



HISTORY STRUCTURE ACTIVITIES FUNDS

CENTRAL
EUROPEAN
INITIATIVE
CEI

HISTORY AND OBJECTIVES

The origin of the CEI lies in the agreement signed in Budapest on 11 November 1989, just two days after the fall of the Berlin Wall, by Austria, Italy, Hungary and Yugoslavia, establishing a platform for mutual political, economic, scientific and cultural co-operation called Quadrangular Co-operation. In May 1990, with the admission of Czechoslovakia, it became the Pentagonal Initiative and in 1991, following the accession of Poland, it was renamed the Hexagonal Initiative. Following the dissolution of former Yugoslavia and the admission of its former republics as independent states, the grouping was in 1992 renamed Central European Initiative.

By the mid 90s its membership increased to 16 and extended from Central to South-Eastern and Eastern Europe. In that period, the creation of the CEI Trust Fund at the EBRD, the establishment of the Secretariat for CEI Projects in London

and of the CEI Centre for Information and Documentation (CID) in Trieste (later renamed CEI Executive Secretariat) were of major importance for the organisation. In 2000, the Federal Republic of Yugoslavia (now Serbia and Montenegro) joined as the 17th member; a year later, the CEI Co-operation Fund was founded. The accession of five Member States to the EU in May 2004 represents the latest milestone in the history of the organisation as the number of its EU members increased from two to seven.

The CEI has among all European regional groupings the longest tradition and covers the largest area. It is composed of 17 Member States. They embrace a territory of 2.4 million square kilometres and a population of nearly 250 million. One of the CEI main objectives is to bring the countries of Central, Eastern and South-Eastern Europe closer

together and assist them in their preparation process for EU membership. In this regard, the CEI Plan of Action outlines the organisation's future intentions. It focuses on core issues which are given priority in the CEI endeavours. They are grouped into three major areas, i.e. economic, human and institutional development. In each of these areas the CEI is trying to stimulate activities and come up with funding to the benefit of its Member States.

During the last years, the CEI has undergone a transformation from being predominantly oriented towards policy dialogue to an organisation emphasizing transfer of know-how, transfer of technology, business facilitation, investment promotion, promotion of scientific research, postgraduate training and of civil society, especially in the fields of culture, media and youth affairs.

FUNDS AND PROJECTS

The **CEI Trust Fund** at the EBRD, contributed by Italy, is managed by the CEI Project Secretariat. This fund contributes "seed money" for larger EBRD investments in the areas of infrastructure, SMEs, agriculture, energy. The ratio between EBRD investments and CEI "seed money" equals 60:1. Since its inception the CEI, whose Trust Fund at the EBRD is also used for training and cooperation activities, the SEF, the KEP, and business match-making, has disbursed 26 million Euro.

In 2002, the CEI Co-operation Fund, consisting of contributions from all Member States, became operative. It supports activities (seminars, workshops, training courses, conferences, etc.) in various fields. In 2003, Italy doubled the Fund, thus

increasing its operational capacities considerably. In view of the growing number of projects, the CEI has set up, at the beginning of 2005, an Evaluation Unit monitoring projects.

According to the rules of both Funds, CEI's support cannot exceed 50 percent of the total cost of a given project. Preference is given to projects submitted by and in favour of Member States with the greatest need for accelerated development. In order to facilitate the participation of representatives and experts from CEI countries in special need in CEI events, the CEI disposes of a Solidarity Fund based on voluntary contributions from Member States.

The CEI Funding Unit was created in January 2004, with a view to evaluating the possibilities of attracting EU funding for CEI projects. The Unit avails itself of the fact that after the EU enlargement in 2004 an increased number of CEI countries have become eligible for EU funding. The CEI Funding Unit approach is to exploit the added value of CEI partnership which is particularly suited for cross-border co-operation among the countries at the new external borders of the EU.

STRUCTURE

The CEI operates through various structures: the annual Summit of the Heads of Government, held in parallel with the CEI Summit Economic Forum (SEF), the annual Meeting of the Ministers of Foreign Affairs, Ministers of the Economic Sectors and other ministerial or special events, monthly meetings of the Committee of National Co-ordinators (CNC), etc.

The CEI Parliamentary Dimension and the Central European Chambers of Commerce Initiative (CECCI) i.e. the CEI Business Dimension, offer support for CEI objectives. Currently, the CEI has 17 Working Groups, composed of representatives/experts from the CEI member countries. Their main task is to develop and evaluate activities for the benefit of its Member States. The above-mentioned working bodies are supported by the CEI Executive Secretariat (CEI-ES) and the CEI Project Secretariat (CEI-PS). Financial support for the functioning of both Secretariats is provided by Italy.

The former established in 1996 is based in Trieste and operates with the legal status of an international organisation. The CEI-PS has been operative at the EBRD in London since 1991 and maintains offices both in Trieste and London.

NEW INSTRUMENTS

The CEI University Network (CEI UniNet) became operative in 2003 with the endorsement of its Founding Charter at the CEI Summit in Warsaw. It aims at facilitating cooperation among the universities and other institutions of higher learning in Central, Eastern and South Eastern Europe through various types of post-graduate education programmes. It is based on the principle of mobility of both students and teaching staff and functions by offering grants and scholarships for Joint Programmes, such as Master's and PhD courses.

A Joint Programme needs to involve at least two universities from different CEI Member States and fall within the areas of economics, public administration, communication (including information technology, transport and infrastructure). The Network encourages "Split Joint Programmes" i.e. courses held consecutively at two or several universities. The Network is headed by the Rector of the University of Trieste in his capacity of Secretary General. The CEI UniNet Secretariat is based at the CEI-ES Headquarters in Trieste.

The CEI Science and Technology Network (CEI S&TN), launched at the beginning of 2004 operates through six lead scientific institutions in Trieste and partner/affiliated institutions in other countries. It offers young scientists from CEI countries outside the EU in particular, the opportunity to participate in PhD courses, training programmes and research activities in fields such as theoretical and applied physics, biogenetics, neurosciences and applied mathematics.

A special incentive to young scientists from CEI Member States is offered by the call for proposals under the title "From Research to Enterprise". It provides scientists wishing to commercialise their discoveries with seed money for feasibility studies and professional consultancy on how to succeed in their efforts. In 2004 six winners were selected from among 60 applicants and given a grant of 10.000 Euro each. The winners came from Belarus, Bulgaria, Croatia, Macedonia, Serbia and Montenegro and Slovakia.

The CEI is also offering a special "Award for Innovative SMEs". This award of 20.000 Euro each is given to those applicants who are best rated by a jury with regard to the innovativeness, feasibility and "bankability" of their business ideas.

The CEI Know-how Exchange Programme (KEP) became operational in 2004. Through this financial instrument, the CEI supports the transfer of specific knowledge in economic transition and institution building which the new EU members (the Czech Republic, Hungary, Poland, Slovakia and Slovenia) have gained over the past decade. In general, KEP projects should have an economic background and should make use of various tools of know-how transfer (e.g. surveys, preparation of manuals, secondment of staff, etc.) The programme, managed by the CEI-PS, is financed from a special window in the CEI Trust Fund at the EBRD.

FEATURE EVENTS AND ACTIVITIES

The first edition of the CEI Summit Economic Forum (SEF) was organized in 1998 in Zagreb, on the occasion of the Summit of the Heads of Government. It is currently the CEI main business event. It takes place in November of each year in the country holding the CEI Presidency. The Forum gathers government officials, industry leaders, businessmen, entrepreneurs, investors, financial institutions, international organizations, investment and trade promotion agencies, representatives of local authorities, bankers, fund managers, business service providers, etc. — both within and beyond the CEI region.

The SEF, which bring together over 1000 participants, acts as a platform where feasible business ideas can be discussed, investment opportunities examined, trade partnerships established, co-operation agreements made. It also offers an opportunity to personally meet policy makers

and discuss common institutional bottlenecks and possible ways to overcome them. The roundtable discussion of the CEI Ministers of Economic Sectors, which offers an insight into the economic policies of CEI Member States constitutes a highlight of the SEF.

The first CEI Youth Forum was organized in 2001 parallel to the Summit in Trieste and since then it has represented the main annual CEI event in the field of youth affairs, taking place each year back to back with the Summit in the country of the CEI Presidency. Young people from all Member Countries gather in order to exchange opinions and experience on various primary issues of mutual interest, such as employment for young people and security of jobs, mobility and voluntary work, funding for joint youth projects, youth and minorities.

By the decision of the CEI Heads of Government in 2004, the Young Musicians International Symphony Orchestra, which has been performing on the occasion of the CEI Summit meetings since 1999, has been transformed into the CEI Youth Orchestra. The CEI offers administrative and financial support for the orchestra that brings together — several times a year — some of the most talented young musicians from CEI countries.

In this context, the CEI Journalist's Forum, the CEI Venice Forum of Curators of Museums of Contemporary Arts, the CEI Literary Roundtable of Vilenica as well as the CEI Wholesale Markets Foundation deserve mentioning.

CEI MEMBER COUNTRIES

Albania
Austria
Belarus
Bosnia and Herzegovina
Bulgaria
Croatia
Czech Republic
Hungary
Italy
Macedonia
Moldova
Poland
Romania
Serbia and Montenegro
Slovakia
Slovenia
Ukraine

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