

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: 28/06/2017

Content:

- 1. Multiannual Overview of EU Trust Funds**
- 2. EU Trust Funds - Origin of Amount Available**
- 3. EU Trust Funds - Origin of EU Budget Contribution**
- 4. EU Trust Funds - Breakdown of Contracted Amounts by Implementing Actor**

Implementation

Implementation rate of commitment appropriations for all the EUTFs was 80%. EUTF Madad has committed over 85%, EUTF Bekou - 83%, EUTF Africa - 80% and EUTF Colombia - 14% of the commitment appropriations available.

A total of EUR 1 698 million has been contracted by the EUTFs so far. The Africa Trust Fund has contracted 1 153 million, the EUTF Madad - 453 million, the EUTF Bekou - 81 million, and EUTF Colombia - 11 million.

Pledges and Contributions

Total pledges to all of the EUTFs amount to EUR 4 478 million: EUR 1 667 million from the EU budget, EUR 2 403 from the European Development Fund (EDF) and EUR 409 million from Member States and other donors.

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

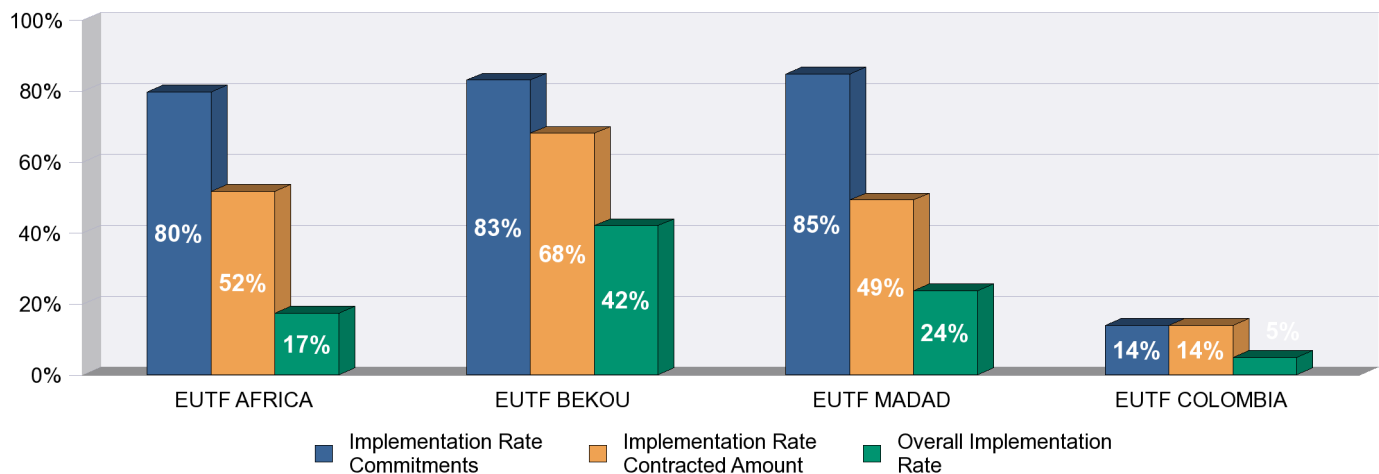
GLOSSARY OF TERMS AND ABBREVIATIONS USED IN THE REPORT ON EU TRUST FUNDS

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 28/06/2017

Name	Cumulative Amount made Available for Commitments	Committed Amount	Implement. Rate Commitm.	Contracted Amount	Implement. Rate Contracted Amount	Cumulative Amount made Available for Payments	Paid Amount	Overall Implementation Rate
	(1)	(2)	(3)=(2)/(1)	(4)	(5)=(4)/(1)	(6)	(7)	(8)=(7)/(1)
EUTF AFRICA	2 228 699	1 775 188	80%	1 152 721	52%	416 153	386 904	17%
EUTF BEKOU	119 407	99 128	83%	81 262	68%	86 074	50 144	42%
EUTF MADAD	918 716	778 574	85%	452 658	49%	311 569	217 616	24%
EUTF COLOMBIA	79 324	11 000	14%	11 000	14%	19 324	3 839	5%
Total	3 346 145	2 663 889	80%	1 697 641	51%	833 120	658 503	20%

Implementation rates Commitments and Payments



2. EU Trust Funds - Origin of Amount Available at 28/06/2017

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	68 399
	Contribution from Member States and other donors	202 385	89 340	89 340
	Contribution from the EDF	2 289 900	1 919 900	258 414
EUTF AFRICA		2 850 785	2 228 699	416 153
EUTF BEKOU	Contribution from EU Budget	54 833	40 333	12 000
	Contribution from Member States and other donors	64 925	35 074	35 074
	Contribution from the EDF	113 000	44 000	39 000
EUTF BEKOU		232 758	119 407	86 074
EUTF MADAD	Contribution from EU Budget	1 181 260	808 066	200 919
	Contribution from Member States and other donors	118 450	110 650	110 650
EUTF MADAD		1 299 710	918 716	311 569
EUTF COLOMBIA	Contribution from EU Budget	72 000	70 000	10 000
	Contribution from Member States and other donors	22 976	9 324	9 324
EUTF COLOMBIA		94 976	79 324	19 324

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	1 666 593	1 137 858	291 319
Contribution from Member States and other donors	408 737	244 388	244 388
Contribution from the EDF	2 402 900	1 963 900	297 414
Grand Total:	4 478 229	3 346 145	833 120

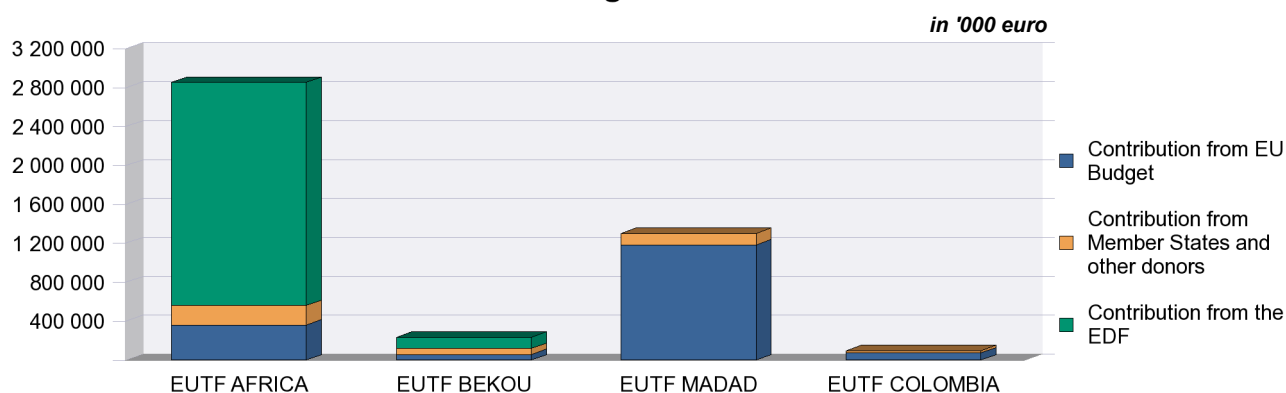
The difference between the 'Total Pledge' and the 'Cumulative amount made available for commitments' is due to the time-lag between the pledge and the booking of the commitment appropriation in the Trust Fund.
There may moreover be a difference between the 'Cumulative amount made available for Commitments/Payments' 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 28/06/2017

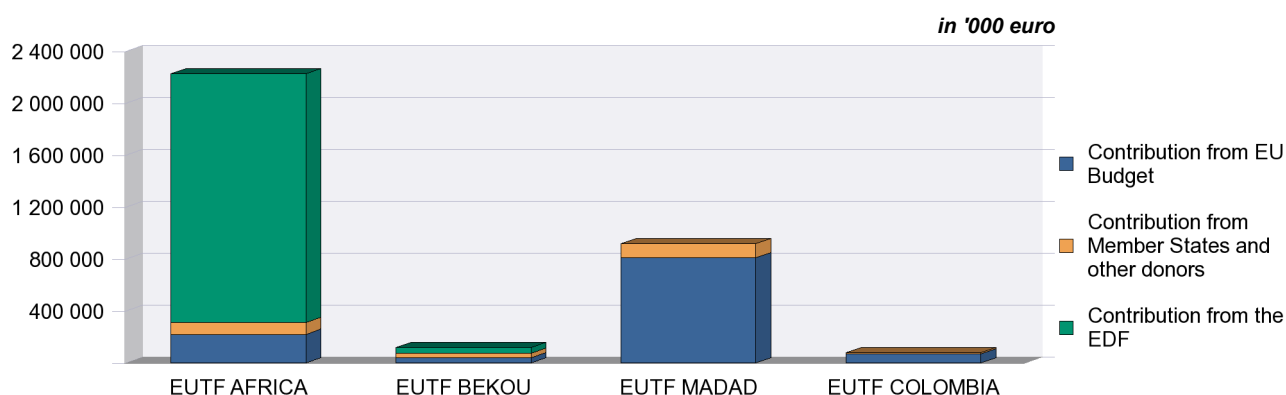
in '000 euro

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	48 000
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	48 940	48 940
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	129 900
Grand Total:		3 346 145	833 120

Pledged Amount



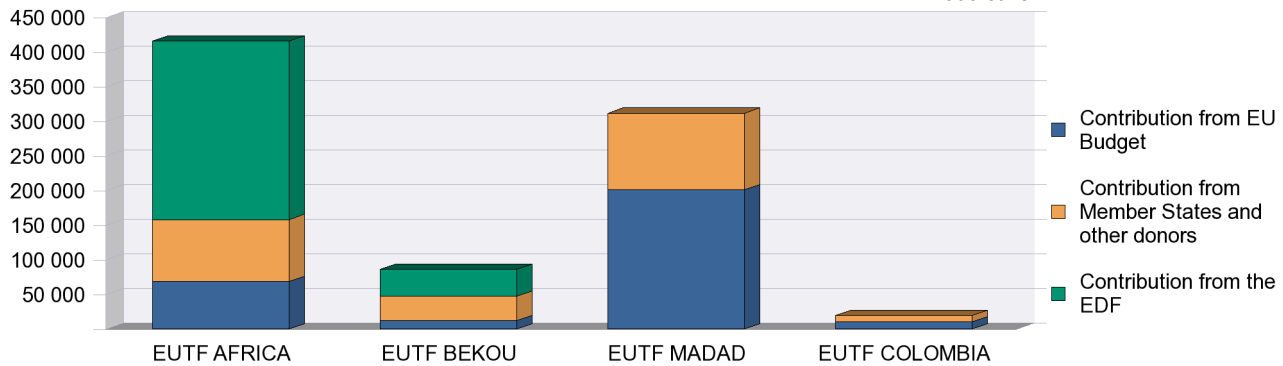
Cumulative Amount made Available for Commitments



2. EU Trust Funds - Origin of Amount Available at 28/06/2017

Cumulative Amount made Available for Payments

in '000 euro



3. EU Trust Funds - Origin of EU Budget contribution to EUTF at 28/06/2017

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)	73 000	57 899
	European Neighbourhood Instrument (ENI)	176 560	500
	Humanitarian aid	10 000	10 000
AFRICA EU TRUST FUND	Total	259 560	68 399
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)	648 786	43 196
	Humanitarian aid	3 000	
	Instrument for Pre-accession assistance (IPA II)	123 063	18 038
MADAD EU TRUST FUNDS	Total	811 815	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:		1 183 678	151 634

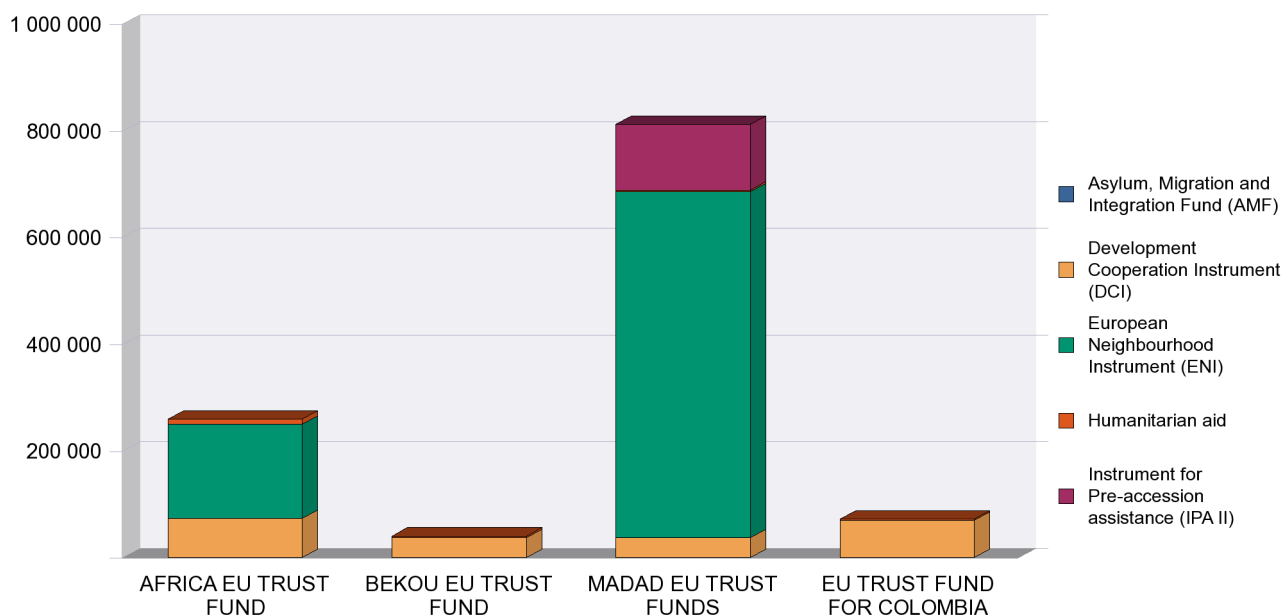
The Commission's accounting system does not include under 'EU Budget Committed' and 'EU Budget Paid' an amount of EUR 139.7 million paid by the Commission to reimburse a contribution made by Turkey to the Madad EUTF under IPA operational programmes (indirect management).

3. EU Trust Funds - Origin of EU Budget contribution to EUTF at 28/06/2017

in '000 euro

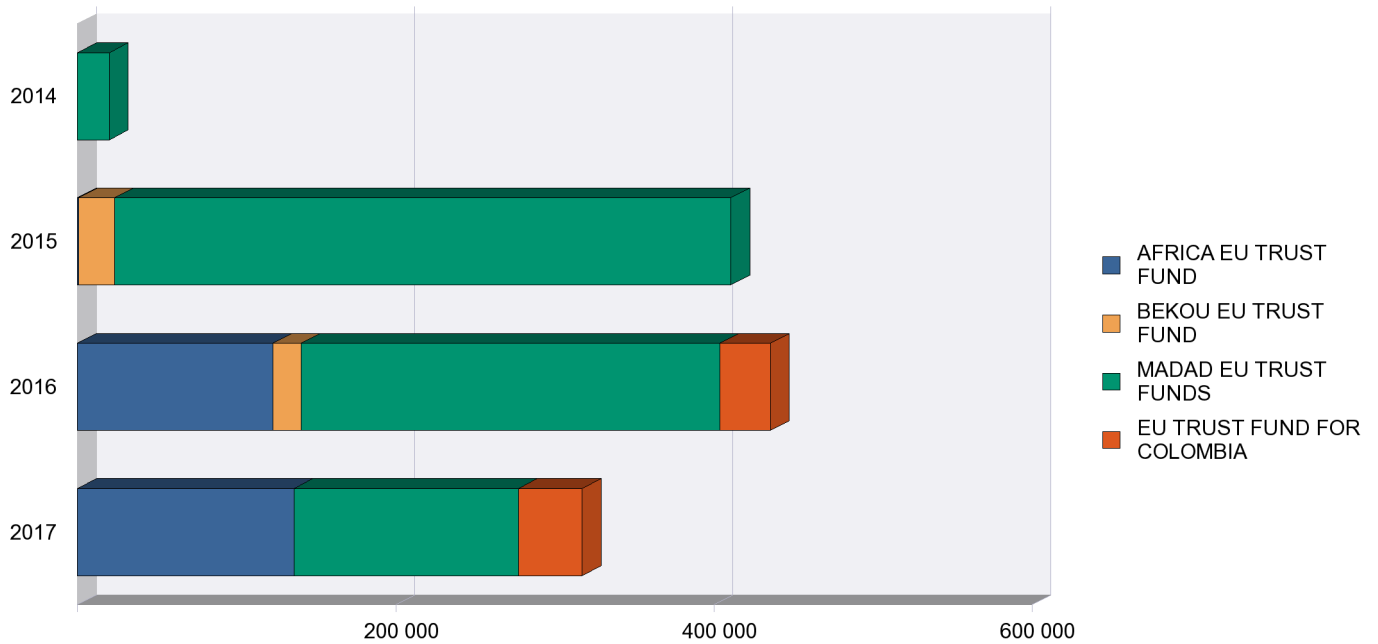
Origin of EU Budget funds - All EUTFs	Financial Year	EU Budget Committed	EU Budget Paid
Asylum, Migration and Integration Fund (AMF)	2017	0	
Development Cooperation Instrument (DCI)	2015	27,625	2,554
Development Cooperation Instrument (DCI)	2016	134,543	27,345
Development Cooperation Instrument (DCI)	2017	55,101	48,000
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	242,120	
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:		1,183,678	151,634

EU Budget Committed Amount by Program



3. EU Trust Funds - Origin of EU Budget contribution to EUTF at 28/06/2017

EU Budget Committed Amount by Year



4. EU Trust Funds - Breakdown of contracted amounts by Implementing Actor on 28/06/2017

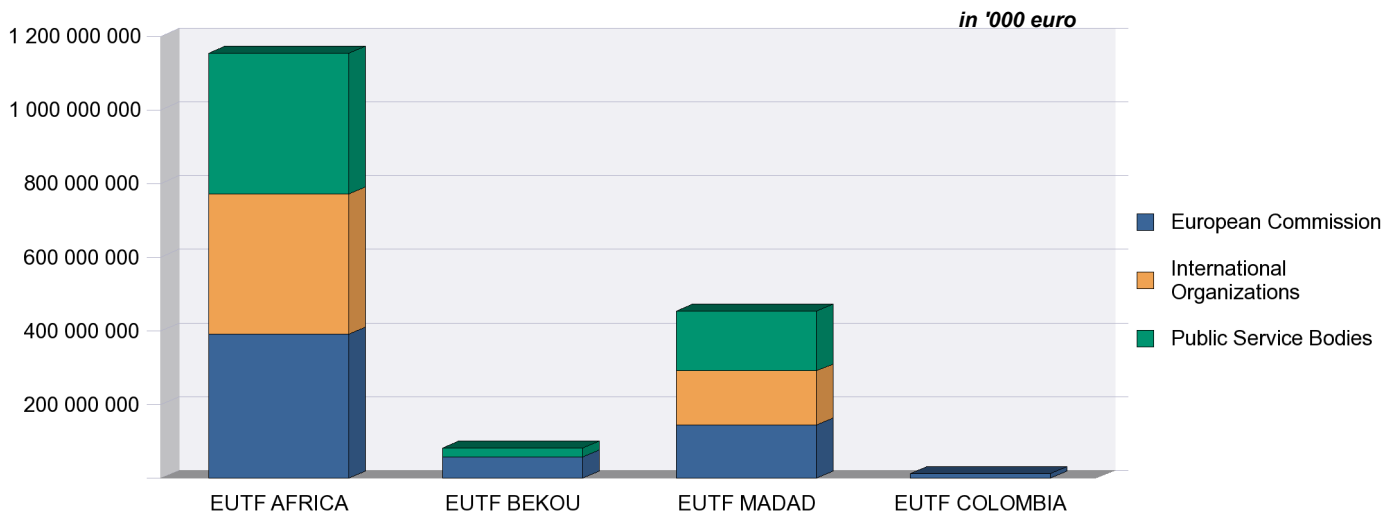
in '000 euro

Name	Implementing Actor	Contracted Amount	%
EUTF AFRICA	European Commission	390 363	34%
	International Organizations	380 180	33%
	Public Service Bodies*	382 178	33%
EUTF AFRICA		1 152 721	
EUTF BEKOU	European Commission	57 122	70%
	Public Service Bodies*	24 140	30%
EUTF BEKOU		81 262	
EUTF MADAD	European Commission	142 962	32%
	International Organizations	147 503	33%
	Public Service Bodies*	162 192	36%
EUTF MADAD		452 658	
EUTF COLOMBIA	European Commission	11 000	100%
EUTF COLOMBIA		11 000	
Implementation Actor		Contracted Amount	%
European Commission		601 447	35%
International Organizations		527 683	31%
Public Service Bodies		568 511	33%
Grand Total:		1 697 641	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 28/06/2017

Implementing Actor by EU Trust Fund



Implementing Actor by Year

