



Regional Cooperation for European Integration

A Bridge between Macroregions

The CEI Fund at the EBRD

Annual Report 2013

**Projects and Activities supported by the CEI Fund
at the European Bank for Reconstruction and Development**

The Central European Initiative

The CEI is a regional forum for cooperation and consultation which promotes collaboration at political, economic and cultural level in central and eastern Europe. Founded in 1989, the CEI now counts 18 member states: Albania, Austria, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Hungary, Italy, Macedonia, Moldova, Montenegro, Poland, Romania, Serbia, the Slovak Republic, Slovenia, and Ukraine.

Since its inception, the Initiative's main aim has been to support transition countries in the process of integration with the European Union. To achieve this, the CEI seeks to make a sustainable impact in strengthening the capacities of its member states remaining outside the EU to consolidate their institutional and economic background and bringing them closer to the Union.

In 1992 Italy signed an Agreement with the European Bank for Reconstruction and Development (EBRD) on the establishment of a CEI Fund at the EBRD "to assist the Bank's countries of operation in central and eastern Europe in their economic and social transformation process". A Secretariat for CEI Projects (later renamed Office for the CEI Fund at the EBRD) was established to manage the Fund and carry out activities of pre-investment and capacity building for the identification, promotion and appraisal of projects in the CEI region, as well as activities related to project implementation. The Fund, towards which the Italian Government has solely made a total contribution of €38.5 million, mainly provides grant-type assistance for specific components of Technical Cooperation (TC) projects. Since its inception, the Fund has provided more than €23 million for funding TC projects.

The CEI Fund also contributed a total of more than €1.7 million to the Know-How Exchange Programme (KEP), which is its second most important instrument and a specific CEI tool.





European Bank
for Reconstruction and Development


ToC


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Intro

Introduction



As Italian National Coordinator for the CEI, I am very glad to acknowledge the effectiveness of the activities of the CEI Fund at the EBRD, established and fully financed by Italy. Within the excellent cooperation established with the EBRD, since 1992 Italy has allocated €38.5 million to the Fund (€2 million in 2013), in full coherence with the traditional Italian commitment to the European perspective

of non-EU CEI countries as well as with the role of the Initiative as impulse to European integration through regional cooperation.

In 2013, the Fund committed almost €1 million for Technical Cooperation projects. Since 1992 this kind of projects mobilised more than €4.8 billion of international investments: for each Fund's Euro spent on Technical Cooperation projects in the region, International Financial Institutions and local organisations invested about €215. The EBRD alone invested about €129 for each Fund's Euro dedicated to technical assistance.

Furthermore, in 2013 the Fund supported projects aimed at transferring know-how and best practices from EU to non-EU CEI countries, through the "CEI Know-how Exchange Programme", supporting projects for a total value of more than €1 million.

In the future, the Fund will continue to focus its efforts on sectors of intervention that are mostly in need of help, thus likely to increase the investment attraction: energy efficiency, municipal and environmental infrastructure, transport, agribusiness, financial institutions and support to SME development, including capacity building and policy dialogue in these sectors, where appropriate. Priority will also be given to projects coherent with the role of the CEI as Bridge between the existing EU Macro-regions.

As founding member of the Central European Initiative and incoming Presidency of the Council of the EU (in the second half of the year), Italy attaches great importance to 2014, as it marks the 25th anniversary of the establishment of the Initiative. The European continent still needs such Regional Cooperation Initiatives, as long as they are able to well cover the geo-political spaces between the EU and Southern as well as Central and Eastern Europe in the name of common and shared European values.

In this regard, Italy is strongly committed to further enhance, in cooperation with the EBRD, the success of the Fund. Effective regional cooperation instruments are in fact essential to achieve common goals, starting from the promotion of European values like democracy, freedom and human rights, economic growth, social stability and prosperity in the non-EU CEI countries.

Minister Plenipotentiary
Carlo Lo Cascio

*CEI National Coordinator
Director for the Balkans
Ministry of Foreign Affairs, Italy*

A handwritten signature in black ink, reading "Carlo Lo Cascio". The signature is written in a cursive, flowing style.



The CEI Fund at the EBRD and its Office

In 1992 the Italian Government established the Central European Initiative (CEI) Fund at the European Bank for Reconstruction and Development (EBRD). Through this Agreement, the Italian Government acknowledged the great opportunity that the newly created development bank presented for the objectives that the CEI had embraced at its foundation in 1989. In this context, the CEI Fund was created “to assist the Bank’s countries of operation in central and eastern Europe in their economic and social transformation process”. Despite its bilateral nature, the Fund financed projects and activities targeted at the entire CEI region. Since the Fund’s establishment, the Italian Government solely contributed to it €38.5 million.

The Fund has been predominantly used for grant-type Technical Cooperation (TC) projects in support of EBRD operations in a number of areas, including agribusiness, energy, finance and business, institutional development and capacity building, support to small and medium-sized enterprises (SMEs), municipal infrastructure and services, transport. The CEI TC Programme reflects both CEI and EBRD regional and sectoral priorities.

Accordingly, the Programme has become an effective means of development for CEI countries of operation: 122 TC assignments with a total cost of more than €23 million have been undertaken in the period 1993-2013.

In addition to Technical Cooperation, the CEI Fund has been a source of financing for the Know-how Exchange Programme (KEP) – a grant facility supporting capacity building and best practice transfer projects carried out by institutions from CEI EU countries to benefit recipients in the non-EU CEI member states. To date, over €1.7 million have been committed by the CEI Fund to support 65 KEP operations. The total value of these projects (CEI grants and mandatory co-financing) is almost €6 million.

Lastly, from 1998 through 2006 the CEI Fund at the EBRD, in cooperation with a number of partners across the CEI region, co-financed Cooperation Activities – projects of small scale and limited duration, such as conferences, seminars, workshops, or other types of short trainings. Throughout the 1998-2006 period, the CEI Fund supported 113 such activities across CEI member countries, contributing over €1.6 million in project co-financing.

The Office for the CEI Fund is the operational body, which ensures constant dialogue between the CEI, the Italian Ministry of Foreign Affairs, and the EBRD for all issues related to the administration of the Fund. The Office is located at the CEI Headquarters in Trieste and is also represented in London within the Operational Policies Vice-Presidency of the EBRD. Through this Office, whose staff closely collaborates with EBRD banking teams, the CEI has managed to build a unique comparative advantage vis-à-vis other funds active within the Bank. This collaborative approach allows the CEI to better choose projects, thereby ensuring high leverage ratios as well as greater effectiveness and efficiency.

For the TC Programme, the Office for the CEI Fund regularly screens projects in the EBRD pipeline, and supports the Italian Ministry of Foreign Affairs in its selection process. Following positive appraisal by the Ministry, the Office presents the prospective projects to the CEI Committee of National Coordinators¹ for their approval, then monitors their implementation, and evaluates them after completion. The Office also manages the Know-how Exchange Programme (see Chapter 3). The Office’s role is not limited to the provision of grants, but concerns the whole project cycle, starting from the initial screening of applications, throughout the monitoring of project implementation, to ex-post evaluation of results.

Staff Structure of the Office for the CEI Fund at the EBRD

Mr Guido Paolucci, *Programme Manager*

TRIESTE OFFICE

Ms Elisabetta Dovier, *Senior Executive Officer*
Ms Daniela Biadene, *Junior Executive Officer*²
Ms Tea Stibilj, *Junior Secretary*

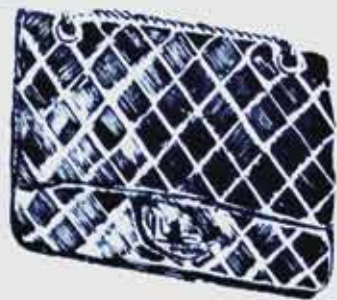
LONDON OFFICE

Mr Vlad C. Olievschi, *Associate Manager*³

¹ The Committee of National Coordinators (CNC) is the key body responsible for the definition, coordination, management and implementation of CEI cooperation as well as for the implementation of CEI programmes and projects through appropriate structures.

² As of 1 January 2013, Ms Biadene is detached to the Italian Ministry of Foreign Affairs, Rome.

³ Mr Olievschi left his position at the Office for the CEI Fund at the EBRD on 31 July 2013 for joining the EBRD.



Technical Cooperation Programme

EBRD technical assistance is primarily intended to contribute to the preparation and implementation of the Bank's investment and non-investment operations, and to provide advisory services to private and public sector clients. Technical Cooperation (TC) projects can be used to help implement legal and regulatory frameworks, institutional reforms as well as to help achieve the highest standards of corporate governance. In general, TC projects are intended to enable the EBRD to:

- make thorough preparations for its investments and undertake them more effectively;
- pursue investment opportunities in higher risk environments by reducing credit risks;
- increase the impact of its projects in the transition process by supporting structural and institutional changes;
- sponsor legal and regulatory reforms, institution-building, company management and training.

TC projects constitute the largest part of the activity funded by the CEI Fund at the EBRD. CEI Technical Cooperation is traditionally offered in the form of grant type assistance. Operations include support for feasibility and pre-feasibility studies, project implementation, management training, capacity building, and pre-loan audits. These activities target a number of priority areas, including agribusiness, business and finance, energy, institutional development, municipal infrastructure and services, SME support, and transport. The strategic focus of technical assistance has moved over time in the direction of the less advanced member countries of the CEI, in order to help them reach European Union standards.

Since its inception, the Italian Government through the CEI Fund at the EBRD has committed more than €23 million towards 122 Technical Cooperation assignments (see Annex 5). These projects have been coherent with the framework and general objectives of the EBRD and other international financial institutions (IFIs) and have represented a fundamental means of development for CEI countries of operations.

Investment links

One of the objectives of TC projects at the EBRD is to support the Bank's investments and loans either at the project preparation or at the project implementation phase. As such, TCs are often related to international loans and investments. It should be underlined that the CEI has undertaken projects which yield high co-financing ratios.

Between 1993 and 2013 the CEI Fund dedicated more than €23 million to technical assistance operations. Of this total, about €22.6 million were used to implement projects directly or indirectly related to international investments (of which €12.7 million funded projects directly related to international investments).

In the period 1993 to 2013 these TC funded by the CEI Fund at the EBRD in the countries of operations were able to mobilise about €4.8 billion of international investments⁴. The EBRD alone contributed to those investments about €2.9 billion⁵.

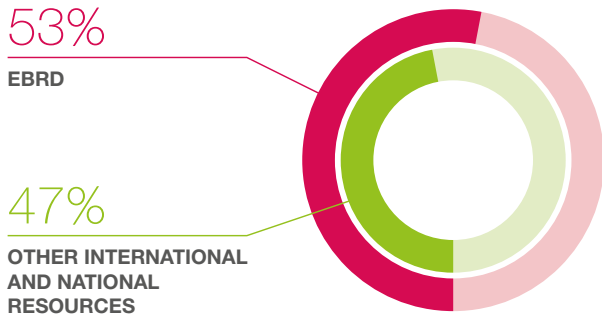
A Total Investment Ratio (TIR) can be calculated to show how many euro the international community invested for each euro granted by the CEI Fund for TC projects. Between 1993 and 2013 the TIR is expected to equal about 1:215. The EBRD's share, alone, is expected to reach about €129 for each CEI Fund euro dedicated to TC projects, this represents the EBRD Investment Ratio (EIR).

⁴ Out of this total, about €385 million of EBRD investments are expected to be mobilised by TC assignments approved in 2013.

⁵ See footnote 4.

Chart 2.1.

Total Investments linked to the CEI TCs
(share of €4.8 billion of total linked investments)



Total Investment Ratio = 1:215

Total Investments/ Total committed CEI grants⁶

EBRD Investment Ratio = 1:129

EBRD Investments / Total committed CEI grants⁷

⁶ Total committed CEI grants refer to €22.6 million used for TCs directly or indirectly related to investment.

⁷ See footnote 6.

Geographic distribution

The distribution by country of TC projects and their cumulative committed value since 1993 demonstrate CEI's focus on regional projects. Almost half of the resources (about €10.3 million), were committed for regional operations through 35 TC assignments. With respect to country allocations, the initial focus on central European countries

(which have since become EU members) has shifted towards the Western Balkan states and the CEI European Neighbourhood Policy (ENP) countries.

The charts below illustrate the geographic distribution of the TC projects by number of assignments and their value over the period 1993-2013.

Chart 2.2.

Cumulative distribution of TC assignments by country, 1993-2013 *(share of a total of 122 assignments)*

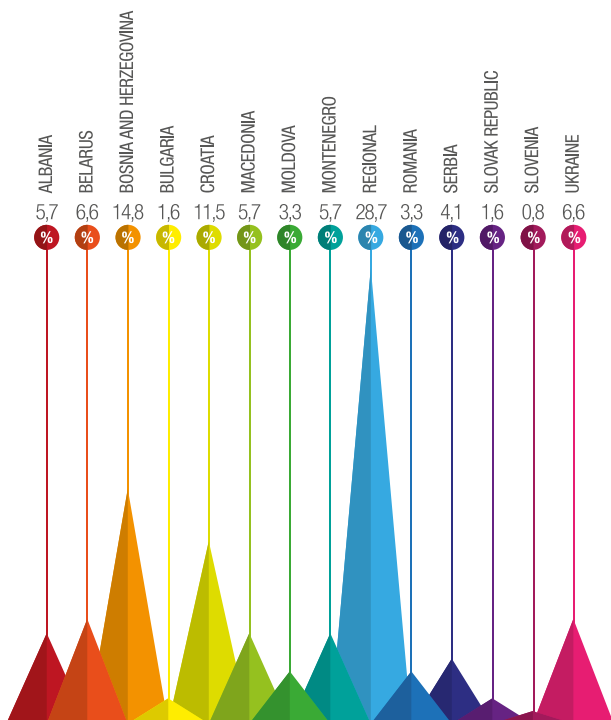
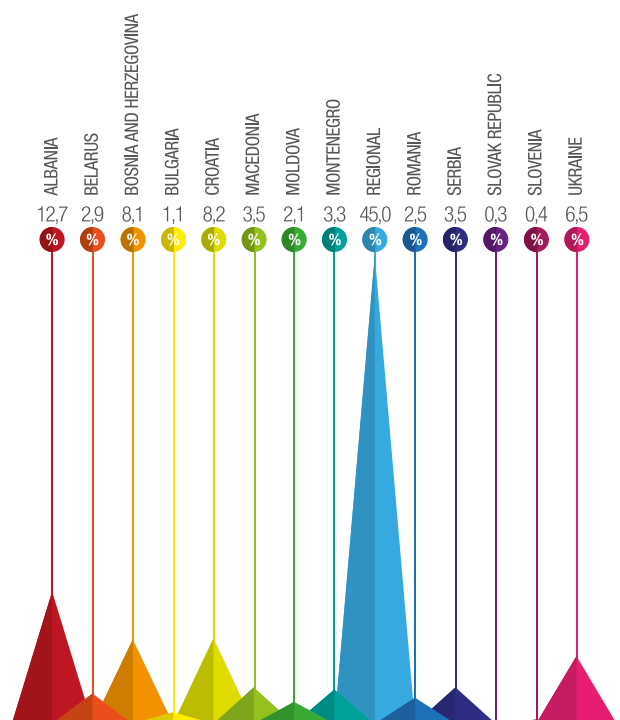


Chart 2.3.

Cumulative distribution of TC assignments by country, 1993-2013 *(share of total committed grants of €23,012,928)*



Sectors covered

Sector allocation analysis indicates seven main areas of operations in which the CEI has funded TC projects: agribusiness, business and finance, energy, institutional development, municipal infrastructure and services, SME support, and transport. According to this categorisation, transport is the sector that has benefited from the most

TC funds, followed by SME support and institutional development.

The charts below illustrate the sector distribution of the TC projects by number of assignments and their value over the period 1993-2013.

Chart 2.4.
Cumulative distribution of TC assignments by sector, 1993-2013 (share of a total of 122 assignments)

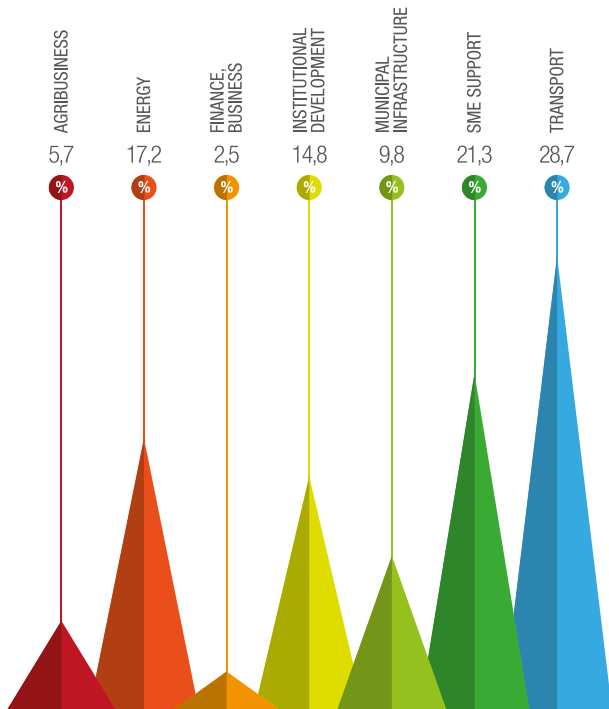
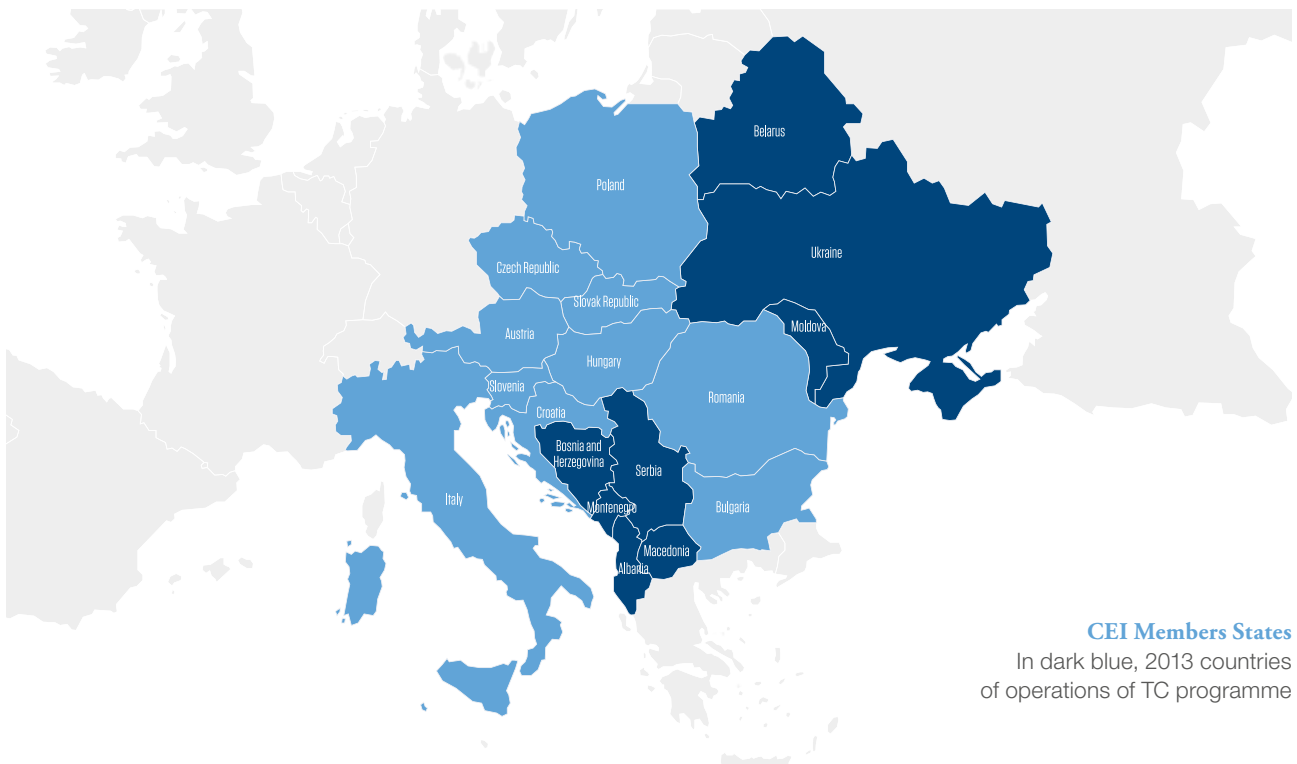
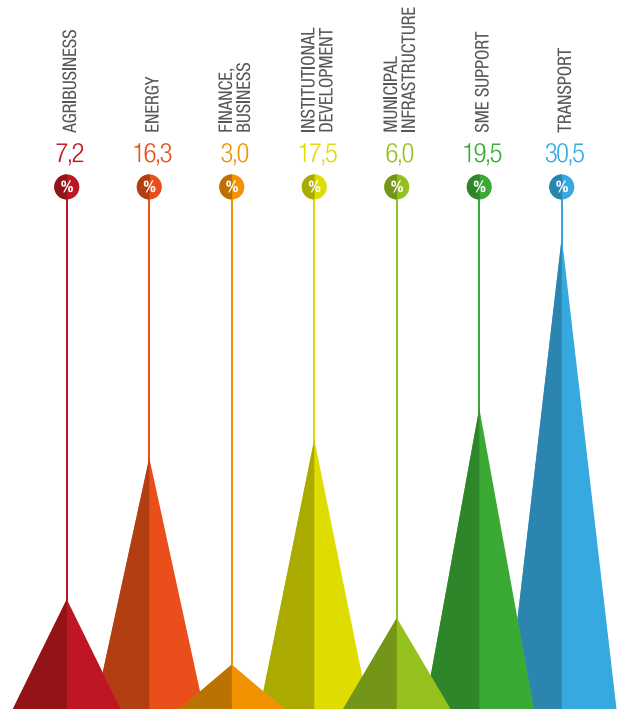


Chart 2.5.
Cumulative distribution of the value committed through assignments by sector, 1993-2013 (share of total committed grants of €23,012,928)



02 Technical Cooperation Assignments Approved in 2013

In 2013 the CEI Fund at the EBRD committed €946,850 for seven TC assignments.

Table 2.1. List of TC assignments approved in 2013

COMMITMENT NUMBER	COMMITMENT NAME	COMMITTED (€)	SECTORS OF OPERATIONS	COUNTRIES OF OPERATIONS
CEI2-2013-07-09	Local Roads Reconstruction and Upgrade Project	274,000	Transport	Montenegro
CEI2-2013-07-10	Moldova Railways: Environmental, Health and Safety Management Support and Capacity Building	73,000	Transport	Moldova
CEI2-2013-07-11	Moldova Railways: Assistance in preparation and implementation of tender for rolling stock rehabilitation	250,000	Transport	Moldova
CEI2-2013-08-13	Kotor - Cetinje Cable Car - Technical Review and Preparation of PPP Tender Extension	39,850	Municipal infrastructure	Montenegro
CEI2-2013-08-14	Road Rehabilitation and Safety Project. Capacity Building on Road Safety Management (ISO 39001)	70,000	Transport	Serbia
CEI2-2014-01-01	Review of Energy Act in Serbia: Institutional Capacity building sub assignments under the Western Balkans Sustainable Energy Direct Lending Facility	200,000	Energy	Serbia
To be assigned	Enhancing Public Procurement Professionalism - Master's Second Edition	40,000	Institutional development	Regional
Total		946,850		

In 2013 one TC assignment was closed, namely “Enhancing Public Procurement Professionalism - Pilot Master’s”. Please refer to Annex 7 for further information.

Local Roads Reconstruction and Upgrade Project

COMMITMENT NUMBER	CEI2-2013-07-09
VALUE	€274,000
COUNTRY OF OPERATIONS	Montenegro
SECTOR OF OPERATIONS	Transport
PLANNED DURATION	Nine months
EXPECTED RELATED INVESTMENT	€30 million

SUMMARY DESCRIPTION

In a relatively short time, Montenegro has made significant progress in reforming its road sector and the EBRD wishes to build on these achievements. Road maintenance and improvement in road safety are two areas that still offer considerable challenges and the proposed technical assistance will seek to build upon the earlier transition impacts in these areas.

Thus, the EBRD is considering a loan to the Republic of Montenegro to support the Local Roads Reconstruction and Upgrade Project, total financing of which is estimated at €30 million. This investment will be used to fund the reconstruction of two sections of the Berane to Kolasin road in northern Montenegro. This will be EBRD's second project in the road sector of Montenegro. In its first project, EBRD, together with the European Agency for Reconstruction (EAR), inter alia supported the creation of the new Transport Directorate (TD) of the Ministry of Transport and Maritime Affairs (MoTMA). TD is responsible for the administration and management of the national and regional road networks and is an implementing agency for the Project.

Montenegro embarked on its first Performance Based Maintenance contract (PBMC) in 2010. This contract was awarded following an international competitive tender, in which bids were received from one international contractor and two local contractors. This PBM contract covers basic routine and winter maintenance of the national and regional road networks totalling 1,880 kilometres of road. In the future, the aim is to: (i) expand the scope of PBMC to include a wider scope of treatments within the life cycle

of the road assets, and (ii) increase competition from the local contracting market, to reduce costs and increase sustainability. The TD now wishes to develop and refine its PBM contracting strategy to improve the attractiveness of PBM contracts in the wider market and to optimise cost efficiency.

The MoTMA is committed to improving road safety and is willing to adopt the road safety management measures contained in the European Commission's Directive 2008/96/EC.

This focuses on four key areas:

(i) adoption of a road safety impact assessment at a strategic planning level, as well as at an individual project level; (ii) introduction of requirements for road safety audits to be carried out in a systematic manner through the planning stage, design stage and construction stage of a road infrastructure project; (iii) compilation road accident data across the network and the analysis of this data to identify accident black-spots; (iv) carrying out further periodical road safety inspections across the network to identify defects that require additional maintenance works to improve road safety. The strengthened approach to road safety management, under the principles of the EU directives and ISO 39001, will require MoTMA and TD to arrange a new institutional and regulatory framework. More capacity and training in the area of road safety will be necessary.

The resources of CEI Fund at the EBRD will enable the hiring of an experienced consultant to assist the MoTMA and its TD to extend and improve the use of PBM contracts, and road safety practices.

Moldova Railways: Environmental, Health and Safety Management Support and Capacity Building

COMMITMENT NUMBER	CEI2-2013-07-10
VALUE	€73,000
COUNTRY OF OPERATIONS	Moldova
SECTORS OF OPERATIONS	Transport / Energy Efficiency and Climate Change
PLANNED DURATION	Six months
EXPECTED RELATED INVESTMENT	€25 million

SUMMARY DESCRIPTION

The EBRD is considering providing a sovereign loan to the Government of Moldova, to be on-lent to Calea Ferata din Moldova (CFM, the national railway operator) to finance the refurbishment of life-expired rolling stock offering higher quality vehicles and energy benefits to enhance the efficiency of passenger services. The rolling stock of CFM was mostly inherited from the Moldavskaya Railway and much of it is life-expired. The most pressing issue is the stock used for the domestic passenger services, which is largely life-expired and in a very poor condition and for which spare parts are difficult, if not impossible, to obtain (as wagon and spare parts manufacturing ceased in the 1990s). CFM needs to radically restructure to reflect the current economic situation, national needs and priorities, tariff policy and actual staffing needs (the workforce is far too large for the current and foreseeable task). An initial environmental, health and safety audit of CFM, carried out by independent consultants on behalf of EBRD, concluded that the company lacked systematic environmental or health and safety management systems. As part of the restructuring programme, EBRD is proposing to provide TC support for the development of a corporate environmental, health and safety management based on international best practices, including a corporate-wide environmental, health and safety action plan addressing corrective measures and guiding the Company's operations towards best international practice.

The TC assignment will improve CFM's corporate environmental, health and safety management, practices and performance; enhance CFM's competence and capacity to

operate in compliance with good industry practice for railway safety and environmental performance; provide training for CFM staff to enable them to establish and operate an effective and efficient Environmental, Health and Safety Management System (EHSMS).

The TC is linked to an EBRD investment of €25 million. This is the Bank's first engagement in the railways sector in Moldova. The sector is unreformed but there seems to be some reform momentum, and continuity from previous studies for the preparation of the Transport and Logistics Strategy for the Government of Moldova funded by the World Bank. The Bank has an opportunity to conduct policy dialogue with the Government and agree on key reform milestones for the railway sector whilst building on macro-level recommendations provided by the WB consultants.

Transition impact is expected to arise from the following areas: (i) institutional changes, including the establishment of a JSC with functionally separate business segments for infrastructure, freight and passenger operations; (ii) the introduction of contractual arrangements; (iii) account separation and further steps towards implementation of PSO; (iv) operational improvements including through the preparation of rolling business plans to best industry standards; (v) capacity building in the area of environment, health and safety; (vi) labour restructuring; (vii) energy efficiency and reductions of energy consumption/needs; (viii) procurement assistance. These reform efforts will significantly improve the financial and competitive position of the CFM.

Moldova Railways: Assistance in preparation and implementation of tender for rolling stock rehabilitation

COMMITMENT NUMBER	CEI2-2013-07-11
VALUE	€250,000
COUNTRY OF OPERATIONS	Moldova
SECTOR OF OPERATIONS	Transport
PLANNED DURATION	Thirty-six months
EXPECTED RELATED INVESTMENT	€30 million

SUMMARY DESCRIPTION

The Bank is considering to provide a sovereign guaranteed loan to the national railway operator Calea Ferata din Moldova (CFM or Moldovan Railways), a state owned company incorporated in Moldova, for the improvement of the overall performance of railway operations through rehabilitating life-expired rolling stock to offer higher service quality and energy efficiency benefits. CFM now seeks to engage a consulting company to provide support and assistance to the Project Implementation Unit (PIU) to assist with the procurement process for the refurbishment of the existing rolling stock and the subsequent contract administration in accordance with the EBRD Procurement Policies and Rules.

CFM does not have sufficient experience and expertise (as it has never engaged with an IFI before) to implement the tendering process on its own, and therefore grant funding is sought to support this important infrastructure project in Moldova. The scope of services is broken down into two phases: (i) Supporting the PIU in the Procurement Process; (ii) Supporting the PIU in Contract Implementation. The proposed TC assignment will facilitate CFM with gaining access to international best practice on procurement, project management and project implementation as well as advice on specific technical and operational issues. The TC assignment will also ensure external expert support for CFM to comply with the required operational / technical standards.

The TC is linked to an EBRD investment of €30 million. This is the Bank's first engagement in the railways sector in Moldova. The sector is unreformed but there seems to be momentum from a previous study for the preparation of the Transport and Logistics Strategy for the Government of Moldova funded by the World Bank. The Bank has an opportunity to conduct policy dialogue with the Government and agree on key reform milestones for the railway sector whilst building on macro-level recommendations provided by the WB consultants.

Transition impact is expected to arise from the following areas: (i) institutional changes, including the establishment of a joint stock company (JSC) with functionally separate business segments for infrastructure, freight and passenger operations; (ii) the introduction of contractual arrangements; (iii) account separation and further steps towards implementation of public service obligations (PSO); (iv) operational improvements including through the preparation of rolling business plans to best industry standards; (v) capacity building in the area of environment, health and safety; (vi) labour restructuring; (vii) energy efficiency and reductions of energy consumption/needs; (viii) procurement assistance. These reform efforts will significantly improve the financial and competitive position of the CFM.

The investment, consisting on the refurbishment of Diesel Multiple Units (DMUs) because the Moldovan railroads are not electrified, will result in improved fuel efficiency, reduced pollution and better passenger safety compared with the existing life-expired fleet. The company, with the assistance of the requested donor funded TC, will include energy efficiency requirements into the technical specifications for project procurement in order to ensure that modern and more efficient technologies are incorporated into the new fleet. As a consequence of the renovation programme, a preliminary assessment by an independent consultant revealed that the company will save more than €4.5 million per year in diesel, which represents over 15,000 tons CO2 and 17% of their energy bill. Beyond this, the Bank has started a policy dialogue with the Government on energy efficiency as a strategic area for reducing operational costs, improving quality and reliability of service and mitigating environmental impact. Based on the findings of the Energy Efficiency Audit undertaken with funds from a previous CEI Fund assignment, CFM will implement an Energy Efficiency Action Plan which will include, inter alia, the establishment of dedicated energy management team, new procedures for energy monitoring and metering and information systems. The implementation of this Action Plan will have a considerable demonstration effect among the main energy users in the country.

Kotor - Cetinje Cable Car - Technical Review and Preparation of PPP Tender Extension

COMMITMENT NUMBER	CEI2-2013-08-13
VALUE	€39,850
COUNTRY OF OPERATIONS	Montenegro
SECTOR OF OPERATIONS	Municipal infrastructure
PLANNED DURATION	Six months
EXPECTED RELATED INVESTMENT	€30 million

SUMMARY DESCRIPTION

This extension is related to a TC assignment approved in 2012 for a value of €200,000 in support of an EBRD investment amounting to €15 million which foresees the establishment of a Public-Private Partnership (PPP) involving the Government of Montenegro. The total cost of the project, however, is estimated at around €30 million.

The investment is being carried out to further develop tourism in the south-western part of Montenegro by linking Kotor and other coastal towns to Cetinje, the historic royal capital of Montenegro, by cable car, and will help to fulfil one of the main objectives of the Government of Montenegro and the municipalities of Kotor and Cetinje, which is to develop high-quality tourism amenities.

The investment is expected to have significant several positive economic effects due to the high economic multipliers associated with cable car projects, counted as the additional spending and economic activity injected into the local and regional economy.

The original TC assignment and its extension will provide the following deliverables:

- An update of the feasibility study, which will make available a technical, market and commercial assessment of the Project to enable the EBRD to assess the risks and opportunities presented by the investment. If the EBRD decides to pursue the Project, the feasibility study will identify the areas that will need to be further explored during the financial due diligence process.
- Assistance in the tender preparation for the PPP to ensure that the process meets best international practice requirements as defined in the EBRD concession paper.

Road Rehabilitation and Safety project. Capacity Building on Road Safety Management (ISO 39001)

COMMITMENT NUMBER	CEI2-2013-08-14
VALUE	€70,000
COUNTRY OF OPERATIONS	Serbia
SECTOR OF OPERATIONS	Transport
PLANNED DURATION	Two years
EXPECTED RELATED INVESTMENT	€100 million

SUMMARY DESCRIPTION

The proposed technical assistance supports the Government of Serbia in improving the quality, sustainability and safety of the road network, in order to improve connectivity, stimulate economic growth, and reduce deaths and injuries from road accidents. All designs will be subject to a road safety audit, with mandatory inclusion of safety improvements into the design.

The EBRD is considering a loan to the Republic of Serbia to finance the rehabilitation and safety improvement works on the primary and secondary road networks in Serbia. The loan will consist of €100 million, with parallel financing provided by World Bank, the European Investment Bank and the Government of Serbia, to rehabilitate a large number of individual sections (a total length of 1,125 km) across the country.

This technical assistance will build on the substantial progress made in previous loans to develop Serbia's road network. The transition impact of previous loans was largely focused on the Serbian roads agency, now known as PERS, on which reforms have been introduced to ensure an adequate and stable source of funds, to adopt a new law and to introduce new road maintenance practices through performance based maintenance contracting.

The objective of this technical assistance is to assist PERS, in the preparation and certification of a road safety management system in line with the ISO 39001 requirements, assisting the company during the certification process. The assistance will focus on the adoption of an integral road safety approach which goes beyond the insertion of safety improvements into the road rehabilitation design to cover also the preparation of Corporate Social Responsibility (CSR) based road safety campaign and the adoption of better management practices, including the adoption of ISO 39001 standard by PERS.

The ISO 39001 *Road Traffic Safety Management* is an ISO standard for a management system for road traffic safety. Achieving the standard requires the development and implementation of an appropriate policy, development of objectives and action plans, which take into account legal and other requirements, enabling organisations to influence a cut in the number of road deaths and serious injuries in collisions.

By adopting the standard ISO 39001 (which was published in October 2012), PERS demonstrates their commitment to road safety, and pioneers the adoption of this in the region, becoming the first organisation to be ISO 39001 certified in the region, and the first road agency worldwide. The EBRD intends to support PERS in this effort by providing consultancy services in the form of capacity building implementation assistance.

Review of Energy Act in Serbia: Institutional Capacity building sub-assignments under the Western Balkans Sustainable Energy Direct Lending Facility

COMMITMENT NUMBER	CEI2-2014-01-01
VALUE	€200,000
COUNTRY OF OPERATIONS	Serbia
SECTOR OF OPERATIONS	Energy
PLANNED DURATION	Six months
EXPECTED RELATED INVESTMENT	€200 million

SUMMARY DESCRIPTION

Since 2009, the EBRD has provided extensive capacity building support to most of the countries in the Western Balkans to support the development of the regulatory system for renewable energy. This would enable these countries to meet requirements of the EU pre-accession process through the Energy Community. Several technical assistance activities were, thus, undertaken as part of the WeBSEDF (Western Balkans Direct Lending Facility).

Relevant activities in Serbia include assistance in the development of the renewable energy component of the energy law; preparation of renewable energy power purchase agreement; preparation of economic incentives for support of electricity and heat production from renewable energy sources and from combined heat and power generation; and a study of the energy service companies (ESCO) market. Nevertheless, the EBRD would like to engage in further technical cooperation (TC) based on additional needs for adjustment/ development of the regulatory system. There are specific needs to support institutions like market operators and regulators to adequately provide legal and economic security to investors.

Serbia is progressing in the implementation of its obligations coming from its membership in the Energy Community. One of the key obligations, the country must fulfil, is the implementation of requirements of the European Renewable Energy Directive 2009/28/EC. As a part of its obligations, Serbia must deliver the National Renewable Energy Action Plan (NREAP), which will set the priorities for meeting national renewable energy targets.

The country is also striving to create the regulatory, institutional and economic framework for the promotion of renewable energy sources (RES). As the NREAP has developed throughout 2013, Serbia needed support for the timely implementation of the NREAP requirements. The proposed technical assistance will specifically focus on helping Serbia in refining and improving the RES regulatory framework, specifically secondary regulations as identified in the NREAP.

Serbia has a vast and unutilised renewable energy potential. The proposed technical assistance will help to create the market conditions for the utilisation of such potential. The proposed TC assignment will have a sustainable and high transition impact, as it would enable the proper functioning of the entire energy market.

This is also the reason, for which the TC would be linked to various investments, although their exact value is difficult to foresee. Expected investment potential, as identified by the Market Demand Study for Serbia conducted by the EBRD, estimated a potential of small renewable energy projects in the size of €442 million with a similar potential for large projects which makes the total investment potential close to €1 billion. The EBRD involvement in financing such projects will be achieved through a dedicated credit line facility (WeBSEFF – Western Balkans Sustainable Energy Financing Facility), direct lending facility (WeBDLF) and direct financing.

Master's in Procurement Management at the University of Rome Tor Vergata - Second Edition

COMMITMENT NUMBER	to be assigned
VALUE	€40,000
COUNTRIES OF OPERATIONS	Regional
SECTOR OF OPERATIONS	Institutional development
PLANNED DURATION	Six months
EXPECTED RELATED INVESTMENT	n/a

SUMMARY DESCRIPTION

In 2013 the joint work between EBRD and the University of Rome Tor Vergata - whose Faculty of Economics is recognised worldwide as a centre of excellence for education in procurement - has produced the first edition of the International Master's in Public Procurement Management. It was a challenge that both institutions together developed successfully. The Masters Programme was supported by the CEI Fund at the EBRD with €40,000 through a capacity building technical cooperation assignment.

The first year experience has been also valuable to identify opportunities for improvement, based on feedback from students, professors and EBRD experts. Excellent results achieved with the first Master's edition served as basis for the subsequent continuation and consolidation of a Master's programme aimed at enhancing public procurement professionalism in the EBRD's countries in transition.

In the framework of the second Master's edition, the Bank will offer full sponsorship for an international group of up to fifteen senior public procurement managers/officials from the following EBRD countries of operations: Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Croatia, Kazakhstan, Kyrgyz Republic, Macedonia, Moldova, Montenegro, Russia, Serbia, Tajikistan, and Ukraine. The contribution of the CEI Fund at the EBRD will support the participation of selected participants from non-EU CEI member states. The Masters Programme is under the direct management of the Director of the EBRD Procurement Department.

The main objective of the Masters Programme is to raise the academic level and training of public procurement officials, from different backgrounds, to have the capacity to design and administer procurement solutions to solve complex strategic, managerial and organisational problems. A special emphasis is placed on professional capacity, ethics, transparency and accountability.

Training takes the form of traditional class units for a total length of four consecutive months, including traditional lectures and seminars covering specific topics of the procurement function, such as abnormally low tender prices, negotiations, IT, vendor rating, etc. Participants will learn more about good procurement practices: strategic tools for purchasing, international procurement law, PPP, ethical aspects involved in the procurement activities, economic analysis of markets.

The whole programme consists of 10 modules and attendance of all modules is compulsory. At the end of each module, students must take the relative exam to verify the acquisition of skills. Each student must be involved in a stage project within his/her own organisation in which he/she puts in practice what has been learnt and during which the student has to write and complete an essay for the final dissertation. At the end of this Master's programme, students must submit a paper, which will be part of the final assessment. The final dissertation should be a case study on procurement issues related to their own organisation or country and/or which refer to issues of EBRD's interest.



Know-how Exchange Programme

The CEI Know-how Exchange Programme (KEP) is an instrument dedicated to offering co-financing to projects and programmes focused on the transfer of know-how and best practices from EU to non-EU member states of the CEI. As such, the KEP offers grants to institutions from EU countries willing to share their experience with their partners in the non-EU CEI countries.

The CEI Fund at the EBRD has provided financing to KEP projects since the Programme's launch in 2004. Since then, the interest over KEP among the applicants has steadily increased. To date, 65 projects have been approved under the KEP in the period 2004-2013 for a total CEI Fund committed contribution of more than €1.7 million (see Annex 6). Given its nature as a co-financing Programme, the total value of all 65 KEP projects supported by the CEI Fund at the EBRD so far, is almost €6 million.

The success of the Programme encouraged other CEI member states to contribute financially to the KEP, in parallel to the financing provided since 2004 by the Italian

Government. In 2008 the Austrian Government joined the KEP, and is thus contributing additional funds on an annual basis for KEP projects managed by the CEI Executive Secretariat. Lastly, the Polish Ministry of Foreign Affairs also made ad-hoc voluntary contributions towards the KEP.

As shown in Chart 3.1, the projects supported by the CEI Fund at the EBRD targeted all non-EU CEI member states. The countries that benefited the most from direct KEP assistance, since the establishment of the Programme in 2004, were Moldova and Ukraine, while the Western Balkan countries have been addressed by projects having a regional character. Chart 3.2 shows that the countries with most know-how providers were Italy and Poland, followed by Slovenia, Austria and Hungary. Bulgaria, Croatia and Romania are the countries that have been involved both as recipient and provider countries because of their entrance in the European Union. Concerning the areas of intervention, Chart 3.3 illustrates a rather balanced distribution among all the areas of intervention: sustainable agriculture, capacity building, enterprise development, and sustainable energy.

KEP Priorities

The priority areas of KEP intervention concern the following topics grouped in three thematic headings:

I. European integration, capacity building and market economy

- European integration
- Strengthening of the rule of law through the introduction of appropriate European standards
- Strengthening of capacities of the central administration
- Assistance in economic transformation
- Support to second-generation reforms
- Improvement of local labour market efficiency and development of the micro, small and medium-size enterprise sectors
- Strengthening of the administrative structures at regional and local levels
- Strengthening of the social advancement of recipient countries

II. Agriculture, energy and environment

- Energy (know-how transfers in the areas of energy efficiency, renewable sources of energy, clean energy and climate change)
- Environment (protection of the natural environment, waste management, water management and water resource development)
- Development of agriculture and rural areas (including food safety and food quality applications and regulatory standards, farm development plans, development of infrastructure for wholesale trade of agricultural products, training of specialists in farming-related areas; and promotion of rural and environmentally sensitive tourism)

III. Infrastructure planning and development

- Technical assistance for infrastructure development
- Development of Geographic Information Systems

Chart 3.1. Distribution of KEP projects by number of assignments according to the countries of know-how recipient institution(s). The projects with regional spread are highlighted in light green.

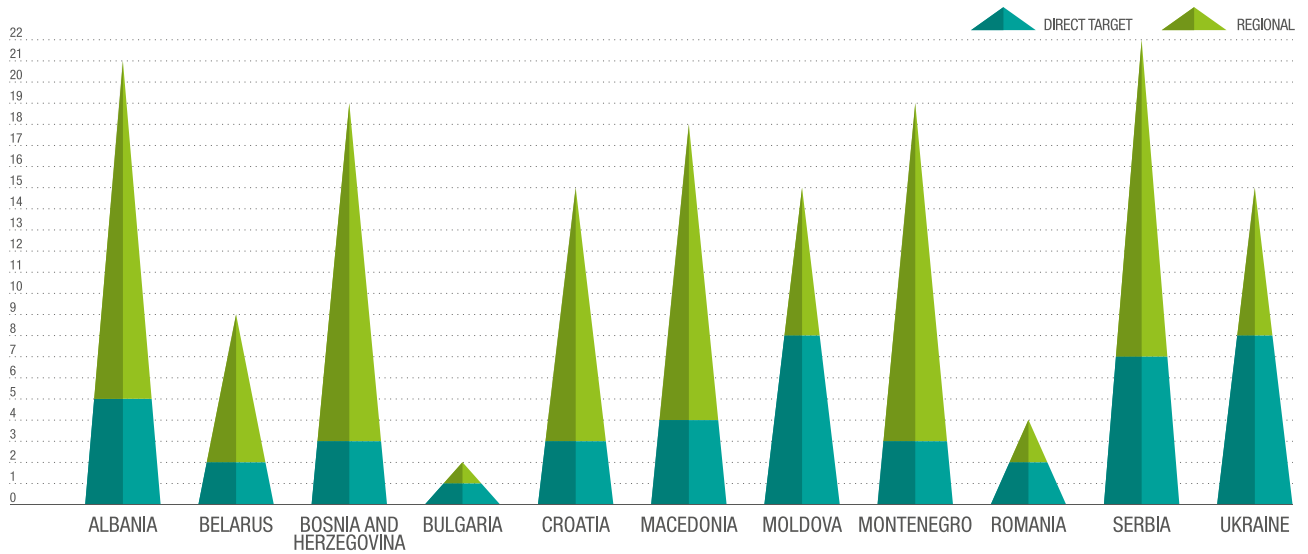


Chart 3.2. Distribution of KEP projects by number of assignments according to the countries of know-how provider institution(s). The projects that benefited from multiple know-how providers are highlighted in red.

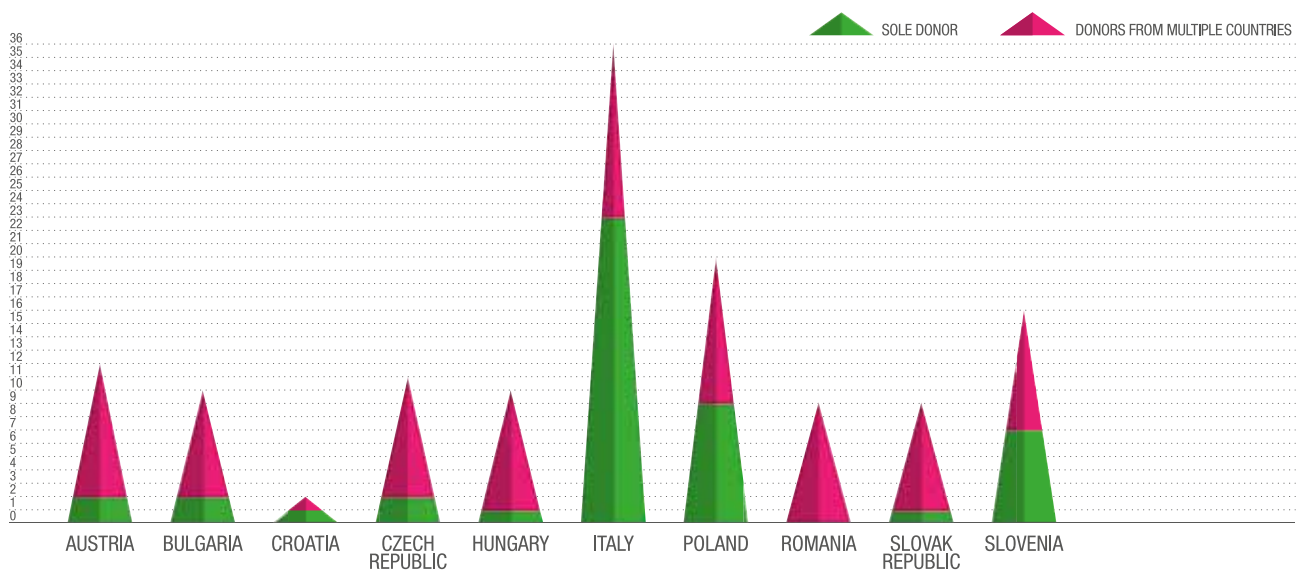
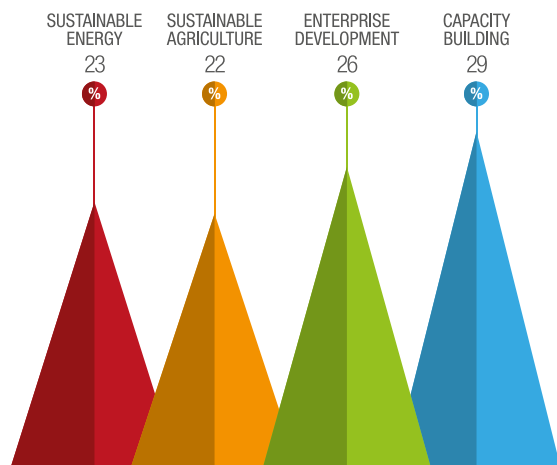


Chart 3.3. Distribution of KEP projects by number of assignments according to the area of intervention.



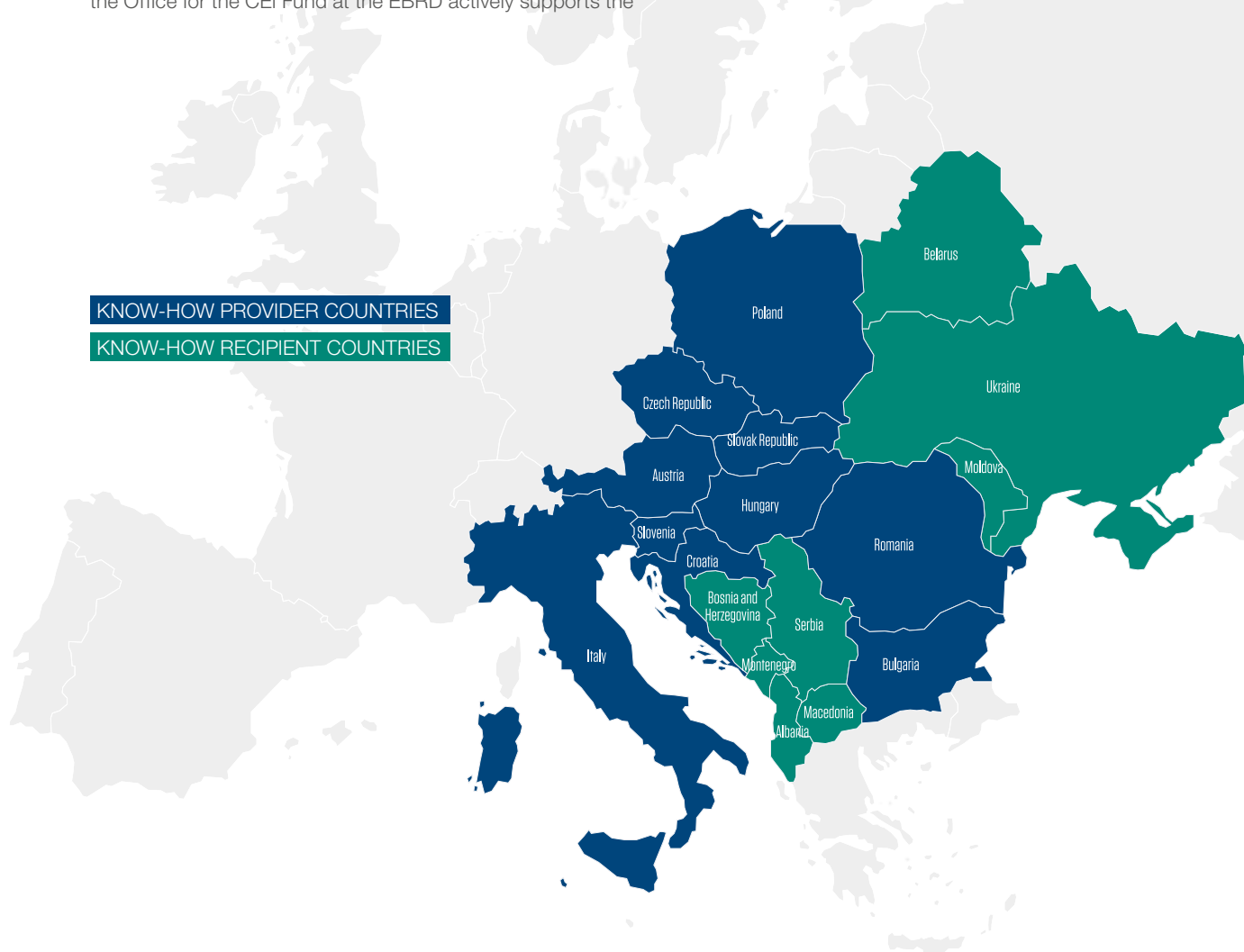
The role of the Office for the CEI Fund at the EBRD in the management of the Programme

The Office for the CEI Fund at the EBRD manages the KEP programme and monitors the implementation of the KEP projects co-financed by grants from the CEI Fund at the EBRD. The strong operative links between the Office and the EBRD have had a positive impact on the definition of the Programme's priorities which, for the most part, deal with areas also covered by the Bank's operations. The role of the Office for the CEI Fund at the EBRD is not limited to the provision of grants. It concerns the whole project cycle, starting from the initial screening and appraisal of applications, through the monitoring of project implementation, to ex-post evaluation of results.

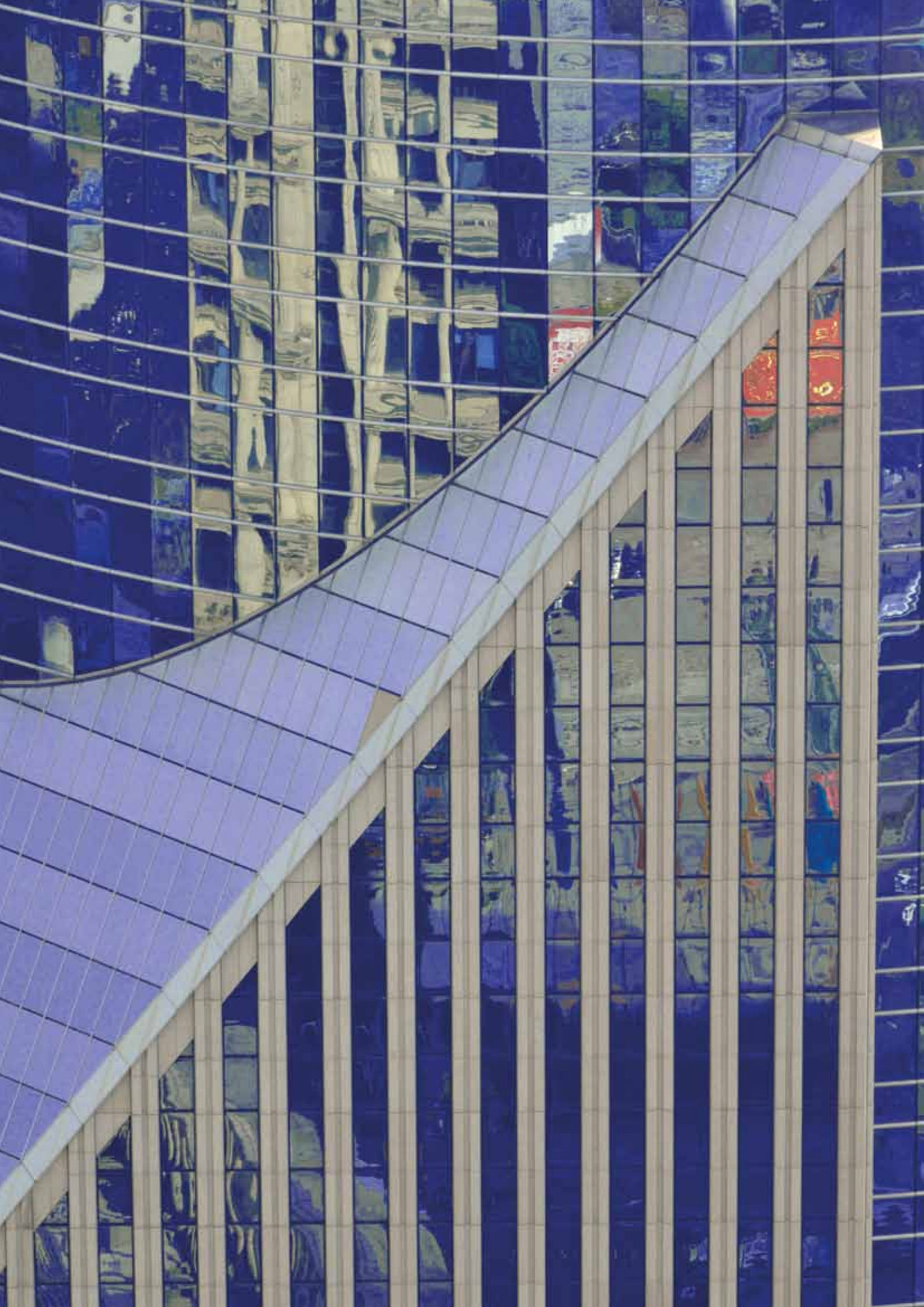
In 2013 the Office for the CEI Fund at the EBRD launched a Call for Proposals for the selection of new KEP projects. In total 41 project proposals were received for a total requested CEI contribution of more than €1.3 million and for a project total cost of almost €4 million. The received project proposals were evaluated against a set of pre-defined selection criteria and projects with the highest scores were granted funding (within the available budget). The Office for the CEI Fund at the EBRD carried out the evaluation of projects according to the best practices developed by the EBRD and according to the Bank's procurement rules. From time to time, the Office's staff also assists partners in developing and streamlining project activities. In doing this, the Office for the CEI Fund at the EBRD actively supports the

dialogue between the provider and the beneficiary of a KEP project, allowing for mutual understanding and boosting the active role of the recipient in project development. Based on its staff's experience with previous projects, the Office is, among the actors of a KEP project, in the unique position of having seen which activities may have a higher potential impact. The staff, thus, makes recommendations on project activities, in order to best tailor assignments to the recipients' needs and capacities of assimilating know-how, while taking most advantage of the providers' expertise. Additionally, the Office may also provide guidance throughout the project implementation. During the phase in which projects are effectively carried out, the Office's staff conducts a continual process of monitoring to ensure the smooth execution of the know-how transfer.

Lastly, as exemplified in the publication *Lessons for Sustainable Transition Impact*⁸, the Office continues to evaluate projects by analysing the impact and sustainability of their activities even after completion. This work of post implementation evaluation results in lessons learnt that feed into the Office's management of the entire Programme. The Office for the CEI Fund at the EBRD, through its hands-on approach to each phase of the KEP project cycle, ensures that all these challenges are addressed and monitored quickly and efficiently.



⁸ In 2011, the Office for the CEI Fund at the EBRD published *Lessons for Sustainable Transition Impact* – an impact assessment and analysis of KEP projects supported by the CEI Fund. The study can be downloaded from www.cei.int (publications' section).



Know-how Exchange Programme

Projects approved in 2013

03

In 2013, eight new assignments were approved for a total CEI Fund contribution of €220,000. The total value of these projects was more than €2.5 million. The projects were selected within the 2013 KEP Call for Proposals launched by the Office for the CEI Fund at the EBRD.

The eight projects are fully in line with the strategies of the CEI Fund at the EBRD and will further enhance the already strong impact that the KEP, supported by the Italian Government, has been providing since 2004. Moreover, the projects have the full potential to support the alignment of the non-EU CEI member states with European and international standards, by transferring high level expertise and know-how.

By employing a wide range of project activities and know-how transfer tools, the assignments aim to tackle issues such as: the development of the SME sector by supporting the reduction and elimination of non-tariff barriers, trade

and services; the conservation of environment by reducing natural risks and disasters; the implementation of renewable energy solutions; the creation of a food hygiene network in the Western Balkans; and the development of an online geodata portal of cultural heritage. Moreover, looking at the future EU Strategy for the Adriatic and Ionian Region, one project aims at improving professional skills in the field of sustainable, clean and efficient energy.

The projects target institutions in all countries of the Western Balkans and in Ukraine. There is also variety in the countries of the know-how providers of the eight projects. Italian institutions remain at the top of the list with four assignments. The remaining projects will disseminate the expertise of institutions from Austria, Bulgaria, Croatia, as well as the Organisation for Economic Co-operation and Development (OECD). It is important to underline that, for the first time, Croatia will act as a know-how provider in the framework of the KEP.

Table 3.1. List of KEP projects approved in 2013

REFERENCE NUMBER	PROJECT NAME	COUNTRY OF THE KNOW-HOW PROVIDER INSTITUTION	COUNTRY OF THE KNOW-HOW RECIPIENT INSTITUTION	PROJECT TOTAL COST (€)	CEI CO-FINANCING (€)
1206.004-13	Supporting the Implementation of CEFTA 2006 in the Areas of Reduction and Elimination of Non-Tariff Barriers, Trade in Services and in Relation to the Investment Related Clauses	OECD as coordinator	Albania, Bosnia and Herzegovina, Macedonia, Montenegro, Serbia	615,000	30,000
1206.005-13	Improving Environmental Monitoring and Disaster Prevention Capacity in Drina river basin - Phase II	Italy	Bosnia and Herzegovina, Montenegro	80,830	30,260
1206.006-13	Renewable Solutions: Transfer of Successful Renewable and Bioenergy Know-how to Ukrainian Stakeholders (Res-Sol)	Austria	Ukraine	39,756	15,377
1206.007-13	Balkan Food Hygiene Network	Bulgaria	Albania, Bosnia and Herzegovina, Macedonia, Montenegro, Serbia	79,990	39,995
1206.008-13	Capacity building and transfer of knowledge for increasing and improving professional skills in the field of secure, clean and efficient energy in Albania, Montenegro and Serbia	Italy	Albania, Montenegro, Serbia	80,000	40,000
1206.009-13	Implementation of Directive 2009/28/EC in the Field of Biofuels and Transport in Serbia - Transfer of Best Practices	Croatia	Serbia	39,982	13,141
1206.010-13	Development of Online Geodata Portal of Cultural Heritage in Novi Sad, GisNS	Italy	Serbia	42,427	15,142
1206.011-13	Smallholders Farmers Access to Markets in Eastern and Northern Bosnia and Herzegovina and Northern Albania	Italy	Albania, Bosnia and Herzegovina	79,527	36,600
Total				1,057,512	220,515

Supporting the Implementation of CEFTA 2006 in the Areas of Reduction and Elimination of Non-Tariff Barriers, Trade in Services and in Relation to the Investment Related Clauses

REFERENCE NUMBER	1206.004-13
KNOW-HOW PROVIDER COUNTRIES	CEI EU Member States / The Organisation for Economic Co-operation and Development (OECD)
KNOW-HOW RECIPIENT COUNTRIES	Albania, Bosnia and Herzegovina, Macedonia, Montenegro, Serbia
AREA OF INTERVENTION	Enterprise development
IMPLEMENTATION DATES	January 2014 - September 2014
PROJECT TOTAL COST	€615,000
CEI CO-FINANCING	€30,000

KNOW-HOW PROVIDER

OECD Investment Compact for South East Europe (OECD-IC), EU CEI member states
www.investmentcompact.org

The OECD-IC is a regional cooperation programme, managed by the Private Sector Development Division of the Organisation for Economic Co-operation and Development (OECD). The programme aims to assist the countries of south-eastern Europe in the elaboration and implementation of policies directed at promoting and supporting private direct investment, from domestic and foreign sources.

KNOW-HOW RECIPIENTS

Ministries of Economy of Albania, Bosnia and Herzegovina, Macedonia, Montenegro and Serbia

The target group in each involved country are policymakers, governmental officials and bodies responsible for formulating and implementing policies that concern CEFTA (Central European Free Trade Agreement).

SUMMARY DESCRIPTION

The overall objective of the project is to assist some of the member countries of the Central European Free Trade Agreement – CEFTA 2006 in implementing the free trade agreement negotiated in 2006 by the beneficiary economies. The target groups will be the policymakers, officials and government bodies responsible for formulating and implementing policies that have an impact on trade with other CEFTA Parties. It will focus on the reduction and elimination of Non-Tariff Barriers (NTBs), the progressive liberalisation of trade in services and the identification of policy measures leading to optimising the benefits of regional trade and investment liberalisation in the context of increasing European integration.

In particular, the specific objectives of the trade in services stream of work are to:

- Support the CEFTA Secretariat and the CEFTA Parties in defining the negotiation of a framework for a progressive liberalisation of trade in services by providing an assessment of the current regulatory framework for trade in services among CEFTA Parties.
- Elaborate an analytical tool for assessing the quality of the regulatory framework for trade in services in priority sectors for the benefit of the CEFTA Parties on a multilateral basis, using as a starting base a methodology elaborated by the OECD Services Trade Restrictiveness Index Project (STRI).
- Support the dialogue and cooperation between officials in charge of the different service areas (tourism, transport, professional services, etc.).

The main output of the project will be an inventory of regulatory barriers to trade in services and a related analytical report. In particular, the regulatory inventory will present information on the existence or absence of these regulations, the legal source of the regulation as well as comments providing more details regarding specific regulations. The report will describe the regulatory framework in CEFTA countries by priority sector highlighting the main trade barriers and the potential areas for negotiations among CEFTA Parties. Furthermore, since the assessment framework will follow closely the existing methodology of the OECD Trade and Agriculture Directorate, the report will compare regulations in CEFTA countries to regulations in OECD and in EU countries in particular. Finally, based on the ongoing OECD work, a STRI will be calculated for each party and selected sectors to assess the extent of services trade restrictions. The STRI will allow comparing the degree of services trade openness in CEFTA countries relative to OECD countries.

Improving Environmental Monitoring and Disaster Prevention Capacity in Drina river basin - Phase II

REFERENCE NUMBER	1206.005-13
KNOW-HOW PROVIDER COUNTRY	Italy
KNOW-HOW RECIPIENT COUNTRIES	Bosnia and Herzegovina, Montenegro
AREA OF INTERVENTION	Sustainable energy
IMPLEMENTATION DATES	March 2014 - December 2014
PROJECT TOTAL COST	€80,830
CEI CO-FINANCING	€30,260

KNOW-HOW PROVIDER

Regional Environmental Protection Agency
of Emilia Romagna (ARPA EMR), Italy
www.arpa.emr.it

The mission of ARPA EMR is to protect health, ecosystems and territorial safety and to promote the use of resources within a framework of sustainable development. Among ARPA EMR activities and tasks are monitoring and modelling of regional hydro-meteorological parameters and various environmental components, and environmental impact assessments of plans and projects.

KNOW-HOW RECIPIENTS

Republican Hydro-meteorological Service,
Republic of Srpska (RHMZRS), Bosnia and Herzegovina
www.rhmzrs.com

Hydro-meteorological and seismological Service of the
Republic Montenegro (HMZCG), Montenegro
www.meteo.co.me

The RHMZRS has competence in meteorological, hydrological, ecological and seismological data collecting and analysis, climate variability and change, indicators of risk and vulnerability. The HMZCG is responsible for meteorology, hydrology, ecology, hydrography and seismology.

SUMMARY DESCRIPTION

The Drina River, with its 346 Km of length, spreads over the borders between Republic of Srpska (Bosnia and Herzegovina), Serbia and Montenegro, with a minor part in Albania. Lack of data exchange between Bosnia and Herzegovina, Montenegro and Serbia renders almost impossible the forecast of disruptive events, and subsequently, the adoption of appropriate measures to contain damages and disruption.

This assignment is a follow-up of a study presently under implementation in the framework of a KEP project co-financed by the CEI Fund at the EBRD that aims to reduce environmental risks and increase the safety of population in the Serbian portion of the Drina River Basin, by improving hydro-meteorological monitoring, forecasting capacity and integrated water management. During the first phases of the project, the Republican Hydro-Meteorological Services of the Republic of Srpska (Bosnia and Herzegovina) and of Montenegro joined resources for some project activities, and expressed an interest for further collaboration. Extending the project scope to the Republic of Srpska and Montenegro is considered essential, considering that all environmental risks potentially affecting the population along the Drina River are "trans-boundary". Only common strategic action may lead to rational and effective results.

The present project will be compliant with the activities conducted by the Drina River Commission (DRC), and with the guidelines of Climate Change Framework Action Plan for Adaptation for South East Europe (CCFAP), giving new impulse to the process of permanent exchange of data and know-how among the Drina Countries. Sectors to be investigated under the present project include water resource management, hydro-meteorological monitoring and forecast, risk reduction from natural events, air and water quality, energy and overall social and economic development.

The project is expected to produce impacts on several economic and social sectors, among which:

- improvement of natural disasters management;
- improvement of integrated water management;
- more rational hydroelectric energy production;
- reduction in cost and number of injuries and fatalities related to natural disasters;
- reduction of expenditure dedicated to disaster prevention and mitigation;
- improvement in agricultural practices and yield;
- more rational use of alternative energy sources, such as sun and wind.

Renewable Solutions: Transfer of Successful Renewables and Bioenergy Know-how to Ukrainian Stakeholders (Res-Sol)

REFERENCE NUMBER	1206.006-13
KNOW-HOW PROVIDER COUNTRY	Austria
KNOW-HOW RECIPIENT COUNTRY	Ukraine
AREA OF INTERVENTION	Sustainable energy
IMPLEMENTATION DATES	January 2014 – December 2014
PROJECT TOTAL COST	€39,756
CEI CO-FINANCING	€15,377

KNOW-HOW PROVIDER

Austrian Energy Agency (AEA), Austria
www.energyagency.at

The AEA is the Austrian energy research and policy institution. Its main tasks are to assist federal and provincial governmental administrations in defining energy, technology and research policies. The Agency analyses energy problems of technical, structural and behavioural nature, presents recommendations for actions, offers information to decision makers, addresses the appropriate public audience, and develops long term strategies for sustainable development.

KNOW-HOW RECIPIENTS

Scientific Engineering Centre “Biomass”, Ukraine (SECB)
www.biomass.kiev.ua

State Agency on Energy Efficiency and Energy Saving of Ukraine (SAEE), Ukraine
www.sae.gov.ua

Bioenergy Association of Ukraine (UABio), Ukraine
www.uabio.org

Renewable Energy Agency (REA), Ukraine
www.rea.org.ua

The SECB is one of the leading Ukrainian consulting and engineering companies providing consultancy in renewable energy and energy efficiency. The SAEE is the Ukrainian central authority for the implementation of national policy in the area of efficient use of energy resources and energy saving. The UABio is a platform for cooperation on the bioenergy market in Ukraine. The REA is a non-profit public organisation involving Ukrainian experts in renewable and energy efficiency.

SUMMARY DESCRIPTION

Despite many existing favourable conditions, like the availability of renewable energy, and bioenergy, or the overall availability of engineering capabilities etc., the development of renewable energy projects in Ukraine has not yet taken off on a significant scale. There is therefore a deep need for information and training about the necessary elements of a project implementation scheme for bioenergy-projects in the target country.

Moreover, Ukraine is currently developing its Renewable Energy Action Plan and the main goal of the project is to help the beneficiary counterparts in acquiring know-how and skills in the production and implementation of the Renewable Energy Action Plan. This project will boost the Ukrainian capacities in this field and it will allow Ukraine to advance on its path towards EU standards and policies, as the Action Plan is demanded by the Article 4 of Directive 2009/28/EC .

Experts from the recipients institutions will additionally be trained on the possibilities, needed framework-conditions, available technologies, financing needs, technical capabilities, implementation issues and project requirements for the utilisation of bioenergy for heat production. In addition to the training, a study-tour will be held to selected sites of renewable energy projects and bioenergy utilisation in Austria. The target Ukrainian group will be composed of experts, officers and policy-developers from the Ukrainian administration.

As a result of the project, the Ukrainian beneficiaries will be able to understand the political frameworks related to the development of renewable energies. Moreover they will acquire the necessary know-how in the identification and implementation of all the necessary elements for the realisation of such projects. After the completion of the project, experts from beneficiary institutions will follow the implementation of relevant frame conditions for the realisation of projects in the field of renewable energies in general and bioenergy projects in particular.

Lastly, one of the assets of this project is that one of the know-how providers is UNIDO, the specialised agency of the United Nations that promotes industrial development for poverty reduction, including on aspects of globalisation and environmental sustainability.

Balkan Food Hygiene Network

REFERENCE NUMBER	1206.007-13
KNOW-HOW PROVIDER COUNTRY	Bulgaria
KNOW-HOW RECIPIENT COUNTRIES	Albania, Bosnia and Herzegovina, Macedonia, Montenegro, and Serbia
AREA OF INTERVENTION	Sustainable agriculture
IMPLEMENTATION DATES	January 2014 - December 2015
PROJECT TOTAL COST	€79,990
CEI CO-FINANCING	€39,995

KNOW-HOW PROVIDER

European Forum for Nature Conservation and Pastoralism
Bulgaria (EFNCP), Bulgaria
www.efncp.org

The EFNCP is an European network focusing on the maintenance of low-intensity livestock farming. It started its operation in 2005, concentrating on capacity building projects.

KNOW-HOW RECIPIENTS

University of Belgrade, Agriculture Faculty, Serbia
www.agrif.bg.ac.rs

University of SS Cyril and Methodius, Faculty of Food Sciences and Food, Macedonia

University of Montenegro, Biotechnical Faculty

Several NGOs in the involved countries that deal with food hygiene issues as part of their wider engagement with traditional products and local food chains.

SUMMARY DESCRIPTION

According to the CEI Plan of Action, food safety and food quality are among the top CEI priorities and the CEI encourages the implementation of projects aimed at meeting standards and best practices in line with the *acquis communautaire*, such this project promoted by the Bulgarian applicant.

The project aims to train the know-how recipients on EU food hygiene regulations in countries still dominated by small producers. The training will be designed to be delivered at levels appropriate for technical and non-technical audiences by specialists with direct experience of best practice implementation.

The project foresees in-country training courses and a study visit to gain know-how from related grassroots initiatives in Romania where the beneficiaries will get know-how on how they can get involved in the process through awareness-raising and training, including involvement in production of awareness-raising materials, best practice to influencing policy, local labelling and markets, training of producers, fund-raising for facilities. The know-how providers will focus on actions on-the-ground to give more value to traditional products and on EU policy relating to food hygiene issues.

Lastly, one of the assets of this project is that its activities will complement and build on an ongoing project co-financed by the European Commission DG Enlargement, namely ESSEDRA project (www.essedra.com). The ESSEDRA project is led by Slow Food in collaboration with nine NGOs from Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Macedonia, Romania, Serbia, Turkey and the UK. As such, this assignment represents the first 'outward-looking' action by the ESSEDRA partners in which the NGOs will have an opportunity to engage with others to disseminate know-how.

Capacity building and transfer of knowledge for increasing and improving professional skills in the field of secure, clean and efficient energy in Albania, Montenegro and Serbia

REFERENCE NUMBER	1206.008-13
KNOW-HOW PROVIDER COUNTRY	Italy
KNOW-HOW RECIPIENT COUNTRIES	Albania, Montenegro, Serbia
AREA OF INTERVENTION	Sustainable energy
IMPLEMENTATION DATES	January 2014 - December 2014
PROJECT TOTAL COST	€80,000
CEI CO-FINANCING	€40,000

KNOW-HOW PROVIDER

National Institute of Oceanography and Experimental Geophysics (OGS), Italy
www.ogs.trieste.it

The OGS is an internationally oriented public research institution, developing its own mission in the European Research Area and internationally, prioritizing basic and applied research fields of oceanography, geophysics and marine geology, both experimental as well as explorative geophysics to prevent geological, environmental and climatic risks.

KNOW-HOW RECIPIENTS

Department of Energy Resources, Faculty of Geology and Mining, Albania
www.upt.al

Geological Survey of Montenegro, Montenegro
www.geozavod.co.me

Association of Geophysicists and Environmentalists of Serbia (AGES), Serbia
www.agserbia.com

The Department of Energy Resources of the Polytechnic University of Tirana prepares young specialists with necessary skills for the oil industry sector, especially on well drilling, reservoir engineering, oil and gas production and sustainable exploitation of natural resources. The Geological Survey of Montenegro is a governmental institution implementing geological exploration projects of particular interest to the Ministry of Economy. The AGES promotes geophysics, geo- and environmental sciences in Serbia.

SUMMARY DESCRIPTION

In view of the future EU Strategy for the Adriatic and Ionian Macro-Region (EUSAIR) that will involve seven member countries of the CEI (Albania, Bosnia and Herzegovina, Croatia, Italy, Montenegro, Serbia, Slovenia), this project will

address the Science and Technology sector that may play an important role in the sustainable development of the region.

The project aims to increase and improve professional skills in the field of secure, clean and efficient energy within the region, with a particular focus on the real needs of beneficiary countries, through training courses, exchange of good practices, sharing of problems and finding solutions and other capacity building activities as required.

This entails:

- Empowering the beneficiary institutions with a better understanding of their needs, problems and deficiencies by organising locally three workshops (two days each) aiming at increasing the dialogue between institutions in each country and at regional level;
- A one-week training-of-trainers course at the OGS laboratory in Trieste;
- Coaching of scientists from beneficiary countries throughout three fellowship-trainings (three months) at OGS;
- Improving continuous access to research and innovation through a dedicated e-learning platform on the OGS portal.

This will allow the acquisition of necessary tools for knowledge transfer, exchange of know-how and quick and efficient dissemination of information. As a long-term objective, the project strives to prepare best conditions for countries engaged in the pre-accession process to the EU and will support the decision of young scientists to remain in their home institutions/countries and potentially discontinue the brain-drain process.

Joint publications and co-authoring will be considered as priority and scientific products will be increased significantly. Transnational cooperation will be strengthened and network of scientific excellence will be further broadened. Partnership between OGS and local beneficiary institutions will be reinforced and new project ideas will be conceived and formulated as follow-up action to the present project.

Implementation of Directive 2009/28/EC in the Field of Biofuels and Transport in Serbia - Transfer of Best Practices

REFERENCE NUMBER	1206.009-13
KNOW-HOW PROVIDER COUNTRY	Croatia
KNOW-HOW RECIPIENT COUNTRY	Serbia
AREA OF INTERVENTION	Sustainable energy
IMPLEMENTATION DATES	January 2014 - October 2014
PROJECT TOTAL COST	€39,982
CEI CO-FINANCING	€13,141

KNOW-HOW PROVIDER

Faculty of Mechanical Engineering and Naval Architecture,
University of Zagreb (UNIZAG FSB), Croatia
www.fsb.unizg.hr

The UNIZAG FSB is a leading higher educational and research institution. One of its departments is the Department of Energy, Power Engineering and Environment and its research group is a leading group in sustainable development of power supply.

KNOW-HOW RECIPIENTS

National Petroleum Committee of Serbia - World Petroleum Council (NPCS -WPC), Serbia
www.wpcserbia.rs

Founded in 2011, the NPCS-WPC is an association whose members are the University of Belgrade, the University of Novi Sad, the Chamber of Commerce and Industry of Serbia, PE Transnafta, PE Srbijagas, Lukoil Serbia j.s.c., the Association of Oil Companies in Serbia, the Serbian Oil and Gas Association, and the Petroleum Industry of Serbia.

SUMMARY DESCRIPTION

The aim of the project is transfer know-how in EU legislation implementation, particularly the 2009/28/EC Directive that is part of EU energy legislation providing a legislative framework for EU targets for greenhouse gas emission savings. It encourages energy efficiency, energy consumption from renewable sources (RES), the improvement of energy supply and stimulation of a sector in which Europe is aiming to set an example.

In line with the Directive, an ambitious goal has been set for Serbia that foresees a share of 27% of RES in the final energy consumption of the country by 2020. Likewise, in line with the Directive and obligations for the country resulting from membership in the Energy Community, a binding goal of a share of 10% biofuels in the transport sector has been set.

The project is to be conducted through three modules:

- transfer of experience in the implementation of the legislative obligations as well as the current legislation in the field of biofuels in transport in Croatia, aiming at giving input for preparation of policy recommendations by the target group for the future legislative framework in Serbia;
- transfer of experience on practical regulation of the biofuels' market in Croatia, considering practical difficulties in the regulation of the biofuels' market and the necessity for investments in new technologies and storage capacities for biofuels in Serbia.;
- Study visit to the institutions and facilities in Croatia in charge of the regulation of the market of biofuels.

The project will provide support for policy recommendations drafting for the legislative and practical regulation of the biofuels market in Serbian transport sector, bringing closer to consumers the biofuels' market through awareness raising initiatives such as brochure development, as well as gaining new technology inputs for the project know-how beneficiaries.

Development of Online Geodata Portal of Cultural Heritage in Novi Sad (GisNS)

REFERENCE NUMBER	1206.010-13
KNOW-HOW PROVIDER COUNTRY	Italy
KNOW-HOW RECIPIENT COUNTRY	Serbia
AREA OF INTERVENTION	Capacity building
IMPLEMENTATION DATES	January 2014 - December 2014
PROJECT TOTAL COST	€42,427
CEI CO-FINANCING	€15,142

KNOW-HOW PROVIDER

Bruno Kessler Foundation (FBK), Italy
www.fbk.eu

Established by the Autonomous Province of Trento, FBK operates as private entity dealing with culture, scientific research, and technological development.

KNOW-HOW RECIPIENTS

Faculty of Technical Sciences, University of Novi Sad (FTN), Serbia
www.arhns.com

Public Enterprise for City Construction and Development (ZUG), Novi Sad, Serbia
www.zigns.rs

Institute for the Protection of Cultural Monuments of Novi Sad (ZZSKGNS), Serbia
www.novisadbastina.rs

The FTN provides high education and research in the area of technical sciences, natural sciences and mathematics, social sciences and humanities by an interdisciplinary approach. The ZUG regulates construction land development by preparing proposals concerning the general development plan of the City of Novi Sad. The ZZSKGNS engages in protection and maintenance of cultural heritage and cultural-historic sites, buildings and similar tourist monuments in Novi Sad.

SUMMARY DESCRIPTION

The main objectives of the GisNS project are to develop and improve the existing public online GIS portal of Novi Sad and to ensure the sustainability of the know-how transfer through collaborative work and student education. The project aims to solve the problem of lacking digitalized and well organized Cultural Heritage documentation as one of the main priorities in the Strategy for Information Society Development in Serbia. The project will make an important milestone for the city planning and construction land development

organization and updating of infrastructure utilities, urban-spatial documentation and technical documentation preparation and promotion of cultural values. The challenge that the GisNS partners share is the need to improve the strategies for the development of the online public database representing Cultural Heritage, targeted to the overall improvement of the city's municipal development planning. GisNS brings together major public authorities competent for infrastructure planning, Cultural Heritage protection and promotion experts as well as technical knowledge providers as experts in digitalization and preservation of Cultural Heritage.

The project will thus try to overcome a lack of cultural heritage 2D/3D data in the process of preparing proposals of General Development Plan of the city as well as the provision of easy and free accessible Cultural Heritage information which is not available online so far. This will lead to the promotion of cultural values as a basis for the promotion of the tourism in the city. Besides the project's beneficiary will get know-how on the use of new but already proven model of content opening that contributes to the introduction of innovative practices in daily management in institutions that manage data of Cultural Heritage.

By developing the GIS portal of Novi Sad, the project partners will organise and update the cadastre technical utilities and it will upgrade the urban-spatial and technical documentation. Furthermore the beneficiary institution will receive information on how to digitalise, organise cultural heritage documentation in the GIS database and how to manage it. Lastly, this project is aimed at establish long term collaboration between cultural, scientific and other related institutions in the areas of research, innovation and development in order to build the base for the development of digital libraries, archives and electronic portals to cultural heritage of Serbia, as well as corresponding inter-resources coordination.

The result of this project will be the improvement of the GIS portal of Novi Sad so that it will become the main source for any planning involved with cultural heritage. The portal will be available online to all interested institutions and people.

Smallholders Farmers' Access to Markets in Eastern and Northern Bosnia and Herzegovina, and Northern Albania

REFERENCE NUMBER	1206.011-13
KNOW-HOW PROVIDER COUNTRY	Italy
KNOW-HOW RECIPIENT COUNTRIES	Albania, Bosnia and Herzegovina
AREA OF INTERVENTION	Sustainable energy
IMPLEMENTATION DATES	January 2014 – June 2015
PROJECT TOTAL COST	€79,527
CEI CO-FINANCING	€36,600

KNOW-HOW PROVIDER

Oxfam Italia, Italy
www.oxfamitalia.org

Oxfam Italia is an association, part of an international confederation of 17 organisations, working together in more than 90 countries around the world to build a future free from injustice and poverty. Oxfam Italia works in south-eastern European countries with several projects focused on eco-tourism, the sustainable use of natural resources, cultural heritage, rural development, support to small and medium enterprises, renewable energies, institutional building of local authorities, governments and civil society.

KNOW-HOW RECIPIENTS

- | Association of Citizens Independent Office for Development, Bosnia and Herzegovina
- | Association Drina Euro region, Foča, Bosnia and Herzegovina
- | Cooperative "Rec Agripyjor", Shkoder Region

The Association of Citizens Independent Office for Development is an association for producers of typical products and includes the Local Economic Development Network (LEDnet) with 10 member associations in Bosnia and Herzegovina. The Association of Citizens Euroregija Drina is the association whose members are 17 municipalities along the Drina River from Bosnia, Croatia, Montenegro, and Serbia. The cooperative "Rec Agripyjor" established by Oxfam GB in 2005 deals with agricultural products such as chestnut fruit, chestnut honey, in medicinal herbs and soft fruit.

SUMMARY DESCRIPTION

The beneficiary countries present several common problems in the sustainable agriculture sector, such as limited access to regional and international markets for local products. Several factors have been identified as sources for this issue such as lack of scientific information about products, lack of specific market information, low competitiveness of local enterprises, insufficient knowledge of modern technologies, limited access to innovation, lack of skilled workers, and lack of awareness about opportunities. The project's main goal is to empower local farmers in eastern and northern Bosnia Herzegovina and northern Albania in order to improve their possibility to access markets. It aims at strengthening harvesting, processing quality produce, and marketing of natural products that have strong market potential in the area of intervention.

The project will mainly focus on: baseline researches (scientific research on organoleptic properties of berries, apples, plumbs and medicinal herbs and market research on local and European markets and standards for berries, apples, plumbs and medicinal herbs), capacity development to rural farmers and local cooperatives/groups; and dissemination of projects' results to local authorities and citizens. In the framework of the project several activities will be implemented among which six trainings (seminars and workshops) targeted to producers, representatives of local institutions, and cooperatives/associations.

The beneficiaries' ownership is expected to be a major asset of this project thanks to important linkages between Oxfam Italia and rural farmers that have worked together since 2004 and are constantly exchanging information. The project activities will be based on the new European Commission regulation on quality schemes for agricultural products and foodstuffs (2013) and the European marketing standards, which encourage EU farmers to produce products of quality, in conformity with the consumers' expectations.

03

Know-how Exchange Programme

Projects closed in 2013

In 2013, three KEP projects were closed, completing implementation of activities corresponding to a total CEI Fund at the EBRD contribution of around €70,000. These CEI Fund grants enabled the execution of know-how transfer projects for a total value of around €230,000 targeting the following two areas of intervention: capacity building and enterprise development.

Organisations and institutions from Italy, Poland and Slovenia acted as know-how providers. All the assignments directly addressed recipients in individual countries: Albania, Macedonia and Ukraine.

Table 3.2. List of KEP projects closed in 2013

REFERENCE NUMBER	PROJECT NAME	COUNTRY OF THE KNOW-HOW PROVIDER INSTITUTION	COUNTRY OF THE KNOW-HOW RECIPIENT INSTITUTION	PROJECT TOTAL COST (€)	CEI CO-FINANCING (€)	AREA OF INTERVENTION
1206.009-11	Public Accountants Certification Training (PACT) in Macedonia	Slovenia	Macedonia	114,080.00	29,915.00	Capacity building
1206KEP.003-12	Conditions for technology transfer of experience for Tirana city - Context	Italy	Albania	86,192.71	28,434.67	Enterprise development
1206KEP.006-12	Know-how for Donetsk Region – strengthening of administrative structures and regional development in Ukraine	Poland	Ukraine	28,736.00	11,291.82	Capacity building
Total				229,006.71	69,641.49	

Public Accountants Certification Training (PACT) in Macedonia

REFERENCE NUMBER	1206.009-11
KNOW-HOW PROVIDER COUNTRY	Slovenia
KNOW-HOW RECIPIENT COUNTRY	Macedonia
AREA OF INTERVENTION	Capacity building
IMPLEMENTATION DATES	December 2011 - October 2013
PROJECT TOTAL COST	€114,080
CEI CO-FINANCING	€29,915

KNOW-HOW PROVIDER

The Center of Excellence in Finance (CEF), Slovenia
www.cef-see.org

Established in 2001, the CEF is since 2013 an international organisation. Its mission is to promote awareness of international standards and best practice in public financial management and central banking by organising specialised learning events, encouraging knowledge sharing and research, and providing technical assistance.

KNOW-HOW RECIPIENT

Ministry of Finance, Macedonia
www.finance.gov.mk

The Ministry of Finance of Macedonia is the beneficiary of the project. Approximately 40 of the Ministry's civil servants participated in the programme based on candidates' working experience, their work engagement within the beneficiary country's civil service system, their basic knowledge and language skills.

SUMMARY DESCRIPTION

The project is part of the certification programme for public sector accountants the CEF has been implementing in the Western Balkan countries since 2002. In particular, this project is the follow up of a KEP project already implemented in Macedonia in 2011. Building up on the positive results of the first KEP project, Macedonia approached the CEF requesting additional training focused on how to form professional qualification for public sector accountants in the country.

The implementation of the project is consistent with the specific goal of the Public Administration Reform Strategy of Macedonia (2010–2015). This goal seeks to raise efficiency and effectiveness in the public sector accounting by improving the budgetary process and internal and external financial controls, by further developing the program-

oriented budgeting, and by increasing the transparency of the public procurement system.

The project helped the Ministry of Finance (MoF) of Macedonia to enhance the ability of public accountants to implement a modernised management accounting system in line with international accounting standards and best practices. The Ministry of Finance took a leading role in the selection of relevant and motivated students, who possessed adequate and sufficient knowledge of the matter. At the end of the project implementation 24 students out of 40 successfully finalised the first level of the certification training.

In cooperation with the MoF, the CEF selected and hired proficient local tutors, with a background in Public Finance Management (PFM) academia and practice. The project also enabled the Chartered Institute of Public Finance and Accountancy (CIPFA), one of the leading professional accountancy institutions in the United Kingdom and the only one specialising in the public sector, to train the local tutors to teach the curriculum in the Macedonian language. CIPFA updated teaching materials for two international modules and the MoF designed a module on national public finance legislation and taxation that CIPFA approved. The CEF facilitated the translation of materials and 25 International Public Sector Accounting Standards (IPSAs), standards that enabled the students to better understand the complex PACT curriculum.

In addition to the graduation of successful students and the formation of local trainers' skills in order to implement training, the project has pursued sustainability based on MoF's decision to establish a working group of the PACT training programme for public sector internal auditors in Macedonia. The working group also included CEF's experts and staff in order for them to provide expertise on training institutionalisation and delivery. The project's accomplished results are expected to lead to the formation of a think tank of accountants in public sector capable of planning and implementing necessary reforms.

Conditions for technology transfer of experience for Tirana city - Context

REFERENCE NUMBER	1206KEP.003-12
KNOW-HOW PROVIDER COUNTRY	Italy
KNOW-HOW RECIPIENT COUNTRY	Albania
AREA OF INTERVENTION	Enterprise development
IMPLEMENTATION DATES	December 2012 - May 2013
PROJECT TOTAL COST	€86,192.71
CEI CO-FINANCING	€28,434.67

KNOW-HOW PROVIDER

Archidata Srl, Italy
www.archidata.it

Archidata is an Italian company that focuses on innovation and technology transfer, promotes public private partnerships as well as networks, in a logic of open innovation and best practice exchange. Related to these activities, Archidata provides multiple services that include feasibility studies, SWOT analysis and the organisation of study visits for different projects.

KNOW-HOW RECIPIENT

Municipality of Tirana, Albania
www.tirana.gov.al

The Municipality of Tirana, in particular the Strategic Projects and Foreign Investments Department, is developing some crucial large scale strategic projects related to the city public infrastructure and urban development, such as technological park, the multimodal passengers' terminal, city tram lines, extension of main city boulevard etc. The Municipality aims to offer a thorough service to all existing foreign investors but also to those who have expressed interest to invest in Tirana, in terms of facilitating the process of initiation and conduct of their activity.

SUMMARY DESCRIPTION

The project's overall goal was to improve the quality of research and technology development in Albania, helping the Tirana Municipality to prepare financing guidelines for the establishment of a technological and scientific park (Techno-Park). The Techno-Park intends to support the area development through SMEs settlement and their cooperation with local and foreign universities to attract national and international young talent.

The ContextT project established an efficient coordination of activities as well as cooperation among the project partners, strengthening the collaboration between the two project partners. The project results also injected a

level of concreteness to the Tirana city administration in its endeavour of establishing a Techno-Park. Socio-economic and SWOT analysis allowed Archidata to understand better the Tirana economic context. Moreover, a five-day study visit in Italy was organised to allow the Municipality of Tirana, to familiarise with some of the Italian best practices in the field, especially in relation to the innovative approach for the business model definition. During the study visit in Italy, roundtables were organised among the representatives of the Archidata, Tirana Municipality, and case studies presenters from Italy. The resulting discussion with the Albanian partners gave the opportunity to agree and clarify the guidelines for the establishment of a Techno-Park, using research, innovation and technology knowledge transfer in order to form a roadmap for the development and the financing of the Techno-Park.

Once the common view on the final report was defined, it was summarised in a short marketing survey that was supported by a wider marketing and communication campaign. The summarised methodology was then shared with the Tirana Municipality by producing a Final Report on technology transfer needs.

The final deliverable of the project, the guidelines for the financing of the Techno Park of Tirana and the defined business model, were reoriented to provide guidance and structure to future innovation initiatives. The ContextT web site (www.context-tirana.org) is the repository of all project deliverables and the Municipality of Tirana can use it as a showcase. The ongoing maintenance of ContextT website is making it possible to broaden the dissemination of the ContextT results.

At the final conference held in Tirana the project's final report and its results were presented in an effort to secure commitment from the main stakeholders and the local population. As a short-term outcome, the project contributed to the Strategy of the Municipality of Tirana on innovation for competitiveness and labour market. As long term results, the establishment of the Techno-Park is expected to enable an inflow of foreign funds to the area. This will also improve partnerships and network capacities for future initiatives and innovations.

Know-how for Donetsk Region - strengthening of administrative structures and regional development in Ukraine

REFERENCE NUMBER	1206KEP.006-12
KNOW-HOW PROVIDER COUNTRY	Poland
KNOW-HOW RECIPIENT COUNTRY	Ukraine
AREA OF INTERVENTION	Capacity building
IMPLEMENTATION DATES	January 2013 – June 2013
PROJECT TOTAL COST	€28,736
CEI CO-FINANCING	€11,291.82

KNOW-HOW PROVIDER

Marshal Office of the Wielkopolska Region (UMWW),
Poland
www.umww.pl/zagranica.html

The UMWW is a subsidiary body of the Self-Government of the Wielkopolska Region. One of the office bureaus is the International Cooperation Bureau, which coordinates the international cooperation of the Region.

KNOW-HOW RECIPIENT

Local association of local authorities in Donetsk Region
(LALADR), Ukraine

The LALADR in Ukraine, was founded in October 2009 and currently encompasses 397 of 404 local councils in the Donetsk Oblast. The Donetsk Oblast has been collaborating with Polish regions for a number of years.

SUMMARY DESCRIPTION

The project aimed to support the Ukrainian beneficiary in the establishment of regional development instruments, by strengthening the institutional capacities of the territorial administration through theoretical and practical know-how transfer.

Firstly, a three-day long study visit in the Donetsk Region was organised, which included a two-day seminar. The focus was on the local management in Poland through a presentation of the Marshal Office of the Wielkopolska Region, on the Polish system and regional development. The visit also informed the participants about the regional

development policy of the EU. The seminar also presented the substance and function of strategic planning.

Secondly, employees of the administrative structures of the Donetsk Region completed an internship in the Wielkopolska Region. The internship participants acquired know-how and experiences related to best practices of the operations of Polish self-government institutions, with particular attention to the development and implementation of regional policy and organisation of the local self-governments. The internships consisted of meetings, workshops and study visits. In order to strengthen the gained knowledge the theoretical part of the internship was accompanied by practical work.

Thirdly, the project also delivered the “Polish-Ukrainian glossary of basic terms related to regional development and territorial administration” in the Polish, Ukrainian and Russian language. The glossary is the first of its kind, since there is no similar publication gathering and comparing knowledge about regional development and territorial administration in Poland and Ukraine.

As a fourth and last part of the project, a round up meeting and a seminar were organised in order to present the project results and the glossary, which was also distributed among all the participants. On the occasion of the 2nd meeting of the Standing Polish Conference for International Cooperation of Local Governments, held in Poznan the day after the round-up meeting and seminar, copies of the glossary were also disseminated.



Future Outlook: 2014 Strategies

The 2014 strategies have been elaborated by the Office for the CEI Fund at the EBRD and the EBRD in agreement with the Italian Ministry of Foreign Affairs - Directorate General for the European Union.

They offer a briefing on country and sector priorities for projects and related activities to be financed through the CEI Fund at the EBRD during 2014 with an allocation of more than €1.8 million (see Annex 2).

The CEI Fund strategies for 2014 are coherent with the CEI strategic objectives outlined in the CEI Plan of Action 2014-2016. The Fund will continue supporting regional cooperation through projects having an impact on the entire CEI region, thus by complementing the other CEI funds and instruments.

The strategies are also in line with the EBRD's programmes and investments through which the Bank continues to provide support to CEI countries in the aftermath of the financial crisis. In this regard, it promotes economic recovery as well as the strengthening of financial sectors and the introduction of appropriate regulations throughout its sectors of operation.

The assistance offered through the CEI Fund will direct its strategic focus towards non-EU CEI Member States (Western Balkan countries, Belarus, Moldova, and Ukraine). Priority is given to the following sectors: sustainable energy, transport, municipal and environmental infrastructure, agribusiness and food security, institutional development, and SME support.

As for project-related activities, this year the Office for the CEI Fund at the EBRD will once again pay particular attention to the monitoring and assessment phases of the project cycle, both for Technical Cooperation and Know-how Exchange Programme assignments. An enhanced visibility will be an important instrument in fulfilling the objectives of the 2014 strategies.

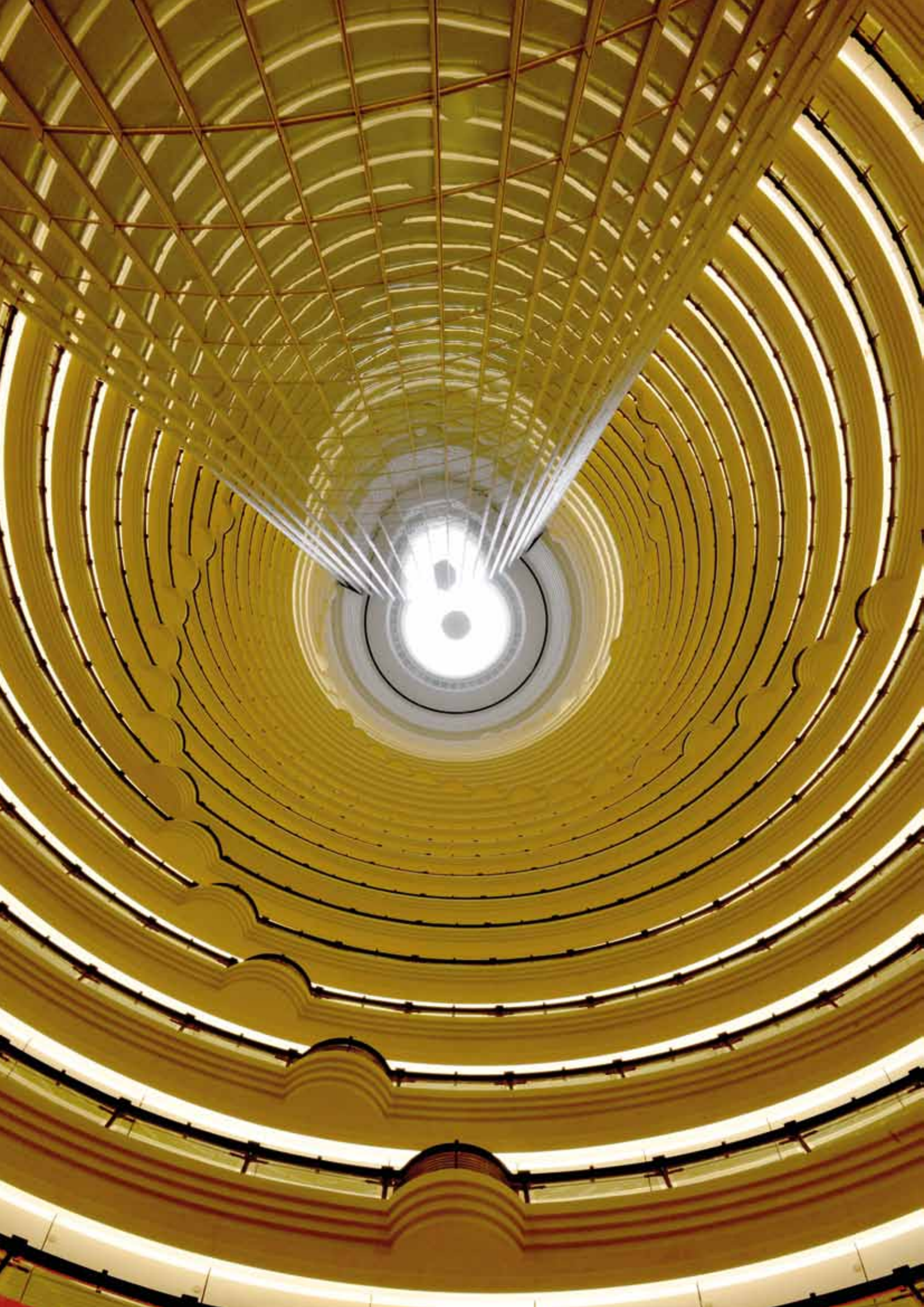
By providing dedicated technical assistance, and through the CEI Know How Exchange Programme, the CEI Fund in 2014 aims to help the EBRD and the CEI countries to achieve their transition and integration objectives, ensuring leverage and additionality in the use of the CEI Fund resources provided by Italy alone.

Guido Paolucci

*Programme Manager
Office for the CEI Fund at the EBRD
Donor Co-financing, EBRD*



11 November 2014: 25th Anniversary of Foundation of the CEI



Annex 1

Financial Report 2013

Financial Report 2013 for the CEI Fund at the EBRD contributed by Italy ¹

A Fund Summary - all years to 31 December 2013		€ ²
Inflows		
Net Inflow of funds 1992-2007 ³		26,563,961
Inflow (Italian lodgement) during 2008-2013		11,000,000
Accrued Interest up to 31/12/2013		2,958,126
EBRD Administration Fee		-1,239,660
Bank + other charges and reimbursements		2,837
Total inflow 1992 - 2013		39,285,264
Expenditure		
Operational/administrative expenditure for CEI-PS (London and Trieste, from 1992 up to 31/12/2003) including CEI Summit Economic Forum (1998-2003), international events, training for CEI Countries, cooperation activities, cooperation with international organizations, agricultural and energy projects		5,985,499
Closed and open TC assignments as of 31/12/2013		30,704,199
Total Commitments 1992-2013		36,689,698
Fund's Availability*		
Total Available Fund Balance by EBRD Financial Control: CEI Account - as of 31/12/2013 (Annex 3)		36,548
Total Available Fund Balance by EBRD Financial Control: CEI2 Account - as of 31/12/2013 (Annex 4)		2,559,018
TC assignments not numbered as of 31/12/2013		-952,514
Expected recovery from operational activities and TC assignments in London		180,000
Expected recovery from operational activities and KEP in Trieste		167,477
Total available as of 31/12/2013		1,990,529
B Fund Budget 2014-2015		
Budget Forecast 2014 (TCs, KEP and operational activities of London and Trieste office)		2,350,000
Expected Inflow during 2014		1,000,000
Expected Fund Availability for 2015		640,529

¹ This Financial Report and Budget uses unaudited figures for planning purposes. Audited accounts are available from the EBRD System and external auditors for the Fund.

² All currency amounts are denominated in EURO, unless otherwise indicated.

³ Total allocation from Italy as of 31/12/2007.

* Estimated reimbursement from the EBRD related to the share in costs associated with the renewal of the contract of the Programme Manager from 1/05/2011 to 30/04/2013 (around €38,000)

* Estimated credit from Croatia Wholesale Markets (around €850,000)

Annex 2

Budget 2014

Budget 2014 for TCs, KEP and Office operational activities (London and Trieste)

A Projects	Trieste (€)	London (€)	Total €
Technical Cooperation Projects		1,605,000	
Know-how Exchange Programme	260,000		
Subtotal			1,865,000
B Human Resources			
Permanent Staff (Programme Manager + 3 staff members)	182,000	109,000	
Subtotal			291,000
C Travels and Events			
Missions (TC and KEP project cycle and other meetings)	7,000	14,000	
Meetings and hospitality	2,000	4,000	
Subtotal			27,000
D Operational Expenses			
Cleaning, security, IT, audit and certifications	6,500		
Publications, visibility, website	12,000	2,000	
Utilities and maintenance	20,000		
Equipment	3,000		
Telephone, postage, stationery, and bank	6,000	1,500	
Insurance	7,000		
Subtotal			58,000
E Contingencies and miscellaneous			
Reserves for projects and other expenses	64,000	45,000	
Subtotal			109,000
Total			2,350,000

Annex 3

Central European Initiative Fund

Balance 2013

Table A. Fund Balance Report (cumulative to 31/12/2013)		€
Agreement Amount		26,563,961
Commitments		- 22,483,928
Subtotal		4,080,033
Bank Charges		-18,776
EBRD Administration Fee		-969,660
Foreign Exchange Gain / Loss & Other Income / Charges		16,844
Interest Income		2,913,605
Secretariat expenses		-5,985,499
Available Fund Balance		36,548
Table B. Fund Balance Report Breakdown		€
Advance – Other		0
Advances to Business Advisory services Programme		0
Cash on Hand		182,119
Commitments not yet Disbursed		-149,260
Contributions Pledged but not Received		0
Other Liabilities		0
Placements and Debt Securities		3,689
Available Fund Balance		36,548
Table C. Additional Information		€
Contributions to date		26,563,961
Disbursement to date		22,334,668

Central European Initiative Ministry of Foreign Affairs Fund

Balance 2013

Table A. Fund Balance Report (cumulative to 31/12/2013)		€
Agreement Amount		11,000,000
Commitments		- 8,220,271
Subtotal		2,779,729
Bank Charges		-1,231
EBRD Administration Fees		-270,000
Interest Income		44,521
Technical Cooperation Reimbursements		6,000
Available Fund Balance		2,559,018
Table B. Fund Balance Report Breakdown		€
Cash on Hand		5,650,827
Commitments not yet Disbursed		-3,091,809
Contributions Pledged but not Received		0
Available Fund Balance		2,559,018
Table C. Additional Information		€
Contributions to date		11,000,000
Disbursement to date		5,128,462

List of Technical Cooperation Assignments 1993-2013

COMMITMENT NUMBER	COMMITMENT NAME	€ COMMITTED	COMMITMENT STAGE	COUNTRIES OF OPERATIONS
CEI-1993-12-01	Kyiv to Western Border Highway feasibility study	784,844	closed	Ukraine
CEI-1994-04-01	Central European Initiative - transport information reporting project (design and supervision)	156,621	closed	Albania
CEI-1994-06-02	Commercial law training	1,910,891	closed	Regional
CEI-1994-08-03	CETIR - Central Initiative System - transport information reporting system	505,484	closed	Regional
CEI-1995-07-01	Industrial zone development (Phase I)	19,923	closed	Slovak Republic
CEI-1995-07-02	Co-financing advisory services	22,827	closed	Albania
CEI-1996-11-01	Board On-Line Documents (BOLD)	71,647	closed	Regional
CEI-1996-12-02	Board On-Line Documents (BOLD)	78,193	closed	Regional
CEI-1997-07-01	Funding of assistants for Directors representing constituencies of countries of operations	41,983	closed	Regional
CEI-1997-07-02	Commercial law training extension	619,474	closed	Regional
CEI-1997-08-03	Air navigation system management information	182,412	closed	Ukraine
CEI-1997-09-04	Emergency power system reconstruction project	76,218	closed	Bosnia and Herzegovina
CEI-1997-09-05	Emergency power system reconstruction project	133,581	closed	Bosnia and Herzegovina
CEI-1997-10-06	Board on-line documents	59,058	closed	Regional
CEI-1997-11-07	Law reform and training programme III / CEI support	82,566	closed	Regional
CEI-1998-03-08	Project screening for Bosnia-Herzegovina	62,683	closed	Bosnia and Herzegovina
CEI-1998-04-09	Sarajevo Airport Masterplan study	167,412	closed	Bosnia and Herzegovina
CEI-1998-07-10	Design and supervision consultants for Croatia Wholesale Markets	737,639	closed	Croatia
CEI-1998-08-11	Business Advisory Services - feasibility study	19,594	closed	Bosnia and Herzegovina
CEI-1998-09-12	Board on-line documents	63,962	closed	Regional
CEI-1999-07-01	Sarajevo International Airport - Lighting & Equipment	409,971	closed	Bosnia and Herzegovina
CEI-1999-07-02	BiH - Sarajevo International Airport - Firefighting Training	30,000	closed	Bosnia and Herzegovina
CEI-1999-11-04	BOLD Project Manager and CEI Deputy Programme Manager	81,148	closed	Regional
CEI-1999-12-05	Procurement assistance to the transport team	89,091	closed	Regional
CEI-2000-06-01	Business Advisory Service (BAS) Programme in Croatia - Ana Betica	24,633	closed	Croatia
CEI-2000-06-02	Business Advisory Service (BAS) Programme in Croatia - TAM Management & Support	37,600	closed	Croatia
CEI-2000-06-03	Business Advisory Service (BAS) Programme in Croatia - subsidy contributions	759,928	closed	Croatia
CEI-2000-06-04	Business Advisory Service (BAS) Programme in Croatia - office operating expenses	71,600	closed	Croatia
CEI-2000-06-05	Business Advisory Service (BAS) Programme in Croatia - office rent & Opex	85,945	closed	Croatia
CEI-2000-06-06	Business Advisory Service (BAS) Programme in Croatia - office equipment & furniture	20,967	closed	Croatia
CEI-2000-07-08	Business Advisory Service (BAS) Programme in Croatia - Local Programme Director	61,431	closed	Croatia
CEI-2000-07-09	Business Advisory Service (BAS) Programme in Croatia - Travel Expenses for Udo Schedel	9,680	closed	Croatia
CEI-2000-07-10	CEI Loans for Small Entrepreneurs in Albania	268,586	closed	Albania
CEI-2000-09-11	Business Advisory Service (BAS) Programme in Croatia - Project Officer	36,688	closed	Croatia
CEI-2001-02-01	CEI Romanian Railways Cooperation Project - Project Preparation and Implementation	409,448	closed	Romania
CEI-2001-03-02	Albania - Rehabilitation of Road Network	1,700,000	closed	Albania
CEI-2001-09-03F	CEI Wholesale Markets Foundation	464,812	closed	Regional

COMMITMENT NUMBER	COMMITMENT NAME	€ COMMITTED	COMMITMENT STAGE	COUNTRIES OF OPERATIONS
CEI-2001-10-04F	Business Advisory Service (BAS) Programme in South East Europe	1,243,645	closed	Regional
CEI-2002-06-01F	TAM Programme - CEI TAM Privatisation Support	468,284	closed	Regional
CEI-2002-08-02	Business Advisory Service (BAS) Programme in Croatia - National Programme Director Kruno Placko	14,482	closed	Croatia
CEI-2002-08-03	Business Advisory Service (BAS) Programme in Croatia - Asst to National Prog. Director - Ana Betica	6,273	closed	Croatia
CEI-2002-12-04	BAS Programme / Contract of the BAS Croatia National Programme Director, Ana Klaric	21,965	closed	Croatia
CEI-2002-12-05	BAS Programme / Contract Extension of the BAS Croatia Assistant to National Programme Director, Ana Betica	3,111	closed	Croatia
CEI-2003-02-01	Macedonia, ATCO refresher courses	235,408	closed	Macedonia
CEI-2003-02-02	Macedonia, ATCO refresher courses	58,433	closed	Macedonia
CEI-2003-05-01	CEI Business Advisory Service (BAS) Programme in Croatia and Macedonia - Programme Evaluation	9,748	closed	Regional
CEI-2003-06-01	CEI Romanian Railways Cooperation Project	16,099	closed	Romania
CEI-2003-07-01F	Business Advisory Service (BAS) Programme in SE Europe (Croatia, Slovenia, BiH, Bulgaria and Macedonia)	1,070,930	closed	Regional
CEI-2004-04-01	Bulgaria Water and Wastewater Project Facility:	204,233	closed	Bulgaria
CEI-2004-06-02	FAO CEI - EASTAGRI	56,323	closed	Regional
CEI-2004-10-03F	Regional: Energy Audits Programme Framework Agreements (D'Appolonia)	226,582	closed	Regional
CEI-2004-10-04F	Regional: Energy Audits Programme Framework Agreements (MWH)	238,162	closed	Regional
CEI-2004-10-05	Bulgaria Water and Wastewater Project	43,860	closed	Bulgaria
CEI-2005-02-03	Milavitsa Strategic Industry Advisor	15,110	closed	Belarus
CEI-2005-02-04	TAM - Tikves	38,972	closed	Macedonia
CEI-2005-04-05F	Business Advisory Service (BAS) Programme in Slovenia - Framework	92,232	closed	Slovenia
CEI-2005-07-06	CEI Insurance Privatisation Assistance for INSIG (Albania)	404,970	closed	Albania
CEI-2005-08-07	BiH Regional Railway Project: Environmental Analysis & Audit	19,800	closed	Bosnia and Herzegovina
CEI-2005-12-08	Bosnia - Sector Study of the Forestry Study	49,103	closed	Bosnia and Herzegovina
CEI-2005-12-09	Market Study for Sustainable Energy in the Slovak Republic	49,307	closed	Slovak Republic
CEI-2006-03-05	Regional: EastAgri CEI Network - Phase II	46,889	closed	Regional
CEI-2006-08-07	Macedonia: Consulting Services for Implementation of Management and Financial Procedures and Systems for Air Navigation System Provider	235,814	closed	Macedonia
CEI-2006-09-08	Brasov Urban Transport: Regulatory Strengthening Advisory Services to the City	69,084	closed	Romania
CEI-2006-09-09	Brasov Urban Transport: Corporate Development Programme	79,998	closed	Romania
CEI-2006-09-10	OECD Membership 2006	26,274	closed	Regional
CEI-2006-12-12	BiH Regional Railway Project: Assistance with Restructuring	279,950	closed	Bosnia and Herzegovina
CEI-2007-02-01F	TAM - Tikves	8,040	closed	Macedonia
CEI-2007-07-04	Crimea Municipal Infrastructure - Yalta Vodocanal IFRS	49,440	closed	Ukraine
CEI-2007-08-05	Albania: Tirana Creditworthiness Enhancement Programme (CEP)	330,018	closed	Albania
CEI-2007-08-06	BiH Regional Railway Project: Assistance with Restructuring (extension)	20,000	closed	Bosnia and Herzegovina
CEI-2007-09-07	Kiev City Transport: Financial Due Diligence & IFRS Audit - Kiev Metropolitan	60,000	closed	Ukraine
CEI-2007-12-08	Assessment of Sustainable Energy Potential in West Balkans	196,000	closed	Regional
CEI-2008-05-02	BiH Resettlement Framework and Action Plan for Corridor Vc	79,604	closed	Bosnia and Herzegovina
CEI-2008-07-04	BiH Resettlement Framework and Action Plan for Corridor Vc (Extension)	12,138	closed	Bosnia and Herzegovina
CEI-2008-09-05	Extension to IBP and Strengthening of SME Loans Procedures	191,544	closed	Belarus
CEI-2008-11-09F	Energy Audits Programme (CEI funded - extension) D'Appolonia	142,784	closed	Regional
CEI-2008-11-10F	Energy Audits Programme (CEI funded - extension) MWH	190,050	closed	Regional
CEI-2008-12-11	Macedonia: Environmental and Social Analysis for ASR	46,567	closed	Macedonia
CEI-2009-05-02	Sarajevo Water & Wastewater - Feasibility Study	190,840	closed	Bosnia and Herzegovina
CEI-2009-06-04	Mahovljani Interchange Feasibility & Environmental Due Diligence	170,140	closed	Bosnia and Herzegovina
CEI-2009-10-05	Assessment of SEI Potential in Belarus - Market Demand Study	74,512	closed	Belarus

COMMITMENT NUMBER	COMMITMENT NAME	€ COMMITTED	COMMITMENT STAGE	COUNTRIES OF OPERATIONS
CEI-2009-11-06	Sarajevo Water & Wastewater - Feasibility Study-Extension	37,125	closed	Bosnia and Herzegovina
CEI-2010-01-01F	TAM - Pantomarket	11,315	closed	Montenegro
CEI-2010-01-02F	TAM - Altimed	59,399	closed	Belarus
CEI-2010-02-03F	TAM - Pinskdiv	55,217	closed	Belarus
CEI-2010-03-04F	TAM - Bereza Cheese Plant JCS	55,773	closed	Belarus
CEI-2010-11-06F	Regional Energy Efficiency Programme for the Corporate Sector - CEI - MWH	165,996	closed	Regional
CEI-2010-11-07F	Regional Energy Efficiency Programme for Corporate Sector - CEI - D'Appolonia	65,493	closed	Regional
CEI-2012-07-01	Belgrade Public Transport and Traffic Infrastructure Extension - Preparation of technical requirements and tendering for public transport shelter lighting optimisation	100,000	committed	Serbia
CEI-2012-07-02	Energy Efficiency Programme for Corporate sector - CEI - D'Appolonia - Moldovan Railways	49,260	committed	Moldova
CEI2-2010-06-04	Life in Transition Survey II - Bosnia-Herzegovina	45,000	closed	Bosnia and Herzegovina
CEI2-2010-06-05	Life in Transition Survey II - Albania	45,000	closed	Albania
CEI2-2010-07-06	Rail Corridor X in Serbia and Macedonia: Lender's Monitor Advisor	196,300	disbursing	Regional
CEI2-2010-07-07	WeBSEDF:TC Banker	233,777	closed	Regional
CEI2-2010-12-08	Support to ZS for Implementation of Energy Information Management System - Serbia	250,000	disbursing	Serbia
CEI2-2011-07-03	Capljina Water Supply Environmental and Social Due Diligence	49,400	closed	Bosnia and Herzegovina
CEI2-2011-12-04	JSC Serbian Railways: Lender's Monitor Advisor	175,000	committed	Serbia
CEI2-2012-04-01	Montenegro: Energy Efficiency Action Plan for ZPCG	150,000	disbursing	Montenegro
CEI2-2012-05-02	Market Study: Opportunities to Implement Sustainable Strategies in the Maritime Sector	235,000	disbursing	Regional
CEI2-2012-06-05	Enhancing Public Procurement Professionalism - Pilot Master's	40,000	closed	Regional
CEI2-2012-06-06	Resource and Process Efficiency in Manufacturing Sectors	427,570	disbursing	Regional
CEI2-2012-06-07	Macedonia: Railway Corridor VIII - Energy Management System for PERI	175,000	disbursing	Macedonia
CEI2-2012-08-08F	EGP - MixNet	60,000	disbursing	Ukraine
CEI2-2012-11-09	Kotor - Cetinje Cable Car - Technical Review and Preparation of PPP Tender	200,000	disbursing	Montenegro
CEI2-2012-12-10F	EGP - Maize I	60,000	disbursing	Ukraine
CEI2-2012-12-11	Montenegro: Energy Efficiency Action Plan for ZPCG extension	20,000	committed	Montenegro
CEI2-2013-03-05	Strengthening the capacity of the Belarusian Renewable Energy Association (BREA) for its active involvement in policy- and decision-making processes in Belarus	180,000	disbursing	Belarus
CEI2-2013-03-04	Training of Grain Farmers in Ukraine	265,077	disbursing	Ukraine
CEI2-2013-01-02	Policy dialogue in the Ukrainian dairy sector	27,968	committed	Ukraine
CEI2-2013-02-03	Kotor Fortress Urban Regeneration - Technical and Market Due Diligence	74,800	disbursing	Montenegro
CEI2-2013-07-10	Moldova Railways: Environmental, Health and Safety Management Support and Capacity Building	73,000	committed	Moldova
CEI2-2013-07-09	Local Roads Reconstruction and Upgrade Project	274,000	committed	Montenegro
CEI2-2013-08-14	Road Rehabilitation and Safety Project. Capacity Building on Road Safety Management (ISO 39001)	70,000	committed	Serbia
CEI2-2013-07-11	Moldova Railways: Assistance in preparation and implementation of tender for rolling stock rehabilitation	250,000	committed	Moldova
CEI2-2013-07-12	Energy and Resource Efficiency Programme for the Corporate Sector - Production of fertilizers from agribusiness wastes: technical and market potential in Ukraine and Western Balkans	51,350	committed	Regional
CEI2-2013-08-13	Kotor - Cetinje Cable Car - Technical Review and Preparation of PPP Tender Extension	39,850	disbursing	Montenegro
CEI2-2013-10-15	Sustainable Energy Action Plan (SEAP) for Chisinau. Urban Regeneration Market Study	110,000	committed	Moldova
CEI2-2013-10-16	Energy and Resource Efficiency Programme for the Corporate Sector CEI - Mark Formelle Cogeneration Plant: Feasibility Study	37,486	committed	Belarus
CEI2-2014-01-01	Review of Energy Act in Serbia: Institutional Capacity building sub-assignments under the Western Balkans Sustainable Energy Direct Lending Facility	200,000	committed	Serbia
To be assigned	Energy Audit Programme Agreements	412,514	approved	Regional
To be assigned	Green Energy Special Fund - Framework for Technical Preparation of Green Components	500,000	approved	Regional
To be assigned	Enhancing Public Procurement Professionalism - Master's Second Edition	40,000	approved	Regional
Total		23,012,928		

List of Know-how Exchange Programme Projects 2004-2013

REFERENCE NUMBER	PROJECT NAME	KNOW-HOW PROVIDER COUNTRY / ORGANISATION	KNOW-HOW RECIPIENT COUNTRY	PROJECT TOTAL COST (€)	CEI CO-FINANCING (€)	IMPLEMENTATION STAGE	AREA OF INTERVENTION
1206.009-04	Introduction to Public Finance Management	Slovenia	Macedonia	15,172	5,000	closed	Capacity building
1206.001-05	Sharing policy know-how in transition countries in CEI region	Czech Republic, Hungary, Poland, Slovak Republic, Slovenia	Regional	81,025	28,400	closed	Capacity building
1206.014-05	CEI support to Wholesale Markets Development in Ukraine	Italy, Poland / FAO as coordinator	Ukraine	65,164	36,502	closed	Sustainable agriculture
1206.016-05	AER PEER Review Initiative (APRI) in the CEI Region	Austria, Czech Republic, Hungary, Italy / AER as coordinator	Croatia, Romania, Ukraine	61,621	16,100	closed	Capacity building
1206.004-06	Prospects of EU-Ukraine economic relations	Poland	Ukraine	54,143	21,790	closed	Capacity building
1206.005-06	Entrepreneurship and Enterprise Development in South East Europe: identification and implementation of good policy practices	CEI-EU members / OECD as coordinator	Regional (Western Balkan countries)	95,900	38,200	closed	Enterprise development
1206.006-06	SMILE (Support for Moldova: Innovation, Leadership and positive Environment)	Italy	Moldova	83,183	22,708	closed	Enterprise development
1206.007-06	Introduction to Public Finance Management for Junior Governmental Officials Assigned to Public Finance Management Positions	Slovenia	Romania	15,830	5,240	closed	Capacity building
1206.008-06	Support to the development of rural tourism and setting up of a professional tourist organization with member municipalities of the Rose Valley, Bulgaria	Austria	Bulgaria	50,118	20,500	closed	Sustainable agriculture
1206.009-06	Building Effective Fresh Fruit and Vegetables Quality Control System in Moldova	Slovak Republic	Moldova	10,791	1,660	closed	Sustainable agriculture
1206.010-06	Study tour on EU co-ordination	Austria, Poland	Romania	8,523	3,689	closed	Sustainable agriculture
1206.001-07	CEI support to Wholesale Markets Development in Ukraine (phase 2): Wholesale Markets Training at Regional Level	Italy, Poland / FAO as coordinator	Ukraine	36,147	14,832	closed	Sustainable agriculture
1206.002-07	Improving transparency in local government finance in Moldova through better budgeting process	Poland	Moldova	67,191	18,065	closed	Capacity building
1206.003-07	Human resources development and improvement of internal control in administration of small cities of Moldovan-Ukrainian borderland – Floresti, Sorooca, Yampil	Poland	Moldova, Ukraine	117,712	23,249	closed	Capacity building
1206.004-07	Ecological agriculture and agrotourism promotion and development in the Eastern Ukrainian Carpathian Region and Moldova	Poland	Moldova, Ukraine	83,853	24,308	closed	Sustainable agriculture
1206.012-07	CEI study tour and workshop: Networking and cluster model to support SMEs internationalization	Italy, Slovenia	Regional	88,044	34,584	closed	Enterprise development
1206.001-08	Pilot project on enhancing sustainable local and rural development in the SAP (Stabilization and Association Process) Hungary countries by introducing the LEADER experience	Hungary	Regional (Western Balkan countries)	40,376	18,598	closed	Sustainable agriculture
1206.002-08	1st Ukrainian School of Civil Society Leaders	Poland	Ukraine	128,666	32,992	closed	Capacity building
1206.014-08	BIOM-ALBA: Analysis and study of the feasibility of a biomass chain in Albania	Italy	Albania	97,039	31,987	closed	Sustainable energy
1206.015-08	Promotion and development of agrotourism and ecological agriculture in Moldova	Poland	Moldova	109,061	13,273	closed	Sustainable agriculture
1206.018-08	MOLDAGROFOOD - Systems for the Organization of the Moldovan Food Farming Production Process	Italy	Moldova	83,185	36,023	closed	Sustainable agriculture

REFERENCE NUMBER	PROJECT NAME	KNOW-HOW PROVIDER COUNTRY / ORGANISATION	KNOW-HOW RECIPIENT COUNTRY	PROJECT TOTAL COST (€)	CEI CO-FINANCING (€)	IMPLEMENTATION STAGE	AREA OF INTERVENTION
1206.020-08	Fostering Innovation in SMEs in the Western Balkans. Phase II	CEI-EU members / OECD as coordinator	Regional (Western Balkan countries)	91,591	35,084	closed	Enterprise development
1206.021-08	Monitoring SME policy implementation in the Western Balkans	CEI-EU members / OECD as coordinator	Regional (Western Balkan countries)	102,622	40,000	closed	Enterprise development
1206.026-08	Capacity Building in Public Accounting (CBIPA) in Moldova	Slovenia	Moldova	241,357	40,000	closed	Capacity building
1206.027-08	Transfer of Macrolotto best practice to the management of sustainable and equipped productive areas	Italy	Serbia	41,508	14,181	closed	Enterprise development
1206.002A-09	PORTRAIN	Italy	Albania	91,979	33,900	closed	Capacity building
1206.003A-09	Supporting Serbian SMEs in accessing to EU markets	Italy	Serbia	42,448	21,224	closed	Enterprise development
1206.004A-09	S.E.A. - System for Energy Autonomy	Italy	Moldova	121,600	40,000	disbursing	Sustainable energy
1206.005A-09	Assessment of energy sector in Bosnia and Herzegovina: AER Peer Review on Energy in Republika Srpska	Hungary, Romania / AER as coordinator	Bosnia and Herzegovina	25,992	12,092	closed	Sustainable energy
1206.006A-09	Development of decision support systems for integrated water management in Belarus	Italy	Belarus	64,306	31,288	closed	Sustainable energy
1206.007A-09	CEI Study Tour and Workshop: "The role of professional branch associations in fostering the competitiveness of SMEs in the IT sector – creating a common SEE IT brand"	Austria, Bulgaria	Regional	66,961	25,941	closed	Enterprise development
1206.008A-09	ICT Cooperation: Italy – Croatia Technology Cooperation	Italy	Croatia	14,492	6,239	closed	Enterprise development
1206.009A-09	Capacity building and transfer of knowledge for the development of organic farming in Blidinje Nature Park	Czech Republic	Bosnia and Herzegovina	65,089	15,536	closed	Sustainable agriculture
1206.011A-09	Technical assistance for the development and improvement of technologies, methodologies and tools for the enhanced use of agricultural biomass residues	Italy	Serbia	79,053	39,000	closed	Sustainable energy
1206KEP.005-10	Good governance in Chisinau - introduction of performance budget in the capital of Moldova	Poland	Moldova	123,544	32,683	closed	Capacity building
1206KEP.006-10	Farming and off farming activities in mountain areas and Natural Parks: "the Italian experience" a study tour for Montenegro	Italy / FAO as coordinator	Montenegro	59,851	24,851	closed	Sustainable agriculture
1206KEP.007-10	Technical assistance and good practices sharing in order to promote female entrepreneurship in the tourism and services sector	Italy	Croatia	103,016	40,000	closed	Enterprise development
1206KEP.008-10	AER peer review on energy in Vojvodina "How to create sustainable energy communities within our regions?"	Italy, Romania // AER as coordinator	Serbia	28,815	13,066	closed	Sustainable energy
1206KEP.009-10	Financial facilities for SMEs: training and capacity building for Business Support Organisations in non-EU member states of the Central European Initiative	Italy	Regional	80,000	39,883	closed	Enterprise development
1206KEP.010-10	Monitoring SME policy implementation in the Western Balkans	CEI-EU members / OECD as coordinator	Regional (Western Balkan countries)	142,858	40,000	disbursing	Enterprise development
1206KEP.011-10	SAFE ADRIA - Technical assistance to Luka Bar for the development of action plans to improve the capacity in the domains of environment protection, safety and security at work	Italy	Montenegro	57,777	26,520	closed	Capacity building
1206KEP.012-10	COOPERADRIA: Support to the capacity in developing and managing cooperation projects: Institute of Transport	Italy	Albania	45,899	15,622	closed	Capacity building
1206KEP.013-10	Krapina Zagorje County Rural Development Strategy	Slovenia	Croatia	28,908	12,919	closed	Sustainable agriculture
1206KEP.005-11	Financial facilities for SMEs: training and capacity building for Business Support Organisations in non-EU member states of the Central European Initiative-FIT4SMEs II	Italy	Regional	80,633	39,950	closed	Enterprise development
1206KEP.009-11	Public Accountants Certification Training (PACT) in Macedonia	Slovenia	Macedonia	114,080	29,915	closed	Capacity building
1206KEP.010-11	Training of Internal Auditors in Public Sector in Montenegro	Slovenia	Montenegro	225,122	40,000	disbursing	Capacity building
1206KEP.011-11	Evaluating SME policy implementation in the Western Balkans	CEI-EU members / OECD as coordinator	Regional (Western Balkan countries)	102,150	40,000	disbursing	Enterprise development

REFERENCE NUMBER	PROJECT NAME	KNOW-HOW PROVIDER COUNTRY / ORGANISATION	KNOW-HOW RECIPIENT COUNTRY	PROJECT TOTAL COST (€)	CEI CO-FINANCING (€)	IMPLEMENTATION STAGE	AREA OF INTERVENTION
1206KEP.001-12	Improving environmental and disaster prevention capacity in Serbia	Italy	Serbia	80,200	35,500	approved	Sustainable energy
1206KEP.002-12	Performance budgets in Cherkasy and Vinnitsa - support for good governance and financial transparency of local governments in Ukraine	Poland	Ukraine	231,784	30,100	disbursing	Capacity building
1206KEP.003-12	Conditions for technology transfer of experience for Tirana City - Context	Italy	Albania	86,193	28,435	closed	Enterprise development
1206KEP.004-12	Public Accountants Certification Training (PACT) in Macedonia, level 1 cohort 2 and level2 cohort 1	Slovenia	Macedonia	235,657	40,000	disbursing	Capacity building
1206KEP.005-12	Application of open source software and methods for territorial analysis and sustainable use of natural resources in Belarus	Italy	Belarus	66,250	31,250	disbursing	Sustainable energy
1206KEP.006-12	Know-how for Donetsk Region – strengthening of administrative structures and regional development in Ukraine	Poland	Ukraine	28,736	11,292	closed	Capacity building
1206KEP.007-12	Promotion of Rural and Environmentally Sensitive Tourism in the Lower Danube and Black Sea Coast of Ukraine	Bulgaria	Ukraine	65,803	29,316	disbursing	Sustainable agriculture
1206KEP.008-12	ENVIRONMENTAL Impact assessment of the Kozuf metalloGenic district in southern MACEDONIA in relation to groundwater resources, surface waters, soils and socio-economic consequences Acronym: ENIGMA	Czech Republic	Macedonia	77,800	38,000	disbursing	Sustainable energy
1206KEP.009-12	Renewable Energy Knowledge and Technology Transfer in Albania and in Bosnia -Herzegovina	Italy	Albania, Bosnia and Herzegovina	89,737	39,110	disbursing	Sustainable energy
1206KEP.010-12	Competitiveness and New Industrial Policy: Building capacities for diagnosis, design and implementation	CEI-EU members / OECD as coordinator	Regional (Western Balkan countries)	181,838	30,000	disbursing	Enterprise development
1206.004-13	Supporting the Implementation of CEFTA 2006 in the Areas of Reduction and Elimination of Non-Tariff Barriers, Trade in Services and in Relation to the Investment Related Clauses	CEI-EU members / OECD as coordinator	Regional (Western Balkan countries)	615,000	30,000	approved	Enterprise development
1206.005-13	Improving Environmental Monitoring and Disaster Prevention Capacity in Drina river basin – Phase II	Italy	Bosnia and Herzegovina, Montenegro	80,830	30,260	approved	Sustainable energy
1206.006-13	Renewables'-Solutions: Transfer of Successful Renewables- and Bioenergy Know-how to Ukrainian Stakeholders (Res-Sol)	Austria	Ukraine	39,756	15,377	approved	Sustainable energy
1206.007-13	Balkan Food Hygiene Network	Bulgaria	Regional (Western Balkan countries)	79,990	39,995	approved	Sustainable agriculture
1206.008-13	Capacity building and transfer of knowledge for increasing and improving professional skills in the field of secure, clean and efficient energy in Albania, Montenegro and Serbia	Italy	Albania, Montenegro, Serbia	80,000	40,000	approved	Sustainable energy
1206.009-13	Implementation of Directive 2009/28/EC in the Field of Biofuels and Transport in Serbia - Transfer of Best Practices	Croatia	Serbia	39,982	13,141	approved	Sustainable energy
1206.010-13	Development of Online Geodata Portal of Cultural Heritage in Novi Sad, GisNS	Italy	Serbia	42,427	15,142	approved	Capacity building
1206.011-13	Smallholders Farmers' Access to Markets in Eastern and Northern Bosnia-Herzegovina and Northern Albania	Italy	Albania, Bosnia and Herzegovina	79,527	36,600	approved	Sustainable energy
TOTAL				5,835,905	1,731,110		

Annex 7

Case Study

Master's in Procurement Management (MPM) at the University of Rome Tor Vergata

COMMITMENT NUMBER CEI2-2012-06-05
VALUE €40,000
COUNTRIES OF OPERATIONS Regional
SECTOR OF OPERATIONS Institutional development
PLANNED DURATION Twelve months

MAIN OBJECTIVE

The main objective of this TC was to support the start-up of a Pilot Master's Programme in English language designed to raise the academic level and training of public procurement officials, from selected EBRD countries, from different backgrounds. The Programme was aimed to enable participants to have the capacity to design and administer procurement solutions to resolve complex strategic, managerial and organisational problems - with special emphasis placed on professional capacity, ethics, transparency and accountability. Results and experience gained from the First Generation of International MPM - Pilot Programme, at the University of Rome Tor Vergata, have been very successful with visible value added, both to the professional readiness of the participating public procurement officials and to the capacity enhancement of the participating Procurement Agencies from EBRD countries of operation. Knowledge and skills gained in different areas were immediately and readily used back in the workplace of the Procurement Agencies.

The joint work between the EBRD and the University of Rome Tor Vergata has thus produced a first edition of the International Master's in Public Procurement Management in English language. It was a challenge that both institutions, together, mastered successfully. The first year experience also has been valuable to identify opportunities for improvement, based on feed-back from students, professors and EBRD experts.

Most frequent areas of opportunity

Laws and regulations not clear: manual, rulebook, guidelines	Selection of Procurement Method
Procurement plan a report: little use as management tool	Procurement Planning
Little or poor internal audit	Parts of Procurement Process
Opening of tenders, disqualification, registration	Anti-corruption initiative

BACKGROUND

World economies are at a critical juncture. The 2008 financial meltdown that spread rapidly across the planet by slowing trade, reducing income and generating unemployment has triggered a strong countercyclical reaction by central banks and governments. The latter have used the lever of fiscal policy - lower taxes, higher expenditure and consequent high deficits and debt - to smooth out the recession in the making, resisting the lure to make use of often sterile and counterproductive protectionist strategies. However, while partly successful, they seem to have exhausted the steam to face a new slowing-down for the next few years, just when economies seem to have entered it.

How can more fiscal pace be found in this context? And what policies can be used to lessen the threat of lower employment and encourage domestic industries, both in emerging and developed economies, to gain momentum again, without returning to the self-defeating strategies of greater protectionism? One powerful element that can combine fiscal prudence, fiscal space and effective industrial policy is available: public procurement, which is seldom understood fully in its - indeed large - capacity to serve leaders and citizens an opportunity for economic enrichment and social development.

Public procurement can be dubbed as a "quick win" for policy makers. In times when budgets are stretched but the need for public sector presence and action is deemed critical, when structural and rapid sources of funding that do not hamper growth seem missing, when there is a growing concern for the quality of public intervention and when regulation is felt too intrusive and ineffective in pushing forward private markets profitability and growth, it appears that an organised and transparent process of setting up public procurement can be fundamental in ensuring that faith in the action of policy-makers is rapidly restored. More fiscal space can be obtained with a decisive improvement in business processes around efficient and effective public procurement. In a country where public consumption over GDP of goods, services and works averages around 15 per cent, a mere 10 per cent savings

in expenses frees approximately 1,5 of GDP that can be dedicated to either lowering taxes or adding to social expenditure without touching any real expenditure in the government sector and without affecting the level of deficit or debt. Intelligent aggregation of demand, smart market analysis, collusion prevention and encouragement of participation, contract management, proper measurement of internal performance and rewards to firms that have done well over past contracts can rapidly bring significant savings for the public sector and gains for citizens.

CAPACITY BUILDING IN PUBLIC PROCUREMENT

Most of the countries of the CEI region are still unresponsive to market economy and international trade requirements, not only in respect of the public procurement legal and regulatory framework, but also in public procurement management practices. Indeed, even when the staff, working in procurement in that region, have the background to perform at the top level, the main issue lies in the consideration that they need higher exposure to international procurement. The need to develop improved methods of procurement management and purchasing seems to be a key priority in order to maintain high standards of skills and integrity.

Capacity building is a primary goal for the enhancement of public governance and, referring to public procurement, for the achievement of transition objectives. Within capacity building, high level professional education plays a major role in ensuring that key procurement management staff have appropriate skills, experience and qualifications to lead and consolidate transition results as a sustainable base of procurement professionalism and integrity. For this purpose, best practice guidance and high level professional academic training have to be provided to the public sector procurement officials.

Analysis by category	
COUNTRY LEVEL	CPAR, OECD Methodology
INSTITUTIONAL LEVEL	Client CA
PROJECT LEVEL	Project Procurement Assessment

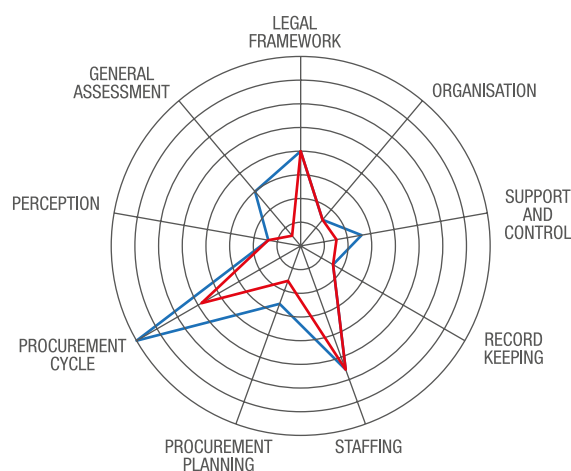
In order to support this goal, the University of Tor Vergata (Rome) has developed an International (English language) version of the Master's in Public Procurement Management (MPM) specifically designed to address the training needs of senior managers of public procurement authorities and other major public entities in the countries of operation while enhancing public procurement professionalism.

The main objective of the MPM is to provide public officials with the solutions to complex strategic, managerial and organisational problems in procurement. Emphasis is placed on professional ethics, transparency and accountability. The learning concept is a combination of academic and work-place experience and hands-on activities, developed in training modules, which cover relevant topics of best procurement practice.

The MPM, hosted at the Faculty of Economy, is designed to cover areas from Country Procurement Strategy and Organisation, Legal Framework and Procurement Law, to procurement purchasing strategy and procedures, procurement cycle and planning, economic analysis of markets and products, consideration of ethical aspects and red flags, practical tools for efficient procurement, all focused towards the achievement of economic results and added value.

OVERVIEW OF THE FIRST GENERATION RESULTS

The EBRD pilot programme has been managed by the Procurement Department. The Masters Programme, under the EBRD/CEI Fund sponsorship, has been open to senior managers of public procurement agencies or large public procurement organisations in the following CEI countries of operation only: Albania, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Macedonia, Moldova, Montenegro, Romania, Russia, Serbia, and Ukraine.



Implementation of the MPM programme

MPM was divided in two parts. The first one was a classic in person and in classroom learning cluster held at Tor Vergata University (TVU) in Rome (April 3rd to July 15th 2013). It was organised in 11 modules that followed a traditional learning approach defined in well-organized clusters (period, time and place). In addition to the lecturers provided by the TVU, EBRD Procurement Department senior professional staff contributed and delivered training seminars as part of the course. Students had to undertake each module following a defined schedule, benefiting from tutoring by one of the experienced and qualified training professionals. The method and modality of the training activities encouraged practical sessions and knowledge sharing, based on individual personal experiences. Attendance to all modules was mandatory. Monitoring of learning progress was done using a customary Masters level exam method, consisting of mid-term and final exam at the end of the last module in order to register each student's individual proficiency of acquired skills. The results of the exams are very encouraging. CEI Fund sponsored students demonstrated their skills and acquired knowledge by passing all exams. On average, their performance was good and in line with the average score of the class in both semesters but improving over time.

The second part was a distance learning cluster (September 1st to December 31st 2013). Each student received an authorisation to access the distance learning platform of the University of Rome Tor Vergata, where they could find the

programme of the Master's, papers and relevant parts of textbooks related to the subjects, as well as, the possibility to interact with the faculty members of the Master's, tutors, and to interact among themselves in order to work in small groups, developing solutions to the case study submitted. During the second part, in parallel with distance learning modules, students within their own home-organisation had to put into practice what they had learnt during the Master's programme by preparing a course project – case study (on an agreed topic related to procurement issues in their own organisation or country), which would also serve as a formal dissertation paper, to be submitted for the final assessment by the University. Constant interaction and monitoring registered strong activity and good progress and results.

Some of the topics chosen for the final dissertation were:

- *“Framework agreement as a new public procurement tool in Serbian Law on Public Procurement”*
- *“Moldovan legislation in public procurement, comparative analysis World Bank procurement procedures”*
- *“E-procurement in EU compared with Albania”*
- *“Protectionist policies in Serbia - effects on competition and the reasons for eliminating them,”*
- *“Harmonization of regulations in Montenegro with EU standards and importance of principles for the development of public procurement”*

Students selected through the EBRD scholarship programme

Nine students were selected by the EBRD Procurement Department and confirmed by the Master's Council. They came from the following countries: Albania, Armenia, Moldova, Montenegro, Romania, Serbia and Egypt. Their home-institutions were all part of central administrations.

Lessons learned

As mentioned, the first year experience has been valuable to identify opportunities for improvement, based on feed-back from students, professors and EBRD experts. Among opportunities for improvement, it is worth noting: (i) recruitment process; (ii) preparation of students after selection and prior to programme start; (iii) building group synergy in cultural, diversity, learning environment and so on; (iv) academic characteristics of TVU; (v) students' living conditions and standards; (vi) professors sensitivity to unusual cluster of adult international students; (vii) English language as learning and communication media; (viii) fine-tuning of learning material; (ix) more case studies; (x) assignment of credits during the classroom learning process.

SECOND YEAR PROGRAMME

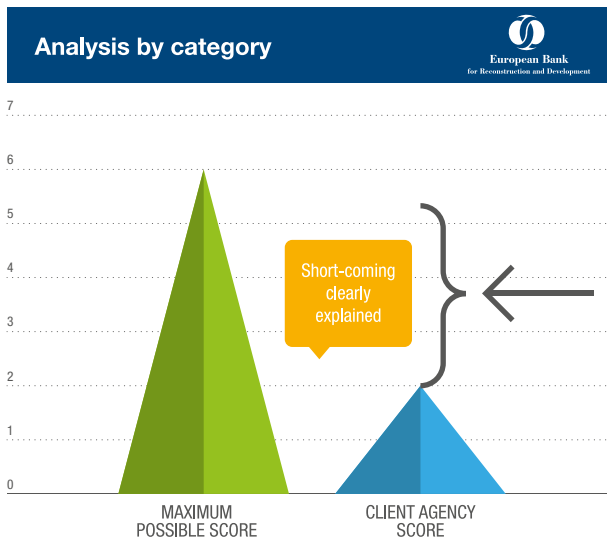
Excellent results achieved with the first pilot generation serve as basis for the subsequent continuation and consolidation of MPM programme aimed at enhancing public procurement professionalism of countries in transition. The second year will involve 15 EBRD/CEI Fund students from a total of 30 students and will see as recipient countries: Serbia, Montenegro, Macedonia, Albania, Bosnia and Herzegovina, Moldova, Belarus, and Ukraine. The increased number of sponsored students by more than 50 per cent, from nine to 15 students as well as a wider pool of potential candidates from public utilities in addition to senior managers of public procurement authorities, will broaden and accelerate the penetration of expertise, by ripple effect of training trainers of recipient countries.

Courses List

1	Negotiation and Team Building
2	Economics of Procurement
3	Legal Background
4	Organisation and Strategy
5	Economic Analysis of the Market
6	IFI's Procurement Procedures
7	Contract Management
8	Law & Economics of Public and Private Partnerships
9	Quality Management and Green Procurement
10	Values, Rules and Effectiveness in Procurement
11	E-Procurement
11bis	Logistic and Supply Chain Management
12	Strategic Procurement

Building the critical mass of knowledge in procurement management will also reduce the fiduciary risk of EBRD and the CEI Fund in implementing investment projects financed through proceeds of loans, but most of all it will contribute to a more efficient utilisation of national budgets in recipient countries. It is also expected that continued support of MPM in English will contribute towards a sustainable and permanent Masters programme offering at TVU. Specifically and based on the lessons learned from the first year's pilot programme, in the second year MPM Programme, improvements have been incorporated in order to consolidate and further adapt to the needs of professionals from different backgrounds, cultures and nationalities in support of the transition processes for a new culture of public administration, excellence, know-how and value.

EBRD EVALUATION PROCEDURES



Students will be selected through a three-step process:

1. The public procurement authority proposes prospective students to EBRD, together with confirmation that they will meet the client contribution required to cover travel expenses, accommodation and living allowance. Students will be proposed based on the admission requirements defined by the University of Tor Vergata. Minimum admission requirements are:
 - A recognized Master's degree (Master's of Science or 4 years of studies at university level);
 - Preference will be given to students 40 years old or younger;
 - Previous experience in procurement offices (whether within the current position or not) of at least five full time years;
 - Proficiency in English.
2. Students' CVs are reviewed by EBRD to select up to two students from any one country, EBRD will then send a shortlist to the University for the final selection.
3. The University selects fifteen students from the list received, according with the procedures set out above.

In conclusion, the joint work between the EBRD and the University of Rome Tor Vergata has successfully graduated the first generation of the International Master's in Public Procurement Management. The challenge to provide a high level professional academic training to the public sector procurement officials has been mastered successfully by both institutions together. This is a critical contribution to the long term objective of the EBRD to build capacity for the enhancement of public governance and in particular through procurement as a sustainable base of professionalism and integrity in order to achieve transition objectives.

The Faculty of Economics of Tor Vergata University has demonstrated once again to be a Centre of Excellence for education in Procurement with a perfect fit and sensibility to make operational the international (English language) version of the Master's in Procurement Management specifically designed for procurement officials from the Bank's countries of operation.

The highly satisfactory results achieved during the first generation International MPM English version, enriched by the contribution of EBRD Procurement Department experts, constitute a solid base to build and consolidate a sustainable Master's in Procurement Management not only for the second generation but for many generations to come while attending the high demand for this rare professional profile. It is recognised that this formidable task that has been achieved, as well as, the challenging task to consolidate and sustain the initial results, has been complemented wholeheartedly by the CEI Fund at the EBRD not only through its financial contribution but more so in serving as the critical link between these two extraordinary institutions: TVU and EBRD.

Annex 8

Case Study

Capacity Building of the Belarusian Renewable Energy Association (BREA) for Active Involvement in Policy and Decision-Making Processes

COMMITMENT NUMBER CEI2-2013-03-05
VALUE €180,000
COUNTRY OF OPERATIONS Belarus
SECTOR OF OPERATIONS Energy
PLANNED DURATION Fifteen months

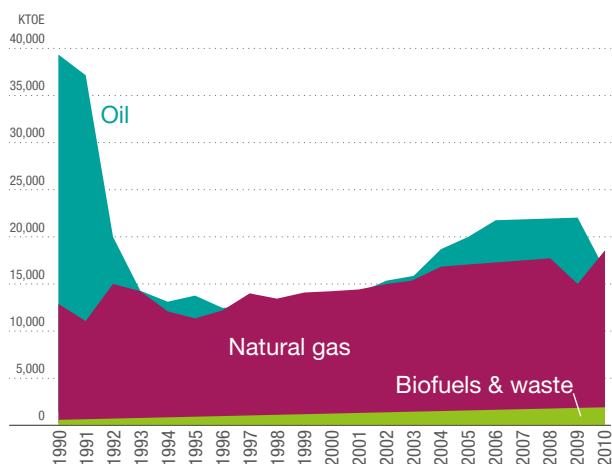
The Central European Initiative has funded, through the Italian Government’s contributions, the Capacity Building project of the Belarusian Renewable Energy Association (BREA). The project, initiated by the European Bank for Reconstruction and Development (EBRD), aims to transfer know-how to BREA in order to strengthen its capacity and its local and international influence, and in this way foster the development of an effective investment framework of the Belarusian Renewable Energy sector.

Belarus is currently endowed with only limited indigenous energy resources and is therefore heavily dependent on imports of primary energy fuels from Russia (approximately 85% in 2010).

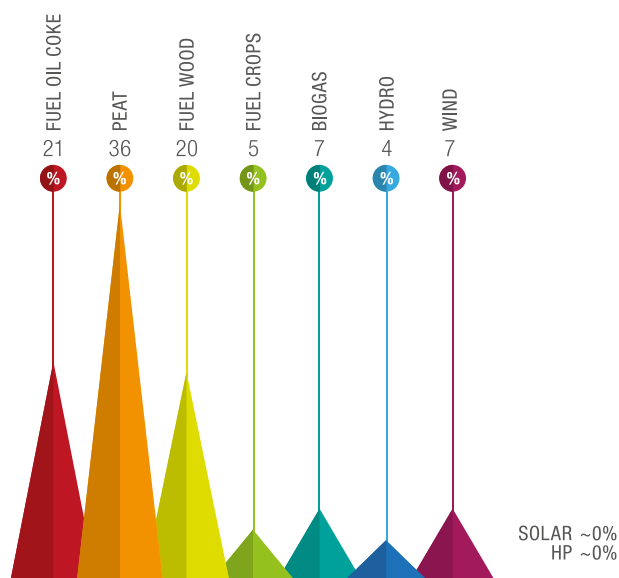
Natural gas and oil represented respectively the 48% and 45% of Belarus’s Total Primary Energy Supply (TPES) in 2010, while the Renewable Energy share, from biofuels and waste only, was approximately 5%. The diversification of the energy mix and increase of indigenous sources is thus one of the primary policy targets of the Belarusian government.

Renewable energy and energy efficiency legislation has been enacted to support the development of a renewable energy sector. One of the goals set for the period until 2020 is the considerable increase of the share of domestic energy resources (RE included) to 30% in 2015 and to 32% in 2020. These goals are expected to be achieved also through a steady growth of the RE share on the total energy production. In order to attract international investments and know-how, the government has set up an incentive scheme that foresees several advantages for investors, among which: green tariffs, exemption from customs duties on some equipment, low land rent and a simplified procedure for lease. Additionally it began to open the energy sector to private ownership. As a matter of fact there is a large potential in the country for the development of RE, mainly for biomass and waste, biogas and municipal solid wastes. A significant potential for hydro, wind, and solar plants is also present and still mostly untapped.

Total Primary Energy Supply (TPES)



Domestic Energy & RES share (2015)



Yet, despite these improvements, the level of development of both domestic RE companies and external investments has remained low. The overall speed of the development of the private renewable energy sector has been significantly impeded by the relative inexperience of the Belarusian Government, general limited expertise, targeted lobbying by industry associations and a lack of foreign investor interest.

This represented a window of opportunity for the CEI Fund and the EBRD to support the development of private RE companies and the non-for-profit RE industry association in Belarus (BREA). Significant work must still be done in the fields of institutional capacity building and energy policy reform to create a functional and reliable investment framework conducive for the development of a RE sector in which the international market would want to participate. In this process BREA must play a crucial role. Unfortunately, due to insufficient resources and capacity to provide expertise and lobby the government, the role of BREA in this process has been limited so far. In Belarus, there is a weak in-country expertise and experience in the implementation of renewable energy projects, which makes it clear that capacity building through external assistance is necessary.

In this framework, CEI Fund at the EBRD resources were needed to assist BREA and accomplish the following goals:

- Transfer know-how to BREA and strengthen its capacity and role;
- Make BREA a key RE intermediary vis-à-vis the Government;
- Help BREA to build an attractive framework for investors in the Belarusian RE sector and introduce a market-based approach in the domestic energy system.

The project is part of the technical assistance provided under the EBRD Belarus Sustainable Energy Financing Facility for Industry and SMEs. The technical assistance targets the promotion of a dialogue with government officials and non-government organisations (NGO) in support of developing a legal and institutional framework for energy efficiency and renewable energy investment projects.

BREA

BREA was established in 2009 as a not-for-profit association of legal entities and individual entrepreneurs working in the field of Renewable Energy, Energy Efficiency, Ecology and related services. Currently, the Association has 56 members and 29 partners including public and private entities and individual entrepreneurs from Belarus, Russia, Germany and Austria and other EU countries. The aim of the Association is to provide legal, informational, advisory and promotional support to the market in the field of activity. In particular, in the Renewable Energy field, the Association aims to establish and expand international links between domestic and foreign organisations, and the exchange of best practices in collaboration with public and private organisations. It is the only Association in Belarus working in this field.

The BREA's activity aims to promote, coordinate and ensure the mutually beneficial cooperation of its members and partners in professional and business activities, in accordance with the social, economic and scientific-technical policy of the Republic of Belarus. BREA carries out

its activities in the interest of its members and acts as:

- Central hub for information, consultancy, expertise and propaganda in the field of renewable energy;
- Legal representative, initiator, organiser, participant and privileged speaker in policy discussions on government renewable energy strategy and regulatory improvement of the RE market;
- Promotion centre for advanced technology, innovations, research and production capacity-building, trainings, exchange of experience, assistance to investments; and
- Participant and organiser of international cooperation activities.

Activities

The consultant was asked to provide and exchange know-how with BREA in order to develop the Association's strategic approach, build the capacity of its staff and establish proactive communication channels towards BREA's private sector members as well as government and public institutions.

Tasks undertaken included: (i) review of the BREA existing approach and working procedures, project management and other skill needs, financial viability, and identification of potential areas of improvement; (ii) development of BREA strategy and business plan to ensure it serves as a central hub for RE information and expertise, forum for discussions, networking and resource centre for Renewable Energy stakeholders in Belarus and international partners; (iii) identification of potential financial sources for operation of BREA to ensure financial sustainability; (iv) development of a proactive communications strategy targeting key traditional media, such as press, but also new social media to raise awareness of BREA's activities; (v) engagement with a variety of stakeholders including existing members and potential new members, government and public institutions, NGOs, think tanks, independent experts and general public; (vi) support in the implementation of the communications strategy and RES awareness raising campaign in Belarus and abroad.

Strategy, Business Plan and Marketing & Communication Plan

The consultant has supported BREA in the development of the Strategy and Business Plan of the Association, that encompass the different activities and actions to be done both in the short and long term, and foresee different solutions based on the availability of funds. The aim of the Strategy is the creation of a system enabling self-sustaining development of BREA including its visibility, position and services after completion of the Capacity Building project.

The horizon of planning was of five years, from June 2013 to June 2017, divided into three two-year phases.

Considering the position of BREA at the beginning of the project, the consultant performed SWOT (strengths, weaknesses, opportunities, and threats) and a PEST (political, economic, social and technological) analyses, and selected the factors used for choosing the strategy, i.e.: (i) the retention and increase of the number of members, in particular those that make the greatest contribution rates and have stable position and prospects in the markets; and (ii) the development of fundraising. The selected strategy was the one of the forced optimisation, based on definition of the preferable goals in each of the periods of the horizon of planning.

On the basis of the chosen strategy, three different scenarios of the BREA development were defined, i.e. best case, worst case and probable case. Each scenario corresponded to a different availability of funds and therefore encompassed a different action plan for the considered period. The results of the study for the definition of the strategy have been presented to the Association's board, which decided to choose, as a base for the development of the Business Plan, the probable case scenario.

On the basis of the selected scenario the consultant prepared a Business Plan of BREA up to 2017. It contains a detailed action plan for the first phase (June 2013 – June 2014), an estimation of the budget available for the years to come, and the expenses required to achieve the BREA global vision in 2017.

Based on the selected strategy and scenario of development, and in line with the estimated budget available, the consultant also prepared a marketing & communication plan to provide BREA with an instrument that defines the actions necessary to undertake in order to build awareness of the Belarusian RE market and of the Association, the services offered and the advantages for its members. The Strategy and Business Plan have been accepted by the General Assembly of BREA in January 2014.

Website

Among the tasks that were completed by the consultant is the improvement and internationalisation of the existing BREA website.

The new English website (www.energy-aven.com) is more user-friendly than the original Russian only version and includes updated information about the Association, its services and its members.



Communication activities

The Capacity Building project also aimed at strengthening the international cooperation capacity of BREA by raising awareness about the Belarusian market potential and attracting foreign investors. To this end, the consultant performed several communication activities that targeted both traditional and new social media, locally and abroad. In particular the following tasks have been accomplished:

- Press release at the project launch, dispatched through Belarusian, Italian and international channels;
- Preparation and dispatch of an interview to the BREA's

managing director, about the current situation of the Belarusian energy market and the Association's role and services;

- Presentation of BREA at Ecomondo, an important Italian Fair on Sustainable Development and Green Economy;
- Press release about the event in Italy, and communication of the event through new social media such as Twitter, LinkedIn and Facebook.

Presentation of BREA at the Ecomondo Fair

Ecomondo is an International Trade Fair of Material & Energy Recovery and Sustainable Development that is organised every year in Rimini, Italy. The year 2013 was the 17th edition. Ecomondo is the most accredited platform for southern Europe and the Mediterranean basin, for the exploitation and recycling of materials and for the Green Economy.

Under the Capacity Building project, a press conference for the presentation of BREA was organised and held during the Fair. The presentation during the press conference was an opportunity to also give an overview on the Belarusian energy market, the development potential of the local RE market, the current legislative framework and the incentives recently set up by the government to support the investments in the RE sector.

The press conference represented an opportunity of high visibility for BREA among the Italian and international press, potential investors, producers of RE and EE equipment, potential new members, and other RE associations that could be interested in a twinning programme. In particular, during the press conference, the spokesperson of Coordinamento Free (which coordinates 24 Italian associations working in the field of RE and EE) declared their interest in considering the development of a twinning programme with BREA.

Fundraising activities

The consultant has supported the Association also with fundraising activities and with the evaluation of the possibility to apply for funding from European funds and other international initiatives. The aim of this task was to raise funds and build BREA's abilities and assessment skills in fundraising activities.

To this end the thematic programme for Non-State Actors and Local Authorities for Belarus (NSA/LA), promoted by the European Union, has been identified as an important opportunity for BREA to: (i) take part in an international project; (ii) enhance BREA fundraising skills from a technical and managerial point of view; and (iii) obtain funds to develop the promotion of RE awareness raising in Belarus. BREA, in consultation with the consultant, decided to apply to the Lot 2 of the programme: "Local Authorities in Development". Together with the Novogrudok executive committee, BREA and the consultant prepared and submitted to the contracting authority a proposal for obtaining the financing of the project "Development of Renewable Energy Sources (RES) in Novogrudok district – Roadmap for an ecological clean area". The overall objective of the proposed project is to encourage local initiatives in the district of Novogrudok with the aim to promote local economic development through the use of RES, for a clean and ecological sustainability of the regions of Belarus.

If the proposed project is financed, BREA will contribute to:

- Establishment of a group of 10-12 experts that will have the responsibility of implementing the main activities of the project;
- Development of a Renewable Energy (RE) Strategy until 2020 for the Novogrudok district and Roadmap;
- Preparation of six feasibility studies for projects to be implemented in the district and to be used as investment proposals for potential investors;
- Implementation of one pilot project of solar water heating (SWH) combined with heat pump (HP) and photovoltaic (PV) at the district hospital;
- Establishment of a Training & Consulting Centre (TCC), and Training of Trainers;
- Organising training courses through the TCC addressed to the general public, specialists, local authorities, teachers and pupils and financing institutions; and
- Transfer of experience through website, meetings with the targets groups, round tables, on line conferences, visits, and printed information.

Investment Forum

BREA, with the support of the consultant, will organise one International Investment Forum for potential RE investors in Belarus. The purpose of the Forum is to represent: (i) a platform for exchange of views, sharing experience, promotion of best practices, identification of areas for cooperation in further approximation of legislation in the partner countries with EU legislation; (ii) an occasion for establishment of business contacts, advertising of technologies and investment projects to increase local and foreign investments in energy efficiency and renewable energy; (iii) platform for attracting new investments of small and medium-sized businesses in the renewable energy sector.

The Forum is expected to lead to the following results:

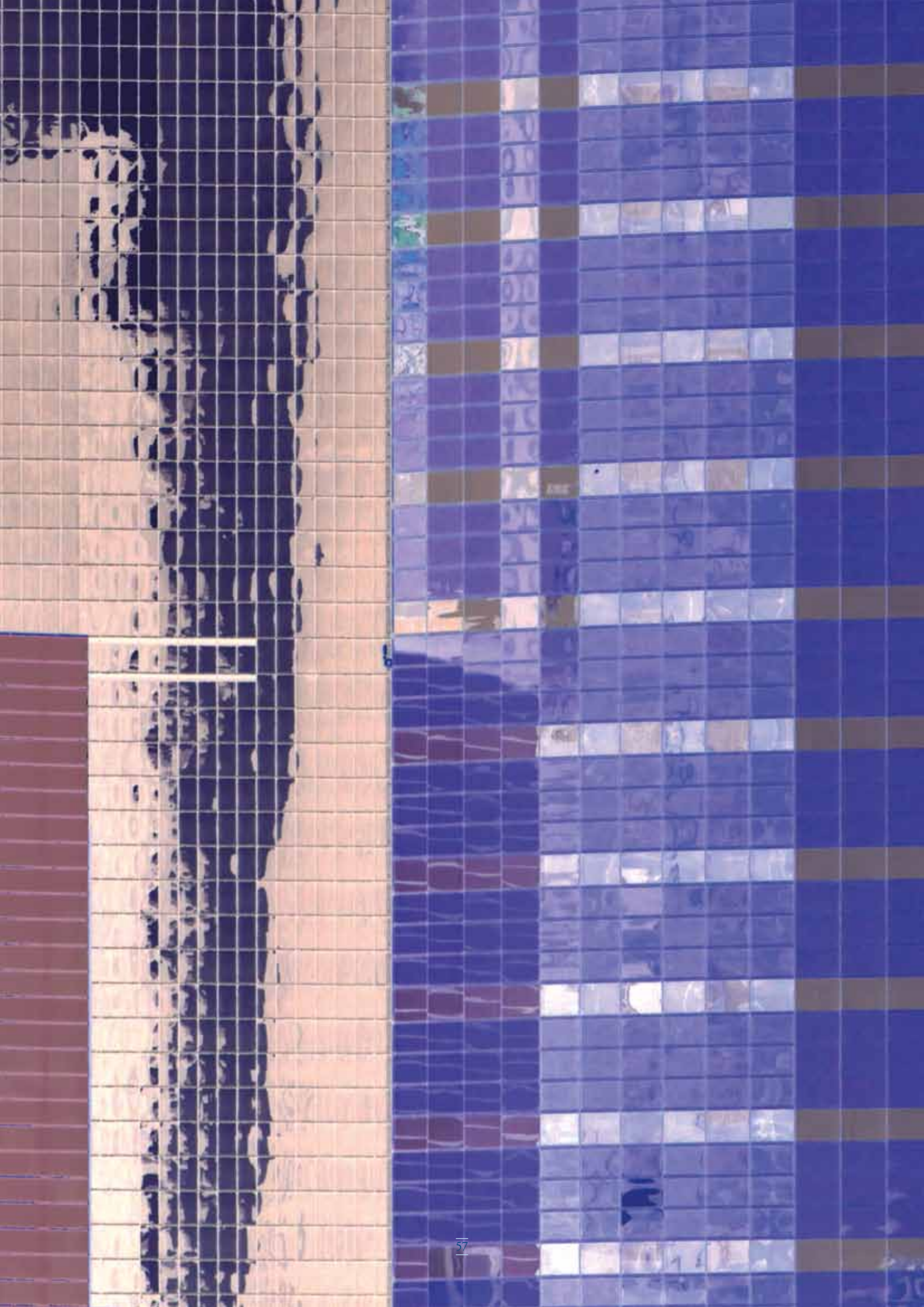
- Signing of agreements with potential investors, with at least one investment agreement at the Ministry level;
- Establishment of business contacts between members of the Forum from Belarus and from other European countries;
- Sharing experiences for approximation of partner countries legislation with EU legislation in the field of sustainable energy, including renewable energy.
- The Forum will also provide a site visit to the agro-industrial firm Lebedevo - biogas complex built within the technical assistance project of the EU.

The specific benefits that this Forum will bring to the beneficiary organisation are the following:

- Expansion and establishment of new business contacts for future joint cooperation;
- Knowledge exchange and transfer of experience of the other European countries in terms of funding and implementation of renewable energy technologies; and
- Capacity building of the BREA and participation of the public - private partnership in the development of renewable energy investments.

Twinning programme

The consultant has identified one Italian renewable energy association willing to enter into a twinning programme with BREA for at least one year and to help with the capacity building and sharing of experiences from daily operations. This Association is Coordinamento Free. Further actions for signing an agreement are under consideration.



Abbreviations and acronyms

AER	Assembly of European Regions
APRI	AER Peer Review Initiative
ASR	Agency for State Roads
ATCO	Air Traffic Control Officer
BAS	Business Advisory Service
BiH	Bosnia and Herzegovina
BOLD	Board On-Line Documents
BREA	Belarusian Renewable Energy Association
CA	Certificate Authority
CBIPA	Capacity Building in Public Accounting
CCFAP	Climate Change Framework Action Plan for Adaptation for South East Europe
CEF	Centre of Excellence in Finance
CEFTA	Central European Free Trade Agreement
CEI	Central European Initiative
CEP	Creditworthiness Enhancement Programme
CETIR	Central Initiative System - transport information reporting system
CFM	Moldovan Railways - Calea Ferat'a din Moldova
CIPFA	Chartered Institute of Public Finance and Accountancy
CNC	Committee of National Coordinators
CO2	Carbon dioxide
CPAR	Contractor Performance Assessment Reporting
CSR	Corporate Social Responsibility
CV	Curriculum Vitae
DG	Directorate General
DMUs	Diesel Multiple Units
DRC	Drina River Commission
EAR	European Agency for Reconstruction
EBRD, the Bank	European Bank for Reconstruction and Development
EC	European Commission
EE	Energy Efficiency
EHSMS	Environmental, Health and Safety Management System
EIR	EBRD Investment Ratio
EGP	Enterprise Growth Programme
ENP	European Neighbourhood Policy
ESCO	Energy Service Companies
EU	European Union
EUSAIR	EU Strategy for the Adriatic and Ionian Macro-Region
FAO	The Food and Agriculture Organisation of the United Nations
GDP	Gross domestic product
GIS	Geographic information systems
GiSNS	Online Geodata Portal of Cultural Heritage in Novi Sad
HP	Heat Pump
ICT	Information and communication technologies
IFI	International financial institution
IPSA	International Public Sector Accounting Standards
ISO	International Organization for Standardization
KEP	Know-how Exchange Programme
LA	Local Authorities
MoF	Ministry of Finance
MoTMA	Ministry of Transport and Maritime Affairs
MPM	Masters in Procurement Management
MWH	Montgomery Watson Harza
NGO	Non-governmental organisation
NREAP	National Renewable Energy Action Plan
NSA	Non-State Actors
NTBs	Non-Tariff Barriers
OECD	Organisation for Economic Co-operation and Development
OGS	National Institute of Oceanography and Experimental Geophysics
PACT	Public Accountants Certification Training

PBMc	Performance Based Maintenance contract
PERS	Serbian roads agency
PEST	Political, Economic, Social and Technological
PFM	Public Finance Management
PIU	Project Implementation Unit
PPM	Public Procurement Management
PPP	Public-Private Partnership
PV	Photovoltaic
RE	Renewable Energy
RES	Renewable Energy Sources
SAP	Stabilization and Association Process
SEA	System for Energy Autonomy
SEAP	Sustainable Energy Action Plan
SEE	South-east Europe
SME	Small and medium-sized enterprise
SMILE	Support for Moldova: Innovation, Leadership and positive Environment
STRI	The OECD Services Trade Restrictiveness Index
SWH	Solar Water Heating
SWOT	Strengths, weaknesses, opportunities and threats
TAM	TurnAround Management Programme
TC	Technical Cooperation
TCC	Training & Consulting Center
TD	Transport Directorate
TIR	Total Investment Ratio
TVU	Tor Vergata University
UNIDO	United Nations Industrial Development Organisation
WB	World Bank
WeBSEDF	The EBRD Western Balkans Sustainable Energy Direct Financing Facility
WebSEDLF (WeBDLF)	The EBRD Western Balkans Direct Lending Facility
WebSEFF	The EBRD Western Balkans Sustainable Energy Financing Facility
WP	Work Plan
ZCGI	Zeljeznice Crne Gore Infrastruktura (Montenegro Railway and Infrastructure Company)
ZPCG	Zeljeznicki Prevoz Crne Gore (Montenegro Railway Passenger Company)
ZS	Zeleznice Srbije (Serbian Railways Company)

Glossary - Country Groupings

EU CEI member states	Austria, Bulgaria, Croatia, the Czech Republic, Hungary, Italy, Poland, Romania, the Slovak Republic, and Slovenia
Non-EU CEI member states	Albania, Belarus, Bosnia and Herzegovina, Macedonia, Moldova, Montenegro, Serbia, and Ukraine
Western Balkan countries	Albania, Bosnia and Herzegovina, Croatia, Macedonia, Montenegro, and Serbia
ENP CEI countries	Belarus, Moldova, and Ukraine

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Carlo d'Orta and Biology of the Inorganic

"Biology" is the science that studies life;
"inorganic" is what has no living ability.
On a theoretical level, everything is clear: centuries of speculation have strengthened the dichotomy between whatever breathes (human, animal or vegetable) and what does not respond to biological requisites. Nowadays, however, these two words produce a palpable crash. That is because the present extent of progress, nano-technological evolution, the web's universal gigantic proportions, along with social and cultural transformations, are shaping an increasingly "scientific" society, where objects breath, machines think and human activity is cloning drones with their own internal biology. For sure, everything is always linked with a human factor. Nevertheless, the cloning of hardware/software has now the power to make machines independent in a way that was unthinkable in the past, providing them with a life cycle with organic features. A new inorganic biology has sprung up: a post digital concept that goes beyond lifeless electronics and captures the biodynamic side of contemporary machines...Carlo D'Orta is a "biologist" of the contemporary landscape, an under-the-skin researcher who digs underneath the first layer of urban appearance. Here, structures become architectural synapses and macro-elements remind us of the cellular micro-world. His perspective is driven by a scientific principle and a pictorial attitude, through complex and never obvious combinations. His rationality interprets the codes of the real world, discovering the extent of ambiguity between figuration and abstraction.

Scientific principle, namely, analysis of elements.
Pictorial attitude, namely, quality and power of the photographic narrative

"Biocities" project confirms what has been said so far. This work deals with today's aspects of architectural life, within the productive cycle of the functional city. It has to do with the texture of new materials and low-polluting volumes. Berlin, London, Milan, Rome... Passion travels in a nomadic way, but the eye keeps a static frequency: it always remains identical with itself, like a doctor auscultating different bodies with different medical histories... Images enhance the nature of a detail so that single elements, as narrated by D'Orta, become independent. Arguably, the overall thoroughness of the composition conveys a scientific attitude, where each single photograph acts on the basis of entropy and an engineering balance. At the same time, such a thoroughness brings warm feelings, breathing life into glass, concrete and steel. Eyes work through modulations that are typical of a certain kind of painting consisting of neat lines, geometrical synthesis and colour vibrations.

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