

Implementation of the EU trust funds and the Facility for Refugees in Turkey

Overview

SUMMARY

The EU trust funds (TFs) for external action and the Facility for Refugees in Turkey are innovative tools first introduced under the current multiannual financial framework (MFF) for the 2014-2020 period, as made possible by the 2013 Financial Regulation (FR) applicable to the EU budget. Their objective has been to facilitate a swifter and more flexible response to emerging crises and fast moving events, for which funds earmarked in advance had proved insufficient. The EU has set up four trust funds since then, in addition to the Facility for Refugees in Turkey, which, despite some similarities with the trust funds, is a distinct coordination mechanism. The TFs' implementation is ongoing and the Commission reports to the European Parliament regularly on the state of play.

Regular reports and evaluations have shown that the EU trust funds have had some positive results, and to some extent met their objectives. However, they have also raised questions. For instance, ad hoc instruments outside the EU budget fall short when it comes to democratic accountability: there is a general need for greater transparency and Parliament scrutiny. Moreover, there is a perceived risk that the TFs could be used to divert development aid funds towards other ends incompatible with official development assistance.

While Parliament welcomed the introduction of the EU TFs, acknowledging their advantages, it has insisted that the setting up of instruments outside the EU budget should be the exception to the rule, mostly owing to the above-mentioned concerns. The aim should be to preserve the unity of the EU budget and the principles of accountability, transparency, effectiveness and sound budgetary management, and to safeguard Parliament's right to democratic scrutiny. As argued in a Cost of Non-Europe report, a better coordinated EU development aid budget, incorporating all external assistance, could prove more strategic, bringing efficiency gains, accountability and transparency.

This briefing supplements an earlier EPRS [briefing](#) on EU trust funds, from November 2015.



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Background information

Trust funds are [mechanisms](#) for financing the implementation of international cooperation and development measures, generally managed by international organisations (the United Nations, the World Bank). Often set up in emergency contexts, a TF is a [legal arrangement](#) with a financial structure that allows the pooling of different donors' funds to finance actions based on commonly agreed objectives and reporting formats. The EU, a leader in humanitarian and development aid, has long contributed to externally administered TFs. With the entry into force of the 2013 Financial Regulation, it can also create and fund TFs from its own budget for emergency and thematic external action, an innovation at operational level in the current MFF. TFs are joint initiatives with limited timespans, funded by geographic and thematic instruments from the EU budget, Member States and external sources. They are designed to enable faster decision-making and a flexible response to emergencies around the world, and to make EU external action and development aid more efficient.

The Facility for Refugees in Turkey (FRiT) is another novelty in the current MFF's mix of instruments. Not a financial instrument per se, it is a coordination mechanism that pools funds from existing EU budget instruments and Member States and is [implemented](#) in the form of humanitarian and development assistance. Unlike the TFs, it remains [embedded in the EU budget](#). It receives fixed contributions from donors (except non-EU ones), linked to a binding Commission decision.

These tools for external action have spurred interest and raised questions. On the one hand, the [advantages](#) attributed to them include the capacity to pool funds from different sources (EU budget, the European Development Fund (EDF), Member States, third parties), the fact that they allow multi-annual funding (funds do not lapse if not used by the end of year n), and facilitate [better coordination](#) with projects financed outside their scope. They also aim to facilitate faster decision-making and greater flexibility at a lower cost and to raise the profile of the EU's external action. Questions, however, have been raised and remain unanswered mostly in terms of the trade-offs¹ made in the name of speed and flexibility, in terms of democratic, legal and financial accountability and the EU's budgetary unity. Estimates from the [2013 Cost of Non-Europe Report](#) on development policy and [recent Parliament research](#) suggest that were the EU aid budget more consistent and if it covered all types of external aid (from the EU budget, the EDF and Member States), it could generate efficiency gains as high as [an average of €9 billion a year](#) in the longer term.

The creation of trust funds was first made possible by the [2013 Financial Regulation \(FR\)](#). Under the [current FR](#), in force since July 2018, Articles 234 and 235 contain the rules for creating and managing EU TFs in the field of external action for emergency, post-emergency or thematic actions. TFs can be set up with contributions from at least one external donor outside the EU budget, either a Member State or another entity. A number of conditions must be met: added value (the objectives must be better met at EU level); clear political visibility for the EU; additionality (not mere duplication of existing funding channels); and alignment with the objectives of the source of funding from the EU budget. The 2018 FR introduced the requirement for the Commission to consult the Parliament and the Council in order to establish a trust fund for emergency and post emergency actions, and obtain their approval for the creation of thematic trust funds.

The legal basis for the Facility for Refugees is [Commission Decision C\(2015\) 9500](#) of November 2015, based on Articles 210 (2) and 214 (6) TFEU, which enable the Commission to 'take any useful initiative to promote coordination between actions of the Union and those of the Member States, in order to enhance the efficiency and complementarity of Union and national humanitarian aid measure'.

EU TFs are established by a constitutive act, signed by the Commission and other donors, setting the TF's objective, governance rules and duration. They have two-level governance arrangements, strategic and operational: a TF board sets and reviews the strategy (chaired by the Commission with donor representation and non-contributing Member States as observers), and an operational committee decides on individual actions to be funded. Voting rights systems differ across the EU TFs, and are defined either on the basis of share of contributions by donor, or one vote per donor.

The constitutive acts do not give the European Parliament formal observer status, but it is invited to TF board meetings. The Facility for Refugees has a steering committee, chaired by the Commission, with two members of the Commission and a representative of each Member State. It monitors the implementation of the Facility on a permanent basis.

EU TFs are to be implemented in line with the principles of sound financial management, transparency, proportionality, non-discrimination and equal treatment and in accordance with their specific objectives, fully upholding the rights of the European Parliament and the Council to scrutiny and control over the EU contribution. Actions financed under EU TFs can be implemented directly by the Commission or indirectly by other entities implementing EU funds. EU and other donors' contributions are not included in the EU budget but are placed in a specific bank account.

As regards control and audit mechanisms, the TFs are subject to the regular forms of monitoring and oversight under the FR. The Commission's internal audit service is competent to examine the EU TFs, and the powers of the European Court of Auditors (ECA) and of the European Anti-fraud Office (OLAF) over EU TFs and the FRiT are the same as those they exercise over the other activities of the Commission. Each year EU TFs are subject to an independent external audit, and regular monitoring mechanisms apply. In addition to this, some of the EU TFs and the FRiT have contracted private monitoring and evaluation activities, linked to their results monitoring frameworks.

Overview of existing EU TFs and the Facility for Refugees

The Commission has set up four (post)emergency TFs, and the Facility for Refugees in Turkey. While all TFs have to meet a set of standard conditions to be created, each also has its [own logic and origins](#), with a unique context and justifications. They differ in their geographic scope (one or more countries), and in their focus (development, humanitarian needs, and focus on irregular migration to the EU).

EU TF/Facility for Refugees	Objective/geographical scope / total pledges by all donors as of December 2019 (in € million)	Start date
EU TF Bêkou	EU TF addressing the ongoing conflict in the Central African Republic (€295.80)	Jul 2014
EU TF Madad	EU regional Trust Fund in response to the Syrian crisis, providing multi-country support (€1 874.29)	Dec 2014
EU TF for Africa	Emergency TF for stability and addressing root causes of irregular migration and displaced persons across 26 countries (€4 696.25)	Nov 2015
EU TF Colombia	Post conflict EU TF in support of the implementation of the peace agreement (€126.94)	Dec 2016
Facility for Refugees in Turkey	A coordination mechanism set up to deliver support to refugees in Turkey (€6 001)	Nov 2015

All four trust funds were fully operational by 2018. Their time span coincides with the end of the current MFF. In 2019, the Bêkou and Madad Trust Funds were extended until December 2020, in both cases after consultation with the European Parliament and the Council.

The Bêkou Trust Fund for the Central African Republic (CAR)

In 2014, the Commission and three Member States set up the [Bêkou TF](#) for the Central African Republic (CAR). This [first EU TF](#) is aimed at facilitating CAR's exit from a [deadly conflict](#) and a protracted humanitarian crisis and facilitate reconstruction. The EU is one of the country's main development partners. Between 2013 and 2016, it contributed over half a billion euros to assist CAR in the form of traditional development aid, three military common security and defence policy missions and operations, civilian crisis response and humanitarian aid, and the new TF. The fund operates in a complex, fragile context along seven UN (United Nations) trust funds. It is a critical tool in implementing the ['Linking relief, rehabilitation and development'](#) approach. Its objectives are

linked to food security, humanitarian aid, civil society support, rural resilience and job creation, and action to boost the resilience of vulnerable populations in general, contributing to CAR's reconstruction and supporting neighbours dealing with the regional impacts of the crisis. As the security situation remains volatile, the Commission [extended](#) the trust fund until end of 2020, with the EU and other donors pledging further funding.

EU Regional Trust Fund in response to the Syrian crisis (Madad)

The [Madad TF](#) was set up in December 2014 to address the Syrian crisis. It totals [€1.9 billion](#) with contributions from 22 Member States, Turkey and various EU instruments. The Syrian conflict is driving the world's largest refugee crisis: over 5.6 million Syrians are registered as refugees in neighbouring countries. Turkey hosts the most, 3.7 million, followed by Lebanon and Jordan. In line with the priorities of the [Brussels and London donor conferences](#) on supporting the future of Syria and the region, the TF's main objectives are to foster refugees' self-reliance, helping them to '[thrive, not just survive](#)', while also assisting the host countries and communities. Thus, the EU TF bridges the nexus between humanitarian relief and development aid. It aims to contribute to the goal of the [No Lost Generation](#) initiative by ensuring refugee children get quality education; reducing the pressure on host countries by investing in livelihoods, social cohesion, health, water and sanitation, and by providing support for refugees and host communities with access vocational training and jobs. The Madad Fund is also an important implementation channel for the Facility for Refugees in Turkey, channelling some 10 % of the Facility's budget. The TF complements the EU's bilateral relations with countries in the region and aims to address the regional dimension of the crisis, responding to both immediate and longer term development needs. Its scope has been [extended](#) to cover Iraq and the Western Balkans, and recently, its lifespan was extended until December 2020, with the [endorsement](#) of the European Parliament's Committees on Foreign Affairs and Budgets.

European Union Emergency Trust Fund for Africa

The [EU Emergency TF for Africa](#) was launched at the [Valletta Summit](#) on Migration in November 2015. Its [time limit](#) is set at 31 December 2020. With total resources of [€4.7 billion](#), it benefits 26 African countries from across three regions crossed by major migration routes: [North of Africa](#), the [Sahel and Lake Chad](#) and the [Horn of Africa](#). Its [main objectives](#) are to support all aspects of stability and contribute to better migration management, while also addressing the root causes of destabilisation, forced displacement and irregular migration, in particular by promoting resilience, economic and equal opportunities, security and development and addressing human rights abuses. The four main lines of action focus on promoting [economic development, strengthening the resilience](#) of communities, improving [migration governance and management](#) and supporting [improvements in overall governance](#). The resources currently allocated to the EU TF for Africa focus on priority challenges in each region in terms of demographic pressure, extreme poverty, weak social and economic infrastructure, internal tensions and institutional weaknesses, insufficient resilience to food crises and environmental stress.

The European Trust Fund for Peace in Colombia

The [Colombia TF](#) was set up in December 2016 to support implementation of the [peace agreement](#) between the Colombian government and Fuerzas Armadas Revolucionarias de Colombia (FARC) in the early recovery post conflict. Fifty years of [violent armed conflict](#) have largely destroyed Colombia's social fabric, affected its economic development and undermined the resilience of large parts of its population. Support for peacebuilding efforts has been a central feature in EU-Colombia relations for the past 20 years and all parties recognise the EU as a key actor in the peace agreement. [Support](#) is channelled mainly through the TF, and all projects focus on rural development in the regions worst affected by the conflict. The TF intervenes in challenging areas where the vacuum left by FARC demobilisation has been filled by organised crime and armed groups linked to illicit economies. The TF's [resources](#) come from the EU budget, 19 Member States and Chile. Unlike the other TFs, it is a post emergency TF, the EU's response to a request by the Colombian government to support implementation of the peace agreement. Its [time limit](#) is set at 31 December 2020.

The Facility for Refugees in Turkey (FRiT)

Turkey is a reception and transit country for refugees fleeing the conflicts in Syria and Iraq and has been hosting millions of refugees and migrants. The EU set up the Facility to help Turkey cope. The Facility is designed to improve coordination and streamline EU and Member States' action so as to deliver efficient and complementary support to address the needs of refugees and host communities. In 2015, the EU pledged additional funds and political engagement through a [joint action plan](#); it then set up the Facility. The [2016 EU-Turkey Statement](#) confirmed further mobilisation of funding by the end of 2018. In June 2018, the European Council agreed to [launch the second tranche](#) of the Facility's budget. The FRiT receives and coordinates the mobilisation of resources available under both the EU budget (humanitarian aid and a number of other instruments), and additional contributions from Member States integrated into the budget as external assigned revenue (instead of on a separate bank account like the TFs). Contributions amount to a total of €6 billion, with €3 billion committed for the years 2016-2017 (first tranche) and a further €3 billion for 2018-2019 (second tranche). The projects funded under the two tranches [run until](#) mid-2021 and mid-2025 latest, respectively. The EU and its Member States are the largest donors addressing the consequences of the Syrian crisis. The six priority areas identified for the first tranche include humanitarian aid, migration management, education, health, municipal infrastructure and socio-economic support. The second tranche continues to focus on socio-economic support, education, health, protection and basic needs, as well as municipal infrastructure as a priority.

Implementation: state of play

The latest Commission update from December 2019 sets the total pledges to all the trust funds (Figure 1) at €6 993.28 million, while the Facility counts €6 billion (Figure 2). The overall implementation rate for commitment appropriations for all EU TFs was 92 %. In 2018 alone, the EU, the biggest player in global development aid, and its Member States together provided [€76 billion in official development assistance](#). The Commission's [2020 annual report](#) on humanitarian aid shows that in 2018, the EU funded humanitarian aid operations for over €1.8 billion in over 90 countries.

Figure 1 – Total pledges and origin of funds, € million: EU trust funds

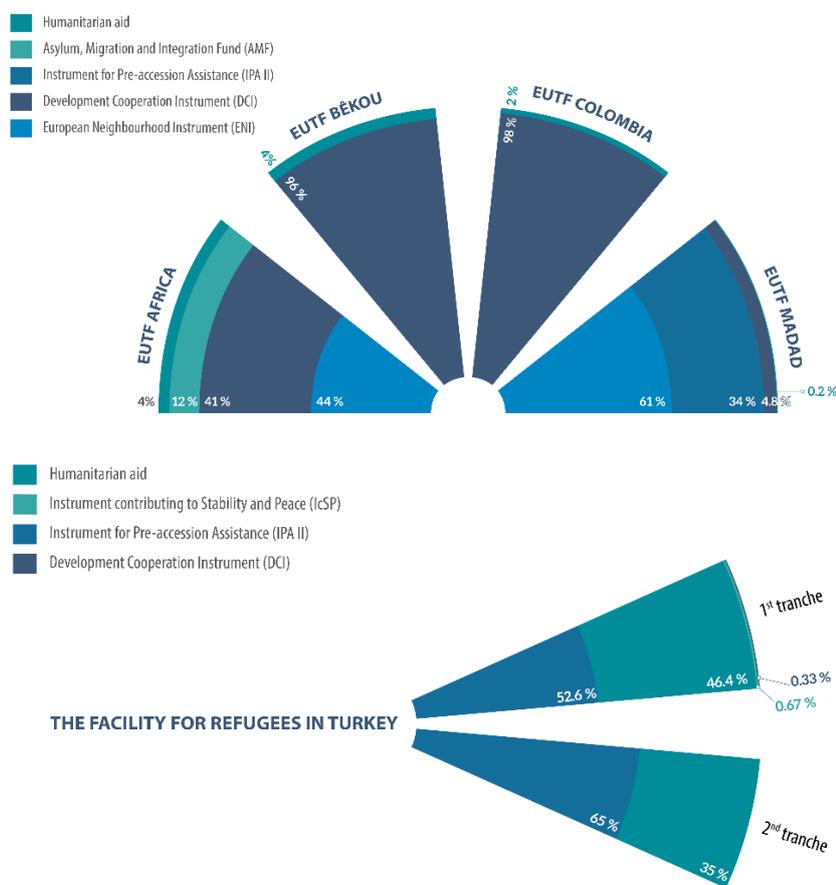
Name	Origin of funds (total pledges)			Total
	EU budget	Member States and other donors	EDF	
EU TF Africa	956.45	590.45	3 149.34	4 696.25
EU TF Békou	70.88	76.93	148	295,80
EU TF Madad	1653.24	221.05	0	1 874.29
EU TF Colombia	93.89	33.05	0	126.94
Total	2774.46	921.48	3 297.34	6 993.28

Figure 2 – Total pledges and origin of funds, € million: Facility for Refugees

Facility for Refugees in Turkey – 1st tranche	EU budget appropriations	1 000
	Member States' contributions	2 001
	Total	3 001
Facility for Refugees in Turkey – 2nd tranche	EU budget appropriations	2 000
	Member States' contributions	1 000
	Total	3 000

A major share of the funds come from existing EU budget instruments. Figure 3 below shows in more detail which instruments feed the individual EU trust funds and the Facility.

Figure 3 – Funds by EU financing instrument



Source: European Commission monthly report, November 2019.

The Commission reports annually to the European Parliament and the Council on the implementation and performance of the EU TFs and the FRIT. It presents the final accounts to Parliament in the context of the discharge procedure for the Commission. As of 2017 it agreed to present a working document accompanying the draft budget for the following financial year, informing the budgetary authority of ongoing and planned TF financing and operations. [Working Document Part XI](#) of June 2019 outlines the TFs' preliminary performance assessment on the basis of the criteria applied for their creation. The Commission can use up to 5 % of the funds' pool for administration. The Commission's project partners include international development organisations (the World Bank, the UN, the International Organization for Migration), national

development agencies, non-governmental organisations (NGOs) and the private sector. [Implementation modalities](#) include delegated cooperation, calls for proposals, budget support, blending and direct awards in particular situations.

Implementation of the Bêkou Trust Fund

Key results have shown that, starting at €64 million, in five years the Bêkou trust fund quadrupled its resources and launched 17 programmes, bringing tangible results for half of CAR's population in the health and rural development sectors. According to the Commission's [Working Document Part XI](#), CAR shows a high absorption capacity, and the trust fund a very high contracting rate (92 %). The Commission reports that the Bêkou TF has had a positive impact and is in line with the priorities of CAR's 2017-2021 national recovery and peace building plan. Its added value is closely linked to its role in fund raising, coordination and aid effectiveness, and as a key partner of the government, revitalising the political dialogue. The Bêkou TF has acted on the objective of raising the political profile of EU external action at both CAR and EU level. Its additionality derives from the fact that in an almost 'non-state' context, it has been able to provide the population with support quickly in fundamental areas of human rights. It has been found to be the only instrument able to intervene in a meaningful way in specific sectors such as health. The health programme alone, which received the highest contribution by the TF to a specific sector (42 %) has provided over 30 % of the population with access to a variety of medical services and strengthened the national health system. The health programmes' evaluation was carried out in 2018 and was overall very positive.

In view of the country's situation in 2013 prior to the TF's creation, classical aid (via the EDF) has been much harder to implement, and humanitarian aid alone has proved insufficient to meet all needs.

The TF is positioned as the only tool bridging the gap between humanitarian and development needs, and focusing on linking relief, rehabilitation and development in a complementary way. Moreover, it is noted that the TF takes care to align its objectives with those of other financing instruments (the EDF, the Development Cooperation Instrument and humanitarian aid), without duplicating them.

Implementation and mid-term evaluation of the Madad Trust Fund

The [Fourth Results Report](#) notes that by June 2019 the Madad TF had mobilised €1.7 billion and signed 67 contracts with over 140 implementing partners. In June 2019, the EU adopted a new [€100 million assistance package](#) to support the resilience of refugees and local communities in Lebanon, Jordan and Iraq. According to the report, the projects show substantial impact, reaching some 3 million beneficiaries (refugees, host communities, and internally displaced people). Most funds have been allocated to multi-country actions (44 %), and almost half of the projects combine different sectors, e.g. education and protection, livelihoods and protection. By sector, most funds go to education (33 %), followed by livelihoods and resilience (29 %), health (11 %), water, sanitation and hygiene (10 %), higher education and technical and vocational education and training (7 %), and social protection (5 %). Monitoring and evaluation is performed through quarterly information notes, consolidated in [results reports](#), results-oriented monitoring ([ROM](#)) missions (19 during the 2018-2019 period), and specific portfolio evaluations (on [higher education](#) and [livelihoods](#)).

The Madad TF commissioned an independent [mid-term evaluation](#), published in October 2018. The fund is currently following up on the evaluation's recommendations with an [action plan](#). The evaluation assessed the trust fund's governance structure, project selection process, and overall rationale. It recommended Madad's extension beyond December 2019 to allow stakeholders to continue helping beneficiaries and host countries. It also urged EU Member States to increase their contributions, to enable the TF to deliver greater leverage and raise its administrative spending. The evaluation found the rationale for setting up the TF to be mostly justified, and that it had performed satisfactorily overall across the criteria assessed, clearly generating added value, compared with what EU Member States could have done themselves. Compared with other EU TFs, the Madad TF is relatively large and efficient, with high implementation rates. As of March 2018, it had contracted and transferred over a third of the pledges received. The multi-sectoral and multi partner approach was deemed successful in recipient countries, and the focus of interventions was seen as largely relevant to the needs identified. The evaluation found that the EU TF was most effective in the education sector, while health and livelihoods were more complex. The TF had helped the EU to operate flexibly despite operational challenges, but given the rapidly changing needs in the region, its contracting processes were occasionally too slow to respond effectively, compromising performance. The evaluation also noted that the downside of cost-effectiveness had been insufficient administrative and human resource investments, and that the EU's intention to leverage funds through a single, pooled financial instrument had only been partially achieved. It found that country-level political will could be a facilitating or hindering factor for the TF's effectiveness.

In its working document XI, the Commission reiterated some of the evaluation's findings. The TF was found to be internally coherent, as the chosen modalities enabled it to deliver on its objectives, but also externally coherent, by creating strong synergies with EU humanitarian aid financed activities. The TF had also enabled the EU to communicate effectively beyond the financial support it extends, increasing the recognition and visibility of the EU's role as the key responder to the Syrian crisis. The TF results showed it avoids duplication when responding to crisis-related needs.

Implementation of the EU Emergency Trust Fund for Africa

The Commission's [2018 Annual Report](#) on the Africa trust fund gave an overview of programmes approved and activities implemented across the fund's three windows at the end of 2018. The report found that the EU TF had demonstrated its added value as a swift and effective implementation tool facilitating political dialogue with partner countries, applying innovative approaches and producing

concrete results by pooling funding and expertise from different stakeholders. The November 2018 [senior officials' meeting](#) on the joint Valletta action plan also acknowledged its added value. Regarding the preliminary performance assessment, the Commission highlighted the TF's strong political dimension, which had required extensive communication efforts to present progress achieved and discuss needs with the stakeholders. It found that the TF's funded actions did not duplicate but complemented efforts supported by other instruments, and that its objectives were in line with those of other thematic instruments. As recognised by multiple stakeholders, [including the ECA](#), the TF had proved able to operate faster than traditional instruments in terms of programme identification, approval and contracting.

Among the TF's achievements, the report pointed to 45 new approved actions and 13 'topped-up' ongoing ones for a total of €1.2 billion. It also noted that at the June 2018 European Council, EU leaders had recognised the need for additional funds and agreed to transfer €500 million from the 11th EDF reserve to the TF. As of February 2020, [resources allocated](#) to the TF totalled €4.7 billion and the number of approved programmes stood at 223, including four cross-window programmes. The Commission's [2019 progress report](#) on the implementation of the European agenda on migration stated that millions of asylum seekers, refugees and displaced people had benefited from programmes financed by this TF. Over 5 million vulnerable people had benefited from basic services and food security and nutrition programmes. This EU TF has cooperated closely with UN agencies, in particular the International Organization for Migration (IOM), the UN High Commission for Refugees ([UNHCR](#)) and the UN Children's Fund (UNICEF). Through the [EU-IOM Initiative](#), it has supported 42 628 vulnerable migrants' voluntary returns, mostly from Libya and Niger. Through the [better migration management](#) programme in the Horn of Africa alone, it has assisted almost 11 000 migrants and forcibly displaced people, and trained local partners in migration management.

[Evaluation and monitoring](#) is conducted at programme, region, and TF level. In 2018, the TF devised a regional approach to monitoring, evaluation and learning and increased the number of common output indicators to 41. By March 2019, 61 projects had been selected for ROM reviews, 38 of which were complete. An external mid-term evaluation was launched in 2018, due in the first half of 2020.

Implementation of the Trust Fund for Colombia

This post conflict trust fund has allowed the EU to focus on [results-oriented policies and measures](#) on the ground. The above-mentioned Working Document Part XI shares examples of horizontal projects and their results. At the end of 2018 16 projects were ongoing, representing a TF contribution of €56.5 million. A further five projects worth €13 million had been adopted by the end of the year. Trust fund implementation was expected to peak in 2019. Of the 16 projects in progress, 11 address the first strategic priority, namely fostering economic development in conflict-affected territories and reinforcing the state presence. Two projects relate to the second priority, support for the reintegration of former fighters. Most projects began in 2018 and are at an early stage of producing tangible results. Despite this, there have already been indications that levels of trust in the peace process have increased in the areas where the EU TF is operating. Nevertheless the working document suggests that 30 % of the projects monitored in 2018 present delays and difficulties in implementation, mostly linked to the security situation on the ground. A specific monitoring facility was set up in 2018 within the technical assistance strand of the fund, setting up a performance indicators framework. In addition, the trust fund has made use of results-oriented monitoring missions to assess 13 of the current projects.

Regarding the preliminary performance assessment, the Commission states that the TF adds value to EU action in Colombia. As the most politically significant instrument in EU cooperation in the country, it has helped to portray the image of the 'EU working as one'. The Commission notes that its actions are aligned with the objectives of other EU programmes and complement them.

Implementation of the Facility for Refugees in Turkey

The Commission's 2019 [third annual report](#) defines the mobilisation of the first tranche of the Facility as a success, with €3 billion contracted and fully operational by the end of 2017. It notes that the Facility continued to provide tangible support for refugees and host communities through 84 projects (72 projects rolled out under the first and 12 contracted under the second tranche) in the areas of humanitarian and development assistance, with roughly €1.4 billion and €1.6 billion allocated to them respectively under the first tranche. [Solid results](#) are reported in Turkey, including monthly cash transfer to 1.7 million refugees for basic needs, 8 million primary health care consultations, and access to school for 500 000 children. Humanitarian assistance supports the most vulnerable refugees by addressing basic needs and protection. By end of 2019, 45 humanitarian projects were being implemented by 19 partners. The [Emergency Social Safety Net](#) (ESSN), which supports the basic needs of millions of refugees through direct cash payments, is a highlight. This is the biggest humanitarian project managed by the Commission. Development aid supports longer-term needs in the fields of health, education and socioeconomic development, with 26 projects contracted under the first tranche and two completed. Launched in 2017, the [conditional cash transfer for education](#) is the largest ever EU-funded programme on education in emergencies and it is surpassing its initial targets. The implementation of the [PICTES project](#), a €300 million direct grant to the Turkish Ministry of National Education to promote the integration of Syrian children in the local education system, continued in 2018, surpassing its targets in many areas. The [SIHHAT project](#), a direct grant to the Ministry of Health, is the main project ensuring healthcare access.

To ensure project continuity, in 2018 the Commission, following an agreement with Member States, [adopted a decision](#) mobilising €3 billion from the EU budget and Member States for the 2018-2019 period. Progress has been made on mobilising this second tranche, with €1.2 billion committed, €450 million contracted and €150 million disbursed by March 2019. The programming is designed to reflect the recommendations of the 2018 ECA [special report](#) on the Facility. As a first step in mobilising additional support, in 2018 the Commission adopted a special measure on education, allocating €400 million for continued access to quality education.

Implementing partners send data relevant to the Facility's results framework indicators and a Facility monitoring platform is currently being developed to consolidate it. In December 2018, the Commission launched a strategic mid-term evaluation of the Facility, due in 2020. In early 2020, amid new developments in Syria and new migration tensions between Turkey and Greece, the future of EU funding under the Facility after the second tranche is allocated [remains very much on the agenda](#).

European Court of Auditors: special reports

The Financial Regulation (FR) states that the ECA exercises the same powers over trust funds as regarding other actions carried out by the Commission. The ECA presents its special reports to Parliament and the Council. It has so far published three special reports on the trust funds and the facility.

Special report on the Bêkou trust fund: a hopeful beginning despite some shortcomings

In the ECA's 2017 [Special report No 11](#) on the Bêkou TF assessed the justification for its creation, its management and whether it delivered on its objectives, and audited the 11 projects and 31 respective contracts financed. The report noted that the TF had been created in an emergency to pool resources in order to link relief, rehabilitation and development. It noted that the TF had been set up within a short timeframe, without a formally structured assessment of its comparative advantage vis a vis other funding channels and after an incomplete needs analysis, contrary to FR requirements. However, the overall conclusion was that the choice to set up the Bêkou TF and its design were appropriate in the given circumstances. On one hand, the Bêkou TF had shown positive results overall: attracting aid (though few additional donors) and increasing the EU's profile; most

projects had delivered the expected results. In some cases, where objectives had not been met, the report acknowledged the security context as a major hindering factor. On the other hand, recommendations pointed to the need to develop further guidance on the choice of aid vehicle and for needs analyses to define the scope for intervention, improve donor coordination, project selection procedures and performance measurement, and optimise costs. The ECA noted that the TF's management had not yet reached its full potential, its procedures could be more transparent, rapid and cost-effective, and its monitoring and evaluation mechanisms further developed. The report also identified instances where timing and transparency in relation to the selection of implementing organisations could have been improved.

Special report on the EU Emergency Trust Fund for Africa: flexible but lacking focus

The ECA's [Special report No 32/2018](#) on the EU TF for Africa covered the period up to February 2018, and a sample of 20 ongoing projects in Niger and Libya, countries with significant fund allocations. The report examined whether the EU TF was well designed and implemented.

The ECA concluded that the EU TF for Africa was a flexible tool in need of better focus. Its broad objectives had allowed flexibility in changing contexts, but made it less practical to steer action across the EU TF's three geographic windows and measure impact. The report noted that the TF was set up quickly after the Valletta Summit, and that the political imperative to provide a rapid response to the migration situation had prompted the quick launch of projects. Keeping objectives as broad as possible allowed most actions to be considered eligible. All kinds of development projects (e.g. food and nutrition, security, health, education, environmental sustainability) and implementation methods (indirect management, budget support, etc.) could and were used under this TF. This had made it a flexible tool, but at the expense of having a strategy that was focused enough to ensure impact. Compared with traditional instruments, the TF was deemed faster in launching projects and signing contracts (half way through its lifespan, it had signed contracts worth 45 % of all available funds). Yet, other existing emergency instruments were deemed still faster in this regard.

Areas where there was room for improvement included the quality of objectives, the way projects were selected (clear or documented criteria lacking, and insufficient time for thorough assessment), speed of implementation and monitoring of the TF. The ECA found that because the Commission did not comprehensively analyse needs nor estimate the means at its disposal to address the set objectives, proving that the right priorities had been chosen and ensuring accountability was less straightforward. The report found that the common monitoring system, adopted in 2017, was not yet operational, and not all implementing partners were willing or contractually bound to enter information on the common platform. It also stressed the fact that the three windows used different systems to monitor performance, the common indicators did not cover the full range of projects, and there was no 'lessons learnt mechanism' to record best practices.

Special Report on the Facility for Refugees in Turkey

The ECA's 2018 [Special report No 27](#) on the Facility covered the period until 31 March 2018 and assessed whether it supported refugees in Turkey effectively. It acknowledged that the Facility had provided a quick response to the crisis in a challenging context and that the humanitarian projects had helped refugees meet their basic needs, mainly through cash-based assistance, although it [could still achieve greater value for money](#) and the projects' efficiency could be improved. The audit looked at the first tranche of funds and the results under the humanitarian strand. Spending on the priority areas of education, health and humanitarian assistance (mainly the ESSN) made up approximately 90 % of the total contracted amount. The report acknowledged that the challenging operating environment hindered timely implementation by NGOs and a major limitation to monitoring humanitarian projects was the Turkish authorities' refusal to grant access to data for the two cash-assistance projects. The report set out six recommendations aimed at improving the efficiency and effectiveness of the second tranche of funds. The Commission was asked to focus on municipal infrastructure and socio-economic support, where programming difficulties had arisen, improve the streamlining and the complementarity of aid, implement a strategy for the transition

from humanitarian to development aid, improve the efficiency of cash-assistance projects, address issues encountered with the Turkish authorities and scale up monitoring and reporting.

Other stakeholders

A [2018 study](#) commissioned from CEPS by the European Parliament points out that although there are arguments claiming that EU TFs might facilitate a more strategic and comprehensive EU external action, hailing their speed and flexibility, a number of unresolved questions remain. The main challenge with TFs stems from the fact that they make the MFF's mix of financing instruments more fragmented and complex, raise concerns about transparency, and put the integrity of the EU budget and democratic accountability in question. In a 2016 paper on [EU Budgetary Responses to the 'Refugee Crisis'](#), CEPS also stresses that the refugee crisis has led to lasting changes being made to the relationship between migration and development in EU external funding, further emphasising the need for European Parliament scrutiny of the budgetary measures taken.

An SWP [2018 research paper on the TF for Africa](#) finds that though conceived as temporary solutions, EU TFs might end up building the EU's migration interests more systematically into its external policy. It notes that while TFs have allowed more flexible and swift approval of projects, this does not guarantee quality of implementation. The paper also raises questions of cost-effectiveness and sustainability, and also of legitimacy given Parliament's lack of oversight over EU TF decisions and procurement processes at present. It notes that, even if does not apply to all projects, 'an increasingly instrumental understanding of development cooperation' is emerging, where the main focus might switch from improving living conditions to reducing irregular migration.

In a [2015 briefing paper](#) the European Centre for Development Policy Management states that political pressure to show quick results may undermine international cooperation objectives and lead to decisions based on poor analysis, not aligned with existing regional and country strategies. CONCORD Europe, in a [2017 report on the EU TF for Africa](#), points out that the TF is mostly (90 %) financed by official development assistance (ODA) from the EDF, which implies that it should be implemented in line with the key principles of development effectiveness. At the same time, it notes that ODA is to some extent being diverted to objectives no longer linked to EU's development goals and expresses concern about setting a precedent for further instances of this kind in the future.

The European Parliament

Jointly with Council, Parliament [adopts](#) the EU budget, monitors its implementation and gives discharge. It gives its consent to the MFF and is fully involved in legislating on the external funding instruments, from which the EU TFs receive part of their funds. When EU contributions are decided on (those not financed by the EDF), Parliament can scrutinise the Commission's draft implementing decisions under the comitology procedure and adopt non-binding resolutions if it considers that the Commission has overstepped its implementing powers. Parliament has not yet exercised this power. It ensures ex-post political scrutiny of the trust funds that originate from the EU budget and the EDF, mainly in the context of the discharge procedure. It is entitled to receive a set of Commission reports, including the annual accounts of the trust funds, pose parliamentary questions and organise hearings. Parliament can also request the discontinuation of a trust fund.

Parliament's overall involvement in the establishment of the trust funds and the Facility for Refugees in Turkey was limited. Parliament has expressed its views on the trust funds in a number of resolutions. It has noted that the use of ad hoc tools was needed as new emerging priorities had put financial pressure on existing financing instruments and stretched them to their limits. Whereas Parliament welcomes the benefits of the innovative tools and has urged Member States to scale up their contributions, it has also consistently sought to ensure that the setting up of instruments outside the EU budget should remain an exception, mostly because of concerns about transparency, democratic accountability and the funds' (potential) disconnection from development objectives.

In a [2016 resolution](#) Parliament stressed that the TFs and the Facility lacked the necessary accountability and that excluding Parliament from related processes clearly infringed its rights as an arm of the budgetary authority. In its 2018 [legislative resolution](#) on the proposal for a regulation on the financial rules applicable to the EU's general budget, Parliament insisted that in the revised FR the procedure for establishing TFs should be clarified to reinforce both its role and that of Council. The current FR did introduce requirements in that respect (see 'Background information' above). In its 2018 [resolution on the next MFF](#), Parliament again challenged the justification for establishing off budget instruments that prevent parliamentary oversight of public finances. It considered that decisions to set up such instruments bypassed Parliament in its triple responsibility as legislative, budgetary and control authority and that when exceptions were deemed necessary to achieve specific objectives, the resulting trust funds should be fully transparent and duly justified, and backed up by strong decision-making procedures and accountability provisions.

In its 2016 [resolution on the TF for Africa](#), Parliament stressed that Member States should stand by their commitment to achieve the target of 0.7 % of gross national income for ODA. In its [March 2019 resolution](#) on the 2017 discharge of the EDF, Parliament stated that the main objectives of EU development cooperation should be sustainable development and the eradication of poverty, and that EU TF projects must put human rights at the core of programming. It also stressed that the ECA's finding on implementation of the EUTF for Africa made its added value highly questionable. In an [opinion](#) on the draft general EU budget for the 2020 financial year, the Committee on Budgetary Control reiterated that when resources are pooled from the EU budget, the EDF and other donors, money flagged for development and cooperation policy should follow their original objectives. It stressed that trust funds should be established only in justified cases when other funding channels did not facilitate action, and that their accountability was best achieved by their being transparently managed as part of the EU budget. Most recently, the [joint position](#) of Parliament's Foreign Affairs and Budgets Committees on extension of the Madad TF highlighted the importance of increasing flexibility in the next MFF, and preserving budget unity. The committees agreed that the new MFF offered a good opportunity to make adjustments and pre-empt the use of off-budget tools in future.

MAIN REFERENCES

[Working Document Part XI](#), European Commission, June 2019.

[Oversight and Management of the EU Trust Funds](#), Policy Department for Budgetary Affairs, European Parliament, May 2018.

ENDNOTE

- ¹ The EPRS study [EU external financing instruments and the post-2020 architecture](#) notes that the new modality of TFs has resulted in major trade-offs relating to the nature of development-oriented external financing instruments, tension between long and short-term needs and a risk of jeopardising EU values as the security agenda gains prominence.

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