



**CEI Contribution to the
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The origin of the Central European Initiative lies in the creation of the *Quadrangone* or *Quadrangular* 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 *Quadrangone* 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 Initiative had a double objective. From the 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 sub-regional context, among countries of different political orientation and of different socio-economic structures (Italy, member of NATO and EEC; Hungary, member of the Warsaw Pact; Austria, a neutral country; and the SFRY, a non-aligned country). From the economic point of view, it intended to formulate and develop, in the relevant working groups, specific sectorial projects to be implemented with the goal of a gradual homogenization of the socio-economic structure of the member countries.

The *Quadrangone* 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.

At its first Summit in Venice in 1990 Czechoslovakia was admitted and the Initiative was renamed *Pentagonale*, and in 1991, with the admission of Poland it became the *Hexagonale*. The same year the *Hexagonale* 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 EBRD, provided by Italy.

In this context, the Initiative, initially established to build up regional cooperation and to promote complementary development among four countries, almost immediately developed into the largest forum for regional cooperation among eighteen countries of Central, Eastern and South Eastern Europe. Thus, it was renamed into Central European Initiative in 1992.

With the joint efforts of all countries, the CEI has become an important engine of regional integration. It has managed to catch up with the major historical breakthroughs in Europe in the last decade: the dissolution of Yugoslavia, the eastern EU enlargement, the establishment of a number of other regional initiatives. At the same time, it has managed to accelerate the process of stabilisation and EU *rapprochement*, offering an important opportunity to the Member States to address political issues in this context. It has also offered an important platform for addressing issues regarding the social and economic development in the region, thus boosting economic growth.

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

Under the Austrian Presidency in 1996 a certain form of institutionalisation of the initiative took place. A CEI Centre for Documentation and Information was created 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.

Moreover, new initiatives, intended to develop the parliamentary and the business dimensions of the CEI, 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.

In addition, in view of 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 required to improve the structure of the Centre for Information and Documentation in Trieste, which was renamed CEI – Executive Secretariat (CEI-ES) in 1997, in accordance with its needs in terms of financing, personnel and equipment.

In the meantime, the CEI continued 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.

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

In this way, the CEI has helped to create an environment of mutual understanding and respect among its countries. They have also paid stronger attention to a closer cooperation, particularly in assisting the non-EU CEI countries to come closer to the EU. In the course of the 20 years since the existence of the CEI, Europe has changed and this region as well. Now, the final scope is to assist those countries remaining outside of the EU to consolidate their institutional economic background and bring them closer to the EU. The CEI is doing this mainly by supporting a large number of regional cooperation projects and activities through its funds and instruments in various areas of activity.

These funds and instruments include: the CEI Trust Fund at the EBRD, the CEI Cooperation Fund, the Know-how Exchange Programme (KEP), the CEI Special Fund for Climate and Environmental Protection (CEI Climate Fund), the CEI University and Science & Technology Networks). It has also participated in various in EU projects.

The CEI Trust Fund at the European Bank for Reconstruction and Development (EBRD), entirely provided by Italy, has contributed over 20 million EUR in technical cooperation assignments alongside EBRD investments as well as for other programmes and activities since its operational beginnings in 1993. In the period 1993 – 2008, technical cooperation commitments amounting to 17.8 million EUR were linked to a total EBRD and partners' investment of 2.6 billion EUR.

The CEI is annually co-financing small projects in various areas such as culture, education, science, media, small business, agriculture, energy, etc. with a total amount of nearly 1 million EUR per year from the CEI Co-operation Fund. Since its establishment in 2001, the CEI Cooperation Fund has contributed more than 5 million EUR to the co-financing of around 500 Cooperation Activities.

The CEI Know-how Exchange Programme (KEP) was created and aims at a more systematic transfer of know-how to the non-EU CEI Member States, i.e. the Know-how Exchange Programme has once again confirmed that it is a very popular instrument. This Programme is mainly financed out of a special window of the Italian CEI Trust Fund at the EBRD as well as by the Austrian Development Agency since 2008. At the end of 2008, Poland has also voluntarily contributed to this Fund. Thanks to these contributions, a total number of 41 projects have been approved with CEI grants of over 1.1 million EUR since 2004. Only in 2009, 12 projects have been financed with an amount of over 300.000 EUR.

The CEI University and the CEI Science and Technology Network were created to offer additional possibilities for the young talented people from South-eastern and Eastern European countries to improve their education and scientific experience by studying and making the research work in the best institutions in the CEI region.

Moreover, the CEI Heads of Government at their meeting held in Sofia in November 2007 decided the setting up of the CEI Special Fund for Climate and Environment Protection (CEI Climate and Environment Fund - CEI CEF). The objective of the Fund is to promote projects in the area of climate and environment protection in the non-EU CEI Member States. These countries are indeed the focus of the CEI's present and future work. Thanks to the voluntary contribution made by the Czech Republic in 2008, three projects (two in Moldova and one in Montenegro) were financed out of this fund with about 120.000 EUR.

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 & technology, cultural cooperation, environment and spatial planning, cross-border cooperation, energy, 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, whose total budget amounts to 5.8 million EUR.

Thanks to its structures and internal 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 EC.

Nevertheless, there is still much room for assisting the non-EU CEI Member States in their process of European integration and the CEI is not alone in this efforts. 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. Particular attention was paid to the 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), with whom the CEI-ES has signed a Memorandum of Understanding.

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).

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 by taking into account both 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 at the forefront of major global issues such as climate change and 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.

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