





CENTRAL EUROPEAN INITIATIVE
1989-2009
YEARS

JOINT DECLARATION

Dr. Alois Mock, Minister for Foreign Affairs of the Republic of Austria, Dr. Gyula Horn, Minister of Foreign Affairs of the Republic of Hungary, Gianni De Michelis, Minister of Foreign Affairs of Republic of Italy and Budimir Loncar, Minister of Foreign Affairs of the Socialist Federal Republic of Yugoslavia held talks in Budapest on 11 November 1989. During the talks they declared the readiness of their Governments to strengthen good-neighbourly relations and to develop manifold co-operation between their respective countries.

By developing quadrilateral co-operation in this part of Europe they seek to contribute in a new way to further improving the atmosphere in Europe and strengthening the process of CSCE¹. By widening co-operation among themselves and making constructive initiatives they wish to promote the process of greater unity of Europe, and to strengthen joint responsibility for the future of Europe.

Relaying on the already established high level of good-neighbourly and friendly relations, including the bridge-building role of the national minorities, they wish to encourage quadrilateral co-operation in different spheres of social and economic life, having in mind the cultural and historical heritages of the four countries.

The four Governments attached great importance to economic and scientific-technical relations as well as co-operation in the fields of energy, industry, environmental protection, transport, tourism, culture, education, information and other fields of common interest. They also emphasized the significance of co-operation between their respective frontier regions.

They agreed that the active participation, together with their respective Governments, of social factors, organisations and individuals in the development of quadrilateral co-operation should be encouraged. They considered it a task of their Governments to create a good political atmosphere and solid frameworks for wide-ranging co-operation.

¹Conference on Security and Co-operation in Europe (CSCE)

Starting from 1990 they will promote their co-operation by means of annual meeting at high political level. Working groups on specific subjects will carry out the preparation of such meetings.

Positive and far reaching transformations on our Continent and in international relations in general, as well as further development of democracy and human rights also create favourable conditions for the development of co-operation among the four countries, which by their activities wish to strengthen and support these processes.

The four Governments are firmly resolved to deepen the Helsinki process and to develop its results already achieved. Therefore they will further stimulate all-European co-operation and promote the work of the fora concerned with it. By strengthening relations among themselves the four countries wish to contribute to the success of various form of regional co-operation such as the Alps-Adria Working Community and others.

Guided by the new spirit prevailing in Europe and inspired by the closeness of their views, the four sides consider that the development of subregional, regional and inter-regional co-operation could significantly contribute to the gradual creation of a common economic area on our continent.

The four Governments lay the groundwork for a cooperation of new quality in an effort to concurrently further the improvement of the relations in Europe.

They will convey the significance and the results of their co-operation to respective countries of close association in the international arena.

TABLE OF CONTENTS

INTRODUCTION	7
HISTORY AND OBJECTIVES	11
STRUCTURES AND FUNCTIONING	21
CEI-EXECUTIVE SECRETARIAT	27
FUNDS AND INSTRUMENTS	31
FEATURE EVENTS AND ACTIVITIES	39
PRIZES AND AWARDS	43
MEDAL OF HONOUR	49
SECRETARIAT FOR CEI PROJECTS AND CEI TRUST FUND AT THE EBRD	53
COOPERATION AND SYNERGIES	67
CONCLUSIONS AND OUTLOOK	73



INTRODUCTION

INTRODUCTION

2009 is a very important year for the CEI. It has celebrated its 20th Anniversary which represents an excellent opportunity to look into the future with optimism and open-mindedness, drawing encouragement and inspiration from the past. For this special occasion, the staff of the CEI Secretariats has contributed to this publication, which I hope the readers will find as an excellent database of the developments throughout the twenty years of history of the organisation.

The CEI started as a forum of cooperation among countries that for decades had been divided by the Iron Curtain. Its role in the region has been continuously reinforced and has become an important engine of regional integration, thus emerging into one of the largest fora of cooperation among the countries of Central, Eastern and South Eastern Europe.

Since its establishment, the CEI has been working hard to fulfil its mandate, fostering political and socio-economic development in the region. It has made a significant contribution to the political dialogue in the region by means of its annual Meetings of the Heads of Government and Ministers of Foreign Affairs, organised by the Member State holding the rotating CEI Presidency.

Yet, in response to the changing conditions and needs on the ground, the CEI has reinforced its operational activities and developed a number of tailor-made funds and instruments such as the Cooperation and Solidarity Funds as well as the Special Fund for Climate and Environmental Protection, the Know-how Exchange Programme or the University and the Science and Technology Networks. Out of its Trust Fund at the EBRD, the CEI supports the economic transition process by financing projects and development programmes linked to EBRD investments in the region.

The CEI has been using its resources in a variety of areas in order to gain, for its Member States, the fullest benefits from concerted regional action. This basically means: establishing structured working relations among institutions as well as financing projects and interacting with the civil society in certain priority fields. The basic philosophy of the CEI is, therefore, a demand-oriented, bottom-up approach in its activities.



AMB. PIETRO ERCOLE AGO
CEI-ES SECRETARY GENERAL

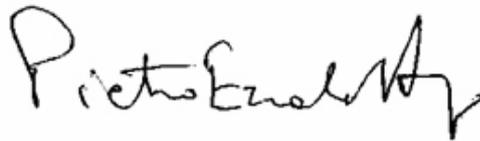
The CEI has also been guiding its members towards further European integration not only by supporting them in this endeavour from a political point of view, but also from a technical point of view by promoting different projects aimed at assisting the countries outside the EU to adopt the *acquis communautaire*. The CEI has also helped to create an environment of mutual understanding and respect among its countries. After the latest EU enlargement of 2007, the CEI was in a strategic position by linking an equal number of EU and non-EU Member States, which jointly started paying stronger attention to a closer cooperation and know-how transfer among them.

During these years the CEI has established closer relations with the European Union. On an operational level it is seeking to enhance participation in EU-funded projects and establish close working relations with the respective EU Programmes. On a political level, the CEI is making efforts to achieve better institutional contacts with the European Commission and assure its participation in major CEI events.

Thus, one could say that, throughout these 20 years the CEI has gone through a major transformation from being predominately oriented towards policy dialogue to an organisation also emphasizing economic development through the transfer of know-how, transfer of technology and business facilitation, as well as to an organisation promoting the civil society, especially in the fields of scientific research, education, culture and media.

The CEI has recently undertaken a process of renovation, in particular a “repositioning” process that has started in 2007. It aimed at streamlining the CEI functioning and its areas of operation, by introducing more efficiency and more transparency in its activities.

The added value of the CEI is in its capability to adapt to changing conditions. Its territorial presence, which allows it to have a deep understanding of the strengths and weakness of the countries, enables the CEI to find the proper balance between regional priorities and local needs. The CEI is ready to embark on every new challenge and transform it into a benefit for its Member States.



Pietro Ercole Ago
CEI-ES Secretary General



Belarus

Poland

Ukraine

Czech Republic

Slovakia

Moldova

Austria

Hungary

Romania

Slovenia

Croatia

Serbia

Bosnia and Herzegovina

Italy

Bulgaria

Montenegro

Macedonia

Albania



HISTORY AND OBJECTIVES

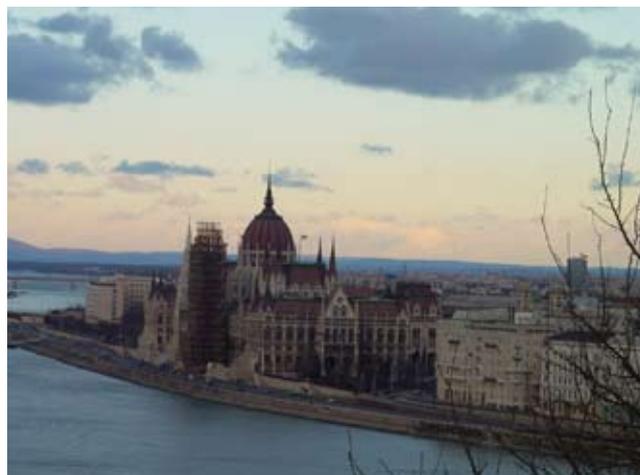
HISTORY AND OBJECTIVES

The origin of the Central European Initiative lies in the creation of the **Quadrangonale** or *Quadrangulare* which was established by Italy, Austria, Hungary and the Socialist Federal Republic of Yugoslavia (SFRY) in Budapest on 11 November 1989 (two days after the fall of the Berlin Wall). The Ministers of Foreign Affairs of the four founding members, on that occasion, adopted a Joint Declaration stating the *readiness of their Governments to strengthen good-neighbourly relations and to develop manifold cooperation between their respective countries*. The concept at the basis of the Quadrangonale was elaborated by the, at the time, Italian Deputy Prime Minister Gianni De Michelis, Austrian Vice Chancellor and Minister of Foreign Affairs Alois Mock and Hungarian Deputy Prime Minister Peter Medgyessy.

The *Quadrangonale* had a twofold objective. From a political point of view, it wanted to give a clear sign of overcoming the division in blocks that had existed for so long in Europe, by re-establishing cooperation links, in a sub-regional context, among countries with a different political orientation (Italy, member of NATO and the EEC; Hungary, member of the Warsaw Pact; Austria, a neutral country and the SFRY, a non-aligned country). From an economic point of view, it intended to formulate and develop – within the appropriate Working Groups – specific programmes and projects aiming at a gradual harmonisation of the socio-economic structures of the Member States.

The *Quadrangonale* political dimension was able to achieve considerable success in a very short period of time and can be regarded as the first attempt to respond to the request of the former communist countries to approach the Western European institutions.

This success was confirmed by immediate requests from other Central European countries to join the Quadrangonale. At the first Meeting of the Heads of Government after its inception, held in Venice in August 1990, the Quadrangonale was enlarged with the admission of Czechoslovakia, thus renamed **Pentagonale**. A year later, the Meeting of the Heads of Government in Dubrovnik, in July 1991, admitted Poland as a full-fledged member, therefore transforming the Pentagonale into **Hexagonale** (or Hexagonal Initiative). The Hexagonale was a structured forum acting at ministerial level with the meetings of the Ministers of Foreign Affairs and the Meeting of the Heads of Government (both events, taking place each year, were prepared by the Committee of National Coordinators) and at operational level through several Working Groups. The Working Groups carried out cooperation relations among Member States in various fields, including transport, energy, telecommunications, small and medium-sized enterprises, culture and tourism.



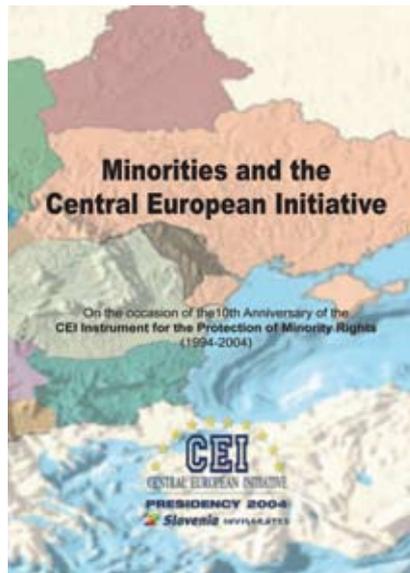
BUDAPEST, THE FOUNDING CITY OF THE CEI



ONE OF THE FIRST HOLES IN THE WALL, MADE BY EAST GERMANY YOUNGSTERS IN NOVEMBER 1989



CEI Logo



BOOK PUBLISHED ON THE OCCASION OF THE 10TH ANNIVERSARY OF THE INSTRUMENT

In 1991, the Hexagonal Initiative and the European Bank for Reconstruction and Development (EBRD), signed an *Agreement for the Establishment at the EBRD of a Secretariat for Hexagonal Projects*. The newly created operational link lies in the complementary objectives and functions of the two parties. In 1992, the Italian Government and the EBRD signed an Agreement on the establishment of a **Trust Fund** within the Bank, provided by Italy.

The Yugoslav crisis, which started in 1991, severely hampered the functioning of the Hexagonale, but it also proved the vitality and worthiness of the Initiative that managed to survive the dramatic dislocation of one of its founding members, initially by suspending the SFRY and then gradually readmitting the new states emerging on its territory. Bosnia and Herzegovina, Croatia and Slovenia, in fact, were admitted by the Vienna Meeting of the Heads of Government in 1992, where the renaming of the organisation into **Central European Initiative (CEI)** was decided upon. With the dissolution of Czechoslovakia in 1993, both the Czech Republic and the Slovak Republic were admitted to the CEI. At the Budapest Meeting of the Heads of Government in 1993 a proposal for the admission of Macedonia (tenth member of the Initiative) was approved. Furthermore, the **Secretariat for CEI Projects (CEI-PS)** started operating at the EBRD Headquarters in London.

The Italian CEI Presidency in 1994 actively worked to strengthen the Central European Initiative as a forum for preparing and facilitating the accession of its members to the EU. In addition, the CEI had established an Association Council in which Albania, Belarus, Bulgaria, Romania and Ukraine participated with a view of setting the basis for their cooperation with the CEI. The Council met for the first time back-to-back with the Trieste Summit in July 1994.

The Turin Meeting of the Heads of Government in November 1994 decided upon a restructuring of the official programme of the CEI high-level meetings by holding the **Meeting of the Heads of Government (CEI Summit)** and the **Meeting of the Ministers of Foreign Affairs (MFA Meeting)** of the CEI Member States and by convening ministerial meetings in the areas of CEI activity on an annual basis. Furthermore, the CEI Summit also endorsed the **CEI Instrument for the Protection of Minority Rights**, a far-reaching document, negotiated by the competent CEI Working Group. The original text was proposed by Italy, on the basis of existing international documents, but was adapted to the situation of Central Europe, including in particular the definition of national minorities. The CEI Instrument was a major political success: over the years it has been signed by thirteen CEI Member States².

²Albania, Austria, Bosnia and Herzegovina, Croatia, Hungary, Italy, Macedonia, Moldova, Poland, Romania, Serbia and Montenegro and Slovenia.

In 1995 and 1996 a certain form of institutionalisation of the Initiative took place. During the CEI Summit in Warsaw in 1995, the Heads of Government agreed on two key decisions: to adopt **The Guidelines for Activities and Rules of Procedure of the Central European Initiative**, document which *summarizes in basic form the Initiative's objectives, its structure and operating principles*, and to set up a **CEI Centre for Information and Documentation (CEI CID)** in Trieste, upon an offer made by Italy, namely by the Friuli Venezia Giulia Region and the City of Trieste.

The CEI Centre for Documentation and Information was inaugurated in Trieste in March 1996. It aimed at preparing, compiling and disseminating documentation for facilitating the exchange of information among the various CEI structures and for promoting the activities of the CEI. The CEI Presidency, represented at the time by Austria, and the Italian Government, signed the **Agreement on the Seat of the CEI CID in Trieste (Headquarters Agreement)** in Vienna on 24 July 1996. On the basis of this Agreement, the CEI CID, later renamed CEI-Executive Secretariat, operates with the legal status of an International Organisation.

The MFA Meeting in Vienna in May 1996 approved the full membership of the associated countries and the CEI Summit in Graz in November 1996 admitted Moldova as its sixteenth member. In view of the enlarged CEI membership, the widening scope of its activities and the enhanced role of the CEI in the process of European integration, it was agreed that urgent measures were necessary in order to improve the structure of the CEI CID in terms of financing, personnel and equipment.

Following this enlargement, priority attention was given to efforts aimed at advancing cohesion and harmonious economic and social development in the region. This was due to the fact that these sixteen countries had substantial disparities in their economic strength and performance as well as different levels in the transition and integration process, especially regarding their status of relations with the European Union (EU).



OPENING OF THE CEI CID IN 1996.
FROM LEFT: BENITA FERRERO WALDNER, MINISTER OF FOREIGN AFFAIRS OF AUSTRIA;
SERGIO CECOTTI, PRESIDENT OF THE AUTONOMOUS REGION FRIULI VENEZIA GIULIA; AND AMB. PAUL HARTIG,
CEI-ES DIRECTOR GENERAL (DG)



PARTICIPANTS AT THE VIENNA MFA MEETING 1996



FAMILY PHOTO OF THE CEI SECRETARIATS' STAFF IN 1998



SARAJEVO DECLARATION

**The Central European Initiative's contribution
to a co-operative and stable Europe**

The Heads of Government of the Member States of the Central European Initiative (CEI),

Taking into consideration major political and economic developments which are taking place in Europe and which have an important impact on Central and Eastern Europe, in particular:

- the enlargement processes of NATO and of the European Union,
- the existing economic and social differences and disparities between countries of the region and within societies,
- the persistence of risks to the stability and security of the region, emanating also from conflict areas and from "soft" security threats,
- the spread of numerous regional and subregional co-operation initiatives on the continent.

Being aware of the rising geopolitical importance of the CEI region.

Reaffirming their commitment to further enhance co-operation within the framework of the CEI in view of responding in concert with other European and international organisations, regional and subregional groupings, to the challenges which Europe and in particular the CEI-region is facing at the dawn of the 21st century,

Conscious of their joint responsibility for the future of Europe,

Resolved to contribute to the strengthening of the democratic processes in all CEI Member States, and thus heading towards a more co-operative, safe and stable Europe,

Determined to work together in the framework of a new, comprehensive CEI-strategy, thus

Agree

- (1) to work for cohesion of a united Europe, without dividing lines, a Europe with shared values, embracing all countries, regions, peoples and citizens of the continent,
- (2) to focus co-operation within the framework of the CEI in particular on assistance to strengthen the capacities of the least advanced member countries and of those having the greatest need for accelerated economic development or recovery.

To this end,

1. Decide to direct their co-operation within the framework of the CEI on the following principal objectives:

- (1) Strengthening co-operation among and between Member States by fostering:
 - bilateral, trilateral and various forms of multilateral co-operation, including in stability related issues,
 - the development of the human dimension, cross-border co-operation, combating organised crime and terrorism, intensified rehabilitation of Bosnia and Herzegovina and of other areas in need,
- (2) Strengthening the participation of all Member States in the process of European integration by fostering:
 - the political dialogue between the CEI, its Member States and the EU,
 - all activities which assist the least advanced Member States in developing European standards,
- (3) Strengthening economic, social and legal aspects of the transformation processes.

2. Invite the CEI structures to focus their efforts on the project oriented Plan of Action adopted at this Summit.

3. Call on the international community, the EU and other European and international organisations, regional and sub regional groupings, NGOs, the private sector and civil society structures to actively join this strategy of cohesion and solidarity in Europe.

Sarajevo, 29th November 1997

Gradually, the CEI countries started to see EU membership as the most viable and sound way of being integrated into the western society. This perception among the CEI Member States was consolidated by the accession of Austria to the EU in 1995. The CEI, thanks to the presence of Italy and Austria, appeared to represent a concrete and natural link between the EU and the countries of Central, Eastern and South Eastern Europe.

Under the CEI Presidency of Bosnia and Herzegovina in 1997, the basic concepts for the future political and operational orientation of the Central European Initiative were elaborated. The MFA Meeting decided *to orient activities in the various bodies of the CEI to concentrate in future particularly on assistance to strengthen the capacities of the least advanced member countries and those having the greatest need for accelerated economic development or recovery*. The CEI Summit in Sarajevo in November 1997 confirmed this orientation and adopted two documents of major importance: the **Sarajevo Declaration** and the **CEI Plan of Action 1998-1999**. The CEI Summit in Sarajevo also renamed the CEI Centre for Information and Documentation into **CEI-Executive Secretariat (CEI-ES)**.

By adopting the Sarajevo Declaration and the Plan of Action 1998-1999 it was agreed that one of the main tasks of the CEI, as a forum for cooperation, should be to reduce the impact of existing and possible emerging differences and disparities among and between CEI Member States and to avoid the creation of new dividing lines in Europe.

To this end, the following three **principal objectives** were established:

- strengthening cooperation among and between Member States;
- strengthening participation of all member states in the process of European integration;
- strengthening the process of economic transformation of the countries in transition.

In the meantime, the CEI was developing numerous activities and initiatives for cooperation, ranging from workshops and seminars, to projects of specific interest to the countries of the region or in the European context. In many cases the CEI activities and projects were designed to complement and reinforce strategic programmes pursued by other international organisations, in particular the EU. These CEI activities and projects were aimed at providing political as well as operative complementarities to the countries of Central, Eastern and South Eastern Europe, through the specific regional membership and expertise of the CEI. To this end, the CEI has maintained strong links with the European Commission (EC), with relevant organisations of the United Nations (UN) and with other international and regional organisations as well as international financial institutions, especially the EBRD. Furthermore, a transparent and concrete cooperation with these organisations has been activated.

The overall guidance and orientation of CEI activities, programmes and projects was given by the CEI Summit and by the MFA Meeting. Coordination was assured by the Committee of National Coordinators (CNC) assisted by the CEI – Executive Secretariat.

In view of accelerating the reaching of the goals and objectives defined in the “Sarajevo Declaration” and in the Plan of Action, the Ministers of Foreign Affairs, at their meeting in Brioni in 1998, considered the possibility of making available supplementary financial resources through the co-financing of relevant CEI projects. In addition, in order to facilitate the participation of CEI experts in CEI and CEI-sponsored meetings, the **CEI Solidarity Fund**, based on voluntary contributions from the CEI Member States was established at the CEI - Executive Secretariat in Trieste in 1998.

New initiatives to develop the **CEI Parliamentary and Business Dimensions** were also launched. The engagement of national parliaments in the CEI was highly welcomed by the ministers and represented a new and important development for the CEI.

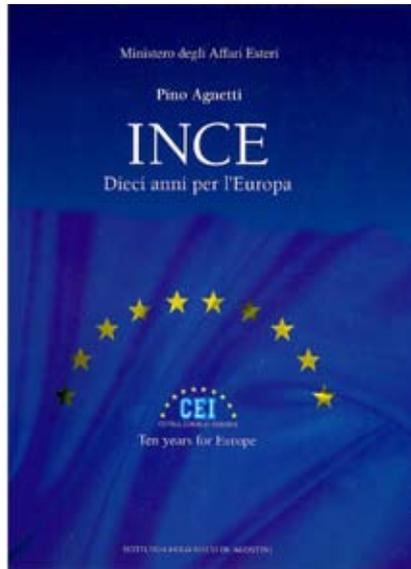
Moreover, the first CEI Business Forum, later renamed **CEI Summit Economic Forum (SEF)**, was held on the occasion of the CEI Summit in Zagreb in the autumn of 1998. The event has ever since promoted economic cooperation and investment projects.



PARTICIPANTS AT THE CNC MEETING IN BRIONI IN 1998, PRECEDING THE MFA MEETING



AMB. PAUL HARTIG, CEI-ES DG AND VINCENZO CALOGERO, HEAD OF THE CEI-PS LAUNCHED THE IDEA OF A CEI BUSINESS FORUM IN 1998



BOOK PUBLISHED ON THE OCCASION OF THE 10TH ANNIVERSARY OF THE CEI

In 1999 the Stability Pact (SP) for South Eastern Europe was established. The CEI saw it as an instrument which was consistent with the CEI strategy of cohesion and solidarity in Europe. The CEI was committed to actively participate in and contribute to the implementation of the SP objectives. The MFA Meeting in Karlovy Vary in June 1999 adopted a CEI Position Paper for a strengthened cooperation with the SP.

On the occasion of the CEI Summit in Prague in 1999 a solemn commemoration of the CEI's 10th anniversary was held in the Prague castle. A ceremony was also held in Trieste in December.

At the CEI Summit in Budapest in November 2000, the CEI membership increased to seventeen members with the adhesion of the Federal Republic of Yugoslavia (afterwards called State Union of Serbia and Montenegro). The CEI enlargement process ended in August 2006 when Montenegro became its eighteenth Member State.

Due to an increased number of projects submitted for CEI financing, the meeting of the Ministers of Foreign Affairs, held in Milan in June 2001, decided to establish the **CEI Cooperation Fund** on the basis of annual contributions from all CEI Member States.

In November 2001, the CEI Summit held in Trieste welcomed the first **CEI Youth Forum**, an idea launched by Poland during the CEI Summit in Budapest in 2000, in order to establish a dialogue with the youth in the CEI area and to give voice to their needs and aspirations. Furthermore, on this occasion, the idea of establishing a "CEI University" was launched with the aim of *bringing together the young people from the countries of the region in order to contribute to the European integration*. This idea represented the basis for creating a Network of Universities in the region, the CEI University Network.

In 2002, the CEI started publishing a monthly **CEI Newsletter** with the aim to enhance the visibility of the organisation and to better promote the activities it was carrying out in the various sectors of its operation. A relevant institutional reform was also introduced in 2002 with the amended CEI Guidelines and Rules of Procedure, adopted by the CEI Summit in Skopje in November 2002. These Guidelines have strengthened the role both of the CEI Parliamentary Dimension and the CEI Business Dimension, through the Central European Chamber of Commerce Initiative (CECCI), and were meant to help streamline the CEI activities.



PARTICIPANTS AT THE CEI YOUTH FORUM IN WARSAW, NOVEMBER 2003

The following years (2003 and 2004) witnessed a real bloom of the CEI activities. An enhanced cooperation with the Parliamentary Dimension and with the CECCI was established. The importance of the CEI Working Groups as the main instruments for demand-driven CEI Cooperation Activities increased. An annual Conference on CEI Cooperation, bringing together the Chairs of all Working Groups was organised on a regular basis. The role of the CEI in the economic field increased, as a result of the strengthening of the CEI structures in economic areas, the impact of the annual CEI Summit Economic Forum and projects and programmes managed by the Secretariat for CEI Projects at the EBRD. The CEI – Executive Secretariat also strengthened its role as host of the CEI meetings and events.

The **CEI University and Science and Technology Networks** became operational at the beginning of 2004. The **CEI Know-how Exchange Programme (KEP)**, aimed at serving as an instrument offering co-financing of projects focusing on the transfer of know-how and best practice from EU to non-EU Member States of the CEI, was also launched in this period.

In the meantime, the CEI Cooperation Fund received hundreds of applications for co-financing of Cooperation Activities, thus becoming a very popular instrument among the Member States. Therefore, the CEI countries started exploring possible ways and means for increasing its resources.

On 1 May 2004, five CEI Member States (the Czech Republic, Hungary, Poland, Slovakia and Slovenia) joined the European Union. This event greatly changed the framework of political and economic cooperation not only for the whole continent, but also for the CEI and put more emphasis on the need for an extended cooperation with the aim of preventing new dividing lines between members in different stages of transition and different formats of cooperation with the EU. Thus, the interest of the organisation shifted towards the countries remaining outside of the EU. At the CEI Summit in Tirana in November 2006 the Heads of Government reconfirmed this general position: the EU perspective has proven to be a driving force for the non-EU CEI Member States.



**MIXING BUSINESS WITH PLEASURE:
PARTICIPANTS OF THE CONFERENCE ON CEI COOPERATION IN JUNE 2005 ON THEIR BOAT TRIP
TO MUGGIA NEAR TRIESTE**



WG MEETING IN TRIESTE



**CEI SUMMIT IN WARSAW IN 2003.
ON THIS OCCASION THE FOUNDING CHARTER OF THE CEI UNIVERSITY NETWORK WAS APPROVED
AS WELL AS THE LAUNCHING OF THE KEP. FROM LEFT: AMB. HARALD KREID, CEI-ES DG;
LESZEK MILLER, POLISH PRIME MINISTER; SILVIO BERLUSCONI, PRESIDENT OF THE
COUNCIL OF MINISTERS OF ITALY AND ANTON ROP, PRIME MINISTER OF SLOVENIA**



THE CEI HAS 9 EU AND 9 NON-EU MEMBER STATES

In addition, given the EU enlargement of 2007 with the accession of Bulgaria and Romania, the CEI found itself in a strategic position by linking an equal number of EU and non-EU Member States in a concerted effort focused on closer cooperation and know-how transfer.

Following the two EU enlargements of 2004 and 2007, the CEI initiated a process of repositioning - self-critical analysis and reflection - in order to appropriately respond and adjust itself to the modified scenario. Once mainly focusing on policy dialogue and institutional cooperation, the CEI has progressively moved its priorities towards economic growth and human development with special focus on capacity building, sharing of experience and know-how transfer.

The CEI Summit in Sofia, on 27 November 2007, adopted a set of decisions on the **CEI Repositioning** in order to render this intergovernmental Forum of eighteen Member States a more effective instrument of cooperation, better equipped to serve the needs of its Member States and to more fully exploit its comparative advantages such as its unique membership, its high political visibility, its demand-driven operational activities and its intergovernmental networks. One of the decisions regarded the streamlining of CEI activities into eight main areas. Other decisions tackled the transformation of CEI structures (e.g. transformation of the Working Groups system into Networks of CEI Focal Points). With respect to securing sufficient financial resources to carry out CEI programmes and projects, the Member States *committed themselves to make every effort during the forthcoming years to improve gradually their financial contribution to the Operational Activities.*



FAMILY PHOTO OF THE PARTICIPANTS AT THE CEI SUMMIT IN SOFIA IN 2007. ON THIS OCCASION THE DECISIONS ON THE CEI REPOSITIONING WERE ADOPTED

CEI AREAS OF ACTIVITY

- Climate, Environment and Sustainable Energy
- Enterprise Development including Tourism
- Human Resource Development
- Information Society and Media
- Intercultural Cooperation including Minorities
- Multimodal Transport
- Science and Technology
- Sustainable Agriculture

Horizontal instrument: Interregional and Cross-Border Cooperation

In 2008 and 2009 a number of actions were made in order to meet the objectives of the Repositioning set in Sofia. Particular attention should be paid to strengthened **cooperation and coordination** with the other regional actors, in particular with the Adriatic and Ionian Initiative (AII), the Black Sea Economic Cooperation (BSEC) and the Regional Cooperation Council (RCC). Contacts were revived as well with the main European and international organisations such as the Council of Europe (CoE), the Organisation for Economic Cooperation and Development (OECD), the Organization for Security and Cooperation in Europe (OSCE), the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the United Nations Economic Commission for Europe (UNECE).



CNC MEETING IN BUCHAREST, FEBRUARY 2009
THE CNC WAS INVOLVED IN THE REPOSITIONING PROCESS



STRUCTURES AND FUNCTIONING

STRUCTURES AND FUNCTIONING

The CEI operates through various **structures**: the annual Meeting of the Heads of Government (CEI Summit), the annual Meeting of the Ministers for Foreign Affairs (MFA Meeting), regular meetings of the CEI Committee of National Coordinators (CNC), which provide an overall guidance to the organisation, the CEI Presidency, etc. A meeting on the level of Political Directors of the Ministries of Foreign Affairs is held, as a rule, once a year in Rome.

CEI representatives of national Parliaments cooperate and meet in the framework of the CEI Parliamentary Dimension, while representatives of national Chambers of Commerce meet in the framework of the CEI Business Dimension. The role and tasks of the various CEI structures are defined in the CEI Guidelines and Rules of Procedure adopted by the Heads of Government. Other ministerial or sectorial events are also held, such as the Meeting of the Ministers of Economic Sectors held within the framework of the CEI Summit Economic Forum.

Furthermore, a high number of international events (i.e. conferences, seminars, workshops or training programmes) in a variety of fields are either sponsored or co-sponsored by the CEI. Other meetings and activities of the CEI working bodies covering various areas of economic and human development are organised upon the initiative of Member States or the CEI-Executive Secretariat.

The **CEI Summit** is one of the most significant CEI events, gathering the Heads of Government of the eighteen CEI Member States. Usually convened in autumn in the country holding the CEI Presidency, it takes decisions on the political and economic orientation for CEI cooperation and gives visibility to the organisation.

According to the CEI Guidelines and Rules of Procedure, the Heads of Government decide on the following:

- principles and objectives of the CEI;
- amendments to the “CEI Guidelines and Rules of Procedure”;
- political and economic orientation for the cooperation within the framework of the Initiative, including adoption of the Plan of Action;
- membership (admission, suspension);
- approval of the Annual Report of the CEI-ES SG.



OPENING OF THE CEI SUMMIT IN CHISINAU, R. MOLDOVA, IN 2008. FROM LEFT: MINISTER OF FOREIGN AFFAIRS OF THE R. OF MOLDOVA, ANDREI STRATIAN; PRESIDENT OF THE R. OF MOLDOVA, VOLODYMYR VORONIN AND PRIME MINISTER OF THE R. OF MOLDOVA, ZINEADA GRAECANI



THE CEI SUMMIT IS ALSO AN EXCELLENT OPPORTUNITY FOR BI OR TRILATERAL TALKS BETWEEN THE PRIME MINISTERS. FROM LEFT: WOLFGANG SCHÜSSEL, FEDERAL CHANCELLOR OF THE REPUBLIC OF AUSTRIA, SALI BERISHA, PRIME MINISTER OF ALBANIA AND NIKOLA GRUEVSKI, PRIME MINISTER OF MACEDONIA DURING THE CEI SUMMIT IN TIRANA, NOVEMBER 2006.



FAMILY PHOTO OF THE CEI MINISTERS OF FOREIGN AFFAIRS IN TATRANSKA LOMNICA, SLOVAKIA, MAY 2005



MINISTERS OF FOREIGN AFFAIRS ENJOYING A CONCERT OF A YOUNG MOLDOVAN QUARTET AT THEIR MEETING IN CHISINAU 2008



THE MINISTER OF ECONOMY OF MOLDOVA, IGOR DODON, ANSWERING A JOURNALIST'S QUESTIONS AFTER THE OPENING OF THE SEF 2008

Decisions on organisational and financial matters of the CEI are taken at the **MFA Meeting**, convened once a year in the country holding the CEI Presidency.

According to the CEI Guidelines and Rules of Procedure, the Ministers of Foreign Affairs decide on the following:

- political cooperation;
- participation in CEI activities;
- the organisational structure, areas and ways of cooperation;
- matters concerning the establishment and the operational structure of the working bodies;
- the formula of the annual contributions, annual budget and scale of contributions of the CEI Cooperation Fund;
- the appointment and recall of the CEI-ES Secretary General, the CEI-ES Alternate Secretary General and the CEI-ES Deputy Secretary General.

The **Ministers of Economic Sectors** at their meeting discuss topics regarding the economic co-operation in the CEI region. Other ministerial meetings are also convened according to the needs of special political agreements on a given issue:

Meeting of Ministers of Environment

1996 - Graz

Conference of the Ministers of Interior

1998 - Trieste

Meeting of Ministers of Agriculture

2001 – Verona; 2002 – Trieste; 2004 – Maribor;
2005 – Sliac; 2006 – Durres; 2007 – Sofia; 2008 - Chisinau

Meeting of Ministers of Justice

2001 - Trieste

Meeting of Ministers of Culture

2002 - Skopje

Meeting of High Representatives on Information and Media

2002 - Belgrade

Meeting of Ministers of Information Society

2004 - Maribor

Meeting of Ministers of Transport

2007 – Varna; 2008 - Chisinau

Ministerial Conference on Renewable Energy Sources

2008 - Chisinau

Meeting of Ministers of Tourism

2008 – Chisinau; 2009 - Bucharest

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. The CNC meets frequently in order to discuss and coordinate cooperation within the various bodies of the CEI as well as in relation with other international and regional organisations. The CNC, assisted by the CEI-ES, prepares the documents to be approved by the CEI Summit or by the MFA Meeting. The CNC, in consultation with the Secretary General of the CEI-ES, decides upon the structure and the staff of the CEI-ES.

The Chairmanship of the CEI, or the **CEI Presidency**, rotates annually at the beginning of the calendar year based on the alphabetical order of the English names of CEI Member States.

The above-mentioned structures form the CEI Governmental Dimension, which develops activities at political level, in the framework of the meetings described above. Such activities are also developed in the framework of CEI working bodies, the Networks of Focal Points³. The Networks are composed of representatives from all Member States, who are experts usually from various ministries and other governmental institutions. They are regularly invited to evaluate, collect, propose and implement CEI activities as well as to assist in the definition of the strategies in various sectors, e.g. the CEI Plan of Action.

Cooperation among the Parliaments of CEI Member States has always been an important part of the CEI activities. The representatives of the **CEI Parliamentary Dimension (PD)** are regular participants in the CEI high-level meetings. Throughout the years, the institutional establishment of the CEI PD has undergone a transformation process, which was formalised by the Working Procedures of the PD, adopted in 1999 and amended Guidelines and Rules of Procedure, adopted at the CEI Summit in Skopje in 2002. The highest body of this dimension is the Parliamentary Assembly that meets once a year in autumn, prior to the CEI Summit. This body adopted the new Rules of Procedure of the CEIPD that were finalised at the meeting of the Parliamentary Assembly in Tirana (2-3 November, 2006). According to its Rules of Procedure, the annual PD chairmanship rotates according to the annual CEI Presidency.



PARTICIPANTS AT THE CNC MEETING IN TRIESTE, MARCH 2006

1989	HUNGARY
1990	ITALY
1991	SFR YUGOSLAVIA
1992	AUSTRIA
1993	HUNGARY
1994	ITALY
1995	POLAND
1996	AUSTRIA
1997	BOSNIA AND HERZEGOVINA
1998	CROATIA
1999	CZECH REPUBLIC
2000	HUNGARY
2001	ITALY
2002	MACEDONIA
2003	POLAND
2004	SLOVENIA
2005	SLOVAKIA
2006	ALBANIA
2007	BULGARIA
2008	MOLDOVA
2009	ROMANIA

CHRONOLOGICAL ORDER OF THE CEI PRESIDENCIES

³The Networks of Focal Points have replaced the old system of Working Groups in 2008.



**LAURA RAVETTO, HEAD OF THE ITALIAN CEI PARLIAMENTARY DELEGATION
PAID A VISIT TO THE CEI-ES ON 25 FEBRUARY 2009**

The Members of the Parliamentary Assembly are proportionally represented in three General Committees (on political and home affairs, economic affairs and cultural affairs), which elaborate working documents to be evaluated by the Parliamentary Assembly. They meet at least two months before the Parliamentary Assembly. The contacts with the CEI Parliamentary Dimension were stepped up also thanks to the strong interest demonstrated by the Italian parliamentary delegation.

The Central European Chambers of Commerce Initiative (CECCI) represents the **CEI Business Dimension**. It acts as a regional forum for cooperation among the Chambers of Commerce in all CEI Member States, by organising events aimed at promoting business and entrepreneurship in the region.

The strategic goals of the CECCI are:

- to further develop its role as an interface between the public authorities and businesses in order to promote effective cross border co-operation in accordance with the principles of subsidiarity and proximity;
- to reinforce mutual co-operation among the Chambers of Commerce in order to strengthen their structures vis-a-vis governments, public administrations and private sectors (in particular SMEs);
- to support its role in the implementation of the strategies decided at CEI governmental level also in view of their administrative role vis-a-vis SMEs, in particular to promote the compulsory membership of all enterprises in the Chambers in CEI countries;
- to help Chambers to develop their activities and the infrastructure needed in order to meet the needs of their members, especially SMEs, in the internationalisation process;
- to strengthen the exchange of information as well as set up projects adapted to the needs of the area.



CECCI POSTER

Cooperation within the framework of the CECCI aims at the following main objectives:

- administrative and legislative simplification of the context in which businesses operate and improvement of access of companies, especially SMEs, to research programmes and technological innovation;
- support to companies in expanding their activities across national borders;
- promotion of entrepreneurship and improvement of business support services through the exchange of best practices.

Starting from 2004, cooperation with CECCI has become more structured by co-financing projects in the framework of the CEI Cooperation Activities. Thanks to an annual voluntary contribution of Unioncamere to the CEI Cooperation Fund in the period 2004-2007, the CECCI Network has developed various activities such as seminars, events and meetings. The Unioncamere has also promoted the development of the Chambers of Commerce system in the CEI countries and strengthened the cooperation between the Italian and foreign SMEs.



**CECCI MEETING IN TRIESTE IN 2006 UNDER THE ALBANIAN CEI PRESIDENCY.
FROM LEFT: CARLO SPAGNOLI, REPRESENTATIVE OF UNIONCAMERE/CECCI
SECRETARIAT; LUAN BREGASI, PRESIDENT OF THE UNION OF CHAMBERS
OF COMMERCE AND INDUSTRY OF ALBANIA AND EUGENIO CAMPO, CEI-ES DDG**



CEI-EXECUTIVE SECRETARIAT

CEI-EXECUTIVE SECRETARIAT

The **CEI-Executive Secretariat (CEI-ES)**, the only permanent CEI body, provides continuous administrative and conceptual support to both the decision-making and operational structures of the CEI and takes appropriate initiatives aimed at promoting the realisation of the CEI co-operation objectives.

The CEI-ES was established in Trieste under the Austrian CEI Presidency in 1996 and upon an offer by the Italian Government to host its seat, with the aim to give a certain form of institutionalisation to the Initiative. First called CEI Centre for Documentation and Information (CEI CID), then renamed CEI-Executive Secretariat (CEI-ES), the Secretariat operates with the legal status of an International Organisation. It is based on a Headquarters Agreement concluded between the Italian Government and the CEI Presidency. The Agreement entered into force on 7 November 1997.

In accordance with Art. I.1. of the Headquarters Agreement, the seat of the CEI-ES in Trieste, via Genova 9, was made available to the CEI by the Italian Government through the Autonomous Region Friuli Venezia Giulia, free of charge and ties, under terms described in a Protocol concluded between the CEI - Executive Secretariat and the Autonomous Region Friuli Venezia Giulia⁴.

The tasks assigned to the Executive Secretariat and to its Secretary General are described in the CEI Guidelines and Rules of Procedure. In 2008 the executive level of the CEI-ES was renamed, introducing the title of **Secretary General (SG)**.



INAUGURATION OF THE CEI-EXECUTIVE SECRETARIAT IN TRIESTE



BUILDING OF THE HEADQUARTERS OF THE CEI-ES IN TRIESTE

⁴."Convenzione tra la Regione Autonoma Friuli Venezia Giulia ed il Segretariato Esecutivo dell'Iniziativa Centro Europea", Trieste, 20 December 1999.



FROM ABOVE AMB. HARTIG, AMB. KREID AND AMB. AGO

The Executive Secretariat of the CEI, since its establishment in 1996, was headed by: Ambassador Paul Hartig (Austria) from 1996 to 2001, by Ambassador Harald Kreid (Austria) from 2002 to 2007 and by Ambassador Pietro Ercole Ago (Italy) from 2008 to 2009. The CEI SG is supported by an Alternate Secretary General (CEI-ES ASG) and a Deputy Secretary General (CEI-ES DSG).

DIRECTORS GENERAL / SECRETARIES GENERAL

1996-2001	Paul Hartig (Austria)
2001-2007	Harald Kreid (Austria)
2008-2009	Pietro Ercole Ago (Italy)

ALTERNATES

2008	Harald Kreid (Austria)
2009	Gerhard Pfanzelter (Austria)

DEPUTIES

1996 - 1997	Giulio Picheca (Italy)
1997 - 2000	Gianfranco De Luigi (Italy)
1998 - 2002	Anton Rupnik (Slovenia)
2000 - 2003	Bernardino Mancini (Italy)
2002 - 2005	Milan Predan (Slovenia)
2003 - 2005	Leonardo Baroncelli (Italy)
2006 - 2007	Eugenio Campo (Italy)
2006 - present	Mykola Melenevskiy (Ukraine)

The **Staff Structure** of the CEI-ES is submitted by the Secretary General, in accordance with Art. 21 of the CEI Guidelines and Rules of Procedure, to the last CNC meeting of the year. The CNC, in conformity with Art. 17 of the Guidelines, approves the structure and staff of the CEI–Executive Secretariat.

The regular activities of the CEI-ES staff consist in providing – in coordination with the annually rotating CEI Presidency – administrative as well as conceptual support to the preparation and follow-up of the regular meetings of the Committee of National Coordinators (CNC), the high-level CEI meetings including the CEI Summit, the MFA Meeting and other CEI events, administration of relevant CEI funds and instruments. The staff of the Secretariat is also involved in the preparation, elaboration and circulation of pertinent documentation for the CNC, which is the key body responsible for the management of CEI cooperation and the implementation of CEI programmes and projects through appropriate structures, as well as for other competent authorities of the CEI Member States. The CEI-ES Secretary General, his Deputies and other staff members actively participate in many CEI, CEI-sponsored or other international events, maintain regular contacts with other international organisations, international financial institutions as well as regional organisations/initiatives.



FAMILY PHOTO OF THE CEI-ES AND PS STAFF IN TRIESTE - 2009



FUNDS AND INSTRUMENTS

FUNDS AND INSTRUMENTS

Thanks to the ever growing activities of the CEI, especially project-oriented, as well as the high request from the Member States for financing activities organised by them, a number of funds and instruments for the CEI operational activities have been created to the benefit of the CEI countries.

The Ministers of Foreign Affairs, at their meeting held in Milan in June 2001, decided upon the establishment of a **CEI Cooperation Fund**, administered by the CEI-Executive Secretariat. On that occasion, an annual budget of 300.000 EUR, covered by annual contributions from all CEI Member States, was approved.

Starting from 2003, and as a result of the growing interest of the Member States in this Fund, Italy has decided to make a voluntary contribution, thus doubling the approved annual budget and considerably increasing the Fund's operational capacities. Moreover, in the years 2004-2007 cooperation with CECCI became more structured by co-financing projects in the framework of the CEI Cooperation Activities, thanks to the voluntary contribution of Unioncamere (Italy) to the Cooperation Fund.

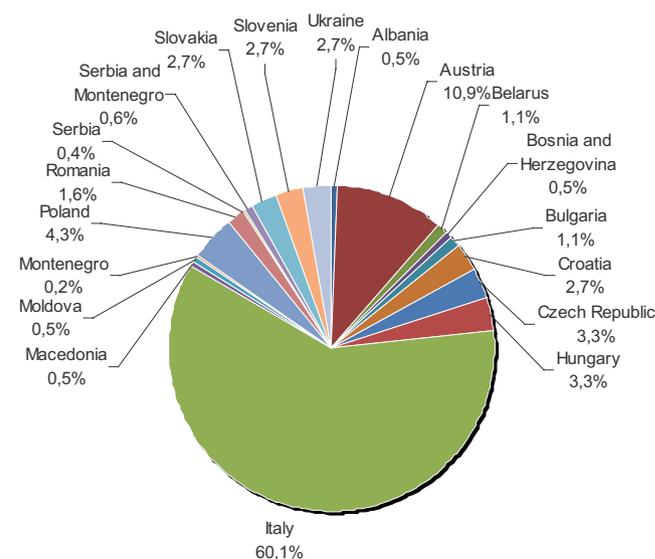
However, in order to meet the constantly growing demand, in 2005 the Ministers of Foreign Affairs at their meeting in Tatranska Lomnica on 27 May 2005 decided to increase the annual contributions of all Member States (except Italy which had already substantially contributed to the Fund with its voluntary contribution) by 10%. Nevertheless, requests for co-financing out of this Fund from all the Member States has grown exponentially every year, thus demonstrating its usefulness even beyond initial expectations.

At the Sofia Summit in November 2007, the CEI Member States committed themselves to improve the financial contributions to the funds and instruments for CEI Operational Activities. Throughout 2008, the Committee of National Coordinators discussed the modalities foreseen for gradually improving their financial contributions. Most of the delegations shared the view that a mandatory increase of the contributions to the CEI Cooperation Fund by 20% was a good starting point an easier in terms of procedure within their Ministries. The Ministers of Foreign Affairs at their meeting in Chisinau on 27 November agreed on this increase, implemented in 2009.

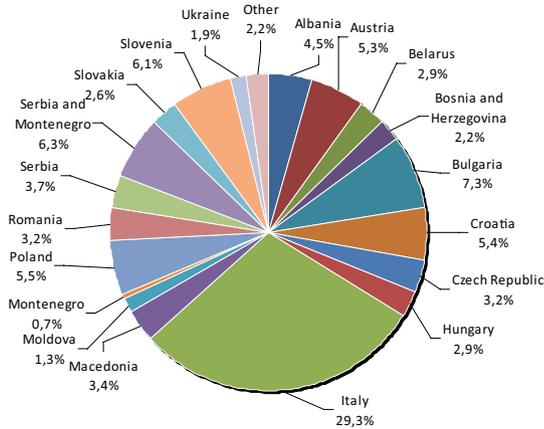
The cumulative amount of the contributions from the Member States to the CEI Cooperation Fund currently amounts to about 4.75 million EUR.



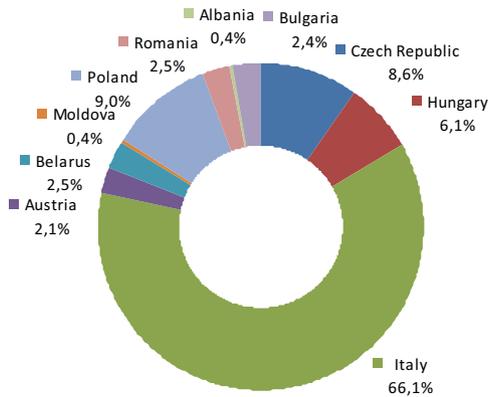
VENUE OF THE MFA MEETING IN TATRANSKA LOMNICA



CONTRIBUTIONS FROM CEI MEMBER STATES TO CEI COOPERATION FUND



APPROVED CEI GRANTS BY COUNTRY



CONTRIBUTIONS FROM CEI MEMBER STATES TO CEI SOLIDARITY FUND

The Cooperation Fund is used to co-finance projects, i.e. **CEI Cooperation Activities**, which cover a full range of activities (e.g. seminars, workshops, training courses, conferences, etc.), in accordance with the Rules and Procedures on the Use of the Fund, in the areas of CEI activity.

According to the Rules of the Cooperation Fund, the CEI support cannot exceed 50% of the total cost of a given project. They are usually small projects with a limited duration, although in some cases CEI co-funding is requested even for projects with a considerable budget. The advantage of this Fund is that the procedures are relatively simple, the decision-making is quick and the payment is prompt. This is a good example of a demand-driven, bottom-up approach and, until now, there have not been other similar instruments competing with this Fund. Preference is given to projects submitted by and in favour of non-EU CEI Member States. Since the inception of the CEI Cooperation Fund about 500 projects have been co-financed by the CEI with a total value amounting to around 5.17 million EUR.

With the aim to facilitate the participation of representatives and experts from the CEI Member States, in particular non-EU CEI Member States in events and meetings either organised or sponsored by the CEI, the Ministers of Foreign Affairs, at their meeting held in Brioni in June 1998, approved the establishment of a **CEI Solidarity Fund**. This Fund is based on voluntary contributions from CEI Member States and is administered by the CEI-Executive Secretariat according to the Guidelines for the use of the Solidarity Fund.

Up to now a number of countries have made their contributions to this Fund making a total amount of about 0.5 million EUR.

The CEI Solidarity Fund has assisted the participation of more than 250 representatives and experts from CEI Member States, in particular non-EU CEI Member States, in various events, inter alia, seminars, workshops, training courses or other kinds of meetings, by reimbursing their travel and accommodation expenses. Such events also included for example the meetings of the members of the CEI Working Groups, the Conference on CEI cooperation, as well as events in connection to EU projects where the CEI acts as Lead partner or partner.

The **CEI Special Fund for Climate and Environmental Protection (CEI Climate Fund)** is the most recent fund. The decision on its establishment was taken by the Heads of Government at their Meeting in Sofia on 27 November 2007. The Fund is based on voluntary contributions and is administered by the CEI-Executive Secretariat. Already in December 2007 the Czech Republic transferred the first contribution of about 113,285 EUR to the Fund.

At the beginning of 2008 the CEI made all efforts to obtain the ODA eligibility at the OECD for the CEI Climate Fund. Consequently, as of June 2008 the Fund was officially included in the OECD DAC list of multilateral funds whose official contributions may be reported as Official Development Assistance (ODA). This important achievement was secured thanks to Austrian initiative within the OECD DAC Committee. The CEI Climate Fund is the only ODA eligible fund of the CEI, thereby allowing countries to report their contributions in their official ODA statistics.

The CEI Climate Fund aims at supporting development assistance projects in the non-EU CEI Member States, addressing climate issues in areas such as energy efficiency and renewable energy; environmentally friendly technologies, sanitation of old ecological burdens; waste management; water supply and water management; raising awareness and education.

Within the first Call for Proposals of the Climate Fund (closed on 30 September 2008), the CEI-Executive Secretariat received 72 applications. The high interest shown by CEI countries confirmed that there is a real need for supporting activities in the field of climate and environment in the CEI Region. At the same time the limited financial resources allowed to support three Climate Fund projects only, one in Montenegro and two in Moldova, with 108,557 EUR.



MEETING OF THE CLIMATE FUND DONORS, TRIESTE, DECEMBER 2008



IMPLEMENTATION OF THE CLIMATE FUND PROJECT "WATER RESOURCES MANAGEMENT STRATEGY DEFINITION TO REDUCE POLLUTION OF GROUNDWATER AND PROTECT THE SOURCES OF DRINKING WATER FOR THE BALTI CITY" IN MOLDOVA



VISIT TO A GREENHOUSE IN AUSTRIA IN THE FRAMEWORK OF THE KEP PROJECT
“SUPPORT TO THE PREPARATION OF MACEDONIAN AFSARD AGENCY FOR THE PROCESS
OF ACCREDITATION”, SUPPORTED BY THE AUSTRIAN CONTRIBUTION

It is evident that throughout the years the CEI has gone through a transformation from being predominantly oriented towards policy dialogue to an organisation promoting civil society, especially in the fields of culture, media and youth affairs, of scientific research and of postgraduate training as well as to an organisation emphasizing the transfer of know-how, transfer of technology and business facilitation. To this end, several specialised instruments were created in 2004.

As a result of the EU enlargement in 2004, the number of CEI Member States being members of the European Union increased to seven. This number was brought to nine after Bulgaria's and Romania's EU accession in January 2007. These new circumstances have been reflected in the change of CEI priorities which shifted towards South Eastern and Eastern European countries, members of the CEI, which remained outside of the EU. Subsequently, the Initiative's activities focused largely on the organisation and co-financing of systematic transfer of experience and know-how from the EU to the non-EU CEI Member States, thus helping non-EU CEI countries to come closer to the European Union. The CEI responded to these developments with the establishment, in 2004, of the **CEI Know-how Exchange Programme (KEP)**.

The Programme provides a framework for the transfer and dissemination of knowledge and best practice already existing in more developed CEI Member States to those CEI countries which need this kind of assistance in their transformation process (non-EU CEI Member States). To this end, the CEI fosters the transfer of specific knowledge in economic transition and institution building, which the recent EU members have gained over the past two decades.

KEP projects are carried out by using various tools of know-how transfer (e.g. study tours, secondment of staff, surveys, preparation of manuals, etc.) in a combination which promotes successful implementation of the given knowledge in the recipient institution. The programme is open both to public and private sector bodies as well as to international organisations, which often play a coordination role between the actual know-how donor and the beneficiary. The CEI offers co-financing in a form of grants of up to 50% of the total project cost, up to the amount of 40,000 EUR per project.

The KEP focuses on areas where institutions in the CEI donor countries have a long-standing experience, and the beneficiary states the strongest need for assistance. Special attention is given to capacity building, conceived both as the strengthening of appropriate policies and legal frameworks as well as human resources development. The capacity building in the KEP is not limited to the central administrations but it encompasses local governments and local authorities as well. KEP priority areas are grouped into three thematic blocks: European integration, capacity building and market economy; infrastructure planning and development; and agriculture, energy and environment. In addition, projects which ensure an investment impact or provide prospects for long term development are given priority.



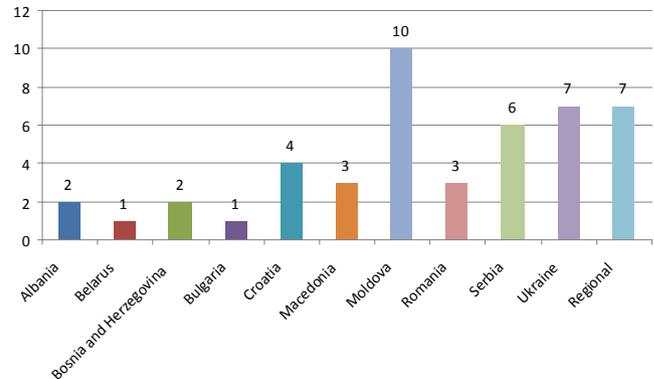
SEMINAR IN LUTSK, ORGANISED IN THE FRAME WORK OF A KEP PROJECT DEDICATED
TO WHOLESALE MARKETS DEVELOPMENT IN UKRAINE, SUPPORTED BY THE CEI TRUST FUND

Since its establishment, the KEP has been financed by the Italy-sponsored CEI Trust Fund at the EBRD, administered by the Secretariat for CEI Projects, approving in 6 years grants amounting to 947,969.50 EUR for 34 projects, which total value reached 2,649,000 EUR (more information on the projects can be found the chapter on the CEI Trust Fund at the EBRD). Following an ever-increasing interest of the CEI Member States, an additional financing in the amount of 360,000 EUR was secured in 2008 through an agreement with the Austrian Development Agency and is administered by the CEI-Executive Secretariat. The agreed amount is to be disbursed in three equal tranches in three consecutive years 2008, 2009 and 2010. Finally, at the end of 2008, Poland has voluntarily contributed 25,000 EUR, which topped up the KEP budget in 2009.

So far, the Austrian contribution helped to support 7 KEP projects in 4 countries (Croatia, Macedonia, Moldova and Serbia) with a total CEI grants amounting to 167,630 EUR.

For the promotion of postgraduate education and scientific research two specialized instruments were also launched and administered by the CEI-ES, up to now financed by Italy, namely the CEI University Network⁵ and the CEI Science and Technology Network. The **CEI University Network (UniNet)** is a network of universities and other institutions of higher learning in the CEI Member States. It aims at facilitating cooperation among these institutions through mobility of students and teaching staff which is promoted with the implementation of Joint Programmes (JPs) such as PhD and Master's courses, summer schools, seminars and workshops.

A Joint Programme should involve at least two Universities from different CEI Member States and fall within one of the following areas of cooperation: economics, infrastructure and transport, regional development and urban planning, public administration and governance models, ICT and environment. The teaching language is English. Priority is given to the participation of non-EU CEI Member States and to mobility through "Split Joint Programmes", i.e. courses held at more than one university. The CEI contribution is used to cover teaching grants and scholarship awards. The activities carried out so far have involved more than 100 universities where more than 600 scholarships and teaching grants have been disbursed throughout the CEI region amounting to a total amount of about 920,000 EUR.



KEP PROJECTS 2004-2009 BY RECIPIENT COUNTRIES



PROF. DOMENICO ROMEO, RECTOR OF THE UNIVERSITY OF TRIESTE PROMOTING THE CEI UNIVERSITY NETWORK ON 30 MAY 2006



A LESSON WITHIN A CEI UNINET JP

⁵The Founding Charter of the CEI University Network was approved on the occasion of the CEI Summit Heads of Government in Warsaw, November 2006



CEI SCIENCE AND TECHNOLOGY NETWORK EXECUTIVE BOARD MEETING, TRIESTE, 9 MARCH 2009



THE SEAT OF AREA SCIENCE PARK, ICGB AND ICS UNIDO IN PADRICIANO, NEAR TRIESTE

The **CEI Science and Technology Network (STN)** operates through the six renewed international research centres based in Trieste, so called Lead Institutions (LIs): the International Centre for Genetic Engineering and Biotechnology (ICGEB), the International Centre for Science and High Technology of UNIDO (ICS-UNIDO), the International Centre for Theoretical Physics ABDUS SALAM (ICTP), the International School for Advanced Studies (SISSA), the Synchrotron ELETTRA and the Consortium Area Science Park as well as their partner/affiliated institutions in other CEI countries. The Network aims at strengthening scientific and technological cooperation, providing financial support for the organization of PhD courses, training programmes, workshops and research activities in fields such as theoretical and applied physics, biogenetics, neurosciences and applied mathematics. Moreover, young scientists from CEI countries, particularly from non-EU CEI Member States, are offered the opportunity to attend such activities and carry out scientific research in one of these institutions. The area of cooperation of each Lead Institution is separately defined in a three-year Protocol complemented by an annual Work Programme.

Since its establishment in 2004, an amount of about 970,000 EUR was distributed among the Network's LIs to support activities involving participants from CEI countries, with particular focus on those coming from non-EU CEI Member States. Furthermore, in the context of this Network, a Research Fellowship Programme was launched in 2005 with the aim of enabling scientific mobility across the CEI region: about 275,000 EUR out of the above-mentioned budget were earmarked to support fellowships carried out by young researchers from Belarus, Bulgaria, Croatia, the Czech Republic, Hungary, Macedonia, Romania, Serbia, Slovenia and Ukraine. In 2008, this Research Fellowship Programme was further enhanced thanks to an EC grant received from the prestigious 7th Framework Programme for Research and Technological Development (Marie Curie Actions).

Finally, in order to expand the Network in the region and involve other scientific institutions from CEI countries, an amount of 50,000 EUR was addressed to support cooperation between the ICTP, one of the Network's LIs, and the National Academy of Sciences of Belarus (NASB). This amount was used to host PhD students from Belarus, Ukraine and Moldova and support their research projects.

With the aim to further strengthen its project-oriented activities, since 2004 the CEI-Executive Secretariat has been actively involved in several EU programmes (INTERREG, INTERACT, the 6th Framework Programme, the 7th Framework Programme, Culture 2000, Culture 2007-2013, Intelligent Energy – Europe, South East Europe, etc.) through its **Secretariat for EU Projects** (former CEI Funding Unit). With its involvement in EU supported projects, the CEI has aimed at reinforcing cooperation with the EU at operational level. Projects are promoted in areas of strategic importance for CEI countries: multimodal transport, SMEs, information society, science and technology, cultural cooperation, environment and spatial planning, cross-border cooperation, energy and education.

From 2004 to 2008, this kind of cooperation allowed the CEI to participate in 11 EU projects as a fully-fledged partner and carry out activities together with its partners for a total amount of 12.1 million EUR, out of which 907,844.01 EUR was the overall sum attracted from the EU and managed by the CEI-Executive Secretariat.

In 2008 and 2009, the CEI-ES promoted three projects as Lead Partner, namely “Central European Initiative InConcerto” (to support its Youth Orchestra), “CEI Research Fellowship Programme” - CERES (to support its existing Science and Technology Network) and “South East European Transport Axis Cooperation” - SEETAC. In its capacity as Lead Partner, the CEI-ES is in charge of the management of the aforementioned projects, whose total budget amounts to 5.8 million EUR.

In the project implementation phase, the CEI institutional and working structures have proven useful for the establishment of trans-national/international networks and Project Implementation Groups, consisting of representatives from both EU and non-EU CEI Member States. An interesting side-effect of these efforts is the so-called Third Country participation in EU programmes, i.e. the involvement of non-EU CEI countries in EU-sponsored projects. The role of the CEI in the implementation of these projects mainly consists in promoting the project activities and results, providing an experts’ platform through its various institutional structures and the dissemination of projects results within the CEI area and beyond.



**FINAL CONFERENCE OF THE R.A.V.E. SPACE PROJECT,
FINANCED BY INTERREG IIIIB CADSES, LJUBLJANA, 3-4 DECEMBER 2007**



**KICK-OFF MEETING OF THE SEETAC PROJECT,
FINANCED BY THE SOUTH EAST EUROPE PROGRAMME, VIENNA, 24 SEPTEMBER 2009**



FEATURE EVENTS AND ACTIVITIES

FEATURE EVENTS AND ACTIVITIES

In the course of time, a number of events have become institutionalised, hence providing high visibility to the CEI and contributing to enhancing its identity. Therefore, a special category of CEI activities grouping all these events has been created, the **CEI Feature Events and Activities**. These events and activities are recurrent in nature and either carry the name of the CEI in their title or dedicate a special segment to the CEI. These events are mainly contributed by the CEI Co-operation Fund, except for the CEI Journalists' Forum, financed by Poland for two consecutive years.

Currently there are 10 Events of this kind:

CEI Special Event within the Trieste Film Festival

Organised by the Alpe Adria Association, it devotes special section to the film industry in the CEI countries, i.e. a round table discussion and a film projection are organised in order to draw the attention of the audience to the cinematography in these countries. In 2009, a new concept of the CEI Special Event was launched, namely the “EASTWEEK talents” project, including master-classes, meetings and workshops addressed to students from prominent film schools of the CEI region. Qualified filmmakers and producers meet the students and provide them with training activities on the technicalities of directing, performing and working with a script. In addition, the CEI offers an award among the films produced in the CEI countries.

CEI Dubrovnik Diplomatic Forum

Organised by the Diplomatic Academy of the Ministry of Foreign Affairs and European Integration of Croatia, it aims at enhancing regional cooperation in the field of professional training of diplomats and lifelong learning. In particular, the purpose of the CEI Dubrovnik Diplomatic Forum is to compare and discuss the state of lifelong learning programmes for diplomats among the CEI Member States.

CEI Venice Forum for Contemporary Art Curators

Organised by the Trieste Contemporanea Committee, it gathers curators and commissioners of the Venice International Art Exhibition (“Biennale”) from CEI countries as well as relevant experts to exchange experiences and practices in the field of contemporary art as well as to discuss concrete ways of cooperation such as co-productions.



AMB. PIETRO ERCOLE AGO, CEI-ES SG OPENING TRIESTE FILM FESTIVAL 2008



OPENING OF CEI VENICE FORUM FOR CONTEMPORARY ART CURATORS, 2009



THE CEI INTERNATIONAL SUMMER SCHOOL OF CERVIA IS HELD EVERY YEAR UNDER THE TITLE "BEYOND THE ENLARGEMENT. THE WIDER EUROPE AND THE NEW NEIGHBOURHOOD".



OPENING OF CEI JOURNALISTS' FORUM IN BEOGRAD 2005

CEI Literary Round Table at Vilenica

Organised by the Slovene Writers' Association and gathering renowned authors from the CEI region, it provides an insight into the traditions of the CEI Member States through their literary (but also cultural) backgrounds. The Round Table is accompanied by a publication of a special catalogue with proceedings of the debate and bio-bibliographical notes of participating speakers. Moreover, a CEI Fellowship for Writers in Residence is granted each year, in the context of the Vilenica Festival, to a young writer from a CEI Member State.

CEI International Summer School of Cervia

Organised by the Institute for Central Eastern Europe and the Balkans in Forlì (Italy), it focuses on issues regarding EU integration. Besides the scholarships offered to students from the CEI Member States to attend the school, in 2008 the CEI-ES has also awarded a prize to the best paper prepared by one of the participants.

CEI Journalists' Forum

Organised by the Ministry of Foreign Affairs of Poland in 2004, 2007, 2008 and 2009, it provides a platform where journalists from CEI countries and correspondents from European media as well as experts from relevant institutions and think-tanks could discuss and compare views on a number of sensitive and topical regional issues. The CEI Award for Outstanding Merits in Journalism, promoted by the CEI in cooperation with the South East European Media Organisation (SEEMO), is bestowed on the occasion of this Forum. The 2005 and 2006 editions of the Forum were held in Serbia and Albania, respectively.

CEI Youth Forum

Organised by the CEI Presidency, it gathers young people from all CEI Member States with the aim to address the key issues of the European youth policy and mainstream all matters concerning young people across Europe.

CEI Energy Forum

Organised by various CEI countries, it offers a platform for the exchange of know-how and experience between EU and non-EU CEI Member States regarding renewable energy sources and energy efficiency.

CEI Forum on Human Resources Development and Training

Organised by the National Training Fund of the Czech Republic, it aims to inform experts from CEI countries about the up-to-date development, experience and methods of education and training of adults in the regions in Europe and overseas.

CEI Youth Orchestra

It is a symphony orchestra made up of talented young musicians, between 11 and 18 years of age, selected from leading Music Schools of the CEI Member States. Selections are either based on auditions, organised in their countries of origin, or on the recognition already gained in national or international competitions. The selected musicians meet three or four times a year in different CEI Member States where they receive expert instruction and prepare the music programme for their concert performances. Moreover, in 2008 the CEI Youth Orchestra Project, under the title “Central European Initiative In Concerto”, submitted to the European Commission within the Culture 2007-2013 programme, was approved for a five year period.



**CONCERT OF THE CEI YOUTH ORCHESTRA IN BERLIN,
HELD WITHIN THE FESTIVAL YOUNG EURO CLASSIC, DURING THE SUMMER TOUR 2007**



PRIZES AND AWARDS

PRIZES AND AWARDS

In order to honour and encourage initiatives and activities of talented and often young people from the CEI Member States, several **CEI Prizes and Awards** are offered, in particular in the cultural, scientific and economic areas. A number of them are presented on the occasion of the CEI Feature Events, while the others could be considered as self standing initiatives.

CEI Award at the Trieste Film Festival

This Award is addressed to film directors from CEI countries, who present their films on the occasion of this Festival.

2006 Georgi Djulgerov from Bulgaria (2,500 EUR)

2007 Kujtim Cashku from Albania (2,500 EUR)

2008 George Agadjanean from Moldova (2,500 EUR)

2009 Dragan Nikolic from Serbia (3,000 EUR)



THE WINNER OF THE AWARD IN 2008, GEORGE AGADJANEAN FROM MOLDOVA

CEI Fellowship for Writers in Residence

Each year in the context of the Vilenica Festival a CEI Fellowship for Writers in Residence of 5,000 EUR is granted with the aim to encourage cross-border cooperation and promotion in the field of literature. The Fellowship, addressed to young writers from non-EU CEI Member States, is intended to be used for a three-month residence in any CEI Member State of the candidate's choice to work on the submitted project.

2006 Goce Smilevski from Macedonia (5,000 EUR)

2007 Marianna Kiyanovska from Ukraine (5,000 EUR)

2008 Ivana Sajko from Croatia (5,000 EUR)

2009 Dragan Radovancevic from Serbia (5,000 EUR)



THE WINNER OF THE CEI FELLOWSHIP IN 2006, GOCE SMILEVSKI FROM MACEDONIA



THE WINNER OF THE AWARD IN 2009, BESAR LIKMETA FROM ALBANIA

CEI Award for Outstanding Merits in Journalism

In 2007, the CNC decided to create a CEI Award for Outstanding Merits in Journalism of 5,000 EUR, promoted by the CEI in cooperation with the South East European Media Organisation (SEEMO). The CEI-ES is in charge of launching the call as well as hosting and coordinating the work of the international jury. The Awarding ceremony takes place on the occasion of the CEI Journalists' Forum.

2008 Drago Hedl from Croatia (5,000 EUR)

2009 Besar Likmeta from Albania (5,000 EUR)

CEI Prize for Best Paper at the CEI International Summer School of Cervia

This Prize of 2,000 EUR was awarded in 2008 to the best paper prepared by one of the participants of the CEI International Summer School of Cervia in 2007. It went to the Macedonian student Biljana Avramovska, who examined the "Prospects for Foreign Direct Investment in Bulgaria".

2008 Biljana Avramovska from Macedonia (2,000 EUR)



THE WINNER OF THE AWARD IN 2009, SIMONYI BALAZS FROM HUNGARY

CEI Prize at "Maremetraggio"

Since 2004 the International Short Film and Debut Works Festival "Maremetraggio", taking place annually in Trieste, includes a CEI section of short film proposed by film directors of CEI countries.

2006 Géza M. Tóth from Hungary (1,000 EUR)

2007 David Peros Bonnot from Croatia (2,500 EUR)

2008 Pavel Koutsky from the Czech Republic (2,500 EUR)

2009 Simonyi Balazs from Hungary (2,500 EUR)

CEI Award in the framework of the International Design Contest Trieste Contemporanea

The International Design Contest is open to designers coming from all CEI Member States. Once the participation terms are up, an international jury selects the winners among the most interesting works and a number of projects are executed and shown in a conclusive exhibition touring in different venues. The last four editions were dedicated to blown glass.

2006 Marija Hristovska from Macedonia (3,000 EUR)

2008 Vladimir Stankovic from Serbia (3,000 EUR)



DESIGNED BY MARIJA HRISTOVSKA, A NECKLACE CREATED UNDER HER SUPERVISION AT THE "SCUOLA DEL VETRO ABATE ZANETTI" IN MURANO, VENICE



THE DESIGN OF VLADIMIR STANKOVIC, WHO PROPOSED A CONE WITH A SPIRAL INSERTED IN A CUBIC BASE

CEI Award for Outstanding Performance in the framework of Premio Trio di Trieste

"Premio Trio di Trieste" is an international competition for chamber music ensembles with piano. On this occasion, the traditional CEI Award for Outstanding Performance is granted to ensembles coming from the CEI Member States.

2003 Duo RO-MA from Hungary (2,500 EUR)

2005 Elena Kolesnitschenko and Igor Bobovych from Ukraine (2,500 EUR)

2007 "Frant Duo" from Poland (2,500 EUR)



THE UKRAINIAN DUO ELENA KOLESNITSCHENKO, PIANO, AND IGOR BOBOVYCH, CELLO

Apart from the awards and prizes, the CEI has, over the years, launched numerous initiatives, such as calls for proposals, aimed at providing incentives to entrepreneurs in order to put their ideas into practice.



**FAMILY PHOTOS OF THE “FROM RESEARCH TO ENTERPRISE” WINNERS,
ABOVE: DECEMBER 2004, BELOW: DECEMBER 2006**

From Research to Enterprise

The call was carried out within the framework of the CEI Science and Technology Working Group. The call aimed at spurring forward the spirit of entrepreneurship among scientists and researchers in the CEI Member States. The first edition was completed in December 2004. Six proposals (Belarus, Bulgaria, Croatia, Macedonia, Serbia and Slovakia) were selected by the Evaluation Committee and awarded with some seed money (10,000 EUR each) to commercialise their scientific idea. Further to this successful experience, a new call for proposals was launched in 2006 and was completed in December 2006. This time, five winners (from Belarus, Bulgaria, Croatia, Serbia and Ukraine) received seed money (15,000 EUR each).

2004 Belarus, Bulgaria, Croatia, Macedonia, Serbia and Slovakia (10,000 EUR each)

2006 Belarus, Bulgaria, Croatia, Serbia and Ukraine (15,000 EUR each)

CEI Nanochallenge Special Prize

In addition to the call From Research to Enterprise of 2006, the Slovak project “EUROSEN”, channelled through the CEI, was selected as winner of both the CEI Nanochallenge Special Prize (20,000 EUR), as well as of the prize (300,000 EUR) offered by “Veneto Nanotech”, CEI partner in the section on nanotechnology.

2006 Slovakia (20,000 EUR)

CEI Award for Innovative SMEs

Another similar initiative was the call for proposals CEI Award for Innovative SMEs, launched in October 2005 and completed in June 2006. This award aimed at giving a significant contribution to the promotion of the industrial development of CEI Member States, particularly of those still facing the transition phase towards a proper market-oriented economy. The CEI attention focused on SMEs committed to the development of innovative technologies and operating in higher technology and research sectors, with the aim of increasing their innovation capability and reinforcing the presence in the national, regional and European markets. The five winners were companies from Bosnia and Herzegovina, Bulgaria, Croatia, Serbia and Ukraine, covering sectors such as ICT, biotechnologies, nanotechnologies, new materials and others. They were granted seed money as a contribution to finance their business ideas and related activities amounting to 20,000 EUR each.

2006 Bosnia and Herzegovina, Bulgaria, Croatia, Serbia and Ukraine (20,000 EUR each)



**GIANFRANCO CICOGNANI, CEI SCIENCE AND TECHNOLOGY
ADVISOR INTRODUCING THE PRIZE WINNERS DURING THE AWARD CEREMONY**



MEDAL OF HONOUR

MEDAL OF HONOUR

The **CEI Medal of Honour** was created by the decision of the CEI Ministers of Foreign Affairs in Wroclaw in June 2003 for awarding the persons having acquired special merits in the framework of the CEI. The recipients of the CEI Medal of Honour throughout the years were the following:

2004

MAY - MFA MEETING IN PORTOROZ

Min. Alessandro Pietromarchi

CEI National Coordinator of Italy from 2001 to 2004

Mr. Jon Ivanovski

CEI National Coordinator of Macedonia from 1994 to 1996 and from 2000 to 2004

DECEMBER - CNC MEETING

Min. Peter Kastelic

CEI National Coordinator of Slovenia and CNC Chairman in 2004

CEI Earth Science Committee

established in 1991 and consisting of five distinguished international experts: prof. Giuliano Panza (president), prof. Peter Varga (secretary), prof. Janos Halmi (chairperson of Section A Geology), prof. Ivanka Paskaleva (chairperson of Section B Geophysics) and prof. Janusz Sledzinski (chairperson of Section C Geodesy)



CEI MEDAL OF HONOUR



AWARD CEREMONY IN 2004, PORTOROZ



PROF. GIULIANO PANZA RECEIVING THE MEDAL



AMB. WIEJACZ RECEIVING THE MEDAL IN JUNE 2005



RECIPIENTS OF THE MEDAL IN DECEMBER 2005



RECIPIENTS OF THE MEDAL IN DECEMBER 2006

2005

JUNE - CONFERENCE ON CEI COOPERATION

Amb. Józef Wiejacz

CEI National Coordinator of Poland from 1991 to 1995 and Special Advisor of the Polish Government during the second Polish CEI Presidency in 2003

DECEMBER - CNC MEETING

Mr. Igor Vencel

CEI National Coordinator of Slovakia and CNC Chairman in 2005

Min. Leonardo Baroncelli

CEI-ES Deputy Director General from Italy

Mr. Milan Predan

CEI-ES Deputy Director General from Slovenia

Prof. Mario Pines

Registered Certified Public Accountant

2006

DECEMBER - CNC MEETING

Mr. Agim Pasholli

CEI National Coordinator of Albania and CNC Chairman in 2006

Mr. Pierandrea Magistrati

CEI National Coordinator of Italy from 2004 to 2006

Prof. Domenico Romeo

former Rector of the University of Trieste in his capacity as Secretary General of the CEI University Network

Mr. Giovanni Baiocchi

Chancellor of the Senate of the Republic of Italy, former Secretary of the CEI Parliamentary Dimension

Mr. Alois Geisslhofer

former Managing Director of the Austrian Energy Agency and Co-Chairman of the CEI Working Group on Energy

Ms. Lara Tassan Zanin

former Head of the CEI Funding Unit

2007

DECEMBER - CNC MEETING

Mr. Svilen Iliev

CEI National Coordinator of Bulgaria and CNC Chairman in 2007

Mr. Zbigniew Kruzynski

CEI National Coordinator of Poland

Mr. Hannes Porias

CEI National Coordinator of Austria from 2005 to 2007

Mr. Jaroslav Stepanek

CEI National Coordinator of the 2005 to 2007

Mr. Carlo Rizzuto

Chair of the CEI WG on Science and Technology from Italy

Ms. Fuada Stankovic

Chair of the CEI WG on Education from Serbia

Mr. Hari Stajner

Co-chair of the CEI WG on Information and Media from Serbia

Ms. Miroslava Kopicová

Co-chair of the CEI WG on Human Resources Development and Training from the Czech Republic

Ms. Dragica Karaic,

Co-chair of the CEI WG on SMEs from Croatia

Ms. Branka Skaric

from the Croatian Chairmanship of the CEI WG on Tourism

Min. Eugenio Campo

CEI-ES Deputy Director General from 2006-2007 and Chairman of the Task Force on the CEI Repositioning

Mr. Gianfranco Cicognani

CEI Science and Technology Advisor

Ms. Giulietta Del Fabbro

CEI-ES Senior Executive Officer from 2002 to 2007

Mr. Igor Coretti-Kuret

Artistic Director of the CEI Youth Orchestra

2009

APRIL - CNC MEETING

Mr. Dumitru Tira

CEI National Coordinator of Moldova and C CNC Chairman in 2008

Amb. Harald Kreid

CEI-ES Director General from 2002 to 2007.



SVILEN ILIEV RECEIVING THE MEDAL IN DECEMBER 2007



DUMITRU TIRA RECEIVING THE MEDAL IN APRIL 2009



**SECRETARIAT FOR CEI PROJECTS
AND CEI TRUST FUND AT THE EBRD**

SECRETARIAT FOR CEI PROJECTS AND CEI TRUST FUND AT THE EBRD

In 1991, the two newly established organisations, the CEI (Hexagonal at the time) and the European Bank for Reconstruction and Development (EBRD), agreed to establish an operational link with each other, based on their complementary objectives and functions.

In 1992, Italy signed an Agreement with the European Bank for Reconstruction and Development (EBRD) on the establishment of a CEI Trust Fund *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 (CEI-PS)** was subsequently established by Italy at the EBRD the following year, based on the Agreement between the EBRD and the CEI with the purpose of carrying out activities of pre-investment capacity building for the identification, promotion and appraisal of projects in the CEI region, as well as activities related to project implementation. Italy has allocated 26.5 million EUR from 1991 to 2007 and further committed 6 million EUR until 2010. The co-operation with the EBRD is guided by two agreements, the first regarding the modus operandi of the Secretariat at the EBRD, and the second relating to the source of funding:

- the *Secretariat Agreement*, initially called the *Agreement on the Establishment at the EBRD of a Secretariat for Hexagonal Projects*, 12 November 1991, was later replaced by the *Secretariat Agreement between the CEI (represented by the Chairperson, CNC) and the EBRD*, 21 July 1998. This Agreement defines the structure of the Secretariat and envisages financial contributions to it from any sources.
- the *Fund Agreement* between the Government of Italy and the EBRD on a CEI Fund, 14 April 1992, amended on 23 July 1997.

The CEI-PS operates from both its Trieste and London offices. In Trieste, the Secretariat is located at the CEI Headquarters and shares offices with the CEI-Executive Secretariat. In London, it is located within the Risk Management Vice-Presidency of the EBRD, as provided for under the afore-mentioned Agreements signed between the EBRD and the Italian Government. As of May 2005, the Programme Manager of the CEI-PS is Mr. Guido Paolucci. Mr. Paolucci has replaced Mr. Vincenzo Calogero, who had been Head of the Secretariat since its establishment.



EBRD HEADQUARTERS IN LONDON



GUIDO PAOLUCCI, CEI-PS PROGRAMME MANAGER

Jean Lemierre
President
EBRD

London, 21.05.2008

Many thanks for the CEI latest Annual Report. This document explains very well what is the valuable contribution of the CEI Initiative to support transition, and the good cooperation CEI/EBRD.

With my best regards,

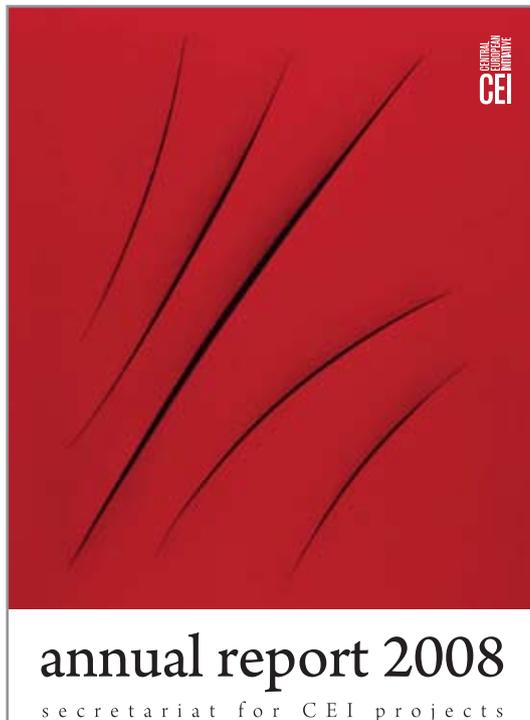
*/signed/
Jean Lemierre*

G. Paolucci

The overall mission of the Secretariat is to assist the CEI countries of operations in their efforts to move forward in their economic transition process through financial support leading to the sponsoring of specific project assignments and development programmes. The CEI Trust Fund is available for this purpose and is managed by the Secretariat. The Fund aims to carry out activities of pre-investment capacity building for the identification, promotion and appraisal of projects in the CEI region, as well as activities related to project implementation. The use of the CEI Trust Fund has been critical in terms of “preparatory work” before substantial EBRD investment. In addition, the Secretariat contributes to “Development Programmes” in co-operation with the EBRD, such as the TAM (Turn Around Management) and BAS (Business Advisory Service) programmes. Additionally, it actively collaborates with other international organisations and international financial institutions. Those partnerships specifically aim to strengthen the transfer of know-how, to promote reforms of the regulatory environment, economic transition and finally the use and introduction of modern technologies.

By placing part of its team in London within the EBRD Official Co-financing Unit, the CEI has managed to build up a special comparative advantage vis-à-vis other funds, since it is the only fund with a permanent representation within the EBRD. Most significantly, the comparative advantage of the Secretariat for CEI Projects lies in the close cooperation that CEI staff can have with EBRD banking teams. This vicinity allows the CEI to better choose projects, thereby ensuring high leverage ratios, greater effectiveness, and efficiency in the delivery of its work. The noteworthy degree of access to information through EBRD systems, and the availability of specific banking and other training within the EBRD are additional factors adding to the effectiveness of the Secretariat’s work. This cooperation also grants the CEI with higher visibility, and allows the Secretariat to develop better coordination and establish successful partnerships.

Through the cooperation with the EBRD, the CEI is able to: (i) achieve better coordination, establish successful partnerships and know-how transfer; (ii) achieve high leverage of its funds; (iii) help its partners achieve greater access to international finance; (iv) gain higher visibility both in terms of fund importance and also vis-à-vis EBRD member states and donors; (v) deliver greater effectiveness and efficiency.



ANNUAL REPORT 2008 OF THE SECRETARIAT FOR CEI PROJECTS

Since its inception, the **CEI Trust Fund at the EBRD** has provided almost 17.8 million EUR for funding eighty-seven Technical Cooperation (TC) projects. The Fund has also contributed a total of 2.6 million EUR to the economic or development-oriented Know-How Exchange Programme and Cooperation Activities assignments. In addition to that, the Trust Fund finances also the CEI Summit Economic Forum which is organised annually by the Secretariat for CEI Projects in cooperation with the annual CEI rotating presidency.

Technical Cooperation (TC) is traditionally offered as grant or concessional loan co-financing with the specific aim to facilitate EBRD projects and their subsequent development and implementation. Specifically, TC operations include support for feasibility and pre-feasibility studies, sector and environmental engineering, management training, capacity building, pre-loan audits in a number of priority areas, including Agribusiness, Business and Finance, Energy, Institutional Development, Municipal Infrastructure and Services, SME Support, and Transport.

With respect to country allocations, data shows that the Western Balkans and the European Neighbourhood Policy (ENP) states have become the core of the CEI Trust Fund's actions. Thus, the focus of the Fund's main beneficiaries has slowly drifted away from the initial Central European Countries, which are now EU members.

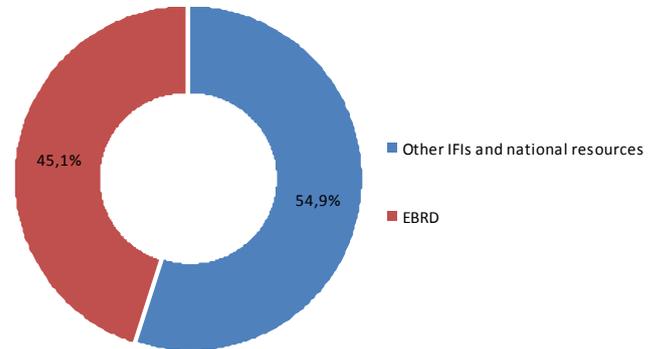
The close collaboration with the EBRD provides the CEI with a unique position to undertake projects which yield high co-financing ratios: from 1993 to date, the total investments linked to the CEI grants amounts to more than 2.6 billion EUR (the EBRD alone has invested more than 1.1 billion EUR).

Sector allocation analysis indicates six main sector categories in which the CEI has funded TCs: Agribusiness, Business and Finance, Energy, Institutional Development, Municipal Infrastructure and Services, SME Support, and Transport.

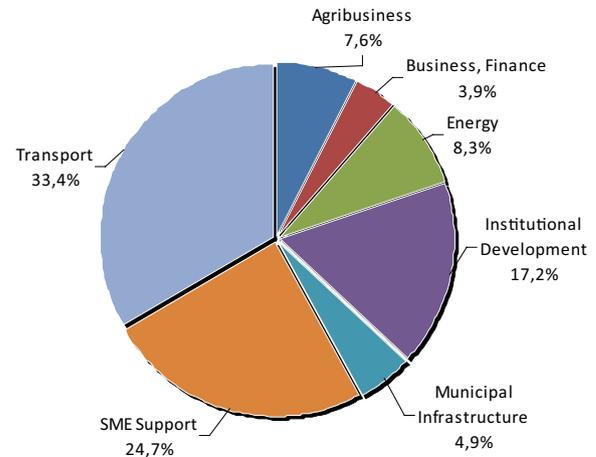
Sector	No of TC Projects	EUR Committed/Disbursed
Agribusiness	5	1.355.934,37
Business, Finance	3	688.666,42
Energy	12	1.484.918,20
Institutional Development	12	3.059.482,93
Municipal Infrastructure	6	878.390,68
SME Support	24	4.408.409,88
Transport	25	5.955.754,35
TOTAL	87	17.831.556,83

INVESTMENT RATIO (TOTAL INVESTMENTS/TOTAL COMMITTED CEI GRANTS) = 150

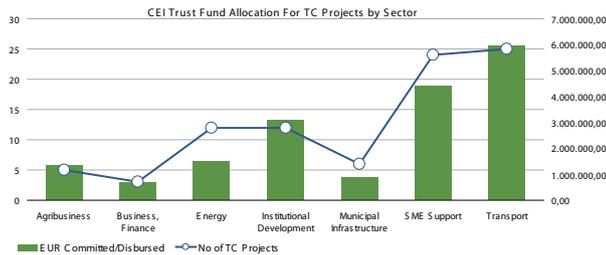
EBRD INVESTMENT RATIO (EBRD INVESTMENTS/TOTAL COMMITTED CEI GRANTS) = 67



TOTAL INVESTMENTS LINKED TO THE CEI TC GRANTS



CEI TRUST FUND ALLOCATIONS FOR TC PROJECTS BY SECTOR



According to this categorisation, Transport is the sector that has benefited from the most TC funds, followed by SME Support and Institutional Development. Such sector allocation responded to needs and orientations defined over ten years ago. In the last years, given the emergence of new priorities leading to a shift towards local economic development, environment and energy, the CEI funds allocation realigned its orientations.

A clear example of past orientations is that of Institutional Development, which gathered 17.2% of total CEI TC funds so far. Today, the Institutional Development component of projects is embodied by the Capacity Building element that the overwhelming majority of TCs have. It constitutes the backbone of most sector strategies.

Since 1998 the CEI Trust Fund at the EBRD allocated more than 1.3 million EUR for five Technical Cooperation assignments in the **Agribusiness** sector, mainly supporting the EBRD's Wholesale Markets Programme and the FAO's EastAgri Network. These projects were of high visibility given their association with FAO, the EBRD, UNECE and the World Bank. Out of these five projects, three were of regional dimension while the other two focused on the Western Balkans.



EBRD's Wholesale Markets Programme / CEI Wholesale Markets Foundation -

The creation of the fresh-food distribution network was an urgent need to which the EBRD responded with its Wholesale Markets Programme. The CEI's funds were tied in with a larger investment loan provided by the Bank for the wholesale markets development in Croatia. In addition, the CEI supported a CEI Wholesale Markets Foundation (WMF) established in 1999 by wholesale market companies in Croatia, Hungary and Poland. Today the Foundation encompasses 15 markets from seven CEI member states and helps the newly created wholesale market companies to improve and develop their operations to better serve their clientele and increase their revenue earning capabilities.



EastAgri Network - The CEI has been among the founding members and sponsors of the EastAgri – a network of agriculture and agribusiness institutions working in the region of Central and Eastern Europe and Central Asia committed to improving the quality of service through information sharing. The main objective of EastAgri is to collect all major agricultural/agribusiness investment projects planned or implemented by IFIs, private banks, international organisations, etc. and to share them among its members in order to increase interaction, share lessons learnt, enhance dialogue and establish partnerships with like-minded institutions. East-Agri is managed by FAO and its founding members, including the EBRD and the World Bank.

The Secretariat for CEI Projects, through its Trust Fund at the EBRD, has been committed to promote initiatives supporting **Energy** sector, such as energy savings in industrial activities, working within the strategic parameters established by the EBRD as well as by other Multilateral Development Banks. In the past few years, the CEI has dedicated much of its resources to operations which promote energy efficiency.

In 2002, the EBRD initiated a pilot Technical Assistance Programme designed to provide its clients with dedicated international expertise to help them implement energy efficiency through energy audits and targeted training. Building on this initial experience, the Bank has expanded the programme thanks to the contribution of the CEI since 2004.

Energy Efficiency slightly differs from conventional sectors. Rather than a sector per se, it is an umbrella-area which can cover transport, power and energy, general industries, and so forth. As such, it can be a crucial element that cuts across boundaries and influences projects of another sector area.

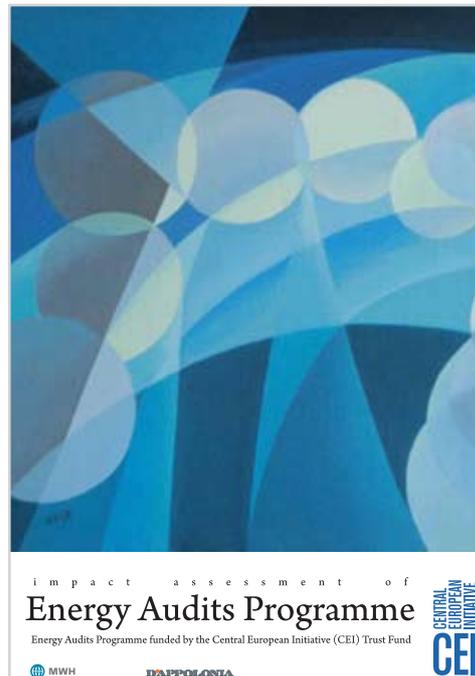
To date, the CEI has allocated more than 1.4 million EUR to energy projects. Of these funds, more than 0.5 million EUR were dedicated to energy efficiency from 2008 to date.

Technical co-operation programmes provide important resources to enable the EBRD to promote and develop energy efficiency investments. Support to energy efficiency projects can take several forms. Feasibility studies are a common type of projects funded this way. Such projects can provide high visibility by ensuring that the CEI's name is linked to the origination of the project. Another type of projects are more indirect, but very important nonetheless. They concern assistance to banks that receive specific energy efficiency credit lines.

The CEI Technical Cooperation funds have contributed a great deal to the **Enterprise Development** sector. A breakdown of the sector's two components shows that the CEI has allocated 24.7% of its total funds to SMEs Support and 3.9% to Business and Finance. Most of the funds allocated to this sector, have been committed for financing the EBRD Turn Around Management (TAM) and Business Advisory Services (BAS) Programmes, which help private enterprises in CEI Member States adapt to the demands of a market economy. These complementary programmes work directly with individual micro, small and medium-sized enterprises (MSMEs), providing industries specific advice through a multi-tiered approach.



ENERGY AUDIT'S SITE VISIT



IMPACT ASSESSMENT OF ENERGY AUDIT PROGRAMME FUNDED
BY CEI TRUST FUND AT EBRD,
PUBLISHED IN MAY 2009 BY CEI-PS



PROJECT SITE VISIT

The objective of the **TAM Programme** is to support economic reform by assisting small and medium to large sized enterprises to transform themselves. The programme generally assists enterprises to operate successfully. It specifically encourages the development of new business skills at the senior management level in order to ensure business survival and competitiveness in the market economy. To achieve this, the programme introduces industry specific management expertise by providing the advisory services of experienced former CEOs and directors from economically developed countries. These advisors transfer management and technical know-how to enterprises, conveying the principles of responsible corporate governance and sharing commercial experience directly with CEOs and senior managers.

The **BAS Programme** is an established and proven multi-donor, demand driven Programme which directly supports SMEs to improve their quality and competitiveness, and increases the capacity and competence of the local consultancy industry. By using local consultants, BAS combines the dual role of assisting SMEs in their business expansion with contributing to the professional development of local accredited business consultants. A BAS office in a CEI country consists of the BAS office National Director, a Project Officer and a Programme Assistant. By using simple procedures and a cost-effective structure, the BAS allows effective support of a large number of enterprises, focusing on practical inputs with clear objectives such as financial information systems, market research and development, quality management systems, engineering studies, and business plans.

The **Transport** sector is the area in which most CEI TC funds have been allocated since 1993 (33.4% of total funds). This denotes the high importance that the CEI places on this sector. This stems from the belief that an efficient transport sector is crucial for the operation of regional markets, as the drive to integrate CEI national economies continues.

An additional incentive for this fund allocation is the high ratio of environmental issues arising from developments in transport in the countries where the reform process is less advanced. This way, the CEI Trust Fund at the EBRD can have an impact on two of its key concerns. Sustainable transport systems are, therefore, seen as priority funding, especially since the Agreement Establishing the Bank includes the requirement to foster environmentally sound and sustainable development. Consequently, all transport operations undergo environmental appraisal in line with the Bank's Environmental Policy and Procedures.

The CEI's Technical Assistance, funded through its Trust Fund at the EBRD, contributes to support institutional and regulatory development in the transport sector. The CEI operations focus primarily on the development of the Trans-European Network corridors, with particular attention given to regional initiatives in South East Europe.



PROJECT SITE VISIT

Funding of **Municipal and Environmental Infrastructure (MEI)** projects is rather new for the CEI. So far, only six commitments have been made in this area. The approach of the Secretariat for CEI Projects in this sector is strongly supportive of transition towards decentralisation of service responsibilities to local or regional levels; commercialisation of the operating companies providing local services; and environmental improvement as a consequence of investments that preserve environmental resources and reduce pollution.

In particular, decentralisation is a key element in improving the quality and cost efficiency of local infrastructure and services. Commercialisation is also a crucial aspect as it allows local governments to focus on ensuring good quality services through the use of more effective public sector management, competitive or regulatory pressure, and the use of private sector participation.

CEI-sponsored TCs also aim at improving environmental aspects in accordance with EU legislation. There is a double argument behind this activity. Firstly, higher quality infrastructure and technology reduce losses, energy use and pollutants. Secondly, sustainable institutional structures help meet, maintain and enforce higher environmental standards.

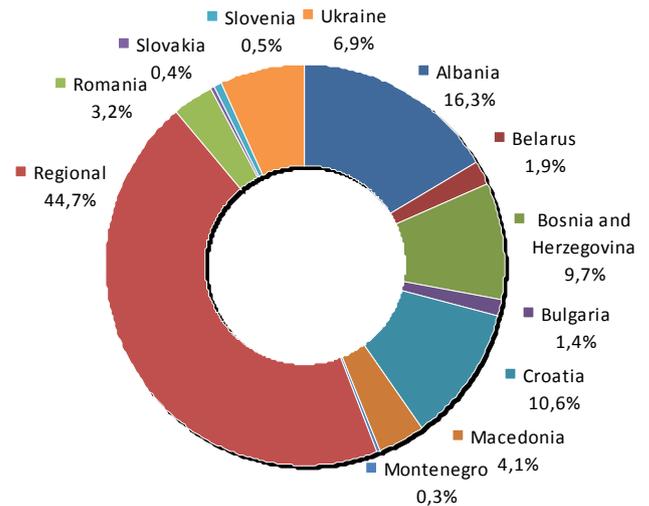
With regard to the **country allocation**, in the post-enlargement scenario that has seen central European countries accomplish many transition challenges and become competitive on a global scale, it has been important for the CEI to revise its country priorities and strategic orientation. The CEI now counts 18 Member States, which are divided into three priority regions (excluding Italy and Austria): South East Europe and the Balkans, European Neighbourhood Policy (ENP) countries, and EU member states.

As presented below, country divisions are drawn in order to facilitate projects with a regional coverage. This is mainly due to the two large above-mentioned TAM/BAS Programmes. Regional allocation of funds accounts for 44.7%; and is followed by Albania (16.3%), Croatia (10.6%) and Bosnia and Herzegovina (9.7%).

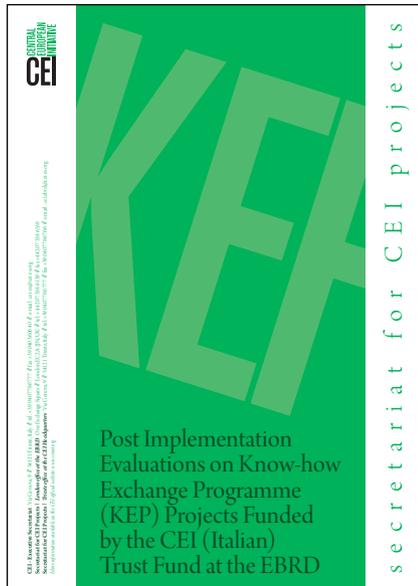
In the last years and for the forthcoming medium-term, the CEI will concentrate its resources to finance TC assignments alongside the EBRD in Balkan and ENP states that have remained outside the EU borders. These two regions have so far benefited from direct TCs allocations (i.e. non-regional) amounting to 40.9% and 8.8% respectively, of total CEI allocations for TC projects.



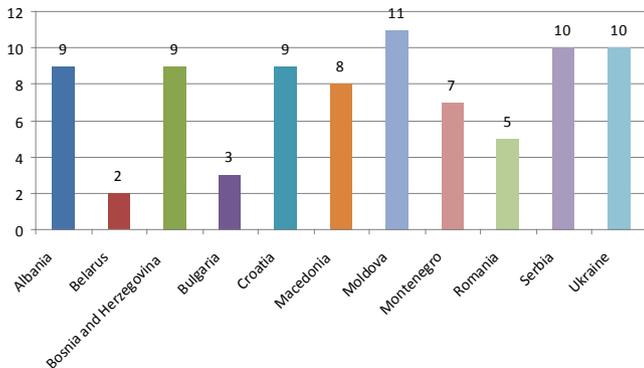
PROJECT SITE VISIT



CEI TRUST FUND ALLOCATIONS FOR TC PROJECTS BY COUNTRY



POST IMPLEMENTATION EVALUATION OF KEP PROJECTS
CARRIED OUT BY CEI-PS IN 2009



TRUST FUND-SUPPORTED KEP PROJECTS 2004-2009
PARTICIPATION BY RECIPIENT COUNTRY

In 2004, in view of the imminent EU enlargement, the Secretariat for CEI Projects established the **Know-how Exchange Programme (KEP)** as an instrument for co-financing and promotion of technical assistance aid between institutions in CEI Member States (for more information on the KEP refer to the chapter on Funds and Instruments).

The creation of the Programme was followed by the organisation of a Conference on Development Assistance in the CEI Region held in Trieste in June 2005. The meeting brought to Trieste the main actors involved in the provision of development aid in the region, including the European Bank for Reconstruction and Development, the European Commission, European Agency for Reconstruction, the Organisation for Economic Cooperation and Development, the Organisation for Security and Cooperation in Europe, the United Nations Development Programme and the World Bank. The event was an attempt to enable a more coordinated approach towards development aid through the promotion of information-sharing and the exchange of lessons learned.

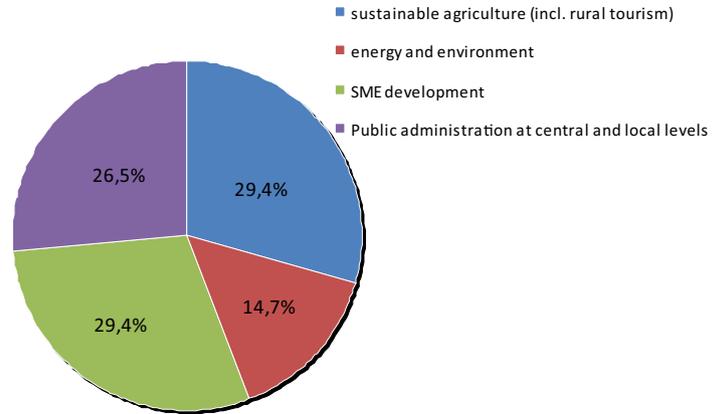
Since its launch, the interest in KEP activities has steadily increased: 34 projects were approved and implemented under KEP between 2004 and mid-2009 for a total of CEI (Trust Fund) approved contributions amounting 947,969.50 EUR and a total project value of 2,649,000 EUR.

Among project donors, Italy and Poland have been the most active, contributing with their know-how to 26 out of the 34 projects approved in the period of 2004-2009. Other active donors included Slovenia, Austria and Hungary. Importantly, the most recent EU members among the CEI member States – Bulgaria and Romania – have also contributed to KEP: first involved as projects' recipients, after 2007 they have successfully transformed themselves into know-how donors. On the recipients' side, most projects targeted Moldova and Ukraine with total project values amounting to 823,300 EUR and 423,946 EUR respectively. Nearly one fifth of all projects had a regional character (addressing mostly the Western Balkan counties), followed by activities carried out in the benefit of other non-EU CEI Member States.

The Programme's priorities include such areas as European integration and support to economic reforms, SME development, human resources development in public sector, sustainable agriculture, energy, environment, and others. The priorities were drawn from country and sector strategies of International Organisations and International Financial Institutions active in the CEI region (i.e. EBRD, OECD, UNECE, WB and others). The compatibility of KEP with these strategies has turned out particularly advantageous as a number of successful KEP projects were coordinated by International and Regional Organisations or complemented by their own projects, including OECD, FAO, and the Assembly of European Regions.

To date, the supported projects concerned the following areas:

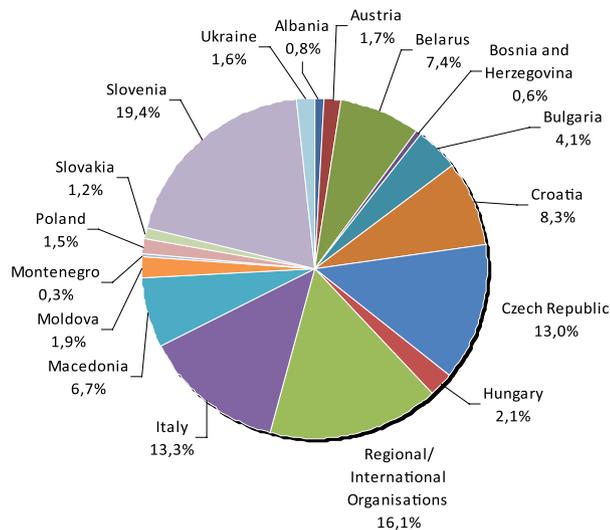
- agriculture (development of wholesale markets, food quality and food security, rural development, promotion of organic farming and rural tourism, etc.);
- SME development (know-how transfer in the field of management of sustainable and equipped productive areas, SME internationalisation, development of branch associations, implementation of good practices in the area of enterprise development, etc.);
- energy and environment (peer reviews in the energy sector, development of water management systems, the production of energy from biomass, etc.);
- capacity building in public administration (public policy sharing, training in public finance management, improvement of internal control in local administration, local government finance and budgeting, etc.).



TRUST FUND-SUPPORTED KEP PROJECTS 2004-2009
PARTICIPATION BY AREA OF INTERVENTION



KEP SEMINAR ON INTERNATIONALISATION OF SMEs, SEZANA (SLOVENIA) 2008



CEI TRUST FUND ALLOCATIONS FOR CAs BY COUNTRY

Applicant Country/ Organisation	Number of CAs in the sector	EUR Committed/disbursed
Albania	2	12.542,00
Austria	2	27.139,72
Belarus	7	119.909,50
Bosnia and Herzegovina	1	9.980,00
Bulgaria	4	66.253,44
Croatia	14	135.109,95
Czech Republic	11	210.388,36
Hungary	3	34.414,00
Italy	13	215.093,66
Macedonia	12	108.795,10
Moldova	2	30.281,00
Montenegro	1	4.916,30
Poland	2	24.900,00
Slovakia	3	20.016,00
Slovenia	17	314.917,01
Ukraine	2	25.885,64
Regional/ International Organisations	17	261.992,00
total	113	1.622.533,68

The CEI promotes and supports the cooperation between CEI Member States. The process starts from the identification of solutions and capabilities which have been successful in one CEI country, and continues with their transfer to other less advanced CEI countries, through training, institutional strengthening programmes, workshops, conferences and other similar activities or events. These activities are called **Cooperation Activities (CAs)**, originally "International Events" (IEs), and were co-financed by the CEI Trust Fund at the EBRD from 1998 through 2006 in cooperation with many partners in different CEI Member States.

In 2002 the CEI Cooperation Fund was established at the CEI Headquarters in Trieste. Management responsibilities went to the CEI-Executive Secretariat and a related Evaluation Unit. For a few years since then, the Trust Fund and the Cooperation Fund jointly financed the Cooperation Activity programme.

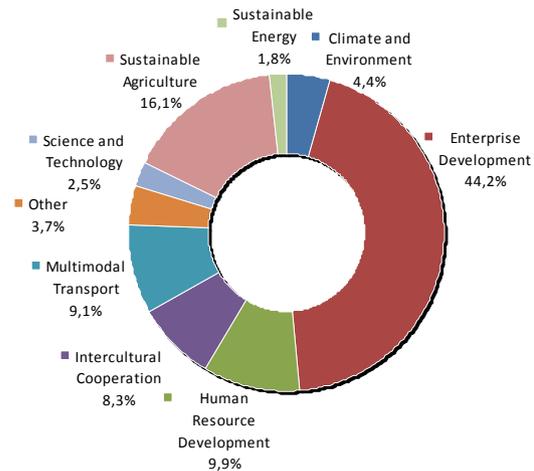
The objectives and main subjects of the Cooperation Activities funded by the CEI Trust Fund had to be in line with the overall objectives of the CEI, with the CEI priorities contained in the CEI Plan of Action, as well as with those of the Fund itself, in terms of transition, investment and project activities. Co-funding of Cooperation Activities was perceived as a useful tool for promoting the CEI and for increasing the organisation's visibility in its Member States.

The Trust Fund kept financing CAs in economic development sectors up until the end of the year 2006. Throughout the whole period 1998-2006 the CEI Trust Fund financed altogether 113 Cooperation Activities for a total of more than 1.6 million EUR in various CEI countries.

The CEI Member States with the highest number of CAs financed by the CEI-PS are Slovenia, Croatia, Italy, Macedonia and the Czech Republic. The relatively high number of projects from Belarus financed by the CEI-PS is also noteworthy. Mostly undertaken in the first years of the CA programme, the 16.1% of CAs were originated by various regional/international organisations (e.g. FAO, OECD, UNECE, UNEP) with which the CEI established close cooperation over the years.

The graphical representation clearly highlights the predominance of CAs in the Enterprise Development sector, followed by Human Resource Development and Sustainable Agriculture. The relatively high percentage of Intercultural Cooperation activities mostly accounts for the initial period of the CA programme (1998-2001). Establishment in 2002, the CEI Cooperation Fund took over the financing of the traditionally high number of CAs in this particular sector. CAs classified as “Other” are related to subjects that go beyond the current CEI areas of activity, such as institutional development, tax reform, regional stability, etc.

Co-funding of Cooperation Activities has been perceived as a useful tool for promoting the CEI and for increasing the organisation’s visibility in its Member States. Moreover, CAs often served as a tool for promoting other CEI events (in particular the CEI Summit Economic Forum) and activities. In addition, since applying for CEI funding required the involvement of CEI bodies, working groups, etc., co-funding this programme has contributed to strengthening relations at institutional levels in CEI Member States.



CEI TRUST FUND ALLOCATIONS FOR CAs BY SECTOR



POST IMPLEMENTATION EVALUATION OF COOPERATION ACTIVITIES (1998-2006)
CARRIED OUT BY THE SECRETARIAT FOR CEI PROJECTS IN 2009



A SEF SESSION, SOFIA 2007

On the occasion of the Meeting of Ministers of Foreign Affairs of the CEI Member States held on the Island of Brijuni (Croatia) on 5-6 June 1998, the Ministers welcomed the proposal of organising a CEI Business Forum (later renamed **CEI Summit Economic Forum - SEF**) recognising that *“the improved flow of information on economic, legal and commercial issues will promote the development of regional trade and investment links”*.

First organised in Zagreb in 1998, the SEF is now known as the annual flagship event of the Initiative. It takes place each autumn in the country holding the CEI Presidency in parallel with the Roundtable of the Ministers of Economic Sectors and generally preceding the CEI Summit. The Forum serves as a platform to support and promote the CEI strategy of fostering regional co-operation, European integration and economic transition in Central, Eastern and South Eastern Europe. The event generally attracts a mix of industry leaders, senior government officials from the 18 CEI Member States, regional, national and international organisations (EC, OECD, RCC, FAO), financial institutions (EBRD, EIB, IMF, WB), professionals and consultants, lawyers and hundreds of businessmen.

In the twelve editions organised so far, the SEF has focused on significant themes that encouraged and enlightened the CEI countries in their development endeavours. Issues concerning transition and EU accession, development of a market oriented economy, energy efficiency, transport and infrastructure, support to SMEs and even social and women development – to list only a few - were recurrent themes that responded to a strong demand from various stakeholders. Most importantly, it allowed bridging the gap between entrepreneurs, citizens, international organisations and public authorities of all levels.

Since 2005, in the framework of the event, ICE (Italian Institute for Foreign Trade) organised the “Desk of Italy”, a tool to promote the internationalisation of Italian companies and to foster exchange of contacts and investments opportunities in the hosting CEI Member State and in South East Europe.



SEF PROMOTIONAL LEAFLET, BUCHAREST 2009

SEF 1998 – 2008 IN FIGURES (ON AVERAGE)

Registered participants	1200
Countries represented	45
IFIs and other international/regional bodies	20
Speakers and project promoters	100
Sessions	12
Bilateral business meetings	50
Journalists reporting from the event	100
Sponsors	8
Media partners	8



COOPERATION AND SYNERGIES

COOPERATION AND SYNERGIES

The CEI works in close cooperation with several international and regional organisations operating in the CEI region. By joining experience, knowledge and funds with partner organisations, the CEI was able to enhance its impact. It has therefore developed a variety of working relations with partners throughout Europe.

As regards cooperation with the **European Commission (EC)**, this relationship has always been a key factor of concern of the CEI. In the early years (when the CEI was the only regional actor around) the EU showed a marked interest, attending CEI political meetings at a superior level. In 1998, at the CEI Summit in Zagreb, when Austria held the EU Presidency, a paper entitled *Platform for a Dialogue between the CEI and the EU on a Political Level for the Development of CEI-EU Cooperation* was circulated. It was based on a Commission Report adopted by the Dublin Council in 1996 which, among other things, had defined the areas of common interest and the instruments of cooperation between the CEI and the EU. This Zagreb meeting between the CEI Troika and the EU Presidency which examined *the establishment of adequate channels of communication* produced a joint communiqué which talked about the *first official Ministerial Meeting between the CEI and the EU*.

Since 2002, the CEI has paid annual visits to Brussels. In 2003, thanks to an intervention by the, at the time, Austrian Foreign Minister Ms. Benita Ferrero-Waldner, a meeting with Commissioner Christopher Patten was arranged, resulting in the appointment of an EC Focal Point for the CEI.

In 2005, under the Slovak CEI Presidency, further efforts were made in order to receive a certain recognition from the EC. The CEI delegation was received by Commissioner Benita Ferrero-Waldner. After this visit Commissioner Ferrero-Waldner, who was personally familiar with the CEI and had had an opportunity to observe the activities of the organisation during her mandate as Austrian State Secretary and Minister for Foreign Affairs, exchanged several letters with the, at the time, Slovak Foreign Minister, Mr. Eduard Kukan, on the various possibilities for cooperation between the CEI and the EC.

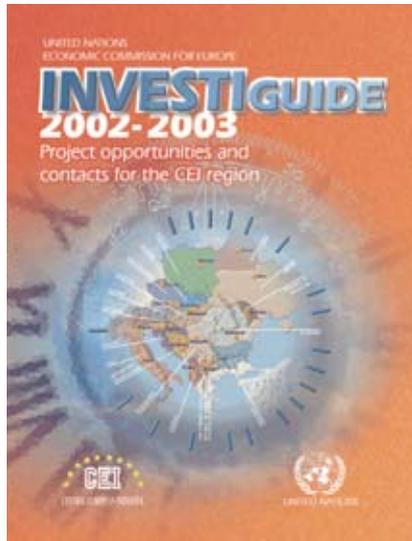
Thus, in October 2005, the EC appointed a high-ranking official as Focal Point, Mr. Janos Herman, Principle Advisor for Regional Cooperation in the DG Relex of the EC. He deals with the question of the overall framework of a working relationship between the Commission (in cooperation with other DGs, notably Enlargement which is in charge of the Western Balkan countries) and the CEI.



SEAT OF THE EUROPEAN COMMISSION



JANOS HERMAN, EC FOCAL POINT FOR THE CEI



INVESTIGUIDE 2002-2003

Furthermore, the CEI has made numerous efforts to arrive at some kind of more structured relationship with the EC. The status of observer seemed the most appropriate. Nevertheless, for some reason the EC preferred to participate in the CEI high-level meeting on an ad-hoc basis. The EC Focal Point has attended a few CEI Summits.

This is what regards the institutional relations. With regard to operational ties, the CEI-ES, through its Secretariat for EU Projects (former Funding Unit) has succeeded in obtaining support from the EU funds for more than a dozen CEI projects as partner, covering various areas (e.g. spatial development, ICT and information society, transport, SME development, energy, etc.). An important development was that in 2008 the CEI obtained the role of lead partner in some of them.

In areas such as environment, SMEs and transport, co-operation with international organisations such as United Nations Industrial Development Organization (UNIDO), United Nations Environment Programme (UNEP), Organisation for Economic Co-operation and Development (OECD) and **United Nations Economic Commission for Europe (UNECE)** is a standing practice. Cooperation with the UNECE, which dates back to 1998 when a Memorandum of Understanding⁶ was signed, should be underlined in particular. This cooperation, especially in the field of SMEs resulted in publishing *Through the looking Glass 2000–2001*, a handbook for investors in CEI Region, which was presented for the first time on the occasion of the Summit Economic Forum (SEF) in 2000. The UNECE and the CEI have continued this cooperation also during the following two years, when *Investiguide 2001- 2002. Project Opportunities and Contacts for the CEI Region* and *Investiguide 2002-2003* were published. Furthermore, from 1999 to 2003 annual meetings on CEI-UNECE cooperation were held in Geneva, back to back with a CNC Meeting, with the aim to analyse the areas of common support as well as to identify common projects and activities. In the following years the CEI has succeeded to better focus its areas of activity, also with respect to the cooperation with the various international and regional organisations. Thus, recently efforts have been made to re-launch the cooperation with the UNECE in the framework of the existing Memorandum of Understanding.

6. Memorandum of Understanding between the CEI and CEI-ES and the UNECE and a Cooperation Agreement between the UNECE and the CEI/EBRD Secretariat on Technical Support to the CEI, were signed in 1998. The latter presented a basis of the financial contribution made by the CEI Italian Fund at the EBRD for the establishment of a CEI Focal Point at the UNECE premises in Geneva. Subsequently, the CEI Focal Point was appointed on 5 October 1998 with a role to assist the process of cooperation.

Cooperation with the **Organisation for Economic Co-operation and Development (OECD)** has always been an important factor for the CEI, dating back to 2002. Both the OECD and the CEI have benefited throughout the years from the mutual cooperation in terms of the increased impact and effectiveness of their respective programmes and the faster attainment of their common objectives, specifically in the areas of SME Development, Cross-border Cooperation and Local Development. The results of this co-operation have been presented in several CEI Summits, both political and economic. In 2008 for example two projects were approved in the framework of the CEI Know-how Exchange Programme. These projects, led by the OECD Investment Compact and supported by the CEI Trust Fund with 80,000 EUR deal with SME development in Western Balkans.

In the area of institution building and human resource development (culture, education, minorities, combating organized crime, cross-border cooperation, etc.) the CEI has found strong partners with expert knowledge in a number of specialised organisations such as the Council of Europe (CoE), the OSCE and the UNESCO. With regard to the cooperation with the **Council of Europe**, the CEI has even more strengthened this cooperation particularly in the last two years. Possibilities of initiating a project-oriented cooperation which could enhance the respective assets and efforts, especially in relation to some geographical areas and sectors of activity of common interest, were thoroughly examined. An exchange of information on relevant programmes and activities brought about several concrete proposals of cooperation.

Moreover, in 2009 a Memorandum of Understanding with the **UNESCO Office in Venice** was signed. It represents a framework for promoting joint cooperation and coordination in the cultural and scientific fields in view of an increased impact and effectiveness of the respective programmes and instruments. The areas of common interest include, inter alia, cultural heritage conservation, intercultural dialogue, climate change and sustainable energy, earth sciences and relate technologies. Cooperation takes the form of expertise exchange, co-sponsorship, co-organization and co-financing. In the coming period, concrete activities for joint implementation will be identified on the basis of an exchange of proposals between the two organisations.



UNESCO OFFICE IN VENICE



SEAT OF THE BSEC PERMIS



PARTICIPANTS OF THE COORDINATION MEETING, TRIESTE, JUNE 2009

In addition to these organisations, the CEI also works in close cooperation with several **regional organisations** and fora operating within and beyond the CEI region: the All, the BSEC, the Council of the Baltic Sea States (CBSS), Danube Cooperation Process (DCP), the Southeast European Cooperative Initiative (SECI), the SEECP and the RCC. Cooperation with the Stability Pact for South Eastern Europe in the years of its existence was also outstanding.

Cooperation between the CEI and other regional actors dates back to 1997 when a first initiation meeting with representatives of the CBSS and BSEC for an exchange of information and future cooperation, in particular in the field of transport, trade, combating organised crime and related criminal activities and civil security, was held in Trieste on 18 April 1997. Shortly after this meeting, a coordination meeting between the regional mechanisms was organised by BSEC in Istanbul in December 1997 with participation of the UNECE, the CEI, and SECI, followed by another one a year after (1 December 1998) held in Vienna, when the promotion of synergies, coordination and avoidance of duplication was discussed. However, in the period 1999-2001, the contacts and the envisaged co-ordination of activities among the regional initiatives did not go beyond some random meetings. Nevertheless, the representatives of BSEC, the SECI, the All and the SEECP were attending the CEI high level meetings, expressing their readiness to a closer cooperation.

As of 2002, a number of **Coordination Meetings** with the regional organisations active in Central, Eastern and South-Eastern Europe took place, with a view of ensuring that cooperation among them was enhanced and that possible duplications or overlapping in concrete activities were avoided.

The first meeting was held in Vienna on 23 April 2002. On this occasion, the participants agreed on the need to better coordinate the calendars of upcoming events, aimed at avoiding overlapping of activities and proliferation of meetings. Furthermore, the possibility of contributing to joint projects was highly welcomed and each organisation identified a focal point to facilitate the exchange of information.

At the second Coordination Meeting (Istanbul, 10 September 2002), participants examined the possibility of strengthening respective contacts and examine the project dimension (in agriculture, energy, fight against organised crime and terrorism, trade and business promotion). Furthermore, CEI cooperation with the Council of Europe led to the participation of the CEI in the Working Meeting of Representatives of Regional Mechanisms, held in Strasbourg on 24-25 October 2002. The working meeting was organised by the Council of Europe and attended by: Barents Euro-Artic Council (BEAC), BSEC, CBSS, CEI, CEFTA, the Visegrad Group, Commonwealth of Independent States (CIS), the DCP, GUUAM Group, SEECP, SECI and the Stability Pact. Three Coordination Meetings followed, two of which were hosted by the CEI (Trieste - 17 January 2003, Ljubljana - 10 October 2003 and Trieste - 5 July 2004).

After four years of inactivity, in 2008 the coordination meetings were resumed upon the invitation of the BSEC. Thus, the first meeting was organised by the BSEC PERMIS in Istanbul on 31 March 2008, with the participation of the All, BSEC, CEI, DCP, SEECP and RCC, followed by coordination meetings in Sarajevo at the RCC Headquarters on 13 October 2008 and in Trieste at the CEI-ES Headquarters on 12 June 2009. These meetings, on the whole, reconfirmed earlier agreements. A novelty was that, at the Sarajevo meeting, the organisations agreed to task a coordinating secretariat to manage the consultation process among secretariats with a view to identifying areas of common interest and possibilities for concrete cooperation. This role was first performed by the RCC, then by the CEI-ES.

Moreover, these meetings provided an excellent opportunity for establishing contacts on bi- or trilateral level. Indeed, in 2008 the CEI-ES met all of the regional organisations separately. During the meeting with the RCC, an idea of signing a Memorandum of Understanding (MoU) was launched. This idea was later realised and the two Secretariats signed the MoU on 12 May 2009 in Sarajevo. On this occasion a few ideas for possible projects between the two organisations were also outlined. Moreover, an official letter launching a Sustainable Energy Development Regional Initiative (SEDRI)⁷, which at the same time is the first joint project by the RCC and the CEI in the framework of the MoU, was signed. Other MoUs or similar documents are also envisaged to be signed with the All and BSEC in the near future.



HIDO BISCEVIC, SECRETARY GENERAL OF THE RCC AND AMB. PIETRO ERCOLE AGO, CEI-ES SECRETARY GENERAL SIGNING A MEMORANDUM OF UNDERSTANDING BETWEEN THE TWO SECRETARIATS IN SARAJEVO, 12 MAY 2009

⁷The initiative is expected to improve legislative, institutional and regulatory frameworks and to promote the construction of small-scale sustainable energy facilities in South Eastern and Eastern Europe. It should significantly contribute to increasing energy efficiency and to promoting the use of renewable energy sources in the region.



CONCLUSIONS AND OUTLOOK

CONCLUSIONS AND OUTLOOK

The facts and figures stated herewith clearly indicate that throughout the years of its existence, the CEI has played an important role in building a new peaceful Europe, a Europe without dividing lines, assisting in the process of European integration from a political, economic and social point of view. Throughout these twenty years, the CEI has proved its resilience in adapting to changing conditions.

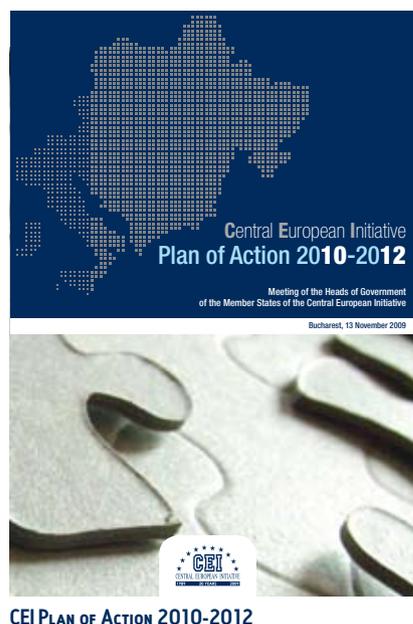
In fact, the CEI has gone through a transformation process, from being predominantly oriented towards policy dialogue to an organisation also emphasizing the transfer of know-how and technology, promoting climate and energy sustainability as well as the civil society (especially in the fields of scientific research, education, culture and media).

Moreover, there is still much room for assisting the non-EU CEI Member States in their process of European integration. Thanks to its structures and financial resources, the CEI has succeeded in involving several non-EU CEI Member States in EU projects, where the CEI-ES is either Lead Partner or Partner. Through this operational and project-oriented approach, the CEI will continue pursuing stronger institutional ties with the EU.

The emergence of new regional actors still makes coordination and cooperation efforts an imperative. In this regard, the CEI will continue cooperating both with international and regional organisations in order to pool resources and develop joint activities.

A new Plan of Action (PoA) has been elaborated for the three coming years (2010-2012). Its appropriate implementation will be one of the CEI's main concerns. This document was drawn up in order to take into account both the political feasibility and financial affordability of the activities to be carried out. The PoA should bring about innovative changes of cooperation in the CEI region. Nevertheless, our vision goes beyond this three-year period.

The CEI is in tune with major global issues such as the climate change and the increase of energy efficiency. In this context, all actors ought to find win-win solutions. The CEI also recognizes the importance of both energy and environment protection as an essential element for sustainable development. Therefore, the CEI will enhance cooperation in these fields among its countries, thus contributing to the global energy efficiency and environmental sustainability.





CEI MAP

The CEI will encourage a more pragmatic cooperation among the major stakeholders in the region in all its areas of activity, i.e. governments, industries and NGOs, other organisations in both private and public sectors. This kind of participation will enable the CEI to promote employment and other aspects of socio-economic and human development.

In accomplishing its mission, the CEI counts on its well-functioning intergovernmental structures, motivated Secretariats, good cooperation with other international and regional organisations and financial support from its Member States. It also counts on the upcoming CEI Presidencies, not only to follow the traditional format, but also to provide the organisation with new inputs.

By making full use of its various funds and instruments as well as structures, the CEI will remain a valuable platform, meeting the needs and requirements of its Member States. The CEI will continue focusing its main attention on the Member States still outside of the EU borders. This is demonstrated by the fact that these countries more and more avail themselves both of the CEI's funding opportunities and expertise. The CEI will do its utmost to meet the increasing requests with the resources at its disposal.

Looking into the future, the CEI will explore new avenues for raising awareness on its manifold activities. It will continue building on its creativity, know-how, experience and ideas in order to better serve its Member States.

CEI highlights

- 1989 Established by Italy, Austria, Hungary, SFR Yugoslavia (Quadragnale)
- 1990 Joined by Czechoslovakia (Pentagonale)
- 1991 Joined by Poland (Hexagonale)
- 1992 Slovenia, Croatia and Bosnia and Herzegovina as new Member States
Italian Trust Fund at the EBRD established
Renamed Central European Initiative
- 1993 Accession of the Czech Republic, Slovakia, Macedonia
Secretariat for CEI Projects at the EBRD in London became operational
- 1994 CEI Instrument for the Protection of Minority Rights adopted
- 1995 CEI Guidelines and Rules of Procedure adopted
- 1996 Albania, Belarus, Bulgaria, Moldova, Romania and Ukraine admitted as full members
Centre for Information and Documentation (CEI CID) established

CEI highlights

- 1997 First CEI Plan of Action 1989-1990 adopted
CEI CID renamed CEI-Executive Secretariat (CEI-ES)
- 1998 CEI Solidarity Fund established
First CEI Summit Economic Forum held
- 2000 FR Yugoslavia joined as 17th Member State (later renamed State Union of Serbia and Montenegro)
- 2001 CEI Cooperation Fund established
First CEI Youth Forum held
- 2004 Seven countries in EU
CEI University and Science and Technology Networks became operational
KEP established
- 2006 Montenegro becomes the 18th Member State
- 2007 Bulgaria and Romania in EU (9 EU CEI MS and 9 non-EU CEI MS)
Decisions on the Repositioning adopted
- 2008 Implementation of the Repositioning started

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