

BELGIUM

Belgium's tied aid and partially tied aid loans are extended from Treasury and ODA funds. The Belgian cooperation generally has been based on foreign policy (country) strategy, but tied aid and mixed credits are increasingly used for the purpose of matching competing concessional offers and maintaining market share in selected countries (e.g. Algeria and Indonesia).

Belgium has always depended upon foreign markets and its export support programs and ODA have reflected this traditional export vocation. Export support and development programs have generally been directed at developing countries, but recent budgetary constraints have forced the government to re-examine these programs. This review has confirmed a market approach in the use of mixed credits.

The Belgian development and cooperation budget of BF 25 billion (U.S. \$720 million) for 1990 is a source of tied aid funding. In addition, a BF 3 billion (U.S. \$86 million) envelope funded mostly by the Finance Ministry and the Belgian insurance and guarantee agency (OND) is set aside for tied aid and credit-mixte purposes. Credit-mixte also is used to assist domestically in the development of technologies (nuclear industries, transportation, telecommunications and textiles).

The following countries have been targeted as beneficiaries of so called Treasury loan envelopes, the equivalent of unconfirmed lines of credit: China, Egypt, Indonesia, Jordan, Turkey, and Tunisia. Belgium exporters know this and thus are able to target these markets with the assurance that support will be available in due course. In addition, case by case requests also will be considered in markets where Belgium wants to maintain a strong presence (for example, Algeria), where projects make eminent sense (commercial orientation, technology development, etc.), or where matching is desirable. Development funds (BF 200 million or U.S. \$5.74 per year set aside for tied aid) will sometimes be used to supplement funding to meet specific bilateral objectives (Indonesia and Algeria).