



Brussels, 10.12.2014
C(2014) 9615 final

COMMISSION DECISION

of 10.12.2014

**on the establishment of a European Union Regional Trust Fund in response to the
Syrian crisis, "the Madad Fund"**

COMMISSION DECISION

of 10.12.2014

on the establishment of a European Union Regional Trust Fund in response to the Syrian crisis, "the Madad Fund"

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (hereinafter referred to as "the Financial Regulation")¹, and in particular Article 187(1) thereof,

Having regard to Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action², and in particular Article 2 thereof,

Whereas:

- (1) The Syrian conflict is having a devastating and lasting impact on Syria and across the region. As of October 2014, with the conflict in its fourth year, the needs of the affected populations are of an unprecedented scale. 10.8 million people inside the country – half of the Syrian population –, of which 6.5 million people are internally displaced, are in need of urgent assistance, and more than 3.2 million refugees, plus their overstretched host communities in neighbouring countries need help on a daily basis. The number of conflict-related deaths has surpassed 191,000 individuals and more than one million have been war-wounded.
- (2) The Syrian crisis evolved from initially peaceful protests for freedom and democracy that were brutally repressed by the Syrian regime towards a civil war, resulting in a prolonged and ever worsening humanitarian emergency, which today has transformed into a multidimensional and protracted political, security, and social crisis directly affecting several countries in the region - mainly Lebanon, Jordan and Iraq, but also Turkey and Egypt. These countries' social and economic capacity to deal with the ever-growing influx of refugees is stretched to the limits. The generous hospitality of the host communities is now turning into growing hostility, with borders being declared closed most recently in Lebanon, while additional refugee and internally displaced persons flows have been caused by the advance of the terrorist militia "ISIL" in Iraq, Syria, and Turkey.
- (3) The neighbouring countries cannot cope with this massive refugee crisis in the medium to long term without significant additional support from the international community. Furthermore, experience shows that a return of refugees is often a long process even after a crisis ends, which calls for long-term sustainable solutions. This is especially true for Lebanon and Jordan. With their comparatively small population and limited resources, such a burden is posing a growing threat to these partner countries'

¹ OJ L 298, 26.10.2012, p. 1.

² OJ L 77, 15.3.2014, p. 95.

economic, social and political stability. Turkey is also hosting a large refugee population, with an increasingly strong impact on public services and infrastructure in some areas.

- (4) In response, the Union budget and Member States have so far mobilised **EUR 2.9 billion** since the start of the conflict (around EUR 1.5 billion from the Union budget and EUR 1.4 billion from Member States), making it the main world donor in addressing the consequences of this crisis. This assistance has allowed for urgent delivery of humanitarian assistance and supported the national and local capacities to deliver services for those affected by the crisis (education, health, basic services such as water and waste management services, support to livelihoods). However, the various Union instruments and Member States' programmes work in parallel through various bilateral channels (United Nations (UN) agencies, Non-Governmental Organisations, national agencies, host country governments).
- (5) At the Kuwait 2 pledging conference in January 2014, the UN launched its biggest appeal ever amounting to USD 6 billion – a two-fold increase compared to the previous appeal for Syria - but managed to only raise over USD 2.9 billion so far. An additional pledge by donors of USD 1 billion was made at the special meeting on Syria at the margins of the UN General Assembly week in New York in September 2014. Thus, the 2014 UN appeals for Syria are only funded at around half of what is needed. Without a further significant additional effort, the international donor community and host countries will be unable to respond adequately to the sharply increasing needs.
- (6) Without sufficient additional funding to at least maintain and stabilise the current engagement, the Union's contribution, relevance and leveraging capacity in the Syrian crisis would be severely undermined. Thus, the Foreign Affairs Council of 21 October 2013 stressed that the Union and its Member States should increase efforts to coordinate their response in a strategic and operational manner to avoid duplication and to foster a more coherent and complementary approach and called on the Commission to take practical measures to that end.
- (7) The European Council, in its conclusions in December 2013 "confirm[ed] the commitment of the EU to continue to mobilise adequate funding building on a comprehensive aid strategy, and call[ed] for further measures to improve the effectiveness of EU support". The 14 April 2014 Foreign Affairs Council conclusions also stated that "the EU pledges to continue its support to the governments and host communities of Syria's neighbours so they can deal effectively with the increasing flow of refugees and build up their resilience" and that "further to the Kuwait 2 conference in January 2014, the EU continues to mobilise humanitarian and development aid in response to the crisis and encourages partners to provide sustained financing for Syrian refugees and host communities." This commitment was reiterated in the 20 October 2014 Foreign Affairs Council conclusions.
- (8) There is a need for the development of a comprehensive Union strategy based on the pooling of individual resources and the combination of all efforts to leverage the contribution of the Union and its Member States and to increase the global visibility of the European efforts.
- (9) The Commission is allowed to create Union Trust Funds under an agreement concluded with other donors in accordance with Article 187(1) of the Financial Regulation.

- (10) Union Trust Funds have been specifically designed for emergency and post-emergency situations where experience has shown that the fragmentation and weakness of local actors together with the complexity of aid delivery in a crisis requires the international community to respond in a fully coordinated and joined-up manner to avoid duplication and loss of impact for an effective crisis response.
- (11) All the conditions are met for the establishment of a Union Regional Trust Fund in response to the Syrian crisis (hereinafter referred to as “the Trust Fund”), which would allow the EU and the international community to respond collectively and coherently to the challenges.
- (12) The overall objective of the Trust Fund is to provide a coherent and reinforced aid response to the Syrian crisis on a regional scale, responding primarily in the first instance to the needs of refugees from Syria in neighbouring countries, as well as of the communities hosting the refugees and their administrations, in particular as regards resilience and early recovery. The Trust Fund should thus focus on current priority needs and may also be adapted to reconstruction needs in a future post-conflict scenario. Assistance inside Syria should be considered taking into account, and avoiding overlap with, the action of other existing international funding instruments.
- (13) Activities financed by the Trust Fund should pursue conflict-sensitive approaches across humanitarian, development and political dialogue and engagement, taking into account the wider root causes of conflict and chronic insecurity and the impact of these factors on the vulnerability of populations. It should recognise the complementary roles of development cooperation, humanitarian action and political dialogue and engagement as essential components of building resilience and ensure that efforts to link relief, rehabilitation and development (LRRD) remain integral to such activities.
- (14) The geographical scope of the Trust Fund should cover Syria, Lebanon, Jordan, Turkey, Iraq, Egypt or any other country in the region negatively affected by the Syrian crisis. The contributions of the Union should however comply with the scope of the relevant financial instruments contributing to it.
- (15) The Italian Republic has already expressed her interest in contributing to the Trust Fund for an indicative total amount of EUR 3 million. The Union envisages contributing to this Union Trust Fund on the basis of the European Neighbourhood Instrument (ENI) established by Regulation (EU) No 232/2014 of the European Parliament and of the Council³.
- (16) The Trust Fund should pursue its objectives through the pooling of resources and of the existing but often scattered capacities of donors and agencies to analyse, identify and implement high-impact projects in the region. These pooled capacities should make a direct contribution to the identification of actions that will be presented to all contributors to the Trust Fund as part of a diversified portfolio.
- (17) The Union Trust Fund should combine the resources from the Union with contributions from other donors into a single instrument at the service of a common European strategy, thus saving important management resources that are scattered over countries and projects into a single instrument at management costs significantly lower

³ Regulation (EU) No 232/2014 of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument (OJ L 77, 15.3.2014, p.27).

than those required by other organisations, and increase the visibility of the Union and that of the other donors towards the objectives of the Union Trust Fund.

- (18) The Agreement establishing the Trust Fund, concluded with the donors, (hereinafter referred to as the “Constitutive Agreement”) should define the specific objectives of the Trust Fund and the rules applying to its management and governance.
- (19) In accordance with Article 187(4) of the Financial Regulation, a board chaired by the Commission should be established for each Union Trust Fund. It is therefore appropriate for the Commission to appoint a representative and an alternate representative to chair the Trust Fund Board and Operational Board on behalf of the Commission and exert its voting rights.
- (20) The Trust Fund should be created for a limited duration and it is thus appropriate to fix an end date to the duration of the Trust Fund.
- (21) The draft of this Decision was submitted to the European Neighbourhood Instrument Committee established in accordance with Article 15 of Regulation (EU) No 232/2014.

HAS DECIDED AS FOLLOWS:

Article 1

1. A European Union Regional Trust Fund in response to the Syrian crisis (hereinafter referred to as “the Trust Fund”) shall be created upon the conclusion of a Constitutive Agreement between the Commission and the donors who expressed their interest in contributing to the Trust Fund.
2. The overall objective of the Trust Fund is to provide a coherent and reinforced aid response to the Syrian crisis on a regional scale, responding primarily in the first instance to the needs of refugees from Syria in neighbouring countries, as well as of the communities hosting the refugees and their administrations, in particular as regards resilience and early recovery. The Trust Fund will thus focus on current priority needs and may also be adapted to reconstruction needs in a future post-conflict scenario. Assistance inside Syria will be considered taking into account, and avoiding overlap with, the actions of other existing international funding instruments.
3. The Constitutive Agreement shall define the specific objectives as well as the rules and procedures applying to the management and governance of the Trust Fund, in line with the draft attached to this Decision.
4. The Director-General of the Directorate-General for Enlargement (Neighbourhood and Enlargement Negotiations as of 1 January 2015) is authorised to sign the Constitutive Agreement.
5. The Union Trust Fund may cover Syria, Lebanon, Jordan, Turkey, Iraq, Egypt or any other country in the region affected by the Syrian crisis.

Article 2

1. The Constitutive Agreement shall establish:
 - a Trust Fund Board, chaired by the Commission, to ensure the representation of the donors, and of the non-contributing Member States as observers, and to decide on the overall strategy of the Union Trust Fund;

- an Operational Board, chaired by the Commission and representing the donors with a minimum contribution, to decide on the allocation of funds to individual actions.
2. The Director-General of the Directorate-General for Enlargement (Neighbourhood and Enlargement Negotiations as of 1 January 2015):
- shall be the representative of the Commission on the Trust Fund Board and shall designate his/her alternate representative(s) at the level of Director ; and
 - shall designate the representative of the Commission and his/her alternate representative(s) on the Operational Board at the level of Director/Head of Delegation at least.

The alternate representative(s) of the Commission to the Trust Fund Board as well as the designated representative and alternate representative(s) of the Commission on the Operational Board shall act under the instructions of the Director-General of the Directorate-General for Enlargement (Neighbourhood and Enlargement Negotiations as of 1 January 2015).

The Commission's representative may be accompanied by no more than two advisory staff from other Commission's services.

A representative of the High Representative of the Union for Foreign Affairs and Security Policy shall be part of the Commission delegation to the Trust Fund Board and the Operational Board.

3. The Director-General of the Directorate-General for Enlargement (Neighbourhood and Enlargement Negotiations as of 1 January 2015) shall be designated as the authorising officer responsible for managing the Trust Fund in accordance with Article 65 of Regulation (EU, Euratom) No 966/2012.

Article 3

The rules and procedures to be followed by the Trust Fund Manager, when implementing the decisions adopted by the Trust Fund Board and Operational Board, shall be those established by the Constitutive Agreement and by the relevant rules and regulations of the Commission.

Article 4

1. The duration of this Union Trust Fund in response to the Syrian crisis, which shall be fixed in the Constitutive Agreement, shall be 60 months from the signature of the Constitutive Agreement
2. The duration referred to in paragraph 1 may be extended by a decision of the Commission, upon request of the Operational Board of the Trust Fund.

Done at Brussels, 10.12.2014

For the Commission
Johannes HAHN
Member of the Commission