

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: 06.04.2017

Content:

1. Multiannual Overview of EU Trust Funds
2. EU Trust Funds - Origin of Amount available
3. EU Trust Funds - Breakdown of contracted amounts by implementation Actor

- **Implementation**

Implementation rate of commitment appropriations for all the EUTFs was 79 %. **EUTF Madad** has committed over 86 %, **EUTF Bekou** 81 % and **EUTF Africa** 76 % of the commitment appropriations available.

A total of EUR 1 267 million has been contracted by the EUTFs so far. The Africa TF has contracted EUR 749 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 4 172 million: EUR 1 667 million from the EU Budget, EUR 2 158 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

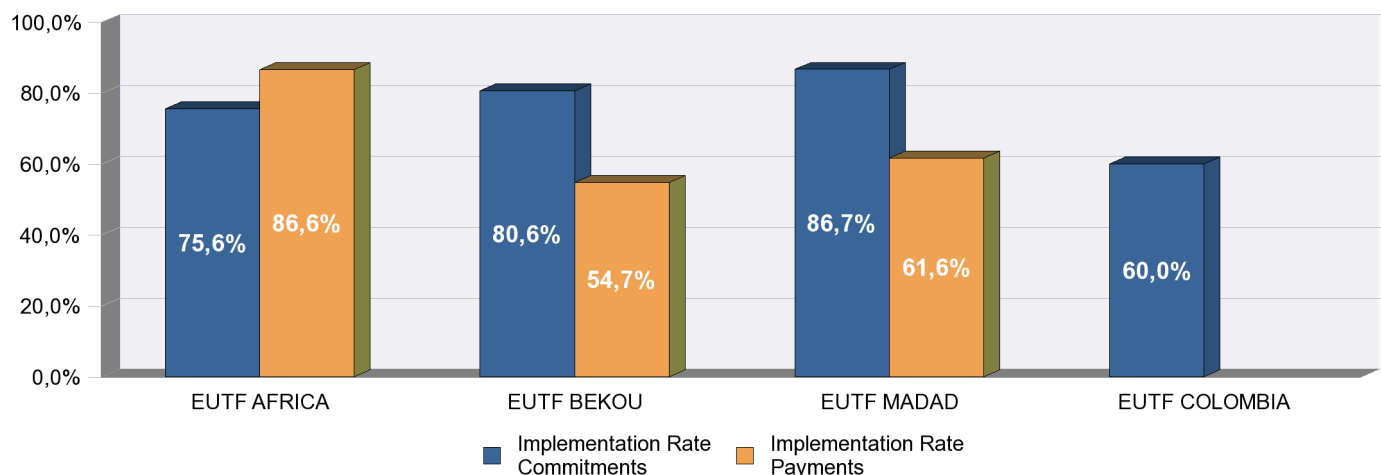
Term	Definition
Amount available for Commitments	This amount defines the total amount of legal obligations (contracts, grant agreements/decisions) that can be incurred.
Amount available for Payments	Payment appropriations or contributions received to cover expenditure, arising from legal commitments 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 06/04/2017

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	2.057.839	1.554.888	75,6%	281.453	243.709	86,6%
EUTF BEKOU	116.407	93.828	80,6%	86.074	47.084	54,7%
EUTF MADAD	897.518	777.771	86,7%	310.372	191.246	61,6%
EUTF COLOMBIA	7.672	4.600	60,0%	7.672		
Total	3.079.436	2.431.087	78,9%	685.571	482.039	70,3%

Implementation rates Commitments and Payments



2. EU Trust Funds - Origin of Amount Available at 06/04/2017

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	75.399	30.399
	Contribution from Member States and other donors	152.385	62.540	62.540
	Contribution from the EDF	2.044.900	1.919.900	188.514
EUTF AFRICA		2.555.785	2.057.839	281.453

Name	Origin of funds	Total Pledge	Cumulative Amount made Available for Commitments	Cumulative Amount made Available for Payments
EUTF BEKOU	Contribution from EU Budget	50.333	37.333	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	116.407	86.074

Name	Origin of funds	Total Pledge	Cumulative Amount made Available for Commitments	Cumulative Amount made Available for Payments
EUTF MADAD	Contribution from EU Budget	1.186.200	788.066	200.919
	Contribution from Member States and other donors	117.250	109.453	109.453
	Contribution from the EDF	0		
EUTF MADAD		1.303.450	897.518	310.372

Name	Origin of funds	Total Pledge	Cumulative Amount made Available for Commitments	Cumulative Amount made Available for Payments
EUTF COLOMBIA	Contribution from EU Budget	72.000		
	Contribution from Member States and other donors	22.859	7.672	7.672
	Contribution from the EDF	0		
EUTF COLOMBIA		94.859	7.672	7.672

Contribution from EU Budget	1.667.033	900.798	243.319
Contribution from Member States and other donors	347.420	214.738	214.738
Contribution from the EDF	2.157.900	1.963.900	227.514

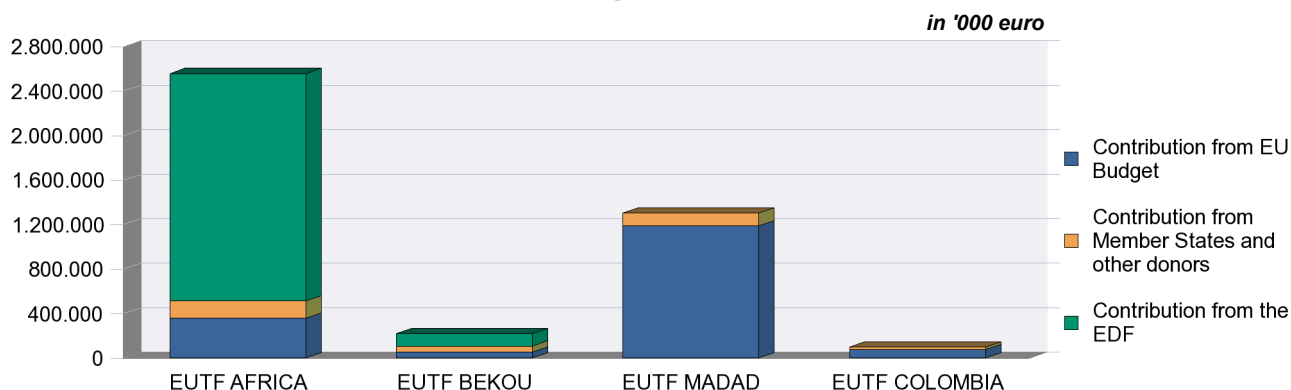
Grand Total:	4.172.352	3.079.436	685.571
---------------------	------------------	------------------	----------------

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

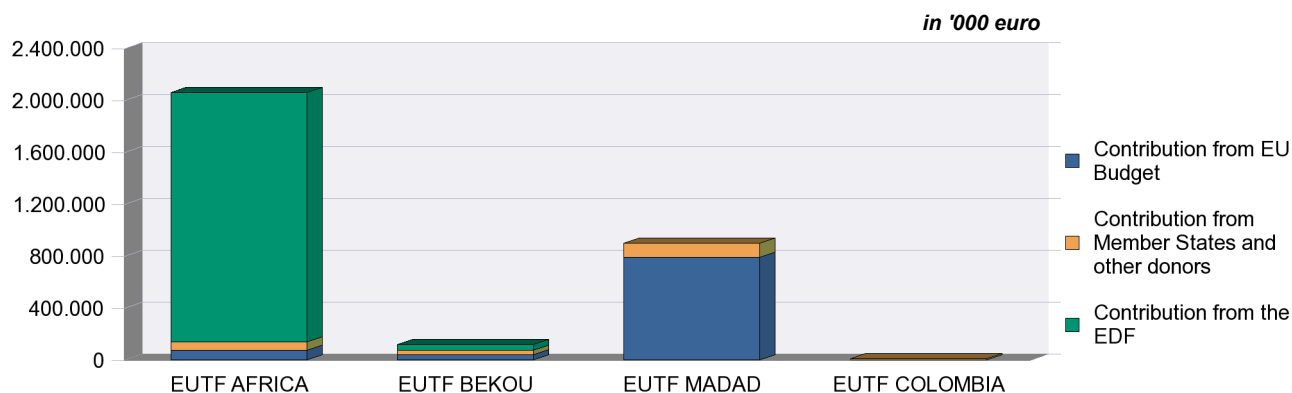
2. EU Trust Funds - Origin of Amount Available at 06/04/2017

Origin of funds - All EUTFs	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	156.819	0
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	0
Contribution from the EDF	2016	595.000	128.514
Contribution from the EDF	2017	129.900	60.000
Grand Total:		3.079.436	685.571

Pledged Amount

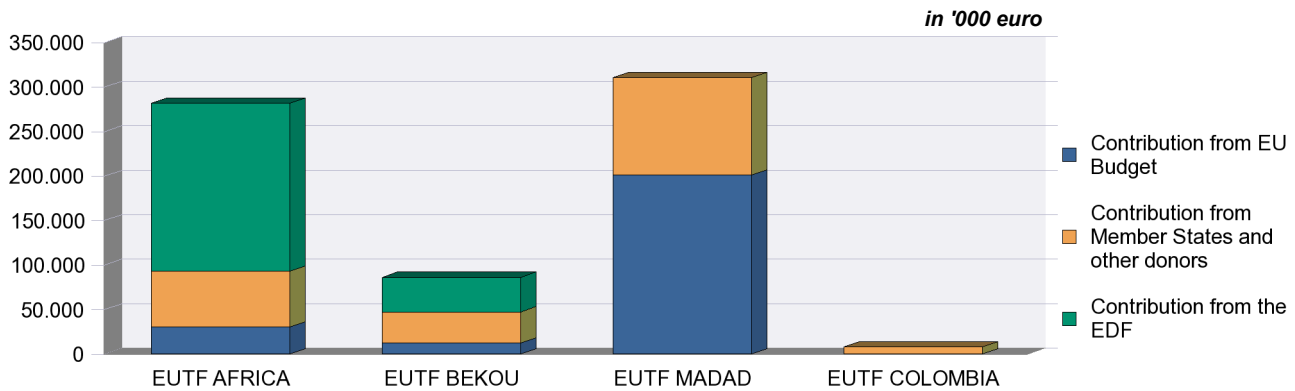


Cumulative Amount made Available for Commitments



2. EU Trust Funds - Origin of Amount Available at 06/04/2017

Cumulative Amount made Available for Payments



3. EU Trust Funds - Breakdown of contracted amounts by Implementing Actor on 06/04/2017

in '000 euro

Name	Implementing Actor	Contracted Amount	%
EUTF AFRICA	European Commission	292.030	39,0%
	International Organizations	112.700	15,1%
	Public Service Bodies*	344.057	45,9%
EUTF AFRICA		748.788	

Name	Implementing Actor	Contracted Amount	%
EUTF BEKOU	European Commission	50.160	67,5%
	Public Service Bodies*	24.140	32,5%
EUTF BEKOU		74.300	

Name	Implementing Actor	Contracted Amount	%
EUTF MADAD	European Commission	142.160	32,3%
	International Organizations	135.150	30,8%
	Public Service Bodies*	162.192	36,9%
EUTF MADAD		439.502	

Name	Implementing Actor	Contracted Amount	%
EUTF COLOMBIA	European Commission	4.600	100,0%
EUTF COLOMBIA		4.600	

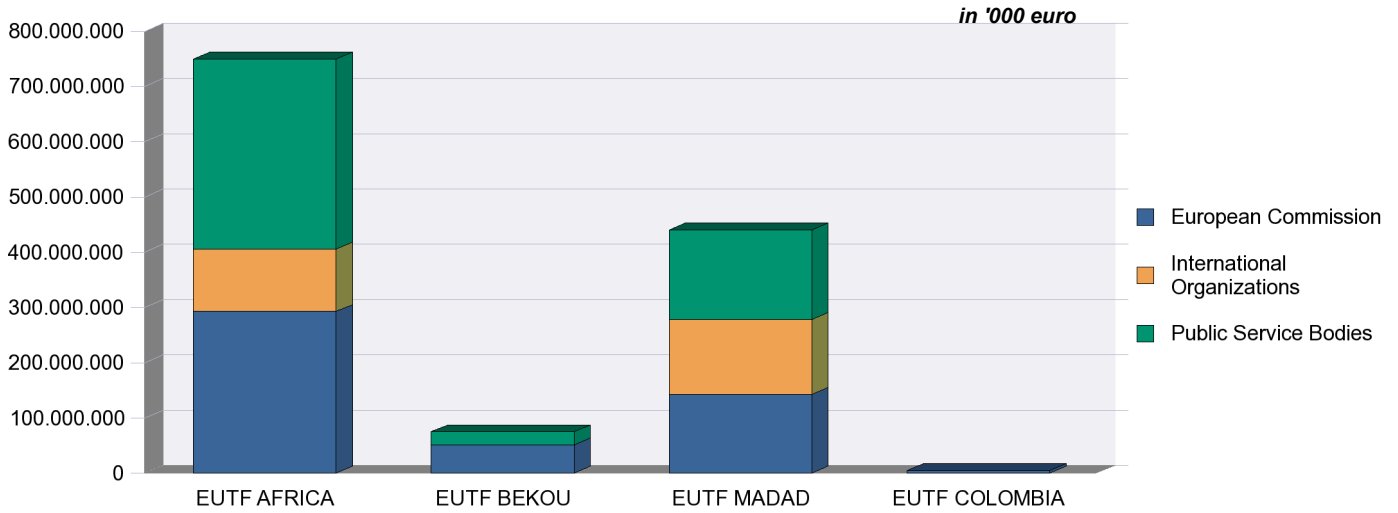
European Commission	488.950	38,6%
International Organizations	247.850	19,6%
Public Service Bodies	530.390	41,9%

Grand Total:	1.267.190	100,0%
---------------------	------------------	---------------

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

3. EU Trust Funds - Breakdown of contracted amounts by Implementing Actor on 06/04/2017

Implementing Actor by EU Trust Fund



Implementing Actor by Year

