priorities as possible.

Key sectors in the new cooperation programmes

Country	Key sectors
Benin	Agriculture & Health care
Mali	Rural development & Decentralisation and Local governance
Niger	Health care & Rural development
Palestinian territories	Education & Decentralisation and Local governance
Bolivia	Agriculture & Health care
Mozambique	Energy and climate change & Health care
Uganda	Education & Health care

Delegated cooperation

Delegated cooperation is a form of aid that is in line with the sector concentration of the donors. It allows Belgium to delegate a part of the cooperation programmes, to entrust them to other donors.

Likewise, other donors can delegate their development cooperation to Belgium. BTC is consulting with the Belgian government to approve a Belgian policy document for delegated cooperation.

- Cyprus has already entrusted Belgium with two projects in Mali: one for the building of bridges in order to keep four villages accessible throughout the rainy season and a second one for sanitation in the city of Sikasso.
- The United Kingdom entrusted Belgium with a land reform project in South Africa for a budget of more than EUR 1.5 million.

Manage interventions for other donors (third parties)

In accordance with Article 7 of the Law of 21.12.1998 establishing BTC, the agency is entitled to execute interventions for other donors than the Belgian State. BTC has a specific department for this purpose: BTC-International Services.

The strategy of third parties commissions is aimed at strengthening Belgium's bilateral actions. BTC-International Services is therefore intensively seeking strategic alliances to promote the coherence between bilateral and 'international' cooperation forms. It participates only sporadically in competitive tenders.

BTC-International Services' portfolio includes various projects in preparation or in execution. The emphasis in 2008 is mostly put on co-financing of existing bilateral projects, ranging from traditional parallel co-financing, to joint co-financing and delegated co-operation.

The scale and complexity of the co-financed interventions have increased in 2008. This is partly related with the ambition to make help more effective through the division of labour between donors, especially at the European level.

For BTC the challenge is therefore specifically to integrate the European dimension into the duties of all collaborators. In order to achieve that goal, BTC needs to define third parties' commissions as a strategic priority in its mission and vision. If need be, the management contract between the Belgian State and BTC will be adapted.

BTC-International Services in 2008

- Between April and June 2008 an internal audit of BTC-International Services is conducted. The final report, which is positive on the whole, is presented to the Audit Committee. It clearly points out the necessity to develop a clearer strategy at management level.
- In order to offer the different donors correct services, BTC absolutely needs to bill the achieved work accurately. Indeed, BTC collaborators can both be working for bilateral (Belgian) projects and for projects funded by other donors. In 2008

the instrument for time allocation is further refined in order to make it meet this fundamental requirement in future.

- In 2008 BTC-International Services develops a central system to classify and analyse potentially interesting assignments. The active search for possible assignments is not limited to BTC-International Services staff; other BTC collaborators contribute as well. From the formulation of a "Belgian" project onward they are expected to search for collaboration opportunities with other donors. A good example of this is the project 'Institutional and Operational Support to the Justice Sector in Burundi', which is co-financed by Belgium (DGDC), the United Kingdom (DFID) and Sweden (Sida). In the future the aim is to identify collaboration opportunities even earlier in the project cycle. When drawing up the Indicative Cooperation Programmes with the partner countries, BTC-International Services will analyse opportunities to strengthen key sectors of the Belgian cooperation through funding of other donors.
- The collaboration with Finexpo is continued in 2008, with assignments related to Cameroon, Ghana and Sao Tomé. Finexpo is a federal advisory committee providing financial assistance to Belgian export of equipment and related services. BTC experts are carrying out price controls for Finexpo on bids of companies for the execution of a project within the framework of a public loan. BTC can also analyse bids drafted according to local partner country regulations. On top of the analysis, BTC can also provide advice concerning the allocation and sporadically carry out the follow-up of projects financed by public loans.

Certification for the European Commission

Following an external audit BTC receives confirmation in April 2008 that the agency is now allowed to execute contracts for the European Commission in the context of centralised indirect management. The audit mainly investigated the financial management and the non-discrimination policy.

BTC sees in this opportunity of executing tasks on behalf of the European Commission recognition of its sound financial policy, of the compliance with non-discrimination principles and of its operations in general.

If the European Commission decides to entrust BTC with an intervention, this is described as delegated cooperation of the Commission with Belgium.

2008 achievements

In 2008 BTC-International Services signs contracts for third parties' commissions to the amount of EUR 33,390,530.

In 2008 BTC-International Services also identifies EUR 50 million of third parties' commissions to be signed in 2009.

With 53% the European Union is BTC-International Services' biggest donor in 2008. DFID represents 17% of the activity volume, the World Bank 11% and the Burundian Economic Management Support Project 9%.

BTC-International Services - Contracts signed in 2008

Country	Assignment	Donor	Budget (EUR)
Burundi	Institutional and operational support to the justice sector	DFID	2,900,000
Burundi	Census mission of the Burundi State military	Burundi	359,407
Belgium	Consultancy on closed centres in Belgium	Federal ombudsperson	13,130
Cameroon	Dredging of the access channel to the port of Douala	Finexpo	12,018
Ghana	KOFORIDUA Phase III - TAFO Water supply in Ghana	Finexpo	6,785
Mali	Centre for Migration Information and Management	European Commission	1,999,680
Congo (Dem. Rep.)	Capacity strengthening of the basic territorial entities in the Walungu and Mwenga territories	European Commission	1,438,166
Congo (Dem. Rep.)	Pilot programme for the development of water supply and sanitation systems in Kinshasa and Bas-Congo province	Agence Française pour le Développement (AFD)	8,000,000
Congo (Dem. Rep.)	Rehabilitation of rural roads in eastern Kasai - Phase 2	DFID	664,200
Congo (Dem. Rep.)	Account for operational cost Education theme group	DFID	80,000
Congo (Dem. Rep.)	Management training of development agents	DFID	80,000
Congo (Dem. Rep.)	Rehabilitation of sanitation structures of the 9th EDF health programme- Eastern Province (Uélé and Ituri)	European Commission	762,009
Congo (Dem. Rep.)	Rehabilitation of sanitation structures of the 9th EDF programme- western Kasai	European Commission	837,709
Congo (Dem. Rep.)	Rehabilitation of sanitation structures of the 9th EDF programme- North Kivu	European Commission	896,557
Rwanda	Rural drinking water supply programme, Southern province, district of Nyaruguru - Huye and Gisagara	European Commission	1,272,241
Rwanda	Improvement of access to (micro-hydro) energy in Rwanda	European Commission	4,125,000
Rwanda	Support programme for the reforestation of 9 districts in the northern and western provinces in Rwanda	DGIS	9,900,000
Sao Tomé	Supply of a maritime telecommunications system at Sao Tomé	Finexpo	43,628
Total			33,390,530

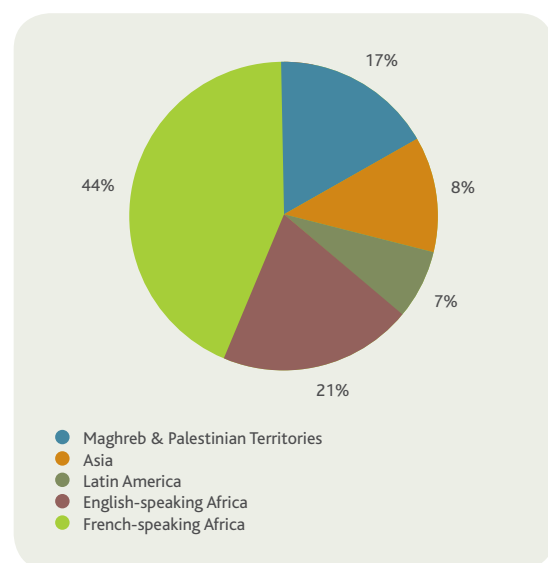


Scholarships and traineeships

In 2008 the programme for scholarships and traineeships amounts to more than EUR 19 million. Some 1232 foreign students and trainees enjoy a scholarship from the Belgian bilateral development cooperation. There are also another 76 scholarships for training as part of the projects (project scholarships). Finally, more than 2000 local scholarships are attributed for training in the South.

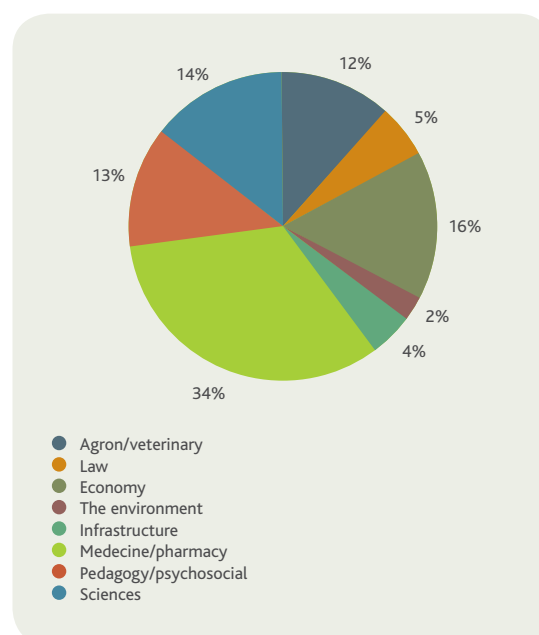
The scholarship holders in Belgium come from more than 25 different countries, but the vast majority (95%) comes from the 18 partner countries.

Origin of the scholarship holders in Belgium



Training is in the following fields: medical and pharmaceutical, economy, sciences, pedagogy and psychosocial sector, agronomy, infrastructure, law and the environment.

Area of study of scholarship holders in Belgium



International Atomic Energy Agency

BTC also manages scholarships for the International Atomic Energy Agency. In 2008 this amounts to 54 files. At the request of the Atomic Energy Agency, BTC provides an overview of training possibilities in Belgium. This results in the Atomic Agency entrusting new training programmes to BTC in the area of nuclear medicine and pharmaceutical sciences, respectively for students of Haiti and Benin.

Manage interventions in the North for Belgian authorities

Training

General Information Cycle

The General Information Cycle (Infocycle) organises multidisciplinary residential training sessions on North-South relations. Originally, in the 1960s, the training was started by the Belgian cooperation to train prospective and active development workers. Since, the training has attracted more broadly a pool of people who wish to get informed about the ins and outs of the North-South relations.

The General Information Cycle certificate is appreciated in the sector and is even a requisite for the Voluntary Service for Development Cooperation (VSDC), Junior Professional Officers at the UN (JPO), the United Nations Volunteers (UNV) and APEFE/VVOB.

With 277 training participants in 2002, Infocycle has crossed the symbolic threshold of 1,000 participants in 2008. Separate programmes, which have shared sessions though, attracted 549 French-speaking and 478 Dutch-speaking participants. The General Information Cycle is organised 11 times a year; the participants systematically evaluate the training sessions.

In 2008, 82% of respondents to the online evaluation questionnaire graded their general satisfaction above 7/10. There is satisfaction about the quality of the training sessions, the practical organisation of the training sessions as well as the human relations and the group dynamics.

New five-year programme

On 1 September 2008 a new five-year programme starts, which means new strategy choices. These emanate from a reflection process, which was at first conducted internally and which followed up on the evaluations of the training. This reflection was supported by two external studies: An effectiveness study (2005-2006), which was conducted among former participants more than a year after they attended the General Information Cycle, and a study on the development cooperation training needs (2007), which was conducted among more than 150 stakeholders in the sector.

An analysis of the environment shows a clear evolution in development cooperation: Development workers are more and more professional and specialised, whereas job openings in the sector become scarce. At the same time, the 'fourth pillar', new actors, come up with international solidarity initiatives taken by individuals and civil organisations, and actions are set up in the North as well, such as development education or advocacy.

Nonetheless, the General Information Cycle has to keep its general character and develop training that is oriented towards the reflection of the participants about their commitment, in the South as well as in the North. So, the training has to become more flexible in order to adapt to the diversity of profiles among participants and to meet the diverse needs of international solidarity organisations.

Consequently, there is still a 'common core'; it constitutes 3 quarters of the training. In a series of conferences and debates different aspects of development cooperation are discussed, such as principles and actors of development cooperation, economic issues of the South, anthropological topics, conflict prevention or project management. All this has to be done while keeping the political, socio-economic and cultural reality of the developing countries in mind.

The new 'option' part goes more in-depth and is participative. The participants choose one from three modules:

- Reflection on possibilities to get involved in international solidarity;
- Micro projects (including the fourth pillar);
- The North projects.

Coordination of training sessions in Belgium...

As the sector becomes more professional there is also an increase in training initiatives. The following years, the General Information Cycles will set up a consultative framework between the organisations that provide training on development, in order to strengthen their synergies.

Raising awareness

In Belgium BTC is also active in raising awareness about North-South relations; it does so in collaboration with the provinces and Brussels. The objective of this awareness raising is to make our children and young people into active world citizens. In the Dutch-speaking part of the country this is done by Kleur Bekennen; in the French-speaking part by Annoncer la Couleur.

Kleur Bekennen

In 2008 Kleur Bekennen coaches, supports and subsidizes more than 600 Flemish schools. Kleur Bekennen develops individualised projects about global citizenship with teachers and educational organisations. This way more than 150,000 pupils are reached. Almost 5,000 registered users borrowed educational material from the documentation centres. The documentation centres offer more than 3,000 titles, which have all been thoroughly checked for quality by Kleur Bekennen.

Moreover, all Flemish secondary schools get the chance to participate with an original school project to a global citizenship contest, which awards a box of educational materials as first prize.

• World Wide Web

To respond to the increasing demand for online educational material, Kleur Bekennen elaborated a blog about e-learning and global citizenship: www.kleurbekennen.wordpress.com. The blog is like a single desk that provides an overview of educational websites, web quests, online imagery, educational games and other Internet applications. The blog is updated weekly. The blog already reached more than 10,000 unique visitors last year.

• Wereldwonderwijs

After the successful publication of 'Wereldwonderwijs, denk- en doeboek over opvoeden tot wereldburgers in het lager onderwijs' (A book for Reflection and Action about Global Citizenship Education in Primary Schools), in 2008 Kleur Bekennen develops a reflection and action book for secondary education in collaboration with educational organisations, NGOs and teachers. The book is for (future) teachers, school directions, educators and parents. It gives tips with respect to teaching content and methodology to make our young people into real global citizens.
www.kleurbekennen.be



Playing at cooperation ...

'Fifty-Fifty for Langer' is the name of a new educational group game about development cooperation that Kleur Bekennen and Annoncer la Couleur developed together in 2008. In a playful way young people explore how a development project is launched, who is involved and what difficulties may arise. Teachers can borrow the game for free at the documentation centres of Kleur Bekennen, at the Walloon provinces and Brussels.

Annoncer la Couleur

- **Campaigns, training, youth in action...**

Annoncer la Couleur (ALC) encourages youth workers to set up pedagogical activities that open up young peoples' minds and broaden their understanding of the world, in order to make them into critical and responsible actors of change.

The provincial ALC promoters encourage synergies between the different actors in their region. They train youth workers in order to provide them with different tools and resources. The training sessions focus on themes linked to migrations, democracy and development cooperation. The objective is to rely on the competencies of teachers and animators (1,069 people in 2008) so they can bring awareness raising to a good end in their job setting and with their audience. This approach ensures the best multiplier effect. In 2008 more than 21,000 young people are reached that way. In parallel, several cultural activities (theatre, education exhibits, movie debates...) are organised to stimulate and feed the reflection about the campaign themes among thousands of young people. In 2008 7,317 young people and 1,259 adults are reached this way.

Finally, young people themselves take the initiative to set up projects: 4,536 do so in 2008. ALC supports them methodologically, logistically and financially.

- **A reference site**

The www.annoncerlacouleur.be Internet website is meant to be a real awareness-raising tool, to support the different campaigns. The broad public finds an agenda, interactive games and many other materials there. Among these you can find Planetanime, a range of pedagogical tools, a real materials mine (with more than hundred references) created by organisations in French-speaking Belgium. With more than 100,000 visitors per year, for the young people who work on a project, the website is also an interface, through which they can exchange experiences and give a voice to their actions.

The future will be plural

Each putting in its own experiences, in 2009 ALC and KLB will join in a new programme that focuses on Global Citizenship Education. The focus will be on a targeted audience of young people aged 10 to 18, reached via schools but also via youth organisations. The first step will be the installation of a knowledge platform, which will integrate Global Citizenship Education in a structural way in the practices of the different sectors.

Fair Trade Centre

The Fair Trade Centre is a programme promoting Fair Trade in Belgium. It has three fields of action: The coordination of the Fair Trade Week, support to organisations of producers, and being an observatory for Fair Trade.

Youth Parliament on Fair Trade

During Fair Trade Week, on 1 October 2008, 94 young people from all over Belgium meet at the Senate for the first Youth Parliament sessions on Fair Trade. The objective of this day is to bring together their views on Fair Trade. At the end of the debates, they present their proposals to the representative of the Minister of Development Cooperation during a plenary session presided by the president of the Senate.

An example of support to the private sector

In the Collines department, in the middle of Benin, the quality of rice and the relatively high production costs gave small producers a hard time competing on the local market with rice imports from Asia.

The Belgian NGO Vredeseilanden responded to that challenge by contributing to the improvement of the production conditions of two farmers' organisations.

Today, the local population can cover its own needs and reaches a certain degree of food security. But not all the rice is marketed locally. To find new markets Vredeseilanden contacted the Colruyt supermarkets.

A commercial agreement with this distribution chain encourages the rice growers to invest in quality improvement. It also challenges them to build up strong rural economic organisations.

The Fair Trade Centre supports this project.

Broader mandate for the Fair Trade Centre

The desire of the Belgian cooperation to turn trade into a real development tool and the strong rise of Fair Trade have led to a broader mission for the Centre, which changes name to become the 'Trade for Development Centre'.

Public authorities installed this programme as a centre of excellence to:

- Support and promote the different kinds of fair and sustainable South-North and South-South trade;
- Support the bilateral cooperation projects that are active in the production/marketing circuits.

Moreover, the Trade for Development Centre has to coordinate information and awareness-raising campaigns among the public (Fair Trade Week), economic actors and public authorities.

www.befair.be

Voluntary Service for Development Cooperation

The Voluntary Service for Development cooperation (VSDC) was created in 2006 to give young people the chance to gain hands-on professional experience in development cooperation. The Junior Assistants are counseled by collaborators in Brussels and by a coach in the field; in the field the Junior Assistants directly immerse themselves in a bilateral cooperation project.

In January VSDC organises an annual selection among candidates; this selection consists of a written test by Selor (the Belgian public service recruitment office) and of a spoken test at BTC. In April and October the profiles of the selected candidates are compared to



the profiles that the projects look for. Before their departure Junior Assistants are trained intensively.

In 2008, 78 Junior Assistants -out of 386 candidates- are selected and placed in the recruitment pool. Thirty-three of these are assigned a position in a BTC project. A total of 112 Junior Assistants have been assigned to the field since the programme was created, including the 79 Junior Assistants from previous selections.

The support and follow-up tools used, among which the pre-departure training and an evaluation system (the development circle), are specific to the programme. They enable regular feedback and real follow-up of the Junior Assistants. These different tools highlight the added value that the Junior Assistants can bring to the field as well as the way their work is being appreciated by the partners.

In 2009, the programme will be evaluated by an external organisation. This evaluation should, among other things, ensure the successful conclusion of several topics that are under investigation, such as the place that the project could have in today's development cooperation. 2009 should also be the year that the programme opens up to NGOs, as was intended at the beginning.

In order to create an exchange site with the Belgian public a blog was launched (www.blogcooperation.be). In 2008, the Junior Assistants publish more than 200 articles, which attract an average of 2,000 visitors per month.

Bridges have been built between VSDC and the awareness-raising projects by proposing the Junior Assistants as resource persons for awareness raising in Belgium.

WWW.BTCCTB.ORG > Voluntary service

5 projects in the spotlight

Below you can find five articles about projects that BTC executed in 2008. These are about education in Cambodia, decentralisation in Niger, health care in Ecuador, institutional strengthening in Rwanda and social-economic reconstruction in Congo.

The content of the articles focuses on the results achieved (or not) by the projects. Instead of completely listing all our activities, we thought it would be more interesting to select a limited number of projects and to go deeper into the actual achievements, the difficulties and the chances in the current context. The selection aims at a geographical, sectoral and methodological balance, so the reader can get an idea of what Belgian direct bilateral development cooperation is in 2009.

The first four articles relate to projects of the Belgian development cooperation. These articles are also included in the DGDC Annual Report. The Congo article deals with a project that BTC executes for the British development cooperation.

Descriptions of other BTC projects can be found on the website WWW.BTCCTB.ORG

Cambodia

Improved quality and access to basic education

Between 1975 and 1979 the Cambodian school system was dismantled and its personnel was decimated by the Khmer Rouge regime. At the end of the genocide only 54 teachers remained for the whole country. That number by itself shows the extent of the challenges the authorities were facing when building a successful education system.

30 years later quality education for all is still in jeopardy due to a lack of adequate infrastructure, the shortage of qualified teachers (with an average of 55 pupils for one teacher in primary schools), over-age school enrolment, high dropout rates as well as the poor quality of teaching and learning.

These problems are exacerbated by the strong fragmentation of development aid this country relies on to a large extent as well as problems with ownership and corruption that undermine the impact of many projects. Nevertheless, over the last few years, the Cambodian government has taken the effort to strengthen the efficiency of aid and has invested in the development of real partnerships.

Belgian cooperation has been active in Cambodia for 8 years and has financed the "Basic Education and Teacher Training" (BETT) project since 2003. The aim of this project is to improve the access to and quality of basic education, in line with the national education strategy of the country. It is implemented jointly by BTC and the Ministry of Education, Youth and Sport and targets three provinces: Siem Reap, Otdar Meanchey and Kampong Cham. Three main action axes have been chosen: the building and rehabilitation of school facilities, the creation of a scholarship system and the support of teacher training.

Expansion and rehabilitation of schools and teacher training facilities

Since 2003 more than 650 classrooms have been built on 110 sites. They have been provided with appropriate school furniture and sanitation facilities. Three teacher training centres have also been rehabilitated or expanded. They offer a stimulating learning environment to more than 112,000 pupils, students and teachers.

Community Involvement

The involvement of local communities is essential to develop a sense of ownership and ensure the sustainability of the infrastructure. That is why School Support Committees have been installed on each of the sites. Their task is fourfold: They follow up the daily work during construction, they execute minor work to improve the premises, they ensure the maintenance and good management of the school and, finally, they ensure that all children can access school. The assistance of these committees has proved very useful; their daily input contributes to a significant improvement of the quality of the construction and to ownership by the populations.

Improvement of the construction model

Following discussions with teachers, parents and representatives of NGOs improvements have been made to the school building model used in the past: A better natural ventilation and protection against rain and sun, supply of flexible and user-friendly equipment and furniture; access for handicapped persons; access to water and toilets the whole year through; integration of environmental concerns by abandoning the use of illegally cut wood etc. There was also a need to offer a traditional type of building that would be easily built by inexperienced workers without using specific tools.

In 2007 a survey showed that 86% of teachers and pupils preferred the new model, which is considered more comfortable and user-friendly for its equipment, its temperature and natural lighting, as compared to the official model of the Ministry. Following this evaluation, the model of the Ministry has integrated most of the principles initiated by the project. The Ministry is considering to definitively adopt this model for the whole country at medium term. Likewise, the Provincial Teacher Training College of Siem Reap, which was rehabilitated and expanded by the project, is promoted as a national model.

Nevertheless, the good maintenance and management of the schools remains a point of concern. Both depend to a large degree on the motivation of the school principals. Despite their low salaries, at least a third of them is fully engaged in achieving significant improvements. Exchange between communities and increased local involvement of the Ministry should contribute to a generalisation of these good practices.

Scholarships

The scholarships programme aims at decreasing the dropout rate and at improving the transition from primary schools to lower secondary schools. Indeed, whereas considerable progress has been achieved in the universalisation of primary education (91.3% net enrolment ratio), the participation to secondary education remains low (31.3% net enrolment ratio). The programme in the first place also focuses on the poorest, with girls benefiting for 60%; girls drop out more easily. In the schools Local Management Committees have been trained to manage and report on the scholarships programme in their school.

The project has provided scholarships to over 6,400 pupils at 69 schools over the project's three years. The scholarship grant differs depending on the family's financial situation: USD 45, 60 or 90 per year. With that amount you can buy school supplies, a uniform and a bicycle to go to school.

One of the strengths of the scholarships programme was the continuous improvement of the procedures, the follow-up and evaluation implemented. This experience has been shared with other donors, among others the World Bank, which continued the programme in 2007.



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Teacher training

In Cambodia the situation does not differ from the situation in other developing or post-conflict countries. Teacher training is poor, there are few schoolbooks and pedagogical resources and the teaching methods are neither active nor participative.

BTC supports the Cambodian Ministry of Education in progressively introducing change. The focus is on the improvement of pedagogical methods in maths and Khmer classes, the improvement of school management and the introduction of topics such as health and the environment in the life skills programme.

More than 200 primary and lower secondary schools are involved in the maths programme, which reaches 140,000 pupils and 1,850 teachers in the three provinces targeted. Based on the national curriculum and the existing schoolbooks, it consists of 6 modules covering the methodology (knowledge of content, concepts, aptitudes), teaching methods and the introduction of learning activities. Afterwards the teachers are followed up and coached in their class and get further training.

The Khmer language programme, to which 127 primary schools participate (45,000 pupils and 1,000 teachers), focuses on learning to read.

The health education programme complements the teacher training support. Health being one of the major dropout causes, it focuses on hygiene and sanitation, disease prevention and food.

Perspectives and challenges

The approach chosen is unique both technically (school model, scholarships programme ...) and conceptually (decentralised and participative, attention paid to capacity development, continuous improvement process, influence at the national level...).

Regardless of its significance, the project reaches only 5% of primary schools and 50% of lower secondary schools in the 3 provinces. Hence, the importance of ensuring the dissemination and use at a larger scale of the material and tools developed, in particular in the initial teacher training, in advanced classes and in further training.

The Ministry of Education has taken a first initiative by inviting the project to broaden the maths programme to all teacher-training colleges in the country. The possibilities for the Khmer language programme and the health education programme still have to be explored.

Moreover, the objective today is to further strengthen the capacities of the different actors. That is why the project aims at sharing its experience with organisations that are active in the education sector. It wishes to have a stronger impact on policy by participating to working groups and technical workshops at the national level.

Basic Education and Teacher Training

Partners	Ministry of Education, Youth and Sport
Budget	EUR 13.4 million (Belgian contribution) EUR 4.3 million (Cambodian contribution)
Duration	2003-2010
Website	www.bett-cambodia.org

Niger

Decentralisation, a bet on confidence

An experimental programme

Since 2004 Niger has been committed to a reform of the State, combining deconcentration¹ and decentralisation². Many donors work together in the region. Lux-Development, the Swiss cooperation, the World Bank or the European Union, for instance, contribute to Niger's general results in the field. Belgium, in particular, has supported the decentralisation process since 2006 through the "Support programme for the establishment of decentralised bodies in the region of Dosso" (PAMED programme). From the onset, this programme was conceived as an experiment: Depending on the results, it will inspire all or part of the national decentralisation policy of the Niger government. The aim is to support the government's policy to fight poverty through the operationalization of communes. The programme is planned for four years and it is due to end in 2010. It regards 43 communes of the Dosso region, covering 5 departments and reaching 1.6 million inhabitants on a territory almost as big as Belgium.

Making communes responsible creates a virtuous circle

As the government's decentralisation strategy proposes to start by the installation of the communes, the programme directly focuses its efforts on the communes. With poorly trained elected officials, who have neither the logistics, nor the human resources at their disposal to function properly, the priority for the 2 first years was given to supporting the 43 communes in getting organised to a minimum and to training the elected officials, who will be at the basis of local management (administering the budget, the population office, public works, etc.). It was also necessary to strengthen the capacities of the communes in development planning through "Commune Development Plans", which are elaborated in close collaboration with the populations.

At the beginning only 13 communes had a general secretariat. At the end of 2007 there were 27 such secretariats. The number of tax officers increased from 16 to 40, the number of secretaries increased from 12 to 17, whereas population administrators increased from 27 to 44.

In 2006 only 5 communes had a Commune Development Plan; at the end of 2007 all 43 communes had such a document, even though of differing average quality. The participative process used to elaborate these plans is very important. In future, the populations will be better prepared to these civil exercises.

Financial aid and social control

One of the first activities of the programme was to start up a Local Development Fund. This provided financial aid to the communes that had no local government offices, so they could build, rehabilitate or buy premises. For the whole Dosso region only 13 communes out of 43 had a local government building at the beginning of 2006. In 2007 and 2008 the programme financed 30 building projects (among which 1 rehabilitation project). This way, at the end of 2008, the 43 communes are housed in permanent premises.

The Local Development Fund also supports investments efforts (2 EUR/year/inhabitant) of 15 communes (428,000 of most vulnerable inhabitants). These funds have to be used to finance commune investments (60%) and community initiatives (40%).

The annual grants of the Local Development Fund are calculated by means of an evening-

¹ Deconcentration: Deconcentration corresponds with a decision transfer from the central administration to local or regional levels.

² Decentralisation: Decentralisation corresponds to a transfer of allocations from the State to territorial bodies, which are legally differing from the State.

out formula, which provides more to the communes that have less. But more importantly, this distribution key depends on the annual performance of each commune: fiscal performance, commune governance (meetings, meeting deadlines etc.).

Nowadays almost all communes hold a minimum of 4 sessions. In 2005 only 8% of these meeting had minutes; in 2007, this percentage was 97.

In 2005 less than 1 commune out of 2 voted its budget in conformity to legal deadlines. Today 87% of communes do so, even though the annual financial statements clearly lag behind.

One fundamental question can however be raised about this financial aid: Does this aid to communes increase the risk of embezzlement, bad management or corruption? The financial audits³ performed in the 15 communes that benefit from annual allocations state that "financial affairs are in order and show a correct statement of the funds received and how they have been used". Of course, the auditors have found some material errors, partial lapses or gaps but no intentional error, no embezzlement, no personal enrichment. Moreover, the programme can claim that inhabitants themselves signalled the 2 or 3 major lapses by elected officials within 48 hours! This close-up "social control" shows the advantages of an active and decentralised democracy. Central management does not offer such guarantees.

Priority to food security

As the Belgian Survival Fund foots the bill, the investment choices of the communes have to be mainly oriented towards food security while at the same time securing the management freedom and autonomy of the communes, which is a basic principle of decentralisation.

The 15 beneficiary communes have used their allocation well (CFA 317 million francs in 2007; 517 million in 2008⁴): 64% is spent on activities that are directly linked to food security of vulnerable populations. More important still, 98% of community investments and initiatives supported by the commune budget and 41% of commune investments belong to this category. These first results are encouraging. For 2009, the 15 communes have decided to spend 75 to 80% of their budget allocations to food security.

Searching for a new kind of development

To ensure close technical support of the communes a technical support advisor is active in each department. He/she supports the communes in their search for a new kind of development and together with them he/she ensures the follow-up and control of the use of the funds provided by the programme while still respecting the principle of management autonomy of the communes as stipulated in Niger legislation. Practically speaking, this means that even if the advisor gives a negative piece of advice about a planned operation the commune may take the risk, taking up its responsibility, and still go ahead with the operation.

All together, in 2007, the advisors spent more than 550 days supporting and advising the field: installation of an archives service, of a populations register, learning to draw up a resolution, minutes etc. Above all, the mid-term evaluation⁵ of the programme shows a change in attitude of the different actors: the wait-and-see policy and fatalism seem to back out as communities get organised and look for their potential at "shaping the future".

The decentralisation support programme is no tutelage: it counsels, coaches, makes aware, empowers but never substitutes. This empowerment of the elected officials and their agents is at the core of this approach, which was a bet on confidence.

The first results open perspectives

The action of the programme but also actions of other development partners in the Dosso region are not free of the risks of spreading too thinly and they can in the long run generate territorial inequities. That is why the coordination between these partners has to further improve to manage the "complementarity of their territories".

Budget aid to communes, the empowerment of elected officials, the taking into account of performances with regards to mobilising resources are important levers of change to forward development.

Support programme for the establishment of decentralised bodies in the region of Dosso

Partners	Ministry of the Interior, Public Security and Decentralisation
Budget	EUR 5.5 million (Belgian contribution) EUR 75,000 (contribution of Niger)
Duration	2006-2010
Website	www.btcctb.org/westafrica

³ Audit: PAMED commissioned a financial and management audit of the 15 communes that benefited from the LDF. This audit was performed by two auditing offices, which both produced positive reports.

⁴ 317,000,000 FCFA = 557,000 EUR - 517,000,000 FCFA = 908,000 EUR

⁵ Mid-term evaluation conducted by Jaap Bijl and Hassane Yaye on 20/10/2008

Ecuador

Health insurance for everyone

In Ecuador the poorest families often spend 40% of their income to health care, whereas this is only 6% for wealthier Ecuadorians. This difference is illustrative of the large inequities of the Ecuadorian health system: The poor only have access to expensive health care of precarious quality whereas the rich can afford better service and in comparison pay less.

Belgium has supported a far-reaching reform of the health sector in Ecuador since 2005. The South American country does not only want to introduce general health insurance but it also wants to improve health care significantly. The Belgian-Ecuadorian project 'Salud de Altura' helps the Ecuadorian government to reach its ambitious objective, especially for the poorest people of the capital Quito. Later the initiative should be expanded to the rest of the country.

The city council of Quito coordinates and supervises the health insurance (in short PAS – Programa de Aseguramiento en Salud). It also takes care of the payment of provided services, like a health insurance institution in Belgium would. The Ministry of Public Health is responsible for health care provision.

Health care for the poorest

For years the Ecuadorian government has provided a social safety net, which mainly aims at the poorest part of the population. In Quito this means 200,000 people. They are entitled to a series of social benefits, like a monthly check of 30 dollar per family, priority in children's day care, food aid for children below five, a grant for school-going children and direct aid in case of a catastrophe. Since 2006 also free health insurance has been included. This insurance entitles to free doctor's consultations, dental care, medicines and lab analyses.

After three years (2006-2008) the health insurance reaches 64% of the target group: 129,000 people have joined the system. The people enrolled also use the insurance more and more. In 2006 958 consultations were registered. In 2007 this had already increased to 23,000; and in 2008 that doubles to total more than 50,000.

These numbers are promising and clearly show that the population is in need of the system. But there is still a long way to go because 50,000 consultations per year for 129,000 people insured is a rate of usage of 0,39. In other words: Only 39% of all people enrolled in the health insurance have visited a doctor once in 2008. This is very low still. But it is 30 times better than in 2006.

Better quality health care

Health insurance makes little sense if the quality of the care is poor. Quito has 136 public health centres for 2 million inhabitants. That is enough as such, if it were not for the fact that there is a shortage of medical staff. Moreover, the medical infrastructure and equipment has to be improved.

'Salud de Altura' invested almost 1.7 million dollar in the rehabilitation of 31 health centres. Ten of those were completely renovated. 113 health centres were accredited according to quality standards of the health insurance to receive patients.

The quality of diagnosis and medical treatment is a more difficult topic. After all, better quality requires a change in behaviour from the part of the care providers and the politicians. Therefore, one of the tasks of 'Salud de Altura' is to strengthen the capacity of the municipality and the Ministry of Public Health. The project organises training sessions, elaborates quality standards, formulates health strategies and builds clinical decision trees for diagnosis and treatment. More than 1,500 health care workers have already attended training. The project also finances 100 scholarships for a recognized degree course in management and quality management of health care services. In the 113 health care centres 180 health workers have applied for this course, which started in April 2009.

Quality measurement

To control whether the new quality standards are respected the health insurance programme organises monthly coaching and monitoring visits in the affiliated health care centres. Doctors attend consultations of colleague-physicians to assess quality (diagnosis, treatment, prescribing behaviour, readiness to listen, patient satisfaction etc.) Also the medical files of the patients are studied to look whether the information is carefully and consequently registered.

The results speak for themselves: In less than one year time (March-December 2008) the quality of first-line health care in Quito increased from 45% to 67%. A clear progress but things need to further improve. The ambition is to reach 85%.

It is important to point out that this methodology to assess satisfaction will also be used at the national level.

Publications

Reliable and recent publications are essential tools for health care workers. With the financial support of the Ecuadorian Ministry of Public Health part of such publications can be provided to health care centres throughout the country.

For some publications the project could rely on the valuable cooperation of different Belgian institutions that provided their original material for free to be adapted to the Ecuadorian context⁶.



Several publications immediately proved very successful. *La familia saludable* (The Healthy Family) is a series of manuals on health promotion and disease prevention in particular for the unskilled. Health care workers of the Ministries of Public Health, Education and Social Welfare distribute the series. The first edition of 10,000 copies has already been distributed; a reprint for the 550 countryside health centres is in preparation. The book 'From baby to toddler' has been distributed in 5,000 copies among the 1,800 first-line health care centres of the country. And thanks to the input of the local doctors' association 5,000 physicians in Quito can rely on a free copy of the Drugs Repertory. For 2009 several publications are planned, which will be used for the degree course.

Awareness raising

Quality in health care reaches further than the technical aspect of medical care provision. Behaviour and expectations of the population, which often lead to excessive medicalization, are also important points of attention. That is why 'Salud de Altura' raises awareness via weekly contributions to three popular radio stations in Quito. The newspaper 'Ultimas Noticias' (daily circulation of 40,000) dedicates a full page to health themes every week. The project website www.saluddealtura.com was launched at the end of September 2007. Meanwhile, with 30,000 visitors every month, it has become a real reference providing accessible medical information.

This way the project hopes to significantly contribute to collective awareness that better health care is possible and necessary.

⁶The Belgian Centre for Pharmacotherapeutic Information (BCFI/CBIP), which disseminates unbiased information on medication in Belgium, put its Commented Drugs Repertory to the disposal of the project. It is an extensive guide that assists doctors and health care centres in choosing the most appropriate medication. It is also a work of reference, which is independent of commercial interests, for the Ministry of Public Health, for the purchase of medicines. The manual 'De bébé a niño' (From baby to toddler) is an innovative pedagogical tool, which mainly by means of photographs and illustrations explains how to best care for a child up to two years. The original 'Kind in beeld. Van baby tot kleuter' (Child in the focus. From baby to toddler) was produced by Kind en Gezin, the Flemish governmental agency responsible for the welfare and health of young children. Finally, the General Practice/Family Medicine Department at the Catholic University of Leuven put a scientific publication to disposal in which the relation between doctor and patient is concisely discussed.



Prospects

There is no absolute certainty about the future of the health insurance in its present form. A lot will depend on the desire of the government to continue with the original idea: Free health insurance for the poorest until 2010, with a generalisation of the system to the whole of the Ecuadorian population, financed by membership fees. There is also an intention to bring all existing health insurance systems into one national system, with mandatory membership, by 2015.

In any case, elements like coaching-and-monitoring visits, the codification and tariffs systems of health care services, and the information systems with the accompanying software will contribute to a well-operating health care system.

The updating, new editions and reprints of the publications and the maintenance of the website will be transferred to the Ecuadorian General Practitioners' Association. A local university will be responsible for the organisation of the degree course, which has the potential of one day, via distance learning, reaching the whole country.

In an ideal scenario the health insurance in Quito will continue to grow and be a model for universal health insurance in the whole country. That is why it is important that hospitals, which so far have not been involved, effectively become part of an integrated network of service providers and that real collaborations emerge between municipal and national health care centres.

Sources:

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OPINION:

The most important reform of the country

In Quito 8 out of 10 inhabitants have no health insurance, even though it is a constitutional right. The health insurance programme guarantees this right of free access to health care.

Health is the output of different social factors, like access to water and sanitation, a harmonious community life, safe neighbourhoods, education and healthy food. This objective can only be reached if local and national authorities work together.

The problems in Quito are not related to a shortage of health care centres. The city has enough of them but there is no coordination, access to them is difficult, the quality of service is poor, and families do not have the money to buy medicines.

Thanks to the health insurance programme all these problems can be dealt with in an integrated way. The programme wants to strengthen the health care system through a coordinated collaboration between the public and private sector. 'Salud de Altura' is the only programme of the Ministry of Public Health that has medical audit processes. This way the quality of the health care services can be improved. Moreover, the emphasis is on health prevention rather than on a curative approach.

The health insurance is part of a larger whole: It is part of a series of policy measures that are needed to break through the poverty spiral.

Dr. Augusto Barrera is the former president of the Health Commission of the city council of Quito and is as a candidate for the mayoralty of the city (2009 elections).

Support to public health care in Quito

Partners	City council of Quito Ministry of Public Health City health care centres NGOs Universities BTC
Budget	EUR 4 million (Belgian contribution) USD 24 million (fund for health insurance of the national and local authorities)
Duration	2005-2009
Website	www.saluddealtura.com

Rwanda

Institutional Strengthening of the Ministry of Health

Health care has improved over the last five years in Rwanda. The table below from the Interim Demographic and Health Survey (Mini DHS 2007-2008) shows the evolution of the main impact results to which the international development cooperation has contributed.

Indicators	DHS-2005	DHS-2008
Contraceptive prevalence: All methods	17%	36%
Contraceptive prevalence: Modern methods	10%	27%
Antenatal Care	94%	96%
Delivery in Health Centers	39%	52%
Infant Mortality rate	86 per 1000	62 per 1000
Under-Five Mortality rate	152 per 1000	103 per 1000
Anemia Prevalence: Children	56%	48%
Anemia Prevalence: Women	33%	27%
Malaria Prevalence: Children	-	2.1%
Malaria Prevalence: Women	-	1.1%
Vaccination: All	75%	80.4%
Vaccination: Measles	86%	90%
Fecundity	6.1 children	5.5 children

The dependence of the health sector on external aid remains strong. The total health expenditure doubled between 2003 and 2006; the contribution of international partners increased from 41% to 53%, whereas the contribution of the Rwandan State decreased from 31 to 18%.

In the 2005-2009 period Rwanda has received broad support especially to fight specific diseases (Aids, Malaria, TB). Bilateral donors (like Belgium), international institutions (e.g. the World Bank) and global programmes (Global Fund) have invested huge amounts in large-scale projects that do not always produce sustainable results, due among other things to their vertical approach. If, for instance, the fight against Aids attracts vast resources, health workers will gladly join these programmes, which confronts other health services with a shortage of personnel.

In comparison, the resources to support the whole health care system often fall short. A comprehensive strategy to develop quality health care goes further than fighting a particular disease. Health care should be of high quality and affordable, equipment should be available and used efficiently, and financial resources should be available to run the whole system smoothly.

The Belgian development cooperation tries to support Rwandan health care in such a holistic way. To this end significant resources have already been allocated and will be allocated the coming years: EUR 12 million for institutional strengthening of the Ministry of Health, EUR 15 million for the support of health care in the capital Kigali, and another EUR 16 million of budget support for the health sector in general.

This article about the institutional strengthening of the Rwanda Ministry of Health presents a few elements and approaches that contribute to the general improvement of the health care system.

Ownership, alignment, harmonisation

In Rwanda Belgium is the leader of the development partners (donors) in the health sector. Belgian cooperation is responsible for several technical working groups, such as the human resources development and decentralisation groups.

Moreover, Belgium has strongly contributed to the setting of clear priorities by the Ministry of Health. These are the core elements of the health strategy: Motivate health staff towards better service delivery via performance-based financing, improve access to health care services by lowering financial constraints (via health insurance providers), improve the quality of care, protect the health of mothers (reduce pregnancy-related deaths, promote family planning), fight infectious diseases, improve mental health care and mobilise communities around health care.

Sectoral approach

In the context of decentralisation that is currently underway in Rwanda, the Belgian development cooperation supports the health system in the districts in terms of planning, of implementing national policies and of monitoring and evaluation. In a context in which health is still too often the business and responsibility of professionals, health promotion in all its as-

pects is improving thanks to:

- The introduction of individual responsibility and of community involvement towards health environment factors (mobilisation of community agents),
- The promotion of hygiene and health attitudes,
- The promotion of public health services (which are about the only health services offered to the public outside the capital).

Financial access to health care for the population

During the last five years, health insurance providers have strongly developed in Rwanda: Today, at least 80% of the population is covered by some form of insurance. A Law was proposed and voted by the national Parliament which officially mandates that every citizen should get social coverage.

Health insurance providers have strongly contributed to the increase of public health training attendance. There is, indeed, a direct relation between the rate of attendance (which has doubled in 4 years) and the maternal mortality rate (which regardless of recent improvements is still dramatically high in Rwanda) as well as the infant mortality rate.

Many management problems still have to be dealt with, in terms of price setting, health coverage, supervision or participation of the poor, but important steps have been taken to install this social solidarity mechanism that is common and familiar in Belgium.

Improvement of the personnel status

The Belgian development cooperation also took initiatives in certain districts to improve the performance of health care staff by concluding contracts with the health centers. The strategy consists in paying health staff on the basis of achieving set results. Thanks to this 'contractual approach', among other things, the quality of the service delivery in the health centers has improved. The attendance rate increased from 0.3 to 0.6 visits/year, even though admittedly this increase is not solely attributed to this approach. Now BTC is also involved in the extension of this contractual approach to the national level.



Sectoral Budget Support – Common or Basket Fund

The budget support of the Belgian development cooperation is for the health sector; it does not go to the general State budget. The objective is to contribute directly to budget expenses linked to the quality of the health services for the poorest and the most vulnerable.

Belgium also contributed to the formulation of successive Strategic plans (2005-2008 and 2009-2012) and to the evaluation of the first of these plans (covering the 2005-2008 period), to the improvement of the degree of coordination between partners and the ministry, to the support of real leadership of this Ministry and its clear desire to evolve towards a predictable and unified financing.

Policy dialogue

One of the added values of the Belgian support is the presence of a Technical Assistant (TA) at the Ministry of Health, who is in daily contact with the different partners and the Ministry. A working group with the German and Swiss development cooperation and DFID meets regularly. The policy dialogue is fed by the reflection and the activities of all the projects of the donors.

Conclusions

In compliance with the Paris Declaration principles the donors and the Belgian development cooperation in particular permanently search for the best formula to enable them to find/adapt their operational mode, and so to become more efficient.

Not only the health sector influences the population's health. The health paradigm that represents Rwanda best, today, is one of a situation of transition, a mix between an infectious and deficient situation on the one hand and a chronic sickness emergency on the other hand. The improvement of the general economic situation, of agricultural production, of nutrition, of the education of women and children, of the access to clean water and electricity also contribute strongly to health improvement. The Belgian development cooperation is present in all these fields in Rwanda.



Both the quality and quantity of human resource development remains one of the weakest points of the whole health system and its development. The failure to reach the expected results mainly originates from these shortcomings, especially the qualitative ones.

To ensure that the health policies are based on reality and the real needs of users, the ties and the communication between the peripheral, decentralised levels and the central level will have to be strengthened.

Institutional Strengthening of the Ministry of Health

Partners	Rwanda Ministry of Health
Budget	EUR 4.5 millions
Duration	2005-2009
Websites	www.btcctb.org/rwanda www.moh.gov.rw



Democratic Republic of the Congo

The Urban Social Fund of the city of Kabinda

The name of Kabinda brings to mind the devastation that the war of 1995 caused to the inhabitants of this city in eastern Kasai in DRC. Kabinda was the "Martyrdom city", symbol of warfare, on the frontline that separated a 'government'-controlled Congo from a Congo that was not. Kabinda was sometimes occupied by Congolese troops, sometimes by Rwandan or other war parties. Because of its symbolic role the British Cooperation (DFID) chose to intervene there through a social reunification and social-economic reconstruction programme.

BTC was entrusted with the conception and execution of this programme from 2004 onwards. This choice can be explained by the experience of the Belgian cooperation in eastern Kasai, especially with the rehabilitation of rural access roads. Moreover, BTC's dialogue with DFID on the crucial problems involving Kabinda was made tangible during a DFID visit to the 'Urban Social Fund' project in the poorest part of Kinshasa, namely the 'FSU-Kisenso', one of the flagship projects of Belgian cooperation in DRC.

Objectives and results

The main objective of the intervention was the reduction of poverty prevalence by improving the living conditions of the population. The project had a total budget of EUR 3 million and focused on two aspects. First, it was concerned with the rehabilitation and improvement of the socio-economic infrastructure of the city. Second, it focused on the reinforcement of the social capital and of management capacities of public property and community assets.

To achieve these objectives, the project consisted of five parts:

1. The improvement of the access to and the supply to basic public services and to community goods;
2. The increase of the income of the most disadvantaged households;
3. The introduction and use of transparent and participative mechanisms and procedures to plan and develop the local development;
4. The establishment of the management structure of the FSU;
5. The strengthening of the capacities to carry out local development initiatives of basic communities.

Through awareness-raising and training workshops the population expressed its needs and selected itself more than 300 projects. These projects were first defended before a local neighbourhood consultative committee, and then before a local city consultative committee. The projects that were accepted were then submitted to the FSU for funding. The FSU checked the compliance with the set selection criteria and finally chose to fund 105 micro projects. RTV Kabinda, the local radio, broadcast shows twice a week in order to raise the population's awareness about the actions and to inform about the progress made.

Afterwards, the FSU assisted the local partner with the detailed formulation of the projects before signing an execution agreement for the micro projects. The basic principle adopted for the local institutional embedding of the project was to have the cité of Kabinda itself take the responsibility of the execution.

The inhabitants of Kabinda chose for a broad variety of intervention sectors.

The 'agricultural' requests represented 30% (or 12% of the budget). The education sector represented 40% of expenses, for 22% of requests accepted. This shows the importance of education and training of young people for the population.

The infrastructure projects, on the other hand, represented only 17% of the overall expenses (31% of projects). As these were 'Employment-intensive investment Programmes' (EIIP) more than half of the funds were spent on salaries, which contributed to an improvement in household income.

The projects of the income-generating type only represented 4% of the funds allocated. These were essentially funds requested and managed by women, namely the valorisation and the commercialisation of agricultural products, the community bakery, the soap factory, the knitting workshops or the welding workshop for unemployed youths.

Number of initiatives by sector and relative importance as regards expenditure

Intervention sectors	Number of initiatives	% of expenditure	% EIIP
Fight against erosion	21	11.36	45.63
Health	1	1.98	15.79
Education	22	40.67	11.06
Roads maintenance and drainage	8	4.27	58.77
Water	2	1.69	7.42
Income-generating activities	14	3.96	11.90
Agriculture and stock breeding	31	12.19	14.45
Others	6	5.59	16.14
Total	105		
Average			15.71

During the external evaluation, more than six months after the end of the programme, all of these projects were still operational and it was very likely that they would continue to produce the expected benefits.

The installation of the programme did not go without any difficulty though.

The main difficulty was the access to the cité of Kabinda itself. Initially, there was no single road, even considering the proximity of the capital of the province, Mbuji

Mayi, at only 110 km. So, it was important to be patient and ingenuous to bring the necessary resources to the projects. Thanks to the British cooperation a rural road rehabilitation programme (EUR 6 million) was funded to improve access to the whole of the Kabinda district.

The helplessness of the population posed another difficulty, as people were traumatised by war and not ready to take things in hand. Just a few weeks after the installation of neighbourhood committees, all their members resigned their functions, because they were not being paid to be on these committees. They claimed a real salary for just a few hours of meeting every month. Nevertheless, these obstructions were thwarted, thanks to the efforts of the communication teams.

Findings and lessons learned

For the Belgian cooperation the implementation of this programme was a good opportunity to refine the conception and execution of community development in regions as deprived as Kabinda.

That is the essential reason why the World Bank entrusted the delegated project management of one of its pilot projects in community support (MO-DAC: USD 10 million) to BTC. This project is being executed in six isolated districts considered as the most deprived of post-conflict zones. The communities concerned have submitted almost 2,000 micro project requests; 1,600 of these will be funded and executed by the communities themselves.

Through these fundamental actions BTC fully commits to the achievement of the Millennium Development Goals in a country considered being potentially one of the richest on the planet. What is really at stake is not so much the good execution of the actions funded, but rather the basic work with civil society.

Social Urban Fund of the city of Kabinda

Funding	DFID (United Kingdom)
Partners	<ul style="list-style-type: none"> • City of Kabinda • 105 NGOs to execute micro projects • Ministry of Planning
Key figures	Budget: EUR 3 million
	105 micro projects approved
	35,000 beneficiaries
Duration	30 months

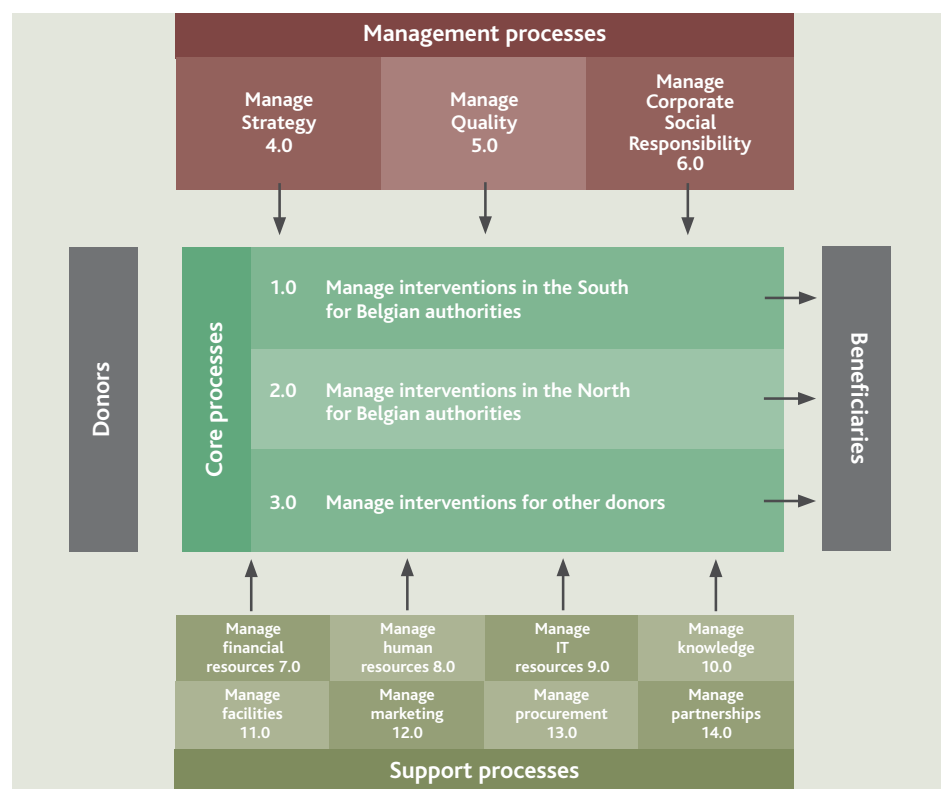
Process management

Ever since its establishment BTC has had an important activity volume to manage. This being so, BTC has grown without consequently succeeding in formalising the practices developed at headquarters in Brussels and in the field. This makes it hard to capitalise on good practices. So, the need to develop a shared approach to BTC's operations became stronger and stronger.

That is why in 2005 the Management Committee decided to introduce a process management system. The aim of that system is to improve the general functioning of BTC, among other things, by establishing a strategy that focuses on the expectations of the customer. To satisfy customer needs an organisation has to know which processes provide most added value. This is only possible if the activities are managed transversally, if the partitions between the different functions are removed and real internal collaboration is achieved.

Approach

First, the activities of BTC were inventoried at the macro level. This led to the following scheme:



BTC identifies three kinds of processes in 14 process categories:

- Core processes (3): Interventions in the South for Belgian authorities, interventions in the North for Belgian authorities, interventions for others.
- Management processes (3): Strategy, Quality, Corporate Social Responsibility.
- Support processes (8): Finances, Human Resources, IT, Knowledge, Facilities, Marketing, Procurement, Partnerships.

Next, it was determined which processes belong to each of these 14 categories. All together about 400 processes were identified; the Management Committee labelled about 300 of these as priority processes. Meanwhile, these 300 priority processes have been described. It took one year and a half to do so.

Priority processes

The colleagues who are involved in the processes describe these processes themselves. The Quality service provides methodological advice, which often already contributes to an improvement of the processes. When describing a process it is checked what its purpose is, which steps the process consists of, which collaborators are concerned and which documents (templates, checklists...) have to be used to execute a process step.

Finally, the process descriptions are entered in a database that is accessible via the Intranet.

Special attention is paid to the description of processes to execute development projects abroad. The ultimate objective, after all, is to apply these processes in the same way everywhere, regardless of the partner country.

The implementation of the first processes

In 2008 the processes described are rolled out. Again the Quality service provides colleagues concerned with specific training.

Not all process descriptions are perfect yet but the idea is to permanently improve them. Already in the first year of implementation the processes are subjected to an internal quality audit that is conducted by colleagues who have been trained to do so. Moreover, the processes are reviewed regularly, every year in principle. On the basis of these audits and evaluations the processes can be adapted.

The process owner can make certain adaptations; others have to be approved by the Management Committee. That is why there are also annual 'management reviews' so the Management Committee is informed about the critical points and can take decisions accordingly.

BTC Process management awarded

BTC's process management has already aroused quite some interest from other organisations.

- At the end of 2007 BTC organised a round table where participants from the public and private sector (Cargo-lux, STIB/MIVB, Belgacom, FPS Economy) got to know BTC's process approach
- Several organisations and enterprises asked BTC to share its know-how and experiences in the field of process management: The Belgian army, the FPS Personnel & Organisation, Aquadev, VVOB, the Federal Agency for Nuclear Control, Colruyt, France Coopération Internationale, DGIS Nederland, FPS Justice...
- BTC has been asked to become a member of the Internal Control Association (ICIB)
- Germany's IDS Scheer awarded a Business Process Excellence Award to the Quality Platform of BTC

This cycle of audits, evaluations and reviews is repeated year after year in order to achieve continuous improvement and to be able to take into account possible changes in the context.

The processes are not unconnected; together they form a coherent whole. Adaptations to a certain process can indeed have an impact on one or more other processes. This proves that process management is an unlimited long-term effort.

There is still some way to go

Apart from the review cycles of existing processes there are still many processes that need to be described. Some colleagues have expressed an interest to do so and want to describe other processes in which they are involved as soon as possible. It is a fact that this system aims at integrating all BTC activities, with no exception. The objective is, therefore, to quickly start with a second wave of processes that will be identified in relation to the new strategy that BTC will develop by the second half of 2009.

Total quality management

The Common Assessment Framework (CAF) is one of the tools of Total Quality Management, which tries to draw a picture of the qualitative progress made by an organisation through a holistic approach. This is done by analysing the organisation from different points of view.

CAF specifically focuses on the evaluation of public organisations and provides a simple and user-friendly framework to this end. Specific about CAF is the fact it is a self-assessment, which has collaborators themselves evaluate their own organisation. In a simple and participative way a self-assessment with the CAF model helps public organisations to find out more about their functioning.

BTC has been using CAF since 2005 as an assessment tool. Because of its decentralised structure a distinction is made in these evaluations between headquarters in Brussels, where three CAF self-assessments were conducted between 2005 and 2008, and the country offices, which are each going through a first CAF self-assessment.

The first CAF self-assessment in the field was in Morocco in 2005. In 2007 similar exercises were done in the Palestinian Territories, Rwanda and Benin. In 2008 the exercise is also conducted in Senegal, Ecuador, Mali and Vietnam.

At headquarters only members of headquarter staff are involved in the CAF self-assessment. The evaluation teams in the field, on the other hand, consist of staff members of the country offices and national and international Technical Assistants from the different projects and programmes.

Furthermore, the Development Cooperation Attaché and a representative of the partner country are asked to witness on strengths and possible improvement points of their collaboration with BTC in the country in question.

The self-assessments in the field have a double target:

- To provide information to the country office for an improvement plan that can be used as input to the action plan of the country office;
- To provide information to headquarters as input for the business plan.

The focus of self-assessments in the field is mainly on the functioning of the country office. More in particular self-assessments look at the quality of the office structure, leadership, the way the strategy is developed, the relations with staff, the different partnerships of the office, how the available resources are used and how the processes come about. Also the results of human resource policy, customer relations (represented by the Attaché and the national customer), the relations with the environment and the core activities are evaluated.



Monitoring & Evaluation

Quality of the BTC interventions

The management contract between the Belgian State and BTC stipulates that the quality of the BTC interventions has to be evaluated annually on the basis of a selection of at least 10 projects selected by the State. In 2008 12 projects from five partner countries (Ecuador, Bolivia, Peru, Morocco, Algeria) are evaluated. The sectors concerned are agriculture, health care, water and justice. At the end of 2008 BTC invites the evaluators to present the conclusions and the recommendations of this exercise to the Board of Directors.⁷

The main conclusions indicate that the projects are relevant but too ambitious in comparison to the resources available. The evaluators also point at insufficient partner ownership, which jeopardizes the effectiveness and sustainability of the projects. The financial management of the projects is assessed as good and also the dedication of the Technical Assistants is being appreciated.

On the basis of these conclusions BTC decided to include the following improvement points in the 2009 policy:

- Improve the preparation of the interventions;
- Promote results-oriented work;
- Strengthen ownership of partner country;
- Systematize the use of expertise.

M&E-systeem

BTC's internal Monitoring and Evaluation system (M&E system) for the projects consists of four parts: An analysis of the initial situation (Baseline Study), the annual report, the Mid-term Review and the final evaluation.

Before their departure overseas the Technical Assistants are trained intensively for three weeks. The Monitoring & Evaluation part in the training pays attention mostly to the Baseline Study because it appears that the analysis of the initial situation is essential for the success of a project and that in the past too little attention was paid to it.

In 2008 34 projects are reviewed at mid-term and 28 projects get a final evaluation.

Analysis of the indicators

The expected results of a project are measured by means of a set of indicators that are chosen in advance. So, it is essential to select the right set of indicators, which have to be SMART: Specific, Measurable, Achievable, Realistic and Time-measured.

In 2008 a student in Development Cooperation at the Université Libre de Bruxelles does her internship at BTC: She investigates the quality of the indicators used in BTC projects.

Her conclusions are that the indicators:

- Are relevant, in general;
- Are measurable, in most cases;
- Are not specific enough;
- Are not time-measured enough;
- Do not take into account the crosscutting themes (environment, gender, social economy).

On the basis of these findings BTC decides to pay special attention in 2009 to project indicators and to organise specific training sessions for the collaborators concerned.

Efficient Mid-term Reviews

Bilateral cooperation is becoming more important and therefore the number of projects is strongly increasing. Already in 2007, to deal with the increasing mid-term evaluation work load, BTC decided to sign two framework contracts for Mid-term Reviews: one for the health projects in Africa and one for the good governance projects in all partner countries.

These framework contracts have to enable BTC to evaluate more projects and to save costs and time for the recruitment of international consultants. The idea is to unburden the BTC Brussels staff so they have more time to concentrate on their core tasks.

The framework contracts will be effective in 2009.

⁷ Evaluation of the Quality of Interventions of the Belgian Technical Cooperation, ACE Europe and HIVA, Leuven, 2008

External Communication & Marketing

The marketing activities aim at increasing BTC's fame and at ensuring the transparency of its activities for its main targets. This way, these activities contribute to the institutional communication of Belgian cooperation. These activities include public relations (the media), website management, the Newsletter, publications and audiovisual or promotional material. Marketing also coordinates communication activities in Belgium and supports different BTC units in Brussels and abroad.

Remarkable initiatives

In 2008 several initiatives are taken to reach a broader audience. First, we mention the dossier made in Congo for the Vacature magazine (and its French-speaking counterpart *Références*): In a few pages, it presents the work of the field workers, whether they are Junior Assistants or experts involved in institutional reform projects. It raises the interest of the reader for the new professions of cooperation.

BTC participates for a first time to the Open Company Day on 5 October; the challenge is to raise awareness among a broader audience by confronting it to the realities of the projects funded by the Belgian cooperation. More than 500 enthusiastic visitors are present; they are eager for information that they get directly from project actors who have come from Niger, Burundi, Senegal and Peru. The BTC activities in Belgium are also presented and BTC partners are invited to share their experience. A Fair Trade bar awaits the visitor at the end of the visit and provides the friendliest of atmospheres.

There are two other meeting moments to note in 2008: The presentation of a Belgian-Vietnamese cooperation project at the ECOSOC summit in New York (cf. p. 19) and the invitation of the Members of Parliament who sit in the Foreign Affairs Commission to participate to Question and Answer workshops with colleagues of different BTC services; it is an opportunity to start an open dialogue on everyone's concrete work.

New publications enable us to reach more specific audiences. Three new issues of the &CO Magazine of Belgian-Congolese cooperation were distributed for free in Congo, at 8000 copies each. They deal with current affairs that concern the Congolese citizen: Mobility, urbanism and decentralisation. Two more technical publications are added to a series that addresses development specialists: one about cities, as a factor for development; the other one about the role of technical assistance.

Image study

To reorient its communication strategy, BTC has an image study conducted; the results are known in May. The study was to detect the image that stakeholders have of BTC, to pinpoint their expectations with regards to information and communication tools and finally to propose new ways to define a new strategy.

The target audience consists of policy makers (federal administration, politicians, control bodies), representatives of the cooperation sector (NGOs, universities, international institutions etc.), representatives of partner countries (ambassadors), journalists, experts and BTC staff members.

With the exception of politicians, the targeted audience know BTC and its activities quite well (even, to a certain degree, with regards to the activities in Belgium).

The data show that BTC has a very positive image among the different target audiences, which attribute many assets to BTC (by far exceeding its weaknesses). The strong point of BTC most recognized seems to be its technical expertise (which is linked to the 'quality of work'). Other assets that are highly appreciated are BTC's dynamism (an aspect that, according to some, is mainly linked to the freedom BTC has with regards to recruitment) and BTC's possibility to work with other international donors.

The results of the image study are an important starting point for the whole reflection that will be conducted in 2009 on the new visual identity. More in general, the reflection elements that the study brought forward will contribute to the exercise of defining a new vision, a new mission and new values for BTC.

Environmental Report

For Belgian development cooperation the environment is a crosscutting theme that has to show through all its interventions, both in Belgium and in the partner countries. In 2001 BTC installed an environmental management system that has progressively been elaborated.

Background

2001

BTC initiates an environmental management system for its head office in Brussels by signing the 'Ecodynamic Enterprise' charter from the Brussels Institute for Management of the Environment (IBGE/BIM).

2002

BTC is awarded the IBGE/BIM label's first star, which confirms the thoroughness of the initial environmental analysis and the relevance of BTC's action programme.

2005

A second environmental analysis and a new programme are carried out with the goal of renewing the IBGE/BIM label and pursuing a continuous eco-management approach. These efforts are rewarded in December of the same year with a second star.

2006

In November 2006 BTC is among the first Belgian federal institutions to be EMAS-registered and ISO 14001-certified. A sworn auditor validates the environmental performance of BTC every year. BTC also publishes an annual Environmental Statement with its results, its analysis of the environmental situation and its action programme. This Statement, which responds to the transparency and information obligations of the EMAS regulation, is also verified and validated every year.

So, BTC is involved in a regional management system (Brussels Region), which underlines its presence locally in a city, a neighbourhood, as well as in a European (EMAS) and in an international (ISO) system.

2007

BTC is nominated (large enterprise category) for the EMAS Awards 2007 organised by the European Commission.

2008

A communication campaign raises awareness among staff. Moreover, more attention is paid to the formulations of the development projects, in order to ensure a better integration of the environmental theme in the cooperation interventions. Special attention is paid to climate change. BTC conducts a carbon balance that is used to draw up a climate strategy. An updated dossier is filed for the Ecodynamic Enterprise label of the Brussels Region in order to obtain the 3rd star of the label.

EMAS : A European system

EMAS (Eco-Management and Audit Scheme) is a European environmental management and audit system. This approach is accessible to every company that wants to evaluate and improve its environmental performance. The proper functioning and improvements of this management system are checked annually through an external audit.

<http://ec.europa.eu/environment/emas>

Why have an environmental management system for BTC?

Setting up an EMAS environmental management system responds to internal and external principles. Internal principles, because BTC opted for a process management system that already integrates the environmental management process. External principles, because the Belgian, European and international institutional context causes us to integrate the environment into all of our activities (purchasing policy, initial and continuing staff training, recruiting, financial management, facilities management, formulation and implementation of development projects, evaluation, etc.). The attention for the environment thus falls within this two-sided logic.

BTC's Environmental Policy

Concretely, in June 2006 BTC drew up an environmental policy, which was signed by the members of the Management Committee. This environmental policy sets forth the following:

A commitment from the Federal State

In July 2005, the federal government committed itself to supporting several institutions that, in view of obtaining an EMAS registration, had already started with environmental management. BTC was selected to be part of this pilot group; BTC does everything possible to reach this objective.

BTC, its mission and the environment

BTC's principal mission is to support the preparation and the execution of development actions in the partner countries of Belgian cooperation. The interventions of Belgian cooperation focus on 5 sectors (education and training, health care, basic infrastructure, agriculture and food security, and good governance) and 5 crosscutting themes that should be considered in each project (the environment, equal opportunities for men and women, social economy, AIDS and children's rights).

Objectives with regards to the environment

BTC would like to place greater emphasis on its willingness to promote fairer development that is more respectful of the environment and cultures and that focuses on continuous improvement.

Concretely, BTC works towards the following (approved on 14 June 2006 by the Management Committee):

- **Improving the crosscutting nature** of the environmental theme within projects with the goal of avoiding damage to the environment and to natural resources;
- **Promoting environmental management** to prevent pollution, first at the head office in Brussels and then at the level of country offices and projects overseas;
- **Integrating the environment** into all BTC activities: Programmes in Belgium like the General Information Cycle, the Voluntary Service, the Trade for Development Centre, Annoncer la Couleur, and Kleur Bekennen are encouraged to address environmental concerns;
- **Communicating and providing information on the environment** both internally with BTC staff and externally with stakeholders in Belgium and in partner countries;
- **Complying with and respecting environmental legislation.**

Results and points of attention

The EMAS registration mainly regards head office activities of BTC (direct aspects). The consumption data and environmental data of the BTC head office are closely followed up and evaluated on the basis of the following criteria:

- Evaluation of the flow of materials;
- Environmental legislation;
- Potential environmental impact;
- Employee practice and opinion;
- Influence or control of management of environmental aspects.

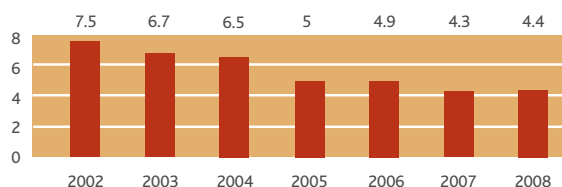
Environmental aspects are evaluated with regards to the surface used by BTC, which is 4,230 m² of office space.

Water consumption

BTC has set up a system of systematic monthly statements of water consumption since November 2002. The general trend of our consumption demonstrates a relative reduction per full-time equivalent

(FTE) of 42% between 2002 and the end of 2007. This decrease continued in 2007 with an annual consumption of 4.3 m³/FTE/year (12% less compared to the previous year). Then in 2008 there is a slight increase (+2%) again. The rate of progress seems to be limited and the annual consumption should stabilise at about 4.5 m³/FTE.

Water consumption per full-time equivalent (m³/FTE)



Points of attention

Water consumption is relatively low at BTC and, generally, the trend is downward. Communication with staff to promote a rational use of water is continued. BTC wants to stabilize annual consumption around 4.5 m³/FTE.

Energy consumption

Electricity

In 2007, BTC launched a call for tenders to select a 100% green electricity supplier. At the end of this procedure, Electrabel was selected. The switch to green electricity was effective on 1 January 2008. Since 2002, the general trend of our consumption has progressively but significantly decreased by 9% from 2003 to 2007. However, there was a slight increase in 2007 with an average annual consumption of 139 kWh/FTE/month (2% more than the previous year). This increase can be explained in particular by less sunshine during the year 2007, which may have led to a more intense use of lighting and heating (1472 hours of sunshine as opposed to a "normal" average of 1554 hours, which adds up to 5% less sunshine in 2007). In 2008, on the other hand, electricity consumption decreases by 8% in comparison to 2007.

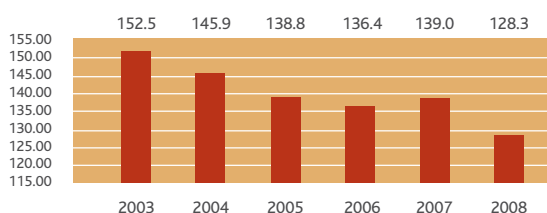
Several actions are taken to limit energy consumption:

- Setting parameters for photocopiers and computers (default stand-by setting);
- Turning off electricity completely at night;
- Awareness raising among staff to a rational use of

energy and application of good practices in particular via Intranet;

- Progressive incorporation of ecological criteria in the purchase of electrical and electronic equipment.

Electricity consumption (kWh/FTE/month)



Gas and air conditioning

All tenants of Espace Jacquemotte, the multi-office building shared by a dozen or so tenants of various sizes, share the heating and cooling systems in the building. As a tenant, BTC pays for its heating consumption in proportion to the surface area it occupies. BTC occupies the largest surface area. Messages are sent regularly to the staff encouraging them to use heating and air conditioning moderately and to be environmentally aware.

Points of attention

BTC keeps up its communication on electricity consumption (for instance by participating to occasional actions such as Earth Hour) and will acquire material (light bulbs, electrical equipment...) that performs well environmentally. For heating and air conditioning BTC does not have the means to measure individual consumption and to evaluate this but BTC keeps up its communication on rational and responsible use is.

Paper consumption

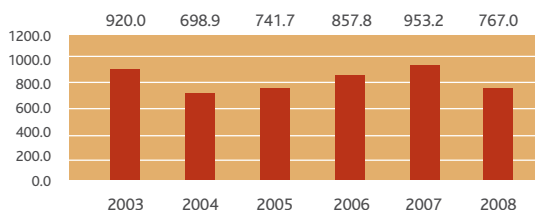
BTC uses high quality 'Triotec' 50% recycled ecological paper. It is composed of 3 layers: A middle layer of entirely recycled paper that is not chlorine-bleached and an upper and a lower layer, for which pulp from certified forests is used and the manufacturing and cleaning process of which does not use chlorine.

There are 9 black and white photocopiers/printers installed on the BTC computer network. Most of the copy and print jobs (printed on both sides by default) are carried out on these machines. Individual printers supplied in the early BTC days are not being replaced

anymore with the objective of completely removing individual printers in a few years. The number of prints and copies of the 9 machines is recorded monthly.

The general finding is that paper consumption per FTE, after a decrease until 2005, saw a slight increase starting in 2006, which continued in 2007 with an average annual consumption of 953 copies/FTE/month. This is related to the fact that the diversity and volume of activities (number of projects, turnover, new activities) have been constantly and strongly increasing over the past few years, which also causes a strong increase in the number of documents. In 2008, the consumption decreases significantly again (-20%) to almost reach the 2005 level.

Paper consumption (copies/FTE/month)



Points of attention

The paper consumption should remain stable; the numbers for 2008 indicate a strong decrease in consumption, which is good. Raising awareness among staff with regards to needless photocopies has to be maintained and the systematic use of the scanner and electronic archives has to be promoted.

Waste management

Sorting waste

BTC sorts a large part of its waste:

- **Domestic waste:** Paper, PMC and glass;
- **Printer cartridges and toners** are either returned to the supplier or recycled and filled by a specialized company;
- **Electric and electronic appliances:** An agreement was signed with the CF2D company, a social economy company that reconditions equipment or recycles the components. After delivery, CF2D forwards the full list and references of the materials recovered in this way to BTC;
- **Batteries, light bulbs and neon lights** are consid-



ered hazardous waste and are also collected and taken to an approved recycling centre.

Waste prevention

Certain measures have also been taken to reduce the amount of waste:

- Use of glass, deposit bottles for drinks (water, juice and milk);
- Reports and brochures printed on recycled paper; in 2007, all publications were printed on recycled paper with vegetable ink; there is a trend to reduce paper copying of certain reports in favour of electronic dissemination;
- To reduce the use of aluminium (and energy) the vending machine (with aluminium cans) has been removed.

Points of attention

The point of attention remains raising awareness and properly informing staff for a perfect use of the sorting system that is in place (informing new colleagues in particular).

Mobility

The Brussels head office

BTC is centrally located and easily accessible by public transports (halfway between Gare du Midi and Gare Centrale, and very close to bus lines, tramway and metro). Public transport commutes are reimbursed 100% (through season tickets) and there is compensation for commuting by bike (0.15 EUR/km).

Three company bicycles are available to staff for professional or personal use during the day. In 2008, a mobility survey is conducted among staff in the context of a carbon footprint of BTC. Two observations are made: There is an excellent response to the survey with more than 80% responding, which seems to underline the importance of environmental questions for staff; and there is a very high rate of public transport usage (more than 80%) for commutes. Two BTC programmes, the General Information Cycle and the Trade for Development Centre use the Cambio car-sharing service for travelling within the city.

Points of attention

For the head office in Brussels the objective is to keep the good results with regards to public transport use. For the operations in the field, special attention will have to be paid to purchasing less polluting vehicles and vehicles better adapted to the different kinds of usage. For flights, the BTC climate strategy plans on compensating flights by buying certificates. A public contract is planned to this effect.

Communication

BTC's new communication strategy chose the Intranet as preferred channel of communication with staff, both for the Brussels head office and for the field. Today, Intranet is used systematically and e-mails addressed directly to all staff have practically disappeared.

On the Intranet a special Eco page has been introduced and information and messages linked to the environment are posted there regularly. From October 2007 to September 2008 a poster campaign presented good day-to-day environmental practices. The campaign consisted of 12 topics shown on 6 mural posters strategically placed in the building, and they were disseminated as full messages via Intranet and distributed monthly to staff on small individual cards.

Externally, BTC prepares a publication that will highlight the integration of environmental aspects in projects and programmes.

Staff training

Before they take up their function Technical Assistants receive a short introduction to environmental issues. The goal of this training session is to provide the Assistants with tools and to encourage reflection on good environmental management in their project.

Similarly, the environment is an integral part of the training programme given to volunteers (in the context of the Voluntary Service for Development Cooperation – VSDC programme) and of the General Development Cooperation Information Cycles.

Carbon footprint and Climate strategy

Climate issues do definitely mark the international agenda. As it is expected that BTC's partner countries are especially vulnerable to climate risks and that BTC activities frequently rely on travel by airplane, which is an important greenhouse gas producer, BTC wants to take up its responsibility and calculates its carbon footprint in 2008. This study is the basis for developing a climate strategy of which we present the broad lines below.

Carbon footprint

Methodology

BTC's Carbon footprint has been calculated with the help of specialized external consultants (Partners for Innovation BV and Prospect C&S Ltd.) and with validated methods (GHG Protocole, Carbon Balance). The collection of data, the analysis thereof and the reporting took 6 months. A mobility survey among staff and a survey on consumption among the 18 country offices of BTC overseas were conducted.

Scope

The scope of the study has been defined as follows: The study concerned the BTC head office in Brussels and the country offices, but not the projects, and the CO₂ emissions from energy consumption (electricity and gas) and travel (commutes, service trips by car, by plane and by public transport). Certain elements have been analysed but not included in the scope, because they are not significant enough (paper, water...). Indirect emissions linked to the purchase of products and services, to travel of scholarship students and interns, and the greenhouse gases other than CO₂, have not been taken into account.

Results

The results of the carbon footprint are shown in detail in a document that has been published on the BTC Intranet and that can be consulted upon request. The number to remember is 2,278 tons of CO₂ emissions for the emission sources considered for 2007, the year of reference. In 2008 that number increased to 3,006 tons of CO₂, an increase with 32%. This increase is partially attributed to the increase in

staff, which also means an increase in commuting, but especially to the increased share of flight travel (+78%), which is partially explained by the use of a more reliable database (in 2007 not all data appeared reliable).

Climate strategy

Basic principles

BTC's climate strategy has three basic principles: Reduce emissions by adopting good environmental practices, promote technological innovation and the transfer of clean technology in cooperation projects, use voluntary commercial compensation for the emissions that are caused by travel by airplane. A public contract to buy CO₂ certificates is being prepared.

Objectives and lines of action

BTC aims at becoming carbon neutral as soon as possible and to be recognized and respected for its commitment in this field. To reach these objectives, BTC will reduce its emissions by strengthening its good practices, namely in the context of the EMAS programme. It will continue to raise awareness among its staff and will work towards a sustainable purchase policy, especially for vehicles for the field, among other things. Another important element is technological innovation. There are real opportunities for renewable energy in the partner countries of BTC. BTC wants to develop this type of energy anywhere it is technically viable and financially realistic. Several new projects that focus on renewable energy are already ongoing (Rwanda), being studied (Mali) or being prepared (Mozambique). First training sessions on this topic have been organised and should be further completed. Two BTC experts have also committed to high-level technical training in the field of renewable energy. Finally, the CO₂ compensation dossier is advancing. At first, BTC will commercially compensate emissions for 1,000 tons (2007) and 1,500 tons (2008) through an external supplier of Gold Standard type certificates or an equivalent. In the long run, the aim is to reach these compensation objectives via BTC projects.

BTC's 2008 Environmental Statement is available on the website: www.btcctb.org, under the 'About BTC' heading.

Purchasing policy

As a public service provider, BTC is governed by Belgian public procurement law (or, in certain cases, by partner country legislation). Respecting these rules ensures not only equal treatment and equal competition between different tenderers, but also the optimal use of resources with regards to quality/price and contracts with businesses, service providers and suppliers that have to prove their integrity and public commitment.

In June 2008, the "Logistics & Acquisitions" unit is created inside BTC in order to ensure a more efficient and optimal management of purchases and public contracts that comply with Belgian legislation and also to strengthen the capacities of BTC staff in this field. The priorities in 2008 are in the installation of this new unit.

In the context of strict regulations that underline the principles of competition and equal treatment, it is not easy to allow for sustainable criteria, but legislation provides leeway, at least with respect to environmental and social issues. Unfortunately, the European legislator has clearly decided to allow no room for ethical criteria ('Fair Trade') in public contracting; the Belgian legislator will follow this policy. Therefore, the new Belgian law (due to come into force in 2010) would explicitly mention environmental and social criteria but exclude ethical criteria completely. So, there will be no legal basis anymore that would enable BTC to favour Fair Trade products, which BTC regrets, of course.

In its action plan for 2009, the Logistics & Acquisitions unit clearly points at Green Procurement as one of its priorities, which stands for a systematically stronger integration of EMAS standards and sustainable criteria in the specifications of BTC. BTC is still in a reflection stage in this respect, yet the intentions are clear. For instance, there is a plan to publish tips on the Intranet for sustainability in public contracting in order to raise awareness among staff and to provide them with adequate tools, among which ecological and social instructions and recommendations for contractors of federal public services in supply contracts (www.guidedesachatsdurables.be). The "Acquisition Application", which synthesizes the needs of the customer, and which will in future have to be filled out before launching a public contract under Belgian legislation, will have a field that is dedicated to sustainable criteria only. On this basis, the file managers of Logistics & Acquisitions will be able, on a case-by-case basis, to evaluate the possibilities of integrating social and environmental criteria at the level of the qualitative selection, of the technical specifications, of the awarding criteria or of the execution of the public contract concerned.



Social report

Considering the special legal status of BTC, the organisation falls under different regulatory frameworks with regards to the rights and duties of its employees; in particular the Law of 3 July 1978 on Employment Contracts and the Law of 14 December 2000 to Determine Certain Aspects of the Organisation of Working Hours in the Public Sector. BTC also has Work Rules (see below).

The employees are one of the main stakeholders of BTC. After all, the human capital is the main wealth of an organisation, and therefore it is also evident that BTC does everything possible to create a working environment in which employees are satisfied and can fully develop. With the help of an external consultancy, BTC conducted an employee satisfaction survey in 2006. The results of that survey are a valuable source of information on the basis of which a few HR policy priorities have been determined for the coming years.

Employees

BTC has different categories of employees, some of which have very specific characteristics.

First, there is the category of employees at the head office in Brussels.

Then, there is the category of expatriate employees, who work under a Belgian contract overseas. This category consists of international experts who are working in the country offices (Resident Representatives, among others), the Technical Assistants, who work in the projects, and finally – since 2006 – the Junior Assistants of the Voluntary Service for Development Co-operation. A third category of employees is local staff in the BTC country offices.

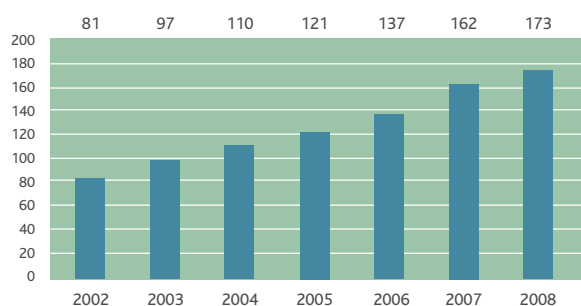
These three categories together are the BTC workforce, which this report is about.

The local collaborators in the more than 200 projects and programmes that BTC executes are not considered here because they are employed under very diverse conditions, often under (joint) responsibility with the beneficiary country.

Head office in Brussels

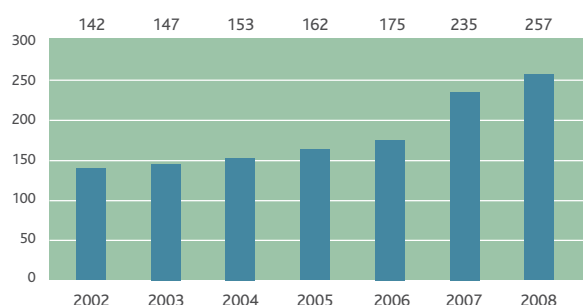
In 2008 the number of employees at the head office in Brussels increases by 6% to an average of 173 employees (143 full-time equivalents). The average age of the employees is 40 years. On 31 December 2008 181 people are employed at the head office.

Average number of employees at Brussels head office



- 84% of the employees work full-time; 16% work part-time.
- 81% of the employees have an open-ended contract; 19% have a fixed-term contract.

Expatriate employees



Number of expatriate employees

At the end of 2008 BTC has 257 expatriate employees.

The strong growth that started in 2006 is explained by the start of the Voluntary Service for Development Cooperation, which offers young people the opportunity of a first professional experience in development cooperation. On 31 December 2008 there are 73 Junior Assistants. They are 27 years old on average.

All expatriate employees work full-time.

The employees in the country offices, both the expatriate employees and local staff have an open-ended contract.

The Technical Assistants in the projects all have an open-ended contract with a termination clause. After all, they are hired for the duration of their project, but since projects are often extended, it is necessary to provide a termination clause. Once a project is definitively closed the Technical Assistant's contract stops. The average age of Technical Assistants is 48.

It is important to note that BTC takes the effort to keep the best Technical Assistants by providing employment opportunities in other projects. Besides, BTC encourages employees to make the step from headquarters in Brussels to the field and vice versa.

The Junior Assistants of the Voluntary Service have an open-ended contract with a termination clause. The Voluntary Service for Development Cooperation can offer employment for a maximum of two years to a young person in a project.

Local staff

On 31 December 2008 a total of 212 local staff worked in the different country offices of BTC.

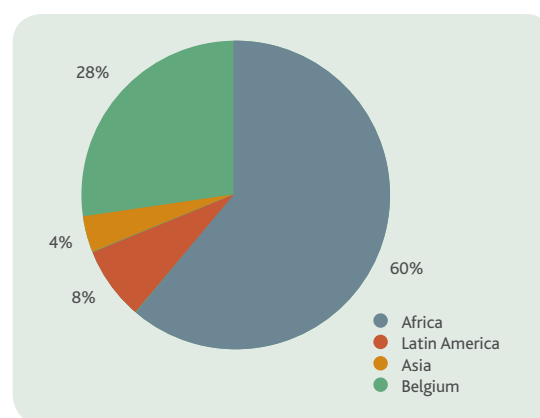
Man/Woman

The expatriate employee category consists mainly of men (85%). In the other categories the ratio is balanced.

	Men	Women
Head office Brussels	49%	51%
Expatriate employees	85%	15%
Junior assistants	45%	55%
Local staff in the country offices	58%	42%

Geographic spread

The whole BTC workforce for 2008 is 642 on average. The geographical distribution is shown in the diagram below.



Salary policy

Head office Brussels

The Law of 21 December 1998 establishing BTC stipulates that BTC salaries should be in keeping with the salaries paid by the Belgian government. The salaries of BTC staff may not exceed the salaries of civil servants of the federal government administration.

On top of the gross salary employees get dinner cheques, and an (external) group insurance for a pension, invalidity or in case of decease before the age of retirement, a hospital and assistance insurance, and full reimbursement of public transportation expenses.

New colleagues are placed in a certain salary scale on the basis of a formal job description and the corresponding function classification in compliance with the salary policy that was approved by the Board of Directors on 12.9.2006. Salaries increase annually according to the seniority in the function. The same salary scales are used for men and women; so there is no difference between the salaries of men and women.

All BTC colleagues can consult the function classifications, the job descriptions and the salary scales on the company's information network.

Expatriate employees

The salary policy for expatriate employees is in keeping with the approach of the Federal Public Service Foreign Affairs, Foreign Trade and Development Cooperation and takes into account the situation on the international job market.

More specifically, BTC uses a provisional salary scale that is based on a Hay classification, supplemented with expatriate and hardship allowances. BTC also offers traditional expatriate benefits (housing, school allowance ...), including the necessary insurances.

Of course, BTC respects all fiscal rules. However, this makes the agency less attractive as an overseas employer in comparison to similar development cooperation organisations in Europe, which are not tied to Belgian fiscal regulation.

The function classification and the job descriptions of the expatriate employees are being elaborated; the whole package of post conditions for expatriate employees is being reviewed. In 2010 this exercise should be completed. In any case, there is no difference between the salaries for men and women.

Junior Assistants

The Junior Assistants are employed in the context of the Voluntary Service for Development Cooperation. This programme offers the same conditions to all Juniors, such as an employment contract, a monthly salary, a 13th month, housing, social security and the necessary insurances.

Local staff

In 2008 BTC conducts a survey among analogous organisations (GTZ, Lux-Dev, SNV, AFD, DFID, Sida...) in the partner countries to find out which salary policy they adhere to for local staff.

On the basis of the results of this survey BTC decides to position its salaries for local staff on the median of the analogous organisations' market. That median position is clearly above local minimum salaries for all function categories.

In December 2008 BTC has new salary scales for local staff in the following countries: Benin, Mali, Niger, Palestinian territories, Democratic Republic of Congo, Tanzania and Uganda.

In all other countries the new salary scales will be finalized and introduced in 2009.

Hiring local staff

BTC wants to use local staff as much as possible to execute its assignments. By coaching local staff and by providing training opportunities BTC also wants to strengthen local capacities in the partner countries.

In each country open, objective and transparent recruiting procedures are applied.

Local staff signs an employment contract that has been approved by local legists and that complies with local legislation. All social and fiscal rules are strictly applied.

In 2009 BTC will pay even more attention to local selection and recruitment in the partner countries.

Staff turnover

Head office Brussels

Staff turnover (resignation and departure of employees) at the head office is 9.6%. This significant increase (turnover of 5% in 2007) is mainly due to resignation by employees. The reasons for departure are systematically investigated and, if possible, lessons are learned.

New employees at head office by age (1/1/2008 - 31/12/2008)

Aged	Total	Men	Women
20 to 30	20	7	13
31 to 40	21	10	11
41 to 50	8	5	3
51 to 60	8	7	1
61 to 70	4	4	0
Total	61	33	28

Leaving head office (1/1/2008 - 31/12/2008)

Reason	Total	Men	Women
End of fixed-term contract/ replacement	22	10	12
Transfer head office - field	7	6	1
Ended in mutual agreement	2	1	1
Resignation by employee	13	5	8
Discharges	2	1	1
Total	46	23	23

Expatriate employees

New expatriates (1/1/2008 - 31/12/2008)

	Total	Men	Women
Expatriates	53	48	5
Junior Assistants	33	17	16
Total	86	65	21

Expatriates leaving (1/1/2008 - 31/12/2008)

	Total	Men	Women
Expatriate employees	55	46	9
Contract ending	45	38	7
Resignation by employee	7	6	1
Discharges	3	2	1
Junior assistants dc	43	15	28
Contract ending	28	11	17
Resignation by employee	9	2	7
Discharges	6*	2	4
Total	98	61	37

* Unfortunately, five of these discharges were inevitable because they were directly related to the troubled relations with the Democratic Republic of Congo.

Absences

Only data for headquarters in Brussels are available so far. The country office in Congo will have figures from 2009 onward also and in 2010 all country offices will have to register all data.

Note that, at the end of 2008, 12 full-time equivalents (FTEs) exceed the number of days covered by the guaranteed income, totalling just by themselves 737 days of sickness leave out of 1262. This means that 8% of the full-time equivalents took up 58% of the days of sickness leave.

Head Office 2008

Total natural persons 31/12	178.0
Total FTE 31/12	143.7
Total days of sickness leave	1262.0
Total days of accident leave	22.0
Total days worked	31,253.0

BTC absence rate in 2008: 4.1%.

In Belgium, the total absence rate reaches 5.19% in 2008, which is the same as the 2007 rate. But 2007 was a record year, with absenteeism reaching its highest level since 2000, according to the figures published by the human resource consultancy group SD Worx.

Training

More and more money is spent on training. In 2008 BTC spends 58% more on training compared to the year before. This is necessary for staff members to fully develop their talents in a stimulating environment, to motivate them to be lifelong learners and not least to ensure that BTC as a professional agency and a learning organisation is following the newest trends in its sector.

BTC has always offered a broad array of training opportunities (Capacity Development, fighting corruption, development circles, language training...). The agency has grown strongly over the last few years and this evolution will continue. The world of development cooperation also evolves quickly; new insights, new aid forms, international agreements on effectiveness, complementarity and division of labour... all require an innovative approach by BTC,

and a new mission and vision with strategic choices for the future. Evidently, training at BTC has to take all of this into account.

In 2008 BTC recruits a new training coordinator. His first assignment will be to inventory training needs in detail in order to develop a general training policy. By the end of 2009 this should be finished.

Number of hours of training in 2008

Head office	4,043	6%
Expatriate employees	47,529	75%
Junior Assistants	11,714	19%
Total	63,286	100%

The important difference in number of hours of training between head office and expatriates (including Junior Assistants) is in the length of training upon entering service. Before departing overseas expatriate employees get an intensive three-week training. Such training is organised every two months for Technical Assistants and twice a year for Junior Assistants. Besides, there are two one-week summer seminars, organised in July and August, for Technical Assistants every year.

Career development

Since 2007 BTC has a career development programme: the 'development circles'. The development circles enable the superior to fully take up his/her role as coach and guide of his/her collaborators. They facilitate communication, contribute to achieving goals and stimulate the development of employees.

A development circle consists of 4 meetings:

- The function meeting, during which the expectations towards the employee are made clear.
- The planning meeting, during which individual objectives are agreed upon.
- The performance meeting, during which the employee is followed up.
- The assessment meeting, during which the employee is evaluated with respect to the objectives set.

Development circles are geared towards a better individual and organisational functioning. They do not affect salary.

At the **head office in Brussels** superiors and collaborators have received a 'Development circles' training. The programme is almost fully implemented in 2008.

This actually also applies for the employees recruited locally in the country offices overseas.

The **expatriate employees** still have to catch up though. It is more difficult to introduce development circles for this category of employees. One superior sometimes has a considerable number of Technical Assistants under him/her, the geographical distance between superior and Technical Assistant is very big and finally the technical aspects of a Technical Assistant's job have to be taken into account. Nevertheless, BTC wants to take the effort to also have expatriate employees fully involved in this career development programme. The objective for the end of 2009 is to have an assessment report of every Technical Assistant available at head office at the end of his/her contract.

Work Rules

On 1 July 2008 new Work Rules come into force for head office staff.

Before, trade unions are involved in a working group to improve the initial text and to arrive at a consensus text. Then, the Work Rules draft follows legal procedures with regards to consultation and negotiation.

The objective is to put existing practices in an official document and to improve and clarify that document.

The Work Rules contain provisions with regards to the work time, the working hours, leaves, career breaks, absences, reimbursement of transportation costs, rules with regards to inability to work and the fight against harassment. The ethical code and the Internet policy are annexed. Beside, the Work Rules contain all legally prescribed provisions and procedures with regards to complaints, confidential advisors, safety and health etc.

With regards to working hours BTC chooses for flexible working hours to enable staff members to better balance work with private life. From now on, seniority leave is granted to employees who stay for a long time with the company.

Each staff member at head office gets a copy of the Work Rules; any new employee will get a copy upon entering into office.



Mentorship at BTC

In agreement with the Royal Decree of 27 March 1998 with regards to the employees' well-being in executing their job BTC introduces a mentorship for Brussels head office staff in 2008.

These mentors are colleagues who are in a position and who have the capacity to help new employees, to coach them and to orient them inside the organisation.

The Management Committee appoints the mentors. In 2008 they support 34 new colleagues at the head office.

Artemia

BTC wants to be a learning organisation and therefore it pays a lot of attention to (continued) training. Traditional training is best complemented with technical exchange of experience in a professional context, for instance in organisations, institutions or companies in a relevant sector.

That is why BTC has started the Artemia programme. Artemia offers BTC head office employees an opportunity to strengthen their technical know-how and expertise by working temporarily in another institution. This is not just to the advantage of the general knowledge level of BTC but also the other institution is provided with external input of the visiting BTC employee.

Every year the Management Committee determines the total amount of Artemia months and a priority training topic. In 2008 a total of nine months is assigned for employees who want to gain new insights on new aid forms through the Artemia programme.

- One colleague works for ECDPM on the Accra Agenda for Action and the Paris Declaration for six months.
- Another BTC colleague works for the European Commission for six months to find out more on the European strategy for aid alignment.
- A third colleague works at the German development agency GTZ to find out how they deal with commissions for third parties (other donors).

Teleworking

In order to better balance private life with professional life, on the one hand, and to enable the employee to work in an environment that is better adapted to

the achievement of certain professional tasks, on the other hand, BTC develops two special work organisation forms in 2008:

- Occasional work at home;
- Telework at home.

Occasional work at home enables employees to work at home for a maximum of 10 working days per calendar year. This work organisation form is launched for all head office employees in February 2009.

Telework at home enables employees to work at home one fixed day per week. To be able to do so, the employee and his/her superior have to fill out a feasibility questionnaire and determine the practical aspects. BTC reimburses the employee's monthly Internet subscription.

Before this is possibly generalized to all BTC head office staff, a pilot group of 10 employees representing different services, ages, types of function etc. test teleworking for a 6-month period starting on 1 February 2009.

Social consultation

The Basic Consultation Committee (BCC) is the official body where the employer and the three trade union delegations meet. The BCC meets regularly and is presided by the Chairman of the Management Committee. During these meetings, the BTC management, on its own initiative or at the request of the trade unions, presents the different dossiers regarding BTC personnel. However, no individual cases are ever discussed at these meetings. The trade unions are invited to present their opinions at the meetings.

The legal framework for the BCC is the Law of 19 December 1974, organizing relations between public authorities and the trade unions of their employees, and the decrees implementing that law. The Basic Consultation Committee is part of the Sector Committee VII (RD of 30.7.2003, published in the Belgian Official Gazette on 29.9.2003).

In 2008 the Basic Consultation Committee convenes 8 times. The main achievement of the Basic Consultation Committee in 2008 is the coming into force of the Work Rules on 1 July 2008.

Financial Report

1.

**BOARD OF AUDITORS' REPORT
ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 DECEMBER 2008
FOR THE ACCOUNTING PERIOD OF 1.1.2008 TO 31.12.2008
TO THE GENERAL MEETING OF SHAREHOLDERS
OF THE BELGIAN TECHNICAL COOPERATION COMPANY**

In accordance with the legal and statutory requirements, more specifically, Article 144 of the Company Code, which – by virtue of Article 29(1) of the law of 21 December 1998 establishing 'Belgian Technical Cooperation' as a public-law company – apply to Belgian Technical Cooperation, the Board of Auditors reports to you on the performance of the mandate of Auditor, which has been entrusted to the Board of Auditors. The report contains the Board of Auditors' opinion on the true and fair view of the financial statement as well as the required additional statements.

UNQUALIFIED AUDIT OPINION ON THE FINANCIAL STATEMENTS

The Board of Auditors has audited the financial statements for the accounting period of 12 months ending 31 December 2008, prepared in accordance with the financial reporting framework applicable in Belgium, which show a balance sheet total of EUR 112,703,746 and a profit for the accounting period of EUR 2,096,729.

Responsibility of the Board of Directors in connection with the preparation and fair presentation of the financial statements

The Board of Directors is responsible for the preparation and the fair presentation of these financial statements. This responsibility includes: designing, implementing and maintaining internal control procedures relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Responsibility of the Board of Auditors

The Board of Auditors is responsible to express an opinion on these financial statements on the basis of its audit. The Board of Auditors conducted its audit in accordance with the legal requirements and the Auditing Standards applicable in Belgium, as issued by the Institute of Registered Auditors (*Institut des Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren*). Those standards require that the Board of Auditors plans and performs

2.

the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

In accordance with the above-mentioned auditing standards, the Board of Auditors implemented control procedures to examine the evidence supporting the amounts and information included in the financial statements. Those standards require that the Board of Auditors plans and performs the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatements, as to whether due to fraud or error.

As part of this risk assessment process, the Board of Auditors took account of internal control procedures in force within the company for the preparation and fair presentation of the financial statements in order to define control procedures suited to the circumstances but without the objective of expressing an opinion on the effectiveness of the company's internal control. The Board of Auditors also has assessed the appropriateness of accounting policies, the reasonableness of the significant accounting estimates made by the company as well as the overall financial statement presentation. Finally, the Board of Auditors obtained from the Board of Directors and the company employees the explanations and information necessary for executing its audit procedures. The Board of Auditors believes that the audit evidence collected provides a reasonable basis for its opinion.

Opinion

In the opinion of the Board of Auditors, the financial statements for the year ended on 31.12.08 give a true and fair view of the company's assets and liabilities, its financial position and the results of its operations in accordance with the financial reporting framework applicable in Belgium.

ADDITIONAL STATEMENTS

The preparation of the management report and its content, as well as the company's compliance with the Company Code and its bylaws are the responsibility of the Board of Directors.

The Board of Auditors is responsible to supplement its report with the following additional statements, which do not modify the audit opinion on the financial statements:

- The management report includes the information required by law and is consistent with the financial statements. However, the Board of Auditors is unable to comment on the description of the principal risks and uncertainties that the company is facing, and on its financial situation, its foreseeable evolution or the significant influence of certain facts on its future development. The Board of Auditors can nevertheless confirm that the matters disclosed do not present any obvious inconsistencies with the information that it became aware of during the performance of its mandate.

3.

- Without prejudice to formal aspects of minor importance, the accounting records were maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- The Board of Auditors has not found any transactions undertaken or decisions taken in violation of the company's statutes or the Company Code. The appropriation of results proposed to the general meeting complies with legal and statutory provisions.

Brussels, 2 June 2009

CDP CB & Co / BST
represented by Chantal Bollen



Jozef Beckers
Conseiller at the Court of Audit



BDO Atrio Registered Auditors
Soc. Civ. SCRL,
represented by Michel Grignard



Didier Claisse
Conseiller at the Court of Audit



Annual Report of the Board of Directors to the Annual General Meeting of 16 June 2009

In agreement with the Company Code BTC reports on the activities of the company and its management of the past financial year, which ended on 31 December 2008.

Preliminary remark

These Financial Statements are the outcome of the consolidation of the public service activities, executed on behalf of the Belgian State, and of activities for third parties, executed on behalf of other bodies.

For BTC activities three kinds of expenses and revenues have to be distinguished:

- Expenses of the cooperation services;
- Expenses of the head office;
- Expenses of the country offices, which are equated with expenses of the head office.

In agreement with the Law establishing BTC the expenses of the head office and of the Country offices – operational expenses – are booked on other accounts than those for the cooperation services.

At project level the expenses and revenues are only booked as such when they are effectively made. This means that contributions to cooperation services are not booked as expenses but as advances (assets sheet) as long as these expenses are not actually made.

For the Congo/Burundi emergency programme, which was conducted in 2007 as well as in 2008 with credits that were not broken down and which had infrastructure components, also 'LCs' (Letters of credit) have been used. After all, relying on banks to process the transactions is important for the suppliers and significantly reduces the commercial risks for BTC. For BTC there is full assurance once the Letter of Credit is signed because at that time the amount is exactly determined, the identity of the debtor and creditor are fixed, there is an obligation to pay under condition of presentation of documents mentioned in the Letter of Credit (with the invoice being only a part but not the determining document for the com-

mercial transaction) and there is a supporting document for the registration in the accounts, namely the LC, which is a legal document that indicates the debt of the person who has made the order.

On the explicit request of the Auditors, in accounting these commitments are processed via the liability accounts, outside the balance sheet, because that way these show the claims and liabilities of the company. Therefore, the Auditors suggested booking these via the 021 accounts or a presentation of business securities in the own assets. Additionally, management decided to mention the commitment to purchase also in the liability accounts with a reference in the 022 account as an obligation to purchase.

In the cash flow reporting for DGDC these Letters of Credit are included with the expenses with a reference to the commitments via the existence of order forms and Letters of Credit for the year concerned (2008) and they are an integral part of the commitment of the concerned credit of the budget accounting of the Administration in 2008, which was not broken down.

The Letters of Credit for the year 2007 were deducted from the 2008 cash reporting because in 2008 they were mentioned in the actual expenses.

The third management contract went into force on 1 January 2007. This has the following implications:

- The interventions are split up per Article of the Law that they emanate from (different basic allocations). We distinguish: Article 5 activities, Article 6 activities, Article 9 (VSDC) activities and activities for third parties (Article 7). The expenses for the services and the management costs are divided according to these 4 "article" codes.
- A lump sum of EUR 20 million (indexed to 21 million in 2008) is allocated for the management costs of BTC if the global budget for the execution of projects exceeds EUR 150 million (indexed to 157 million in 2008).
- For the Article 6 projects the management costs are 12%.

- The external audit cycle is set at three years for the whole of projects and the internal audit is strengthened.
- In August 2008 a Royal Decree is signed that provides 12% of management costs on top of the operational costs of the services executed after 1 January 2007 in the context of the Belgian Survival Fund.
- The same Royal Decree provides the possibility for the implementation agreement to commit towards IT equipment and/or vehicles and/or staff for the projects.

Comments on the Annual Accounts

The Financial Statements show the following:

Balance total	112,703,746
Turnover	217,628,495
Profit from the period to be allocated	2,096,729
Profit carried forward from the previous period	6,164,103
Profit to be appropriated	8,260,832

Comments on the Financial Statements

The draft of the Financial Statements was drawn up in compliance with the provisions of the Royal Decree of 30 January 2001 with regards to the Company Code, more in particular Book II, title I with regards to the Financial Statements of companies.

Comments on the activities

In 2008 the company made a profit of EUR 2,096,729, compared to a EUR 2,527,142 profit at the end of 2007.

Balance after appropriations and transfers

The balances of the last period closed and of the preceding period are presented in short form below (figures in EUR):

ASSETS	31/12/2008	%	31/12/2007	%
Fixed Assets	1,910,984	1.7	1,808,030	2.0
Amounts receivable > 1 year	-			
<i>Sub-total</i>	<i>1,910,984</i>	<i>1.7</i>	<i>1,808,030</i>	<i>2.0</i>
Current assets ≤ 1 year	77,790,753	69.0	65,995,917	74.6
Investments	23,956,283	21.3	11,872,130	13.4
Cash assets	1,028,175	0.9	2,224,769	2.5
Accruals	8,017,551	7.1	6,579,431	7.5
TOTAL ASSETS	112,703,746	100.0	88,480,277	100.0

LIABILITIES	31/12/2008	%	31/12/2007	%
Equity	16,043,660	14.2	13,946,931	15.8
Provisions and Deferred income tax > 1 year	2,184,076	2.0	1,911,615	2.2
Amounts payable > 1 year				
<i>Sub-total</i>	<i>18,227,736</i>	<i>16.2</i>	<i>15,858,546</i>	<i>18.0</i>
Provisions and Deferred income taxes ≤ 1 year				
Amounts payable ≤ 1 year	36,987,816	32.8	26,862,826	30.4
Accruals	57,488,193	51.0	45,758,905	51.6
TOTAL LIABILITIES	112,703,746	100.0	88,480,277	100.0

The following ratios can be deduced from the figures given above:	31/12/2008	31/12/2007
Liquidity (Current assets in the short term/ Amounts payable in the short term)	2.10	2.46
Solvency (Equity / Total equity)	14.20%	15.76%

Income statement

The main data from the income statement of the last two periods are presented in short form below (figures in EUR):

	31/12/2008	31/12/2007
Turnover	217,628,495	213,416,163
Other sales and activities	24,117,672	22,967,182
Purchases	191,009,216	190,794,148
Miscellaneous services and goods	9,334,049	8,308,634
Staff costs	38,853,245	34,112,405
Depreciation	726,062	723,657
Provisions for liabilities and charges	272,461	704,474
Other operating charges	82,974	62,647
Operating result	1,468,158	1,677,380
Financial result	650,507	823,754
Extraordinary result	-21,936	26,008
Transfers from / to deferred taxes	-	-
Taxes on the result	-	-
Result for the period	2,096,729	2,527,142
Transfers from/to untaxed reserves	-	-
Result to be appropriated from the period	2,096,729	2,527,142

Appropriations and transfers

The profit amounts to EUR 2,096,729; we suggest to allocate the result as follows:

A. Profit to be appropriated:	(+) 8,260,832
Consisting of:	
- Profit from the period to be allocated	(+) 2,096,729
- Profit carried forward from the previous period	(+) 6,164,103
C. Appropriation into equity	
Consisting of:	
- Appropriation into the legal reserve	(-) 104,836
D. Profit to be carried forward	(-) 8,155,995

Notes on balance sheet items - ASSETS

FIXED ASSETS	1,910,984 €
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These fixed assets only refer to the assets at BTC's head office and country offices.

After all, fixed assets realised as part of cooperation activities are covered in full immediately when they are realised in accordance with the principle of transferring assets to a partner country at the end of a cooperation activity.

Intangible assets include various IT programmes, primarily the Navision Financials® accounting programme.

The fixed financial assets are composed of guarantees paid by country offices. No guarantee was paid for the head office.

Amounts receivable within one year	77,790,753 €
Trade debtors	77,259,730 €
This includes:	
• Clients	76,014,644 €
• Invoices to be drawn up for cooperation activities that had not been invoiced by 31 December 2008 but which pertain to this period	1,237,105 €
• Credit notes to be received and advances paid	4,528 €
• Balance for supplier credit	3,453 €
Other amounts receivable	531,023 €
This includes:	
• Reclaimable VAT	101,948 €
• Reclaimable advance tax payment and social security contributions	495 €
• C/A Scholarship holders	350,200 €
• Miscellaneous	78,380 €
Investments	23,956,282 €
This includes:	
• Short-term investments (max. 1 month)	23,956,282 €
Treasury	12,250,000 €
Treasury bonds (ING)	9,989,030,90 €
Long-term investment Deutsche Bank	1,717,251 €

85% of financial investments in 2008 are with Deutsche Bank, 14% with ING and 1% with the Belgian State (treasury bonds). For BTC it is important to invest ethically. Both Deutsche Bank and ING refer on their websites to signing the 'UN Global Compact', which holds the principles that the signatories have to follow. These principles relate to human rights, working conditions, the environment and the fight against corruption.

On the basis of article 38 of the Law establishing BTC BTC can freely decide how to invest its funds, with the provision that the Belgian measures to meet the budget conditions of Belgian participation to the European Monetary Union are respected. BTC has sent a letter to the minister with the request to apply article 38 more flexibly. On 31 December 2008 BTC put 99.3% of its investments in the Treasury of the Belgian State and in Treasury bonds.

Cash assets	1,028,175 €
• Head office bank accounts	57,162 €
• Country office bank accounts	541,426 €
• Head office cash	12,622 €
• Internal transfers	416,935 €
Deferred charges and accrued income	8,017,552 €
This section contains the various charges to be carried forward and revenues acquired from ongoing activities:	
• Balances on the closing date of bank accounts for state-managed cooperation activities; these are considered to be future charges and therefore not considered as cash assets.	7,302,236 €
• Expenses to be carried forward	503,578 €
• Revenues	42,671 €
• Suspense account	169,067 €

Notes on balance sheet items - LIABILITIES

Equity	16,043,660 €
Equity includes capital (EUR 7,436,806), the legal reserve and the profit brought forward.	
Provisions for liabilities and charges	2,184,076 €
Provisions include:	
• Provision for litigation	1,283,715 €
It relates mainly to ongoing or potential litigation concerning redundancies. In 2008 the provision is completely withdrawn for 5 dossiers because the cases have been settled (withdrawal = EUR 386,261) and an increase of the provision is booked for 2 existing dossiers for EUR 893,012.	
• Provisions for liabilities and charges	900,361 €
Consisting of:	
- Maintenance and repairs to head office building	150,000 €
- Salaries country office	651,361 €
- Costs financial closing of projects	99,000 €
Amounts payable within one year	36,987,816 €
This includes:	
• Trade debts	3,317,758 €
• Social security contributions to be paid	13,147 €
• Salaries to be paid	-2,272 €
• Provisions for holiday bonuses	1,453,583 €
• Advances received	32,204,935 €
- Net advances for 3rd management contract	18,890,994 €
- 5X (art. 6)	1,378,883 €
- Other Donors	11,935,058 €
• Other debt	665 €
Accrued charges and deferred income - Liabilities	57,488,193 €

This figure includes various charges to be posted in 2008 and income to be carried forward to 2009.

Notes on items outside the balance sheet

Securitized assets

Bank guarantees	1,529,696 €
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In the context of the execution of services overseas Deutsche Bank offers BTC's partners a guarantee for the good execution of the works.

On 31.12.2008 there are 5 projects for which the partner has asked such a bank guarantee.

Letters of Credit	4,180,203 €
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On 31.12.2008 BTC has outstanding Letters of Credit for EUR 4,180,203, which are guaranteed by Deutsche Bank.

Third party goods and values managed by the company

The balances of the financial accounts in co-management (balances of credits of the Belgian State and expenses of the cooperation services) do not belong to BTC; at the end of the period they are shown outside the balance.

On 31.12.2008 the total of cash on these co-managed accounts amounted to EUR 31,360,602.

Notes on the Income statement

The income statement is brought in line with the 3rd management contract. The activities are allocated under article 5, article 6, article 7 (activities for third parties) and since 2006 article 9 (VSDC). For each of these 4 "article" codes the expenses for the services and the management costs are split.

Services - Art. 5	State-managed	Co-managed	Sub-total
Advance received for 3rd management contract 2008 (incl. URG)			174,250,000.00
Actual turnover	-113,928,130	-76,705,475	-190,633,605
Management fee			-
Flat rate			-
Profits			-1,723,648
Turnover, see BNB	-113,928,130	-76,705,475	-192,357,253
Annulation co-management		76,705,475	76,705,475
Deposits co-management		-82,911,241	-82,911,241
Withdrawal commitments Emergency Programme 2007	1,272,130		1,272,130
Commitments Emergency Programme 2008	-1,317,252		-1,317,252
DGDC turnover	-113,973,252	-82,911,241	-198,608,140
Expenses	-113,928,130	76,705,475	190,633,605

Services	Art. 5	Art. 6	Art.7	Art. 9	2008
Advance received for 3rd management contract 2008	-157,000,000				
Advance for emergency aid	-17,250,000				
TOTAL	-174,250,000				
Actual turnover	-190,633,605	-10,160,503	-11,698,284	-2,876,209	-215,368,601
Management fee			-418,376		-418,376
Flat rate			-32,100		-32,100
Profit EUNIDA			-10,888		-10,888
Profits	-1,723,648	-74,882			-1,798,529
Turnover, see BNB	-192,357,253	-10,235,385	-12,159,648	-2,876,209	-217,628,495
Annulation co-management	76,705,475				
Deposits co-management	-82,911,241				
Commitments Emergency Programme	1,272,130				
Commitments Emergency Programme	-1,317,252				
DGDC turnover	-198,608,140				
Expenses	190,633,605	10,160,503	11,698,284	2,876,209	215,368,601

The final statement with DGDC mentions a funding surplus of EUR 4,301,976.87. This amount will be deducted from the next quarterly instalment for operational expenses.

Projects with a Deutsche Bank account receive a part of the interests, which are generated centrally (because of pooling all Deutsche Bank accounts). The remuneration of the projects equals EONIA minus 125 basis points. In 2008 a ceiling is imposed to avoid that projects with poor financial planning and/or execution are rewarded. Only bank balances up to EUR 500,000 are taken into account for calculation of the interest remuneration.

Accounting corrections are booked for an amount of EUR 1,171,840.32 for the Benin Counter-value Fund. This relates to corrections of bookings from 2001 to 2004 of funds that erroneously were managed in our accounts. These corrections are not included at the level of the annual income statement because they do not have any influence on the result, according to the Auditors.

Management - Art. 5	Expenses Country office	Expenses Head office	Sub-total
Subsidies DGDC / AB 54 10 31 22			-20,600,000
Subsidies DGDC / mandate Auditors			-400,000
Subsidy DGDC / Emergency/Budget support			-1,441,588
Subsidies owed with regards to Auditors' mandate			-25,161
Total Subsidies			-22,466,749
Miscellaneous goods and services	4,666,770	2,686,250	7,353,021
Staff costs	4,794,695	9,053,307	13,848,002
Depreciation and provisions	248,759	742,454	991,213
Other operational costs	3,651	55,094	58,745
Financial costs	107,238	364,338	471,575
Exceptional costs	14,234	120	14,354
Financial revenue	-15,774	-9,089	-24,863
Exceptional revenue	-43,080	-7,885	-50,965
Annulation Mark Ups	-993	-32,077	-33,070
Result with regards to management			161,263

Management	Art. 5	Art. 6	Art. 7	Art. 9	2008
Subsidy DGDC	-20,600,000				
Subsidies DGDC/ mandate Auditors	-400,000				
Subsidy Emergency aid/Budget support	-1,441,588				
Subsidies owed with regards to Auditors' mandate	-25,161				
Total Subsidies	-22,466,749	-1,185,457	-	-352,335	-24,004,541
Miscellaneous goods and services	7,353,021	1,158,884	191,379	324,659	9,027,943
Staff costs	13,848,002	26,765	475,333	20,486	14,370,586
Depreciation and provisions	991,213	-	7,311	-	998,524
Other operational costs	58,745	-	24,229	-	82,974
Financial costs	471,575	-	1,436	-	473,011
Exceptional costs	14,354	6,500	29,958	-	50,812
Financial revenue	-24,863	-	-34	-	-24,897
Exceptional revenue	-50,965	-	-	-	-50,965
Annulation Mark Ups	-33,070	-		-	-33,070
Result with regards to management	161,263	6,692	729,613	-7,190	890,378
Result with regards to services	-1,723,648	-74,882	-461,364	-	-2,259,894
Result outside management and services	-943,567		-132,966		-1,076,533
Result on the profit	349,320				349,320
Result 2008 period	-2,156,632	-68,190	135,283	-7,190	-2,096,729

The loss under article 7 services amounts to EUR 135,283. In 2009 the cost structure will be reviewed; there is enough room in the budget to compensate losses.

Notes according to Art.661, 6° of Company Code

Notes on Investments

The main investments of 2008 concern the purchase of rolling material, IT and office equipment; they only concern the head office and BTC country offices. Fixed assets realised as part of cooperation activities are covered in full immediately when they are realised in accordance with the principle of transferring assets to a partner country at the end of a cooperation activity.

Notes on management costs

The management costs of BTC with regards to Art. 5 (EUR 22,466,749) amount to EUR 22,628,012 in 2008. Following up on consultation between DGDC and BTC it has been agreed that the following way of bookkeeping will consistently be applied:

- Costs on account 66001: Uninvoiceable costs, refused expenses are booked along with the 'profits or interest revenue';
- Differences in exchange rates on account 655000, will not be presented as management costs in the annual cash reporting;
- Bank interests of BTC are not considered management costs.

The management costs for the country offices represent about 43% of the total (47 % for the year 2007).

Notes on Salaries

On 31 December 2008 438 people work for BTC; 181 work at the head office and 257 work overseas (resp. 163 and 250 in 2007). These numbers do not include the 212 local employees in the BTC country offices.

Important events after the end of the period

There are no events that have any influence.

Information of circumstances that may considerably influence the development of the company

There are no circumstances that may considerably influence the development of the company.

Research & Development

There were no activities in the field of Research & Development.

Branch offices of the company

Not applicable to BTC.

Acquisition of own shares

Not applicable to BTC.

Capital increases

There were no capital increases in the past period.

Additional activities of Auditors

In 2008 BDO Atrio conducts an additional audit commission, which was executed outside the mandate of the Auditors. They bill EUR 27,346 (including 21% VAT).

Announcement with regards to the use by the company of financial tools in as far as they are significant for the company's assets, liabilities, financial position and result.

The company has not used such financial tools.

Announcement with regards to risks and liabilities

In 2008 BTC is confronted to certain cases of fraud, which were limited in financial impact though.

Examples:

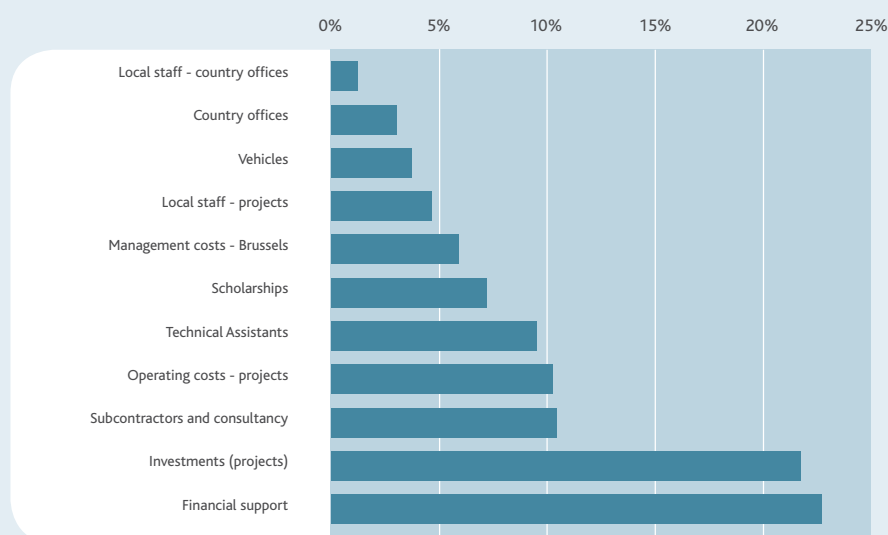
- In Ethiopia there is an attempt to withdraw money from the bank account with a forged signature. It is the advertent local bank that thwarts this attempt at fraud.
- In the Democratic Republic Congo after a project evaluation it is found that organisations have been paid for maintenance work that was not executed. This has led to the discharge of the project team.
- In Burkina Faso there is an instance of abuse of project property (for private use) and of illegitimate preferential treatment of certain suppliers.

In future we expect more cases of fraud in spite of the increase in preventive internal control measures. The reasons are, on the one hand, the stronger detection systems, and on the other hand, the increase of projects in which the partner himself is responsible and national systems are used.

Announcement with regards to prospects

In 2009 attention will be paid to the development of the turnover according to Article 5 and to formulation of definitions for new cooperation forms, like National execution and Delegated Cooperation.

Cost structure



Reliability opinion

In Society bvba
Bureau voor Duurzaam Ondernemen/ Bureau for Sustainable Entrepreneurship

BTC
Mr Carl Michiels
Mr Peter Pauwels
Hoogstraat 147
1000 Brussels

Bertem, 4 June 2009

Dear Mr Michiels,
Dear Mr Pauwels,

The BTC Management Committee requested us to formulate a reliability opinion on the sustainability report of the 2008 calendar year. This regards the first sustainability report of BTC, which is drawn up with reference to the international GRI standards according to the requirements of the Application Level C.

In our opinion this first sustainability report contains sufficient reliable information about the activities of BTC and gives a representative image of the activities of the organisation at the level of the head office. The report is drawn up in conformity with the requirements of the GRI Application Level C. This Level requires disclosure of the profile of the organisation and reporting on a minimum of ten Performance Indicators as well as an external check of the report.

We point out to the reader that in drawing up this first report not all GRI principles have been applied systematically. With regards to several indicators the report does include only partial, rather general or no information; however, these indicators are not required for the Application Level C.

Our task is to provide limited assurance. Our investigation can therefore not be considered a professional substantial audit and therefore our conclusions do not provide complete assurance as obtained through a full audit. BTC reports on the GRI Level C+.

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In Society bvba
Bureau voor Duurzaam Ondernemen/ Bureau for Sustainable Entrepreneurship

The scope of the report is mainly restricted to the activities of the BTC head office and to a certain degree to the country offices, as is pointed out in the introduction by management. A comparison with the results of the previous year, with objectives and benchmarks, is not possible yet and the main stakeholders were not involved in the draft of this first report.

We have submitted our recommendations for a stronger reporting approach to the management. BTC's management has committed to annual reporting according to the GRI standards, as well as to systematically improving the content of the report. Sustainability management is a core process for BTC, as is mentioned in the report.

Our above-mentioned opinion is mainly based on the following approach:

- Study of public and internal information with regards to the activities to understand the functioning and the sustainability impact;
- Interviews with staff and people in charge in the central administration;
- Assessment of the approach with regards to the development of this report, with particular attention for the GRI Reporting Framework, consisting of principles and standard disclosures and the C+ requirements;
- Sample checks of the exactness of the reported information.

During our assignment we received the necessary support and access, which is required to execute the assignment independently and professionally.

We thank management and staff for the constructive cooperation.



Erik De Smedt
Business manager

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- Administrative efficiency		
11-12		

Non-core indicators are in italics

NR: Not Relevant

ND: No Data

About this report

With this Annual Report BTC engages on the road of sustainability reporting. After all, sustainable development is the eventual objective of all our activities. On 4 February 2009 the Management Committee decided to adapt the concept of its Annual Report and outspokenly chose for sustainability communication.

This Annual Report is about the 2008 calendar year; it provides the first sustainability report of BTC. From now on, the agency will publish such a report every year.

To draw up this Annual Report a working group is installed with representatives of all head office services in Brussels. The task of the working group is to determine the scope of the report and to ensure that the guidelines for sustainability reporting are carefully respected so BTC can improve the quality of the report.

Because of a lack of time we have not been able to sufficiently involve our stakeholders in the production of this first sustainability report. From next year onwards, this is definitely one of the elements that BTC will have to deal with systematically in its sustainability reporting.

Scope

The financial reporting concerns all BTC activities (head office, country offices and projects). Data of the country offices are still presented globally in this report; from next year onward (Annual Report 2009) the cost structure, among other things, will be split up by country office.

The other aspects of sustainability reporting concern the head office in Brussels and the country offices overseas, unless otherwise mentioned (e.g. the EMAS certification). In the Social report data are included about the expatriate employees (Technical Assistants) in the projects because it is relevant information about BTC in general.

This report does not include sustainability aspects of the projects because the projects have their own consultative and management structures, aim at specific (sustainable) objectives and follow a particular monitoring and evaluation cycle. The objectives, expected results, activities and resources are extensively described per project in Technical and Financial Files. Moreover, BTC's project portfolio does not provide a good basis for comparison over the years, since every year projects are being closed and other projects are started up.

In the Activity Report we publish five articles on projects in Rwanda, Cambodia, Niger, Ecuador and the Democratic Republic of Congo. We go deeper into the *raison d'être*, the objectives, the results and the prospects of these projects (see p. 33).

For a complete overview of the projects in execution please have a look at the website WWW.BTCCTB.ORG.

Global Reporting Initiative (GRI)

Spurred on by Kauri vzw, among others, the sustainability reporting uses the October 2006 G3 guidelines of the Global Reporting Initiative. These standard guidelines are supplemented with the public agency guidelines, version 1.0 of March 2005. By using these guidelines BTC aims at a high degree of benchmarking between its report and similar GRI-based reports of other organisations.

In this first sustainability report the most attainable and practical data are discussed, with the aim of reaching the C+ Application Level. The report is externally verified by In Society. In Society has the necessary competencies to formulate a professional opinion in this respect. The company has participated to several GRI projects and conducted consultancy services with regards to GRI reporting. In Society has executed several assignments in the field of sustainability management, audit and analysis, and in the North-South sector as well; so the company can formulate a professional opinion in line with the

professional requirements set by GRI. In Society is completely independent of BTC. It has not had any contractual agreement with or assignment from BTC, nor are any planned.

The GRI indicators are included on pages 84-85 in the GRI index. The index shows where the information can be found in the report. The core indicators are priority indicators; they are complemented with non-core indicators that BTC considers relevant. Non-relevant core indicators are indicated with the letters NR. However, the relevance will be evaluated annually. For certain indicators no data are available yet. As BTC's management processes are described and become operational, more indicators will be included in the report. BTC wants to incorporate these in the 2011 Annual Report at the latest.

www.globalreporting.org



Colophon

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We are interested in your opinion!

We appreciate your comments and suggestions to further improve our annual reports. Please send us your reactions by letter or e-mail, to the attention of Guido Couck, BTC, Rue Haute 147, 1000 Brussels, Belgium.

This Annual Report is also available on www.btcctb.org



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