

EU TRUST FUNDS

Background

A trust fund is a legal arrangement with a distinct financial structure that pools the funds of several donors to jointly finance an action on the basis of commonly agreed objectives and reporting formats.

Trust Funds offer a number of advantages: they are EU led instruments, offering better coordination with EU Member States; better control of operations by the Union and other donors and enhanced EU visibility. Trust Funds benefit from fast decision-making processes and from their capacity to pool larger sums from different sources making them a flexible, proactive and adaptable tool.

The current Financial Regulation authorises the Commission to create and manage European Union Trust Funds (EUTF) in the field of external actions.

The rules on establishment and management of EUTFs are laid down in Article 187 of the Financial Regulation.

Establishment

EUTFs can be established with **at least one external donor** to respond to **emergency, post-emergency or thematic actions**.

Its establishment needs to be justified notably by **EU added value** (its objectives can be better met at EU than at national level), and **additionality** (the trust fund should not duplicate already existing and similar instruments).

The European Commission submits the **draft decision to establish an EUTF** to the competent committee defined in the basic act governing the instrument that provides the EU's financial contribution to the new Trust Fund. The consultation of the Committees ensures an adequate involvement of the Council in the establishment of any EUTF. The proposal for the revision of the Financial Regulation addresses the need for greater involvement of the European Parliament in the creation of EUTFs (Article 227(1)) and reporting on their activities (Article 244).

After the adoption of the establishment and financing decisions, the **constitutive act** of the EUTF is signed by the European Commission and the donors. The constitutive act details the main features of the EUTF, such as its specific objectives, the rules for the composition and the internal rules of its board, as well as the duration (currently all the EU Trust Funds have been set up for a 60 months (five years) duration). The European Parliament and/or the Council may request the Commission to discontinue the appropriations for the Trust Fund or revise the constitutive act with a view to liquidate it.

Governance and management of EUTFs

In accordance with Article 187 of the current Financial Regulation, the EUTF has specific governance arrangements and contributions are placed **outside** the EU Budget.

Monthly Report on the Multiannual Implementation of EU Trust Funds (EUTFs)

Each EUTF has a **board** ("Trust Fund board") chaired by the Commission with representation of the donors and the non-contributing Member States as observers. The board decides upon the use of the funds of the EUTF.

EUTFs are managed by the Commission under the responsibility of the authorising officer by delegation who provides assurance on the use of the funds to the Commission and to third donors. The EUTF manager is the authorising officer by sub-delegation. As is the case for the European Development Fund, the accounting officer of a EUTF is the accounting officer of the Commission who lays down the accounting procedures and chart of accounts common to all EUTFs.

To cover its management costs, the Commission may withdraw a maximum of 5% of the amounts pooled into the trust fund. The percentage for the contribution to the EUTF from the EU budget is usually lower and corresponds to the proportion of the administrative support expenditure for the relevant instrument authorised in the annual budget.

According to Article 187(10) of the Financial Regulation, the Commission has to submit annually a comprehensive and detailed report to the European Parliament and the Council on the activities supported by the EUTF, on its implementation and performance, as well as its accounts. This report is to be attached to the summary of the annual activity reports required by Article 66(9) (last paragraph) of the Financial Regulation.

Current EUTFs

To date, the Commission has set up 4 EUTFs:

- The **BĒKOU** EUTF, whose objective is to support all aspects of the Central African Republic's exit from crisis and its reconstruction efforts. Established on 14 July 2014;
- The **MADAD** EUTF, a European Union Regional Trust Fund in response to the Syrian crisis. Established on 15 December 2014;
- The **AFRICA** EUTF; a European Union Emergency Trust Fund for stability and addressing root causes of irregular migration and displaced persons in Africa. Established on 9-10 November 2015;
- The **COLOMBIA** EUTF; to support the implementation of the peace agreement in the early recovery and stabilisation post conflict. Established on 12 December 2016

Further information is available on the websites of individual EUTFs:

BEKOU: http://ec.europa.eu/europeaid/bekou-trust-fund-introduction_en

MADAD: http://ec.europa.eu/enlargement/neighbourhood/countries/syria/madad/index_en.htm

AFRICA: http://ec.europa.eu/europeaid/regions/africa/eu-emergency-trust-fund-africa_en

COLOMBIA: http://ec.europa.eu/europeaid/eu-trust-fund-colombia_en

Monthly Report on the Multiannual Implementation of EU Trust Funds (EUTFs)

Status: 02.05.2017

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- **Implementation**

Implementation rate of commitment appropriations for all the EUTFs was 77 %. EUTF Madad has committed over 86 %, EUTF Bekou 79 % and EUTF Africa 75 % of the commitment appropriations available.

A total of EUR 1 312 million has been contracted by the EUTFs so far. The Africa TF has contracted EUR 794 million, the EUTF Madad EUR 440 million and the EUTF Bekou EUR 74 million.

- **Pledges and contributions**

Total pledges to all of the EUTFs amount to EUR 4 412 million: EUR 1 662 million from the EU Budget, EUR 2 403 from the European Development Fund (EDF) and EUR 347 million from Member States and other donors.

Monthly Report on the Multiannual Implementation of EU Trust Funds (EUTFs)

GLOSSARY OF TERMS AND ABBREVIATIONS USED IN THE REPORT ON EU TRUST FUNDS

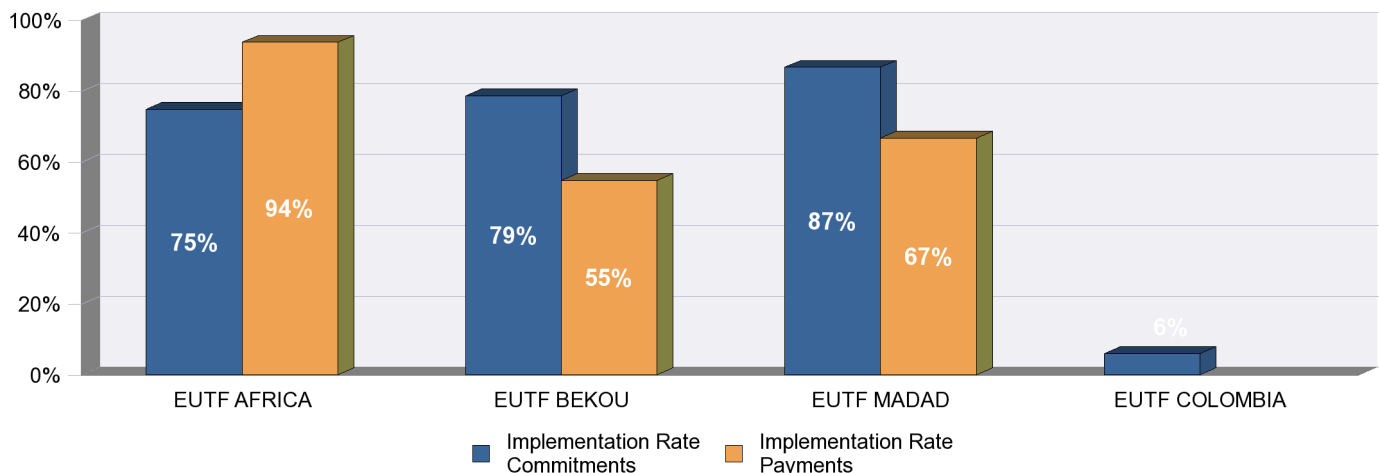
Term	Definition
Amount available for Commitments	This amount defines the total amount of legal obligations (contracts, grant agreements/decisions) that can be incurred.
Amount available for Payments	Payment appropriations or contributions received to cover expenditure, arising from legal commitments entered in the current year and/or earlier years.
Appropriations	Amount of commitments/payments authorised by Parliament and Council in the annual EU budget.
Budget item	As far as the budget structure is concerned, revenue and expenditure are shown in the budget in accordance with a binding nomenclature which reflects the nature and purpose of each item. The budget nomenclature reflects different levels of disaggregation (title, chapter, article or item).
Committed Amount	Amount reserved through a Commission decision or contract conclusion for future legal obligations (contracts, grant agreements/decisions)
Contracted Amount	Amounts previously reserved, translated into binding contracts
EDF	European Development Fund
EUTFs	EU Trust Funds are Trust Funds directly implemented by the European Commission pooling resources from various sources.
Origin of funding	Amounts available broken down by type of donor
Implementation rate	Share of available amounts committed or paid
Paid amount	Disbursement made to honour legal obligations.
Total Pledge	Total funding for the trust fund as agreed by donors.
Trust Fund	Fund established for a specific purpose with financial contributions from the EU budget and one or more donors and administered by an administrative agent, the Trustee.

1. Multiannual Overview of EU Trust Funds at 02/05/2017

in '000 euro

Name	Cumulative Amount made Available for Commitments	Committed Amount	Implementation Rate Commitments	Cumulative Amount made Available for Payments	Paid Amount	Implementation Rate Payments
	(1)	(2)	(3)=(2)/(1)	(4)	(5)	(6)=(5)/(4)
EUTF AFRICA	2 080 563	1 557 088	75%	297 453	278 728	94%
EUTF BEKOU	119 407	93 828	79%	86 074	47 124	55%
EUTF MADAD	897 518	777 771	87%	310 372	207 053	67%
EUTF COLOMBIA	77 672	4 600	6%	7 672		
Total	3 175 160	2 433 287	77%	701 571	532 906	76%

Implementation rates Commitments and Payments



2. EU Trust Funds - Origin of Amount Available at 02/05/2017

in '000 euro

Name	Origin of funds	Total Pledge	Cumulative Amount made Available for Commitments	Cumulative Amount made Available for Payments
EUTF AFRICA	Contribution from EU Budget	358 500	98 123	30 399
	Contribution from Member States and other donors	152 385	62 540	62 540
	Contribution from the EDF	2 289 900	1 919 900	204 514
EUTF AFRICA		2 800 785	2 080 563	297 453
EUTF BEKOU	Contribution from EU Budget	50 333	40 333	12 000
	Contribution from Member States and other donors	54 925	35 074	35 074
	Contribution from the EDF	113 000	44 000	39 000
EUTF BEKOU		218 258	119 407	86 074
EUTF MADAD	Contribution from EU Budget	1 181 260	788 066	200 919
	Contribution from Member States and other donors	117 250	109 453	109 453
	Contribution from the EDF			
EUTF MADAD		1 298 510	897 518	310 372
EUTF COLOMBIA	Contribution from EU Budget	72 000	70 000	
	Contribution from Member States and other donors	22 859	7 672	7 672
	Contribution from the EDF			
EUTF COLOMBIA		94 859	77 672	7 672

The cumulative amount made available for payments through a contribution from EU Budget for EUTF MADAD includes an amount of EUR 139.7 million paid by the Commission to reimburse a contribution made by Turkey to the Madad EUTF under IPA operational programmes (indirect management).

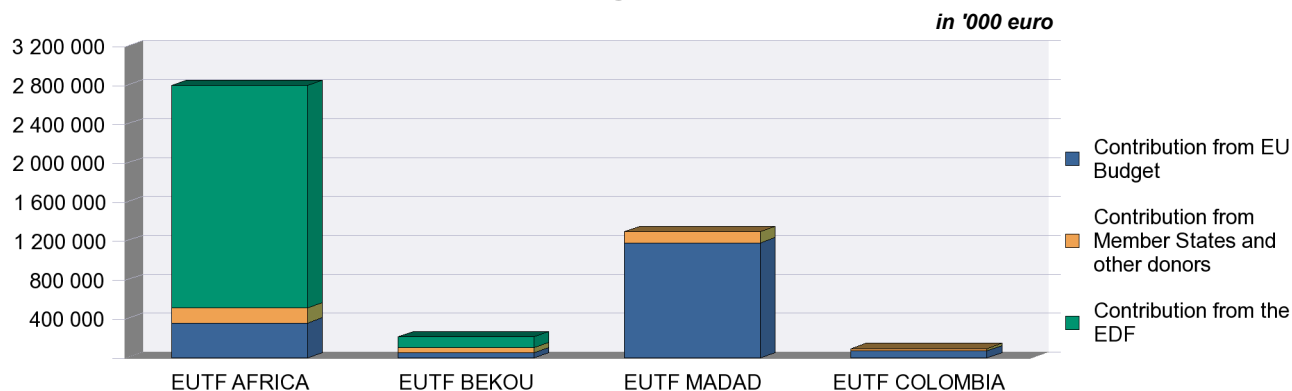
Origin of funds - All EUTFs combined	Total Pledge	Cumulative Amount made Available for Commitments	Cumulative Amount made Available for Payments
Contribution from EU Budget	1 662 093	996 522	243 319
Contribution from Member States and other donors	347 420	214 738	214 738
Contribution from the EDF	2 402 900	1 963 900	243 514
Grand Total:	4 412 412	3 175 160	701 571

The difference between the 'Total Pledge' and the 'Cumulative amount made available for commitments' is due to the time-lag between the pledge and the booking of the commitment appropriation in the Trust Fund

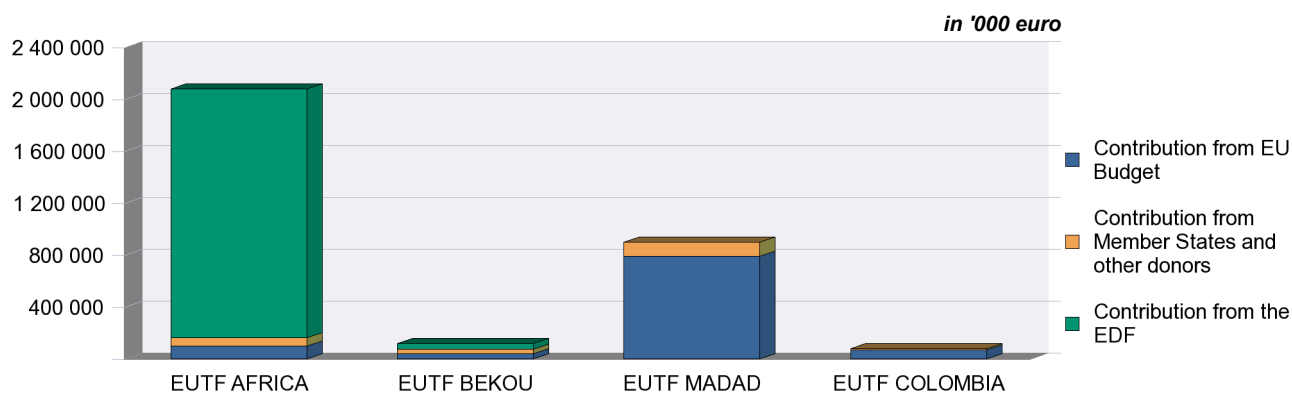
2. EU Trust Funds - Origin of Amount Available at 02/05/2017

Origin of funds - All EUTFs combined	Financial Year	in '000 euro	
		Cumulative Amount made Available for Commitments	Cumulative Amount made Available for Payments
Contribution from EU Budget	2015	598 985	22 122
Contribution from EU Budget	2016	144 994	221 196
Contribution from EU Budget	2017	252 543	
Contribution from Member States and other donors	2015	50 316	50 316
Contribution from Member States and other donors	2016	145 131	145 131
Contribution from Member States and other donors	2017	19 291	19 291
Contribution from the EDF	2014	39 000	39 000
Contribution from the EDF	2015	1 200 000	
Contribution from the EDF	2016	595 000	128 514
Contribution from the EDF	2017	129 900	76 000
Grand Total:		3 175 160	701 571

Pledged Amount

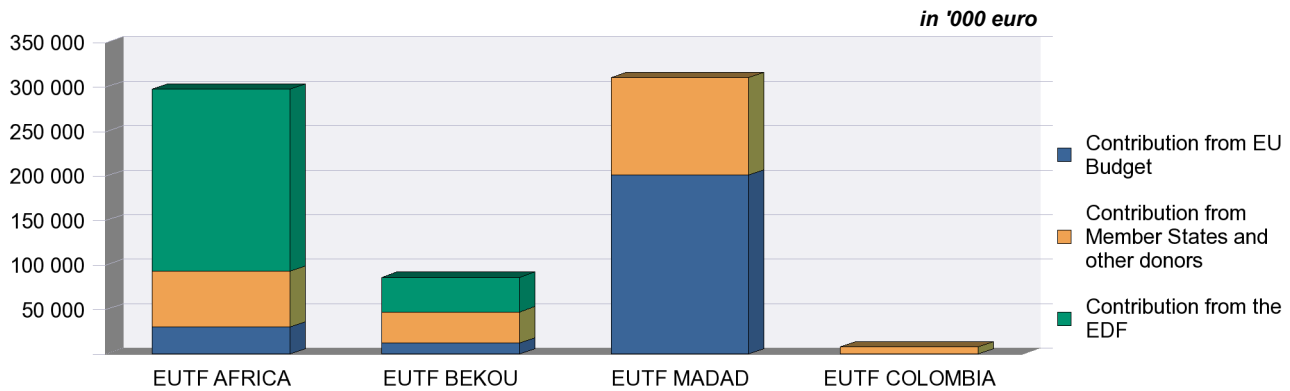


Cumulative Amount made Available for Commitments



2. EU Trust Funds - Origin of Amount Available at 02/05/2017

Cumulative Amount made Available for Payments



3. EU Trust Funds - Origin of EU Budget contribution to EUTF at 02/05/2017

in '000 euro			
Name	Origin of EU Budget funds - All EUTFs	EU Budget Committed	EU Budget Paid
AFRICA EU TRUST FUNDS*	Development Cooperation Instrument (DCI)	57 899	19 899
	European Neighbourhood Instrument (ENI)	176 560	500
	Humanitarian aid	10 000	10 000
AFRICA EU TRUST FUNDS*		244 459	30 399
BEKOU EU TRUST FUNDS*	Development Cooperation Instrument (DCI)	37 303	10 000
	Humanitarian aid	3 000	2 000
BEKOU EU TRUST FUNDS*		40 303	12 000
MADAD EU TRUST FUNDS	Development Cooperation Instrument (DCI)	36 966	
	European Neighbourhood Instrument (ENI)	527 726	43 196
	Humanitarian aid	3 000	
	Instrument for Pre-accession assistance (IPA II)	103 063	18 038
MADAD EU TRUST FUNDS		670 755	61 235
EU TRUST FUND FOR COLOMBIA	Development Cooperation Instrument (DCI)	70 000	
	Humanitarian aid	2 000	
EU TRUST FUND FOR COLOMBIA		72 000	
Grand Total:		1 027 517	103 634

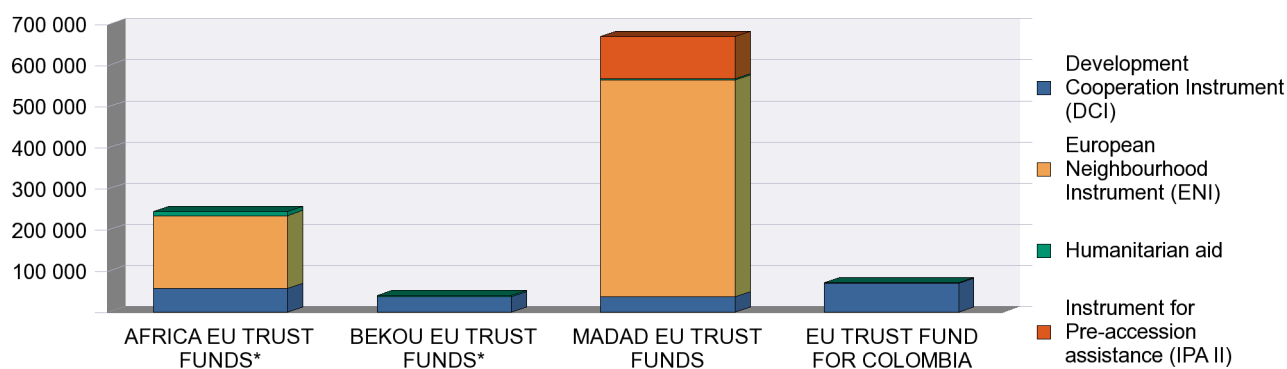
The Commission's accounting system does not include under 'Commission Paid' an amount of EUR 139.7 million paid by the Commission to reimburse a contribution made by Turkey to the Madad EUTF under IPA operational programmes (indirect management). Adding this amount, the total paid by the Commission to the Madad EUTF reaches EUR 200.9 million.

3. EU Trust Funds - Origin of EU Budget contribution to EUTF at 02/05/2017

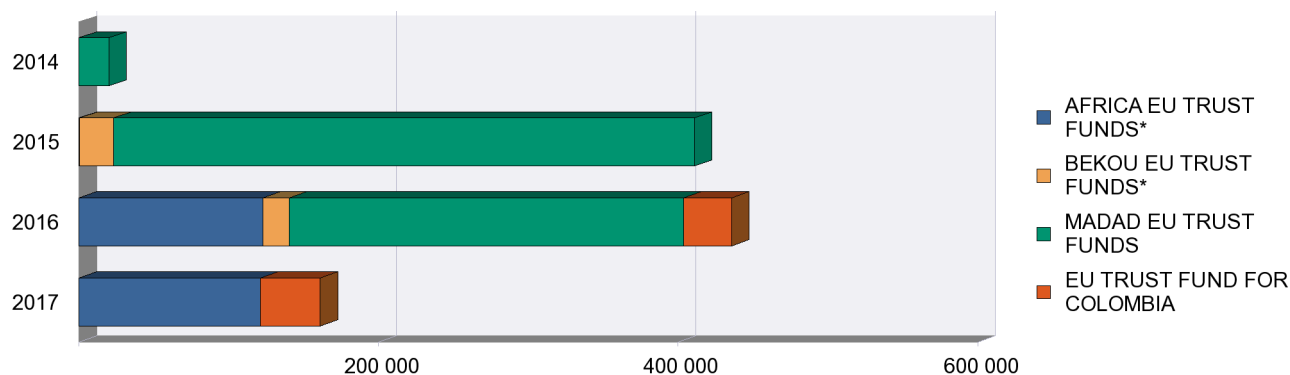
in '000 euro

Origin of Commission funds - All EUTFs combined	Financial Year	EU Budget Committed	EU Budget Paid
Development Cooperation Instrument (DCI)	2015	27 625	2 554
Development Cooperation Instrument (DCI)	2016	134 543	27 345
Development Cooperation Instrument (DCI)	2017	40 000	
European Neighbourhood Instrument (ENI)	2014	20 000	
European Neighbourhood Instrument (ENI)	2015	362 696	
European Neighbourhood Instrument (ENI)	2016	200 530	43 696
European Neighbourhood Instrument (ENI)	2017	121 060	
Humanitarian aid	2015	2 000	2 000
Humanitarian aid	2016	16 000	10 000
Humanitarian aid	2017		
Instrument for Pre-accession assistance (IPA II)	2015	18 470	17 568
Instrument for Pre-accession assistance (IPA II)	2016	84 592	470
Instrument for Pre-accession assistance (IPA II)	2017		
Grand Total:		1 027 517	103 634

EU Budget Committed Amount by Program



EU Budget Committed Amount by Year - All EUTFs combined



4. EU Trust Funds - Breakdown of contracted amounts by Implementing Actor on 02/05/2017

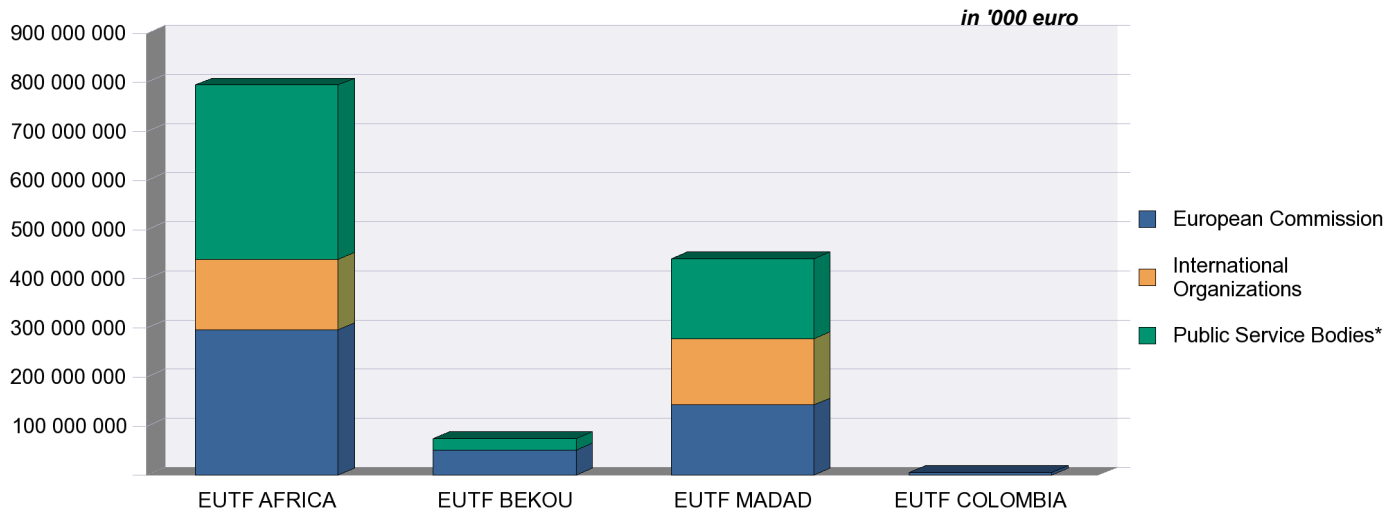
in '000 euro

Name	Implementing Actor	Contracted Amount	%
EUTF AFRICA	European Commission	295 530	37%
	International Organizations	143 200	18%
	Public Service Bodies*	354 788	45%
EUTF AFRICA		793 519	
EUTF BEKOU	European Commission	50 160	68%
	Public Service Bodies*	24 140	32%
EUTF BEKOU		74 300	
EUTF MADAD	European Commission	142 160	32%
	International Organizations	135 150	31%
	Public Service Bodies*	162 192	37%
EUTF MADAD		439 502	
EUTF COLOMBIA	European Commission	4 600	100%
EUTF COLOMBIA		4 600	
Implementation Actor - All EUTFs combined		Contracted Amount	%
European Commission		492 450	38%
International Organizations		278 350	21%
Public Service Bodies*		541 121	41%
Grand Total:		1 311 921	100%

*It includes organizations such as the Agence Française du Développement or Kreditanstalt für Wiederaufbau.

4. EU Trust Funds - Breakdown of contracted amounts by Implementing Actor on 02/05/2017

Implementing Actor by EU Trust Fund



Implementing Actor by Year - All EUTFs combined

