

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-month (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 gives general orientations on overall strategy of the EUTF and an Operational Committee decides upon the use of the funds and approves the programmes.

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 **BÊKOU** 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: 31/05/2017

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- **Implementation**

Implementation rate of commitment appropriations for all the EUTFs was 78 %. EUTF Madad has committed over 85 %, EUTF Bekou 83 %, EUTF Africa 77 % and EUTF Colombia 10% of the commitment appropriations available.

A total of EUR 1 401 million has been contracted by the EUTFs so far. The Africa TF has contracted EUR 875 million, the EUTF Madad EUR 440 million, the EUTF Bekou EUR 78 million and the EUTF Colombia EUR 8 million..

- **Pledges and contributions**

Total pledges to **all of the EUTFs** amount to EUR 4 487 million: EUR 1 687 million from the EU Budget, EUR 2 403 from the European Development Fund (EDF) and EUR 397 million from Member States and other donors.

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

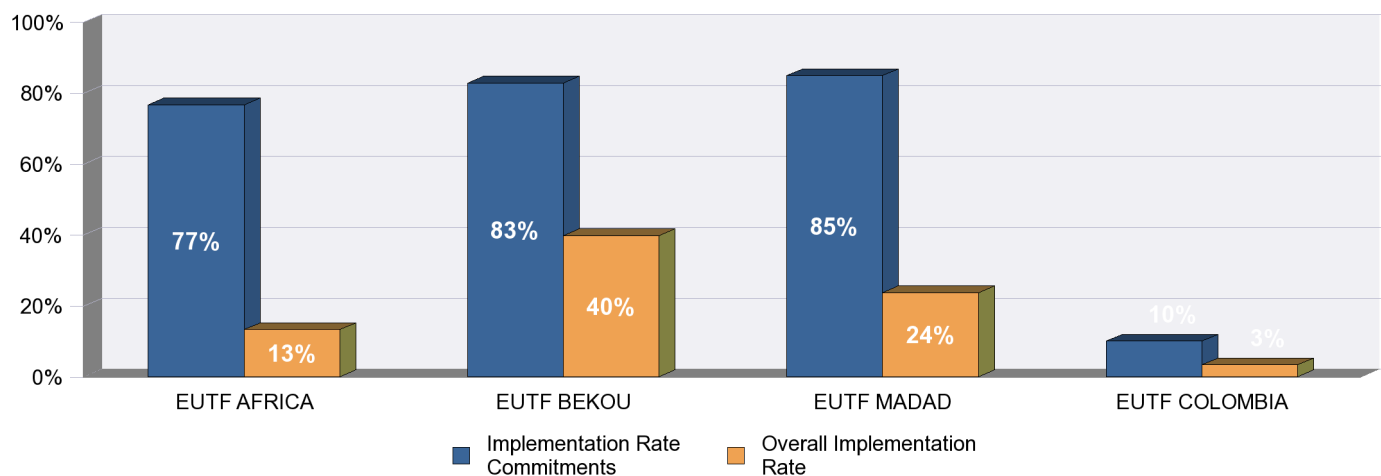
GLOSSARY OF TERMS AND ABBREVIATIONS USED IN THE REPORT ON EU TRUST FUNDS

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 which can be committed/paid after receipt of contributions.
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 31/05/2017

Name	Cumulative Amount made Available for Commitments	Committed Amount	Contracted Amount	Implementation Rate Commitments	Cumulative Amount made Available for Payments	Paid Amount	Overall Implementation Rate
	(1)	(2)	(3)	(4)=(2)/(1)	(5)	(6)	(7)=(6)/(1)
EUTF AFRICA	2 211 899	1 694 127	875 388	77%	317 853	294 122	13%
EUTF BEKOU	119 407	98 768	77 712	83%	86 074	47 429	40%
EUTF MADAD	917 518	778 574	440 305	85%	310 372	217 376	24%
EUTF COLOMBIA	77 772	7 800	7 800	10%	17 772	2 610	3%
Total	3 326 596	2 579 268	1 401 205	78%	732 071	561 536	17%

Implementation rates Commitments and Payments



2. EU Trust Funds - Origin of Amount Available at 31/05/2017

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	219 459	30 399
	Contribution from Member States and other donors	202 385	72 540	72 540
	Contribution from the EDF	2 289 900	1 919 900	214 914
EUTF AFRICA		2 850 785	2 211 899	317 853
EUTF BEKOU	Contribution from EU Budget	54 833	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		222 758	119 407	86 074
EUTF MADAD	Contribution from EU Budget	1 201 260	808 066	200 919
	Contribution from Member States and other donors	117 250	109 453	109 453
	Contribution from the EDF			
EUTF MADAD		1 318 510	917 518	310 372
EUTF COLOMBIA	Contribution from EU Budget	72 000	70 000	10 000
	Contribution from Member States and other donors	22 859	7 772	7 772
	Contribution from the EDF			
EUTF COLOMBIA		94 859	77 772	17 772

The cumulative amount made available for commitments and 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 EU trust funds	Total Pledge	Cumulative Amount made Available for Commitments	Cumulative Amount made Available for Payments
Contribution from EU Budget	1 686 593	1 137 858	253 319
Contribution from Member States and other donors	397 420	224 838	224 838
Contribution from the EDF	2 402 900	1 963 900	253 914
Grand Total:	4 486 912	3 326 596	732 071

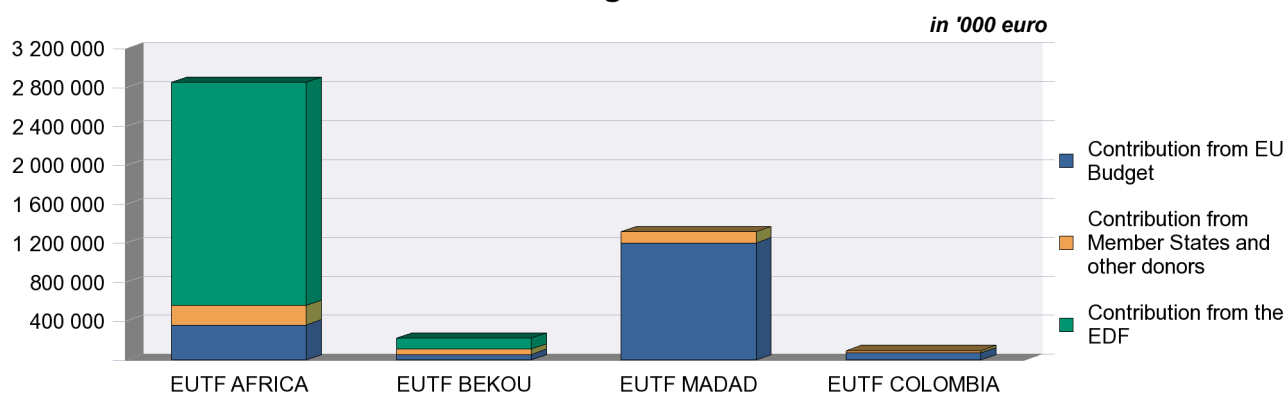
The difference between the 'Total Pledge' and the 'Cumulative amount made available for commitments' is due to the time-lag between the pledge and the booking of the commitment appropriation in the Trust Fund.
There may moreover be a difference between the 'Cumulative amount made available for Commitments/Payments' in the tables in this section and 'EU Budget Committed' in section 3 due to the time-lag between the commitment made by the Commission and the booking of the appropriation in the Trust Fund.

2. EU Trust Funds - Origin of Amount Available at 31/05/2017

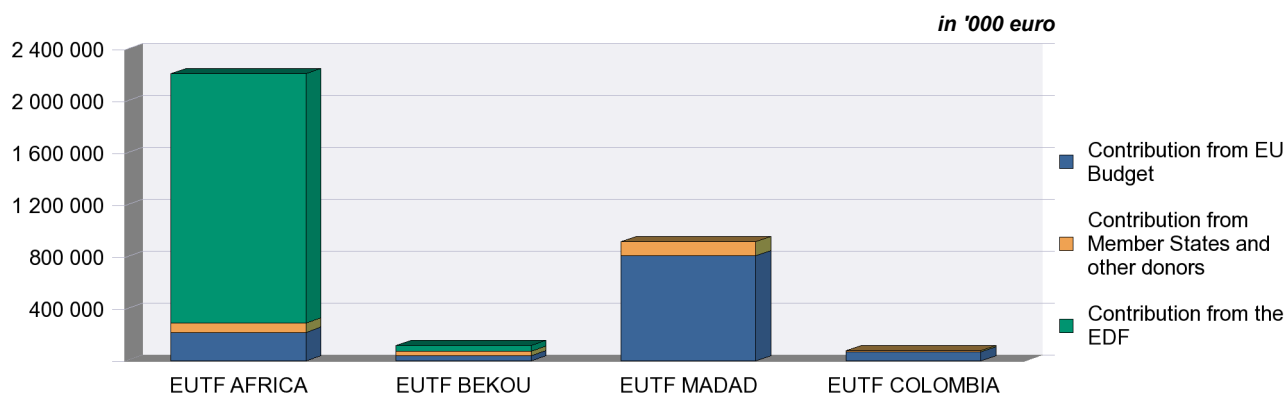
in '000 euro

Origin of funds - All EUTFs	Financial Year	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	393 879	10 000
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	29 391	29 391
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	86 400
Grand Total:		3 326 596	732 071

Pledged Amount

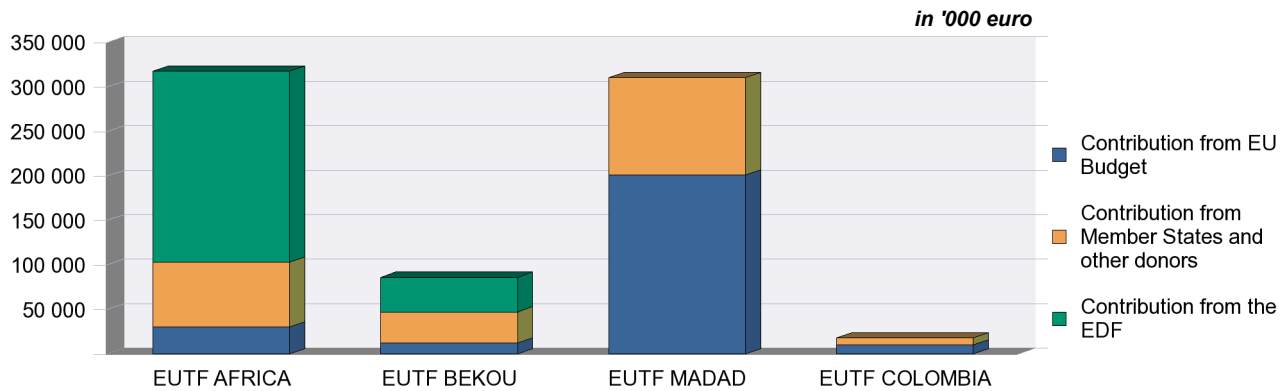


Cumulative Amount made Available for Commitments



2. EU Trust Funds - Origin of Amount Available at 31/05/2017

Cumulative Amount made Available for Payments



3. EU Trust Funds - Origin of EU Budget contribution to EUTF at 31/05/2017

in '000 euro

Name	Origin of EU Budget funds - All EUTFs	EU Budget Committed	EU Budget Paid
AFRICA EU TRUST FUND	Development Cooperation Instrument (DCI)	57.899	33.899
	European Neighbourhood Instrument (ENI)	176.560	500
	Humanitarian aid	10.000	10.000
AFRICA EU TRUST FUND	Total	244.459	44.399
BEKOU EU TRUST FUND	Development Cooperation Instrument (DCI)	37.303	10.000
	Humanitarian aid	3.000	2.000
BEKOU EU TRUST FUND	Total	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)	123.063	18.038
MADAD EU TRUST FUNDS	Total	690.755	61.235
EU TRUST FUND FOR COLOMBIA	Development Cooperation Instrument (DCI)	70.000	10.000
	Humanitarian aid	2.000	
EU TRUST FUND FOR COLOMBIA	Total	72.000	10.000
Grand Total:		1.047.517	127.634

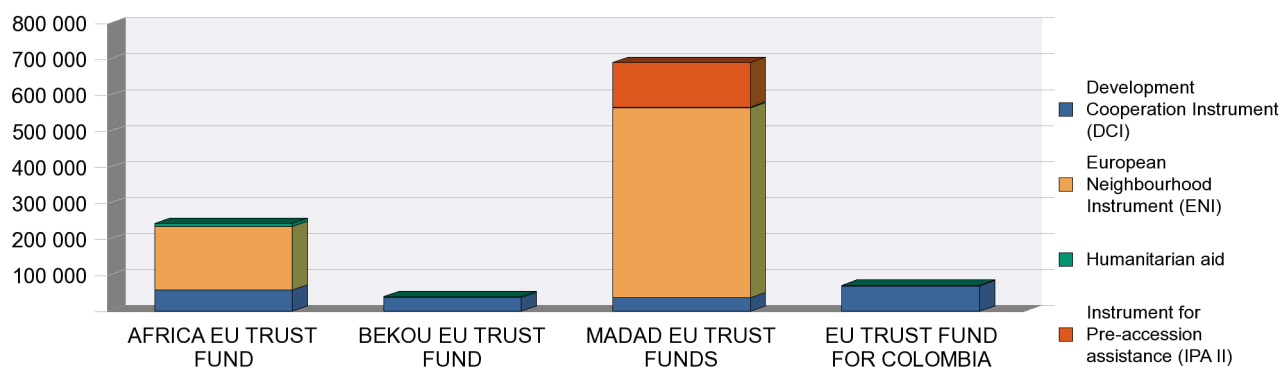
The Commission's accounting system does not include under 'EU Budget Committed' and 'EU Budget Paid' an amount of EUR 139.7 million paid by the Commission to reimburse a contribution made by Turkey to the Madad EUTF under IPA operational programmes (indirect management).

3. EU Trust Funds - Origin of EU Budget contribution to EUTF at 31/05/2017

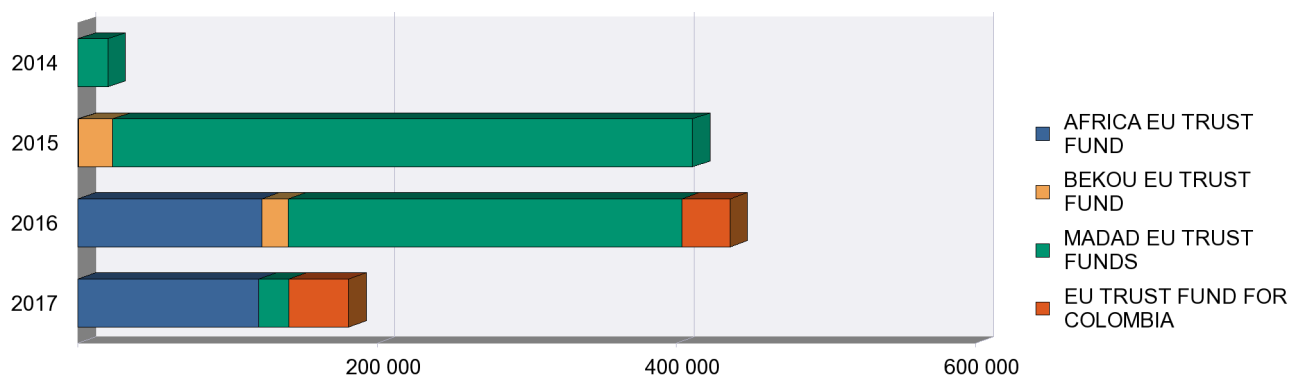
in '000 euro

Origin of EU Budget funds - All EUTFs	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	24.000
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	0	
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	20.000	
Grand Total:		1.047.517	127.634

EU Budget Committed Amount by Program



EU Budget Committed Amount by Year



4. EU Trust Funds - Breakdown of contracted amounts by Implementing Actor on 31/05/2017

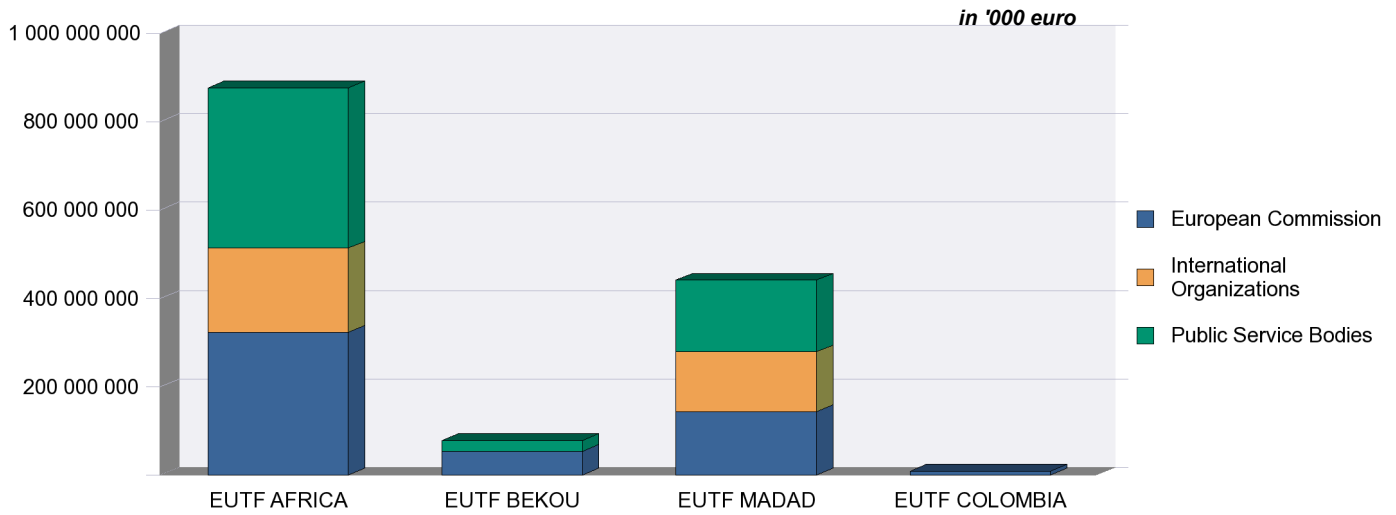
in '000 euro

Name	Implementing Actor	Contracted Amount	%
EUTF AFRICA	European Commission	322 609	37%
	International Organizations	190 000	22%
	Public Service Bodies*	362 778	41%
EUTF AFRICA		875 388	
EUTF BEKOU	European Commission	53 572	69%
	Public Service Bodies*	24 140	31%
EUTF BEKOU		77 712	
EUTF MADAD	European Commission	142 962	32%
	International Organizations	135 150	31%
	Public Service Bodies*	162 192	37%
EUTF MADAD		440 305	
EUTF COLOMBIA	European Commission	7 800	100%
EUTF COLOMBIA		7 800	
Implementation Actor		Contracted Amount	%
European Commission		526 944	38%
International Organizations		325 150	23%
Public Service Bodies		549 111	39%
Grand Total:		1 401 205	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 31/05/2017

Implementing Actor by EU Trust Fund



Implementing Actor by Year

