



CENTRAL  
EUROPEAN  
INITIATIVE  
**CEI**

HISTORY  
STRUCTURE  
ACTIVITIES  
FUNDS

# 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 adhesion of Poland, it was renamed the Hexagonal Initiative. After the dissolution of Yugoslavia and the admission of four of its former republics as Member States, the grouping was renamed Central European Initiative in 1992. 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 European Bank for Reconstruction and Development (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 major steps in consolidating the CEI working structures. In 2000, the Federal Republic of Yugoslavia (later Serbia and Montenegro) joined as the 17<sup>th</sup> member; a year later, the CEI Co-operation Fund was created. In 2006, Montenegro became the 18<sup>th</sup> Member State.

The CEI main objectives are to bring the countries of Central, Eastern and South-Eastern Europe closer together and assist them in their transition to stable democracies and market economies as well as in their preparation process for EU membership. This is reflected in the CEI Plan of Action which outlines the organisation's operational priorities. They are grouped into three major areas: economic, human and institutional development. In each of these areas the CEI is stimulating and supporting multilateral activities of its Member States.

The CEI stands out among regional actors for several reasons:

- It was the first regional body to be created after the end of the Cold War
- It operates both at the political and project levels
- It disposes of a full-fledged intergovernmental machinery
- It enjoys a significant degree of regional ownership
- It uses, in its operational activities, a bottom-up approach

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 makes “seed money” available for larger EBRD investments in areas such as infrastructure, SMEs, agriculture and energy. The ratio between EBRD investments and CEI “seed money” equals 60:1. Since its inception the Fund, which also co-finances the Summit Economic Forum, the Know-how Exchange Programme and selected economic Co-operation Activities, has disbursed 26 million Euros.

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 numerous fields. In 2003, Italy doubled the Fund, thus considerably increasing its operational capacities. In view of the growing demand, the CEI has set up, at the beginning of 2005, an **Evaluation Unit** for monitoring projects.

According to the rules of both Funds, the CEI 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 2004, with the aim 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 has become eligible for EU funding. It has therefore focused its attention on the involvement of Central and Eastern European countries in EU projects and programmes, identifying appropriate partner institutions in non-EU members for their inclusion in European projects. The CEI Funding Unit has since then succeeded in exploiting the added value of the CEI partnership which is particularly suited for transnational and interregional co-operation among the countries at the 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, 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)**, and meetings of the 16 CEI Working Groups. The **CEI Parliamentary Dimension** and the **Central European Chambers of Commerce Initiative** which represents the CEI Business Dimension, are important complementary networks. 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 CEI-ES, 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 co-operation 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, infrastructure and transport, regional development and urban planning, public administration and governance models, ICT and environment. The Network encourages so-called "Split Joint Programmes" i.e. courses held consecutively at two or several universities. It is headed by the Rector of the University of Trieste in his capacity of its Secretary General. The CEI UniNet Secretariat is based at the CEI-ES Headquarters in Trieste.

The **CEI Science and Technology Network** (CEI SGTN), launched at the beginning of 2004 operates through six scientific lead institutions in Trieste and partner/affiliated institutions in other countries. It offers young scientists, preferably from CEI countries outside the EU, 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 periodically repeated 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.

The CEI is also offering, on a recurring basis, **Awards for Innovative SMEs**. These awards of 20.000 Euro each are 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 among CEI Member States. 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

CEI Feature Events and Activities are characterised by their recurring, usually annual, nature. They bear the CEI name, are co-financed by the CEI and structurally linked to the CEI Secretariats which are frequently directly involved in their organisation.

The oldest and most important among these events is the **CEI Summit Economic Forum (SEF)** organised for the first time in Zagreb in 1998. It is currently the main CEI 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 organisations, 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 usually brings together over 1.000 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 of the CEI Ministers of the 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 organised in 2001 in parallel with the Summit in Trieste. 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 issues of mutual interest, such as employment, mobility and voluntary work, funding for joint youth projects, etc.

By means of a decision of the CEI Heads of Government in 2004, the Young Musicians International Symphony Orchestra, which had 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 some of the most talented young musicians from CEI countries.

Other **CEI Feature Events and Activities** are the CEI Journalist's Forum, the CEI Venice Forum of Curators of Museums of Contemporary Arts, the CEI Literary Roundtable of Vilenica (Slovenia), the CEI International Summer School in Cervia (Italy), the CEI Dubrovnik Diplomatic Forum, the CEI Prague Forum on Human Resource Development and the CEI Forum on Renewable Energy Sources and Energy Efficiency.

## CEI MEMBER COUNTRIES

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Albania

Austria

Belarus

Bosnia and Herzegovina

Bulgaria

Croatia

Czech Republic

Hungary

Italy

Macedonia

Moldova

Montenegro

Poland

Romania

Serbia

Slovakia

Slovenia

Ukraine

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