



# Central European Initiative Plan of Action 2010-2012

Meeting of the Heads of Government  
of the Member States of the Central European Initiative

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# Foreword

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This CEI Plan of Action (PoA) covers a three-year period (2010 to 2012). Since it was adopted for the first time in 1998, the CEI Plan of Action has guided the thinking and the course of the organization over the past years, as crucial initiatives, activities and projects evolved. It was felt essential to integrate the evolving process within the larger process of development. Therefore, since its inception, the CEI PoA has incorporated priorities from a development perspective, taking into account not only national and regional, but also global trends as well as the guiding principles set down by major CEI high-level meetings.

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The CEI PoA is a well-known framework for development of activities and projects proposed or initiated by the CEI Member States, the CEI Networks of Focal Points and other CEI bodies or institutions in the CEI Member States in the CEI areas of activity. It also describes the various CEI instruments available for the implementation of the PoA.

In drawing up the Plan of Action, its contributors were guided by several principles at the heart of the CEI's endeavours during the past years:

- a. **comparative advantage:** what the CEI is doing well and what should be left to other regional or interregional actors;
- b. **cost efficiency:** how the limited resources of the CEI can be employed to greatest effect;
- c. **demand:** bottom-up approach where the real needs and requirements lie;
- d. **priority:** the non-EU Member States of the CEI;
- e. **stream-lining:** the CEI sticks to its agreed areas of activity in order to avoid further proliferation.

The main goal is to bring the CEI Member States closer together in common initiatives and thus to strengthen co-operation in a structured manner. The PoA also tries to reflect the new European environment with regard to CEI Member States within and outside the European Union, which gives a distinct character to the regional co-operation processes within the CEI.

**PIETRO ERCOLE AGO**

CEI-ES SECRETARY GENERAL

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# 1

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## Introduction

The CEI Plan of Action (PoA) results from the cooperative work and research on international experience of the CEI Networks of Focal Points and the CEI Secretariats. In elaborating the new Plan of Action of the Central European Initiative, covering a three-year period (2010-2012), particular attention has been paid to the feasibility of its implementation.

The three programmatic areas identified by the PoA are:

- a. Economic Development
- b. Institutional Development
- c. Horizontal Instrument (Interregional and Cross-border Cooperation).

These three areas are made up of eight central themes (CEI areas of activity), containing several actions or interventions, i.e. priorities. The PoA on the whole consists of more than twenty priorities designed to make an impact upon the objectives and commitments of the organisation. It also seeks to draw on all of the resources available as well as to provide adequate facilities for the development of various initiatives.

However, in the implementation of this PoA further progress cannot be achieved by using the old administrative approach alone. Moreover, the remaining challenges are more difficult than earlier obstacles. A different approach and new tailor-made actions are required to reach the goals set out by this document.

The innovative approach is that the PoA is based on a clear set of priorities defined to reflect a jointly agreed vision of 'actions' supporting sustainable activities/projects. This vision also reflects the need for a continuous streamlining of the CEI activities, as well as mainstreaming initiatives described into existing programmes (national, regional, EU, UN, etc). The PoA also makes a distinction between priorities that can be implemented at national or at regional and international level, whenever appropriate, in cooperation with other regional and international organisations. The PoA describes the options various institutions have when tackling one or another priority, thus preventing a possible proliferation of similar initiatives. The innovative strategy is also instrumental to the implementation of the EU policies. The CEI is in a unique position to ensure that the special characteristics of the EU policies are accounted by the activities.

Another innovative approach of the PoA is that it could support model examples (pilot programmes/projects), such as the BIOM-ADRIA Programme, EU projects, CEI Feature Events, etc. This concept has already been widely supported at various fora and could serve as a cornerstone for further action in the CEI region.

With the adoption of this PoA, the CEI will continue its long-standing involvement with the governmental structure, as well as with the civil society, incorporating the latest scientific knowledge and innovative management approaches into strategic policy implementation, and stimulating even closer, goal-oriented multilateral co-operation. The PoA should lead to profound, innovative changes of cooperation in the CEI region. This new strategy is a crucial stepping stone for more efficient activities to be undertaken, in order to achieve a wider and positive impact.

Thus, another highlight of a successful implementation of the CEI PoA is an active participation of all major stakeholder groups in the region, from governments, through industries and NGOs, organizations in both private and public sectors, to other national, regional and international organizations. This kind of participation would ensure that the PoA is truly relevant and could be effectively implemented. This way, the PoA promotes employment and other aspects of sustainable socio-economic and human development.

Having said this, the CEI Plan of Action 2010- 2012 should be considered as a joint regional policy or set of policies, with common objectives, actions and obligations. The future success of the PoA largely depends on how all the CEI countries will be able to co-operate to achieve the goal of a healthy regional cooperation.

Therefore, the main aspects of this new CEI Plan of Action, which could serve as guiding principles for its implementation, could be summarized as follows:

- a. It contains a definite set of priorities to be implemented during the years 2010-2012.
- a. All the activities should be directed towards these priorities and all the activities proposed should be coherent with issues defined by each priority. Only feasible activities with the purpose of bringing concrete results will be accepted.
- a. All public bodies (National Governments, Regions, Cities, Local Agencies) as well as civil society organisations (industry, NGOs, academic and scientific institutions, etc.) operating in the CEI region could be involved in the implementation of each single priority included in the PoA, with the operating support of the CEI-Executive Secretariat.
- a. Each activity will be discussed and shared by the CEI structures and approved through the appropriate structures.

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# 1

## **Economic Development**



## 1.1. Climate, Environment and Sustainable Energy

In sustainable development, environmental protection and climate change, the CEI provides a framework for consultations and sharing of knowledge about strategies and policies among the Member States as well as for the implementation of activities and projects. Considering the impact of daily life behaviour on the environment and climate, environment protection and climate change should be considered as transversal areas, covering all aspects of life, starting from early education to favouring cultural and sustainable habits in the daily life of all layers of the population. Although the majority of the CEI Member States have made significant progress in sustainable development and environmental protection with regard to rules and norms, there is still a need to raise awareness among the general public and decision-makers. As a result, raising awareness and education in sustainable development remains high on the agenda of the CEI priorities. Furthermore, it becomes crucial to enhance the role and participation of civil society and NGOs in environmental policy-making, especially in those CEI Member States where civil societies and social and civic groups are not properly supported.

Through the CEI Special Fund for Climate and Environment Protection, established by the Meeting of Heads of Government in 2007, the CEI promotes development cooperation in the South-East European region by financing small and medium sized projects in the field of climate and environment benefiting the non-EU CEI Member States. The CEI also continues enhancing cooperation in the climate and environment fields with international organisations (UNECE, REC, UNEP) as well as with regional organisations (RCC, BSEC, CBSS, AI).

Sustainable energy production and use are top priorities in Central and Eastern Europe for moving towards growth sustainability. In this context, energy supply and demand will have to focus more on energy-efficient methods and make a greater use of renewable energy sources. In this regard, the CEI has identified as core issues of its activities the promotion and development of energy efficiency, security of energy supply as well as research and development of renewable energy sources (biomass in particular). In this framework, the CEI wishes to act as a platform for the adoption of sustainable development related policies, to strengthen co-operation among Member States and to support measures to facilitate investment and enhance dissemination and information in this field.

In order to raise awareness at international level regarding energy issues and the CEI priorities in particular, the CEI could support the organisation of an annual international conference as a "CEI Feature Event", promoted by the CEI countries and focused on the exchange of know-how and experience between EU and non-EU CEI Member States. A long term goal will be facilitating the identification of concrete investment projects as well as opportunities in EU programmes.

### 1.1.1. Climate Change Mitigation and Adaptation

Climate change represents one of the key global challenges today. In fact, the climate change phenomenon is already a reality and while the countries are devising their adaptation policies, sharing the experience among the CEI countries in climate, not only do adaptation measures become essential but also mutually beneficial. One of the CEI priorities is to promote, at national level, a climate change vulnerability assessment and a Plan of Action on the Adaptation to Climate Change, taking into consideration the increased frequency of climate change consequences in CEI Member States and the need for appropriate policies and measures in all sectors. This will go hand in hand with initiatives and measures aiming at climate change mitigation in order to adequately address the human impact on climate change. In this regard, the CEI will support actions in sustainable energy and in low-cost mitigation, with emphasis on energy efficiency use, addressed to local authorities and societies, as well as water management and food production linked to adaptation measures. In particular, priority is given to the housing sector, that accounts for 40% of the total energy consumption, in order to achieve high potential for energy saving and energy optimisation; and to the transport sector, by supporting activities in sustainable mobility, with focus on optimisation of urban mobility, in view of reducing of greenhouse gasses (GHG) emissions and raise quality of life in urban areas.

The CEI will also make efforts to develop synergies among its Member States' strategies on climate change, in order to consider the new EU package on Energy and Climate Change, as well as the on-going negotiations under the United Nations Framework Convention on Climate Change and its Kyoto Protocol for a global regime in post 2012 period. The CEI countries shall work towards reducing their overall GHG emis-

sions related to countries GDP (Kyoto goals) by using different tools, such as strengthening and expansion of the Emissions Trading System, policies promoting green energy, stimulating environmentally friendly and energy saving technologies.

### 1.1.2. Sustainable Development and Environment Protection

Sustainable development of the CEI region is one of the main focuses of CEI action in all its areas of activity. Since sustainable consumption and production are vital for achieving sustainable development, the CEI supports policies for effective implementation of sustainability in production processes and among consumers.

Improving the quality of the environment in the CEI countries is necessary with special attention to water and waste management. With regard to water, the CEI pays special attention to protection and quality of surface and ground water, drinking water supply as well as waste water management. Waste management represents one of the main environmental challenges for the non-EU CEI Member States and is posing a serious threat for their eco-systems. The countries lack proper waste separation and treatment facilities; recycling is not wide-spread and governments have insufficient resources to encourage recycling businesses among SMEs.

In line with the UN Convention on Biological Diversity of 1992 and the commitments taken at the Johannesburg UN World Summit on Sustainable Development in 2002, the CEI countries shall enhance their efforts and commit themselves to cope with the unprecedented loss of biodiversity, which threatens to undermine environmental, economic and social goals.



### 1.1.3

#### Energy Efficiency (EE)

EE is a key issue in the CEI Member States (particularly in the Balkans) which are much more energy intensive. Energy saving potential in the Region is considerable and improving the efficiency of energy use would assist in the transition to a market economy. The CEI intends to support region-wide projects aiming at promoting a sustainable energy development strategy by enhancing regional co-operation on energy efficiency and investment projects development. Efficiency can be improved through a wide variety of measures in all energy consuming sectors. The CEI will focus on industrial as well as residential sector as well as on technology transfer.

### 1.1.4

#### Renewable Energy Sources (RES)

Among the RES, the CEI will focus - as a first priority - on the primary renewable energy sources which are available. Biomass appears to be the most promising target for at least two reasons: a) the huge amount of organic by-products provided by agriculture and forestry related activities and b) the possibility to use conventional technologies by the countries which cannot count on a highly developed energy industry. In this regard, the CEI through its appropriate structures supports the implementation and development of its BIOM-ADRIA programme in Serbia and intends in the future to support projects and programmes for its replication, particularly in ENP and Western Balkan countries. The proposal of a major programme financed by International Financial Institutions (e.g. EBRD) in this or other sectors could happen every two years and would be one of the major events on CEI history, definitely improving its visibility and appreciation both in the Italian and the international fields.



## 1.2. Enterprise Development including Tourism

The CEI priorities in enterprise development aim at fostering policies and activities for entrepreneurship promotion and to create a favourable environment for business, in particular for SMEs which are considered crucial for stimulating economic growth, fostering competitiveness and employment. Therefore, the CEI intends to support initiatives and programmes aiming at: transferring best practices and experiences in the field of SME promotion; intensifying relations and co-operation among CEI Member States and strengthening the collaboration between organisations of support to small and medium-sized enterprises; defining schemes for the creation of new enterprises and the development/strengthening of those already operating; and fostering projects of intervention for specific geographical areas and/or sectors of activity.

Moreover, the CEI intends to continue its activities related to SME development, taking into account the “European Charter for Small Enterprises” and by verifying opportunities from EU programmes (particularly the Competitiveness and Innovation Framework Programme – CIP 2007-2013) and other sources of funding.

The tourism industry has become one of the key sectors of the world economy. In fact it is an important source of income and contributes significantly to the GDP of several CEI countries. The CEI is paying attention to the tourism sector through exchange and dissemination of information, presentation of policies and actions, facilitation of know-how and best-practice. In this context, the CEI promotes cooperation among Ministries, National Tourism Organisations, regional and local authorities, SMEs and other stakeholders involved in the tourism sector in form of meetings, training courses, workshops, study tours, seminars, and other activities and projects in order to promote competitive and sustainable tourism in the CEI region. Furthermore, in the tourism sector the CEI cooperates and promotes synergies with international organisations (UNWTO, Council of Europe, UNESCO, UNEP) as well as with the regional organisations (All, BSEC, RCC).

### 1.2.1.

#### Access to Finance

Access to sufficient and adequate capital to grow and further develop their activities is a difficulty faced by many SMEs. Therefore, the CEI wishes to act as a platform supporting Member States in improving SME access to finance particularly by identifying possible sources of financing and by disseminating good practices. The CEI will particularly support the effectiveness and diffusion of micro-credit and micro-finance schemes that play an important role in developing countries. Additional activities may be implemented focusing on: support to SMEs in applying for loans from banks; incentives for equity provision; promotion of Venture Capital investments in SMEs; risk-sharing and guarantee schemes; awards to innovative SMEs.

### 1.2.2.

#### Innovation for Competitiveness

Innovation is the main driving force of economic development. SMEs play a vital role in innovation thanks to their flexibility in responding to the opportunities created by the changing and globalising marketplace. Therefore, the CEI intends to boost the entrepreneurial initiative by supporting actions and instruments aimed at improving technological and organisational innovation of the enterprise. This will go hand in hand with promoting activities to establish an appropriate economic and policy environment, so that innovative SMEs can realise their potential, and increase their innovative capacity by: developing human resources and technology through linkages between industry and educational and research institutions; enhancing availability of capital to innovative SMEs; and supporting networking and clustering of innovative SMEs.

### 1.2.3.

#### Sustainable Development, Competitiveness and Quality in the Tourism Sector

The competitiveness of the tourism industry depends on its sustainability. It is therefore essential to promote responsible tourist behaviour and

to incorporate environment and climate concerns into tourism policies at all levels (governments, local authorities, communities, businesses, tourists). In this regard, the CEI supports the idea of developing networks of knowledge (also via Internet for current information exchange), among the local, regional and national tourism organizations for supporting competitiveness and sustainability. It goes without saying that if the development of the tourism sector as a rapidly growing industry is not properly managed, it can constitute a damage and degradation and negatively influence the attractiveness of the tourism destinations.

The CEI attributes special attention to the promotion of the local tourism offer, which can be developed by enhancing the natural beauties and the environment, the cultural heritage of the sites, local culture and tradition, craftsmanship as well as original and typical products. The majority of CEI countries, due to their varied and rich natural and cultural heritage, have vast potential for enhancing specific forms of tourism and tourism products such as eco-tourism, cultural tourism, tourism in protected areas, rural tourism, agro-tourism, wine-tourism, health tourism. Climate neutral and energy efficient tourism should also be promoted by activities which aim at limiting the environmental and water pollution, reducing waste production and energy consumption and by addressing the seasonality of demand. Therefore, developing cultural routes and transnational tourist programmes within the region may contribute to increase and diversify the tourist offer for Central Europe.

The CEI also promotes the competitiveness of the tourism sector and the quality of tourism, while at the same time striking the appropriate balance between the tourism development on the one hand and environment and spatial considerations on the other. Investment and innovation in tourism destinations, products and services in the CEI region are particularly important for those CEI countries which do not represent attractive tourism destinations. Formal and non formal education and training activities may serve to improve the quality of the tourism service. Furthermore, an increase in the efficiency of the tourism institutional system through the exchange of information among the CEI Member States on appropriate tax policies and incentives, the setting up of financing



schemes specific for tourism SMEs, and the promotion of Public Private Partnerships can contribute to facilitating tourism development and its competitiveness. In order to achieve these objectives, the use of tourism satellite accounts in the CEI countries may improve the knowledge about direct and indirect contribution of tourism to national economies, thus increasing the awareness of tourism as an important sector for economic growth and a generator of businesses and jobs.

#### 1.2.4. Positioning Tourism in Strategic National Documents – Operating Structures' Experience

Since tourism development is not included among explicit priorities in the EU strategic accession documents (the pre-accession programmes or Structural Funds allocation), the candidate countries whose economies rely or wish to rely more heavily on this sector, find it beneficial to learn from the EU CEI Member States about how and where to incorporate the sector's concerns appropriately.

The thoughtful use of the EU candidacy phase suggests that the CEI Member States administration bodies with the above concern in mind should:

- a. come to realize in what niches and under what notions within the documents being compiled the chances for investments in tourism lie;
- b. see that the appropriate number of key experts in tourism is appointed into the national Working Group entrusted with the National Strategic Reference Framework (NSRF) preparation;
- c. meticulously design these representatives' methods of work as they prepare the sector's input for the NSRF WG (gain the officials' support, involve relevant stakeholders/decision makers on all levels in timely consultations, let the information flow constantly within and out of the ministry etc.) in order to come up with the best possible sector's input for the NSRF as it crucially defines what shall be eligible for financing from the Structural Funds, once the country become EU member;
- d. secure, as ahead of time as possible, the critical mass of national, regional and local projects in tourism development, especially large ones, to match as closely as possible the funds size allocated to the country;
- e. get the civil servants timely and properly trained in drafting the Operative Programme that would involve tourism, too.

Learning about the EU CEI Member States experience in how they went about drafting the key national (pre)accession documents and what diversity of tourism projects they resulted in getting financed so far would be among most valuable know-how transfers that the CEI could sponsor.

## 1.3. Multimodal Transport

The CEI will continue to focus on the rehabilitation and development of transport infrastructure as a catalyst of international trade, investments and economic development. In addition, the CEI will support projects aimed at the optimisation of existing infrastructure by eradication of non-physical barriers in transport flows. Particular attention will be paid to regional initiatives in South-Eastern Europe where most of the non-EU CEI Member States are located. Cooperation with EBRD and other International Financial Institutions and International Organisations operating in the CEI region (such as the EIB, the World Bank, UNECE, etc.) will remain a feature of the CEI strategy in transport. Additional activities may be implemented upon the member countries' initiative and within available resources in such areas as the promotion of modal shift, the improvement of transport security conditions, introduction of new technologies aiming at accelerating and improving the transport process, and others. Specific attention will be paid to those initiatives aiming at promoting institution building.

### 1.3.1. Facilitation of Trade and Improvement of Connections to Regional Markets by Joint Infrastructure Project Design and Financing (special attention to transnational cooperation in border crossing)

A well-developed and maintained transport infrastructure system linking various transport modes is essential to enhance countries' trade and overall competitiveness. The necessity to improve the transport infrastructure is especially valid for less developed countries whose economic growth is trade-dependent. In order to boost international trade and investments, such countries must continuously improve the links between its trade gateways and extend their connections to the region and globally. At the same time, the unfolding economic crisis is likely to have already got a serious impact on both public and private investment. Thus, since all the CEI Member States face limitations on their current infrastructure spending, the need for accurate planning and greater cooperation in transport (including joint project design and financing) has become an even more evident and deserves the CEI attention. In this context, the need for the improvement of border crossings – an often neglected component of transport infrastructure – is one of the most important concerns in the South-Eastern and the Eastern outskirts of the CEI region. Long delays in transiting international borders cause inconvenience to passengers and drivers and, more importantly, they hamper transport of goods thus undercutting the CEI Member States' trade. Therefore, border crossing projects aimed at improving connections to regional markets will be given a priority. More specifically, the availability of regional best practices would be helpful to disseminate the findings of the similar projects and provide guidance for successful implementation of cross-border projects.

### 1.3.2. Elimination of non-Infrastructural Barriers in Transport of Passengers and Goods

A lot of resources have been committed to the improvement of transport infrastructure in CEI Member States over the last two decades. These efforts have been however impeded by non-infrastructural bottlenecks in traffic flow, both with relation to passenger and freight transport. These bottlenecks range from bureaucratic custom and administrative procedures, through the lack of harmonisation of traffic rules, to security-related issues. Many of these problems could be solved if there existed the transfer of best practices already in place in advanced economies. The lack of knowledge of available instruments and access to them, as well as of actual administrative experience of efficient procedures and everyday practices could be easily solved by the transfer of best practice between individual countries or regional group of countries. Hence, the CEI will support projects and initiatives aiming at the simplification of administrative procedures, the harmonisation of transport regulations, the facilitation of mechanisms addressing security problems (theft of cargo and vehicles, attacks on drivers, etc.) impeding transport flows, the provision of related training of border personnel and transport operators, as well as other actions directed at gradual elimination of non-infrastructural barriers in the international transport.



## 1.4. Sustainable Agriculture

With over one third of the population in the 18 Member States of the CEI living in rural areas, agriculture and rural development remain among the most important fields of CEI activity. The mission of the CEI in agriculture sector is to enhance sustainable agricultural development and food security by supporting dissemination of good agricultural practices, improving information sharing, and promoting use of associated technologies in the sector. As in other sectors, the vast part of activities focus on supporting the non-EU CEI Member States which still undergo reform process and need more assistance in developing their agriculture and agro-food sector. In this respect, the CEI encourages and supports activities and projects that aim at meeting standards and criteria set by the *acquis communautaire*, in particular by the EU Common Agricultural Policy, and thus strengthen the competitiveness of farming and agri-food sector in these countries.

### 1.4.1. Provision of Technical Assistance and Capacity Building Programmes in Agriculture and Agribusiness Fields in the non-EU CEI Member States

The need for training and the transfer of existing knowledge from advanced economies remain an important aspect of sustainable agriculture and agribusiness development in non-EU CEI Member States. Through its Know-how Exchange Programme (KEP), the CEI provides financial support to projects focusing on the transfer of best practice and know-how from the EU to the non-EU CEI Member States of the Initiative. Such topics as the harmonisation of the agriculture-related national laws with EU regulations, assistance in the establishment of institutions required by EU rules in the pre-accession countries, the application of food safety and food quality regulations and standards, development of rural and agricultural infrastructure, promotion and development of rural and environmentally sensitive tourism, as well as the provision of training for farmers and specialists in farming-related areas, can all be supported from the KEP or, whenever appropriate, from the Cooperation Fund.

### 1.4.2. Food Safety, Food Quality and Authentication of Food Products

Food safety and food quality were recognised under the former CEI Plan of Action and they will remain among CEI priorities in years 2010-2012. The CEI will provide further support to technical assistance projects as well as educational and training initiatives aimed at improving effective food safety and food quality control systems and assisting in the implementation of relevant *acquis communautaire* in accordance with principles set out in the European Commission's White Paper on Food Safety. Special attention will be given to appropriate consumers information through proper authentication and labelling of food products, including the authentication of organically produced and genetically modified products, promotion of the Designation of Origin (DO) system to the non-EU CEI Member States and others.







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# Human Development

## 2.1. Human Resource Development

CEI cooperation in the field of human resource development will focus on activities aimed at promoting employability through education and training and the concept of life-long learning and its implementation, as well as education through a further development of the CEI University Network.

### 2.1.1. Education and Training Supporting Employability

This issue is of particular importance nowadays. In this context, the CEI will contribute in identifying means and methods of integrating specific "sensitive" groups (women, low qualified people, school graduates, long-term unemployed people, immigrants, the disabled, etc.) into the labour market through education/training. Tackling successful approaches (methods, programmes, initiatives) aimed to enhance employability of young people and adults through exchange of experience and good practices are also necessary. Furthermore, in order to be in line with the EU trends, the CEI will support the implementation of principles of EU educational and employment policies, particularly in the non-EU CEI countries.

### 2.1.2. Implementation of Lifelong Learning

The CEI will contribute to identifying barriers of lifelong learning and their removal. Special attention will be paid to the examples of existing training systems for employees in enterprises both in EU and non-EU CEI Member States, as well as to the implementation of European Qualification Framework and ECVET. Both financial and non-financial incentives for higher participation of people in the lifelong learning are necessary. Thus, exchange of experience on this issue will be encouraged.

### 2.1.3. Support to the CEI University Network and Education

In the framework of this CEI instrument, particular attention shall be paid to subjects regarding education and training in the field of public administration, with special focus on the forms of training that provide skills for dealing effectively with the decentralisation process and competencies of local administrations. The further development of the CEI University Network itself also represents the primary goal of the CEI in the educational field. To this end, cooperation among institutions of higher education will be encouraged in order to support post graduate-level courses, seminars, workshops or summer courses. Major efforts will still be devoted to enhance the participation of Institutions of Higher Learning from the non-EU CEI Member States as well as the financial resources at its disposal.

In order to achieve this, the CEI-Executive Secretariat will continue disseminating information on the potential of the Network (e.g. through the annual launch of the Call for proposals) as well as strengthening the awareness of academic decision makers.





## 2.2 Information Society and Media

The CEI will step up its involvement in the area of information society, particularly in the development of knowledge-based society within the countries of the region through supporting initiatives aimed at creating environment for a large e-applications and raising the awareness of the innovative IT solutions.

Maintaining media pluralism as well as safeguarding media transparency and independence are essential conditions for preserving the right to information and freedom of expression that underpins the democratic society. A continuous debate, monitoring and awareness raising with the involvement of the different segments of the society is required and therefore the CEI will act as a platform for implementing appropriate activities in this respect. Priority will be also given to media literacy education, considering that the major transformation of the media environment resulting from technological innovations requires adequate skills and competencies. Critical questions linked to the use of Internet and digital media, in particular its legal and ethical dimensions, will be also at the core of CEI cooperation in the field of media.

### 2.2.1. Preventing Digital Divide

The basic role of this priority area is to contribute to the development of knowledge-based societies in the CEI region by creating an environment for applications in a wide range of areas including e-Governance, e-Learning, e-Business, e-Commerce, e-Invoicing, etc. Special efforts shall be encouraged for initiatives and programmes contributing to the development of broadband internet access, with particular regard to the delivery of modern tele-informatic services such as e-Government, e-Health, e-Education, e-Safety, and e-Banking in rural areas. This, in order to contribute to the reduction of development disproportions in this area among the regions and countries of the CEI.

### 2.2.2. Electronic Identity Management (e-ID) Based Cross-Border Applications (clustering, e-Invoice, extended and dynamic collaboration)

The target groups of this priority area are SMEs and the main characteristic is the so-called collaborative approach. The intensive development and application of innovative methods represents a strategic response to the current financial-economic crisis, offering an opportunity for the countries and enterprises of the region to adopt a leapfrog strategy (of survival). The relevant IT backed solutions consist of the well-structured policy making, network solutions, services providing frameworks, complex life cycle wide applications.

### 2.2.3. Media Pluralism, Media Transparency and Independence, Concentration of Ownership

In line with its overall strategy, the CEI will encourage the debate with the aim to promote and protect media pluralism, transparency and independence. Cooperation and synergies with other international and regional organisations and institutions active in this respect will be further developed. Special attention will be given to activities promoting the adoption and the effective implementation of specific legislation guaranteeing media pluralism and preventing the concentration of ownership. To this end, the CEI will also promote cooperation among the competent

independent regulatory agencies in its Member States. Emphasis will be given to the role of journalists' associations and NGOs in promoting media pluralism and raising public awareness. In relation to public service broadcasting, the CEI will make efforts to support activities ensuring appropriate legislative, political and practical measures in line with the European standards, aiming at the creation of a strong, independent and modernized broadcasting service corresponding to the needs of the digital era. Research activities on the media market, audiences and media concentration within the CEI region will be supported. Appropriate activities promoting the development of media accountability systems will be developed in order to strengthen professional values, editorial and journalistic independence and quality journalism.

### 2.2.4. Media Literacy Education

In line with EU trends, the CEI considers media literacy as an important factor for an active citizenship in today's information society. Therefore, cross-border exchange of information and good practices in this field (e.g. by means of seminars and workshops organized by member countries) will be promoted in the context of CEI cooperation. Specific support will be provided to measures taken by the competent authorities in Member States to make the society "media literate" enough to access, analyse and evaluate images, sounds and texts and use traditional and new media to communicate and create media content. The CEI will also make efforts to act as a communication channel between EU and non-EU CEI countries, especially promoting the participation in EU programmes related to media literacy.

### 2.2.5. Legal and Ethic Aspects of Functioning of the Internet/Digital Media

Under the initiative of the relevant actors and stakeholders in its Member States, the CEI will stimulate discussions and create awareness on the ethical and legal challenges of the use of Internet and digital media. Emphasis will be given to questions related to the protection of the intellectual production of journalists, publishers and broadcasters as well as to the mechanisms that legislators and governments at the national and international level could improve or set up to safeguarding the intellectual property rights.

## 2.3. Intercultural Cooperation including Minorities

The CEI region enjoys remarkable cultural treasures, resources and values which play a major role for its identity. Promoting intercultural dialogue and the respect for cultural diversity remains a priority of CEI intercultural cooperation. Efforts will be made to support actions preventing cultural, linguistic and ethnic divisions as well as enabling people to deal with different identities constructively and democratically on the basis of shared values. In this framework, issues related to the protection and promotion of minority languages and cultures will be dealt by encouraging the competent institutions and organizations in CEI Member States to promote strategies and policies leading to a democratic management of differences in the multicultural societies.

An enhanced regional cooperation for the protection and promotion of cultural heritage (both tangible and intangible) could highly contribute to the preservation of cultural diversity and identity. In this respect, the countries of the region are increasingly aware of the need for joint efforts by all relevant actors at national and international level. Therefore, the CEI will further promote awareness-raising about cultural heritage, especially by means of establishing and facilitating networking activities, disseminating best practices, seeking for funding opportunities. Additional activities aimed at advancing the ability of governments and civil society as a whole in preparation, financing and implementation of projects will be also implemented, especially enhancing CEI participation in the programmes offered e.g. by the EU/EC, UNESCO and the Council of Europe.

### 2.3.1. Intercultural Dialogue and Conservation of Cultural Heritage (including storage, protection and renewal of audiovisual heritage)

Under the initiative of its Member States, the CEI will encourage the implementation of programmes and activities with the aim of promoting cultural dialogue and preserving cultural diversity, including the protection and promotion of minority cultures. To this end, capacity-building and training activities will be implemented in view of advancing the knowledge, qualifications and aptitudes of the people to deal with an open and complex environment. Priority will be given to projects related to cultural heritage, both tangible and intangible, including the storage, protection and renewal of audiovisual heritage. Support will be also provided to activities strengthening cross-border cooperation in the field of the arts including the mobility of individuals and groups with the view of providing opportunities to learn, respect and understand one another's cultural heritage.

### 2.3.2. Know-how Transfer in the Field of Cultural Management

Specific activities in the form of technical assistance, professional training, public and youth education, awareness-building will be encouraged in order to contribute to enhance the professional competencies in cultural management, with the involvement of museums, public administrations, institutions, private organisations and agencies. Issues related to marketing and fund-raising activities will be specifically dealt with. The CEI will also provide the framework for raising awareness of the development of cultural needs especially in terms of favouring cultural creativity and the sensibility to cultural values.

### 2.3.3. "Diversity Management" including Protection and Promotion of Minority Languages and Cultures

The protection and promotion of the rights of persons belonging to national minorities will be further developed in the context of the CEI, with special attention to the preservation of cultural and linguistic identity of minority groups of the European neighbourhood. Such efforts will be part of an overall action of the CEI address to develop and support activities aimed at leading to a democratic management of differences and diversities in multicultural societies. In this framework, priority will be given to initiatives facilitating the exchange of experience and good practices as well as the study and analysis of the appropriate legal tools and educational strategies.

An active dialogue and intercultural cooperation across borders embracing the least advantaged national minorities will be promoted by means of raising awareness and mutual understanding, also considering the so-called modern minorities including immigrant minorities. Taking into account the role played by Minority Associations and NGOs in guaranteeing the existence of minorities facing cultural assimilation and in upholding the rights of persons belonging to national minorities, they should be included in activities aiming at spreading the concepts set out in the CEI Instrument for the Protection of Minority Rights and other relevant UN, OSCE and CoE documents.

## 2.4. Science and Technology

Implementing and strengthening the CEI Science and Technology Network and the continuing exchange of experience is a strategic element both within the CEI and in the European Research Area frameworks.

Considering that developing national science and education policies plays an essential role in the building of sustainable knowledge-based societies, the CEI will also act as a platform for dialogue, cooperation and exchange of information and experience between decision-makers and the scientific community of the region. Efforts will be undertaken to support activities contributing to the development of innovation infrastructure in CEI countries. CEI cooperation will also include activities promoting and strengthening the science education, taking into account the actions promoted at national as well as at regional and international level.

### 2.4.1.

#### Promotion of Mobility of Young Researchers and Junior Trainees through the CEI Science and Technology Network

The main CEI activities in the area of science and technology are focused around the Science and Technology Network which is composed of six Trieste - based research centres and their partners in the CEI region. The Network provides financial support for the organization of seminars, conferences, workshops and training courses. Scientists from CEI countries, particularly non-EU ones, are offered the opportunity to attend such activities and carry out scientific research on various topics in one of the six Lead Institutions. In the coming period, further efforts are required to bring the partner institutions in CEI Member States more fully involved. Following the experience of the "CEI Research Fellowship Programme – CERES", co-funded by the EU 7th Framework Programme for Research and Technological Development, the CEI will continue to explore EU funding opportunities.

### 2.4.2.

#### Development of Enterprise Character of Science and Research

The CEI will continue to offer incentives to scientists and researchers in CEI Member States willing to commercialize the results of their research. Advice and financial support will be offered in the framework of specific initiatives and activities, with the aim to encourage innovative entrepreneurship and facilitate the establishment of new enterprises.

### 2.4.3.

#### Enhancement of Science Education as Key Element of Developing S&T Capacities

Actions promoting and strengthening education and capacity-building in science and technology will be enhanced with the involvement of competent institutions in Member States, including the national academies, research councils and foundations active in the establishment of the knowledge-based society. An increased attention to the synergy between research and higher education in developing national science and education policies will be promoted and the interdisciplinary communication enhanced. A special focus will be placed on high skilled mobility issues, encouraging, on the one hand, international mobility of talents and, on the other, mitigating the negative effects of "brain drain". Cooperation and coordination at regional and international level will be essential. To this end, synergies will be explored particularly with the UNESCO. The CEI will as well serve as a platform to implement activities such as experts meetings, training, networking and knowledge sharing in relevant scientific disciplines.





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**Horizontal Instrument**



## 3.1. Interregional and Cross-Border Cooperation (ICBC)

The Interregional and Cross-Border Cooperation (ICBC) will serve: 1) as a horizontal instrument supporting a better coordination of implementation of CEI cooperation activities and projects as well as dissemination of their results on sub-regional and local levels; 2) as an individual sector of CEI cooperation involving the elaboration and implementation of common multilateral projects (encompassing as many CEI Member States as possible by the territorial authorities in the CEI countries specifically designed to promote regional development and European integration policy in the CEI region.

22 It shall encourage regional authorities of CEI MS to develop cross-border cooperation, addressing common challenges in clustering modes, in line with relevant EU programmes and initiatives.

The CEI will continue focusing on the development of ICBC in Eastern and South-Eastern Europe, since it represents an effective confidence-building measure and contributes to the creation of security and stability in the CEI region.

Activities in this area shall involve further cooperation with international organisations, first of all the European Union. The aim of these activities will be to strengthen the capacity of border regions and municipalities to engage in effective cooperation with their neighbours and partners, to disseminate best practices and know-how by promoting the needs of the CEI Member States in the field of ICBC in various European organisations and institutions.

This policy could be realized through joint operational programmes and projects on cross-border cooperation, by carrying out related situation studies and by implementing events in the regional context (e.g. conferences, workshops, seminars); collaboration with other European institutions as well as structures and neighbouring partner institutions. Special attention should be paid to promoting knowledge about practical forms of cooperation on local and regional level, such as Euroregions, with a projection of their impact on the development of decentralised cooperation in Europe.

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**Addendum**

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**CEI Funds and Instruments**



## CEI Cooperation Fund

In order to meet the constantly growing project-oriented activities of the CEI, the Ministers of Foreign Affairs at their meeting in Milano in 2001, have decided upon the establishment of the CEI Cooperation Fund at the CEI Executive Secretariat. This Fund has since become an important source of financing of activities which are bringing together the CEI Member States in common projects thus strengthening regional identity and promoting know-how transfer. All CEI Member States contribute to the Fund according to a scale, while Italy is voluntarily doubling the volume of the Fund. Moreover, due to the constantly growing demand for financing out of this Fund, the Ministers have agreed to increase it, once by 10% in 2005 and once by 20% in 2009. The latter decision could be considered a good starting point in implementing what was decided by the Heads of Government (Sofia, November 2007) that the CEI Member States are to make every effort during the forthcoming years to improve gradually their financial contribution to the Operational Activities.

The CEI 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 line with the priorities outlined in each of the areas of activity in the CEI Plan of Action.

## CEI Solidarity Fund

In 1998 the Ministers of Foreign Affairs meeting in Brioni decided to create this Fund based on voluntary contributions from CEI Member States. This Fund is based on voluntary contributions from CEI Member States (MS) and is managed by the CEI Executive Secretariat according to the Guidelines for the use of the Solidarity Fund. It is meant to facilitate the participation of experts and representatives from non-EU CEI countries in various events organized or sponsored by the CEI. Since its existence, the Fund has supported participation of many experts in CEI events thus exercising a key role in the enhancement of cohesion and solidarity among the CEI MS.

## CEI Special Fund for Climate and Environment Protection

In order to address the impacts of Climate Change and promote activities aiming at Climate Change Mitigation and Adaptation, the CEI Heads of Government at their Summit Meeting in Sofia on 27 November 2007 decided the establishment of the CEI Special Fund for Climate and Environment Protection - CEI Climate Fund, which represents an important CEI contribution to tackling climate change. The Fund is established with voluntary contributions by CEI Member States and is administered by the CEI Executive Secretariat. It has become operational with the first contribution made by the Ministry of Foreign Affairs of the Czech Republic at the end of 2007, which allowed to start the activities and launch the first Call for Proposal. The CEI Climate Fund aims at supporting projects in the nine non-EU CEI Member States in South-Eastern and Eastern Europe (Albania, Belarus, Bosnia and Herzegovina, Croatia, Macedonia, Moldova, Montenegro, Serbia and Ukraine). Through the CEI Climate Fund, the CEI is offering its partnership to the CEI Member States in promoting their development cooperation in South-Eastern and Eastern Europe. In this way, the donor countries may outsource the programme management to the CEI-Executive Secretariat, as the Fund's implementing agency, while the countries decide on the use of the Fund and report their contributions as Official Development Assistance (ODA).

## CEI Know-how Exchange Programme

The basic concept of the Know-how Exchange Programme (KEP) is to encourage CEI Member States to share their experience with others. A good example for this is the know-how transfer from those CEI member States which joined the European Union in 2004 and in 2007 which, in the process of their accession, acquired specific insights. The KEP offers financial assistance to activities which can take various forms such as advisory missions, assistance in negotiation, management workshops, need assessments, preparation of manuals, setting up of administrative systems etc. The KEP was established in 2004 and is an instrument offering co-financing for projects focusing on the transfer of know-how and best practice from EU to non-EU Member States of the CEI. At the beginning of 2008 the KEP received an important development: in addition to the funds which since 2004 were provided by the Italy-sponsored CEI Trust Fund at EBRD in London, managed by the Secretariat for CEI Projects, an Agreement between the Austrian Development Agency and the CEI secured additional funds, administered by the CEI Executive Secretariat, for the Programme for the years 2008, 2009 and 2010. A contribution to the KEP has also been provided by Poland.



## CEI University Network

With the endorsement of the Founding Charter at the CEI Summit in Warsaw in 2003 and the allocation of financial resources by Italy, this Network became operative in 2004. Based on the cooperation of 18 Coordinating Universities, one in each CEI Member State, the Network promotes the principle of mobility among teachers and students in the framework of Joint Programmes, offered by at least two Universities from different CEI countries. The six main areas of cooperation are: economics, infrastructure and transport, regional development and urban planning, public administration and governance, information communication technology (ICT) and environment. The financial support of the CEI consists of grants to visiting teachers and scholarships to visiting students. The activities carried out so far have involved more than 100 universities where more than 600 scholarships and teaching grants have been offered for 55 Joint Programmes. Considering the success achieved up to now, voluntary financial contributions from CEI Member States would enable the CEI to further develop the Network and meet the increasing requests.

## CEI Science and Technology Network

Based on Protocols of cooperation concluded with six leading research institutions (the International Centre for Genetic Engineering and Biotechnology, the International Centre for Science and High Technology, the International Centre for Theoretical Physics, Synchrotron "Elettra" and the "Area di Ricerca", all located in Trieste) the CEI Science & Technology Network supports the participation of scientists from its Central and Eastern European Member States in research projects and scientific workshops in such areas as theoretical and applied physics, mathematics, neurosciences, bio-engineering, nanotechnology and chemistry. Considering the success achieved up to now, voluntary financial contributions from CEI Member States would enable the CEI to further develop the Network and meet the increasing requests.

## CEI participation in EU Projects

The CEI-ES through its Secretariat for EU Projects, previously called CEI Funding Unit, since 2004 is active in attracting EU funding for activities which correspond to the main areas of CEI interest. It also enhances the involvement of Central and Eastern European countries in EU projects. Since the very beginning, its action has been focussed on fostering transnational and interregional cooperation with the aim to support European integration: in this regard, the CEI can play a pivotal role as a communication channel between countries inside and outside the EU.

An interesting side-effect of these efforts is actually the so-called Third Country participation in EU projects, i.e. the involvement of non-EU CEI Member States in EU-sponsored activities. These projects are mainly in the sectors of transport, spatial development, information society, SMEs, energy, research, environment and culture.

## CEI Trust Fund at the EBRD

The CEI Trust Fund at the EBRD is provided by Italy and supports TC (Technical Cooperation) offered as grant-type assistance in support of specific components of a project (i.e. feasibility and pre-feasibility studies, sector and environmental engineering, management training, capacity building, pre-loan audits). Through the Trust Fund at the EBRD, the Secretariat for CEI Projects promotes and supervises cooperation on investment projects alongside Bank investments in areas such as agriculture, transport, power and energy, energy efficiency, small and medium-sized enterprises (SMEs), municipal infrastructure and services, banking, institutional and capacity building.

Through the Trust Fund, the Secretariat for CEI Projects also promotes and supervises "Development Programmes" in partnership with other International Financial Institutions (IFIs) and international organisations. Those partnerships specifically aim at strengthening the transfer of know-how, promoting reforms, economic transition, and finally the use and introduction of modern technologies. It is managed by the CEI Project Secretariat with offices in Trieste and at the EBRD in London which is also using the Fund for projects under the Know-How Exchange Programme.

Due to the specific nature of the CEI Trust Fund the operational strategies for TC and KEP projects are outlined in the next page.

# CEI Trust Fund at the EBRD – Operational Strategies

## TECHNICAL COOPERATION PROJECTS (TC)

### Operational Strategies

In 1992 Italy signed an Agreement with the European Bank for Reconstruction and Development (EBRD) on the establishment of a CEI Trust Fund in order “to assist the Bank’s countries of operation in Central and Eastern Europe in their economic and social transformation process”. At end of 2007, the CEI Trust Fund was granted a replenishment by Italy, giving a new horizon for the continuation of the Fund’s activities. This perspective requires a carefully thought strategy and, to this extend, careful planning of Technical Cooperation (TC) project selection is crucial. Thorough planning is the result of a certain number of preliminary works that have been undertaken.

First of all, the CEI objectives have been analysed taking as a reference the CEI Plan of Action 2007-2009 as well as the Final Documents of the latest Summit of the Heads of Government of the CEI Member States. Secondly, the strategies of the EBRD and, where relevant, of other International Financial Institutions (mainly the World Bank Group, the European Investment Bank as well as other regional development banks) and International Organisations have been analysed. Continuing the cooperation with these institutions remains a feature of the CEI Trust Fund’s strategic approach. Finally, a study of the CEI achievements and in particular of the project impact evaluation conclusions and lessons learned has been carried out.

Data show that the EBRD is increasingly funding projects in the Western Balkans and in European Neighbourhood Policy (ENP) states (Belarus, Moldova, and Ukraine among CEI member states), slowly drifting away from core Central European Countries which are now EU members. This shift shall also be followed by the CEI Trust Fund. As such, **ENP countries and Western Balkan states shall be prioritised** by the Fund. With respect to sectors, the CEI Trust Fund has identified the following for its future development: **Transport, Municipal and Environmental Infrastructure, Energy Efficiency and Response to Climate Change, Agribusiness, SMEs and Financial Institutions**, as well as Power and Energy, especially with regards to the Balkan and ENP region. **Capacity Building** shall be the basis for projects across all sectors and countries.

### Country Strategies

The CEI now counts 18 Member States which could be divided into 3 priority regions (excluding Italy and Austria): South East Europe and the Balkans (Albania, Bosnia and Herzegovina, Macedonia, Montenegro and Serbia) European Neighbourhood Policy (ENP) countries (Belarus, Moldova and Ukraine), and EU member states (Bulgaria, Czech Republic, Hungary, Poland, Romania, Slovakia, and Slovenia).

#### **Southeast Europe and the Balkans (Albania, Bosnia and Herzegovina, Macedonia, Montenegro and Serbia):**

The CEI Trust Fund will support EBRD regional and country strategies and complement existing initiatives with its resources. The specific challenges identified in the region are: accessing to finance and upgrade transport infrastructure to sustain intra-regional trade and to integrate the region into the EU economy; speeding up privatisation and the restructuring of SMEs to improve compliance with international environmental standards and to promote better business practices; and supporting municipal and environmental projects in order to impact on local living standards.

#### **ENP countries (Belarus, Moldova and Ukraine):**

Intensified cooperation is the central motivation behind the use of the CEI Trust Fund for projects in this region. The Fund prioritises TCs in: transports (transit & ground passengers, railways); municipal and environmental infrastructures (water, wastewater and district heating); power and energy (feasibility studies); and the development of the private sector (capacity building for financial institutions providing SME grants).

#### **EU member countries (Bulgaria, Czech Republic, Hungary, Poland, Romania, Slovakia, and Slovenia):**

The CEI Trust Fund favours regional projects with a strong EU integration dimension. As such, to the extent that projects comply with EU standards (law, environmental, financial or other), they can be considered for financing by the Fund. Bulgaria and Romania will continue to be prioritised given that they face a greater transition gap vis-à-vis older EU members.

## CEI Trust Fund at the EBRD – Operational Strategies

### Sectors

The CEI Trust Fund at the EBRD prioritises the following sectors: Transport, Municipal and Environmental Infrastructure, Energy Efficiency, Agribusiness, SMEs and Financial Institutions, and Power and Energy. For each of these sectors, strong attention will be paid to capacity building actions aimed at promoting a sound investment climate and strengthen institutions that are important for the functioning of markets. For all regions, the Fund will also consider projects responding to the current banking and financial crisis on a case-by-case basis.

#### Transport

The CEI Trust Fund will focus on the development of the Trans-European Network corridors and the implementation of regional initiatives, such as the REBIS (Regional Balkans Infrastructure Study) initiative in the Western Balkans and the TRACECA (Transport Corridor, Europe - Caucasus-Asia) initiative in Central Asia and the Caucasus. Environmental issues arising from developments in transport have been highlighted for the least developed countries. It is still important to support institutional and regulatory development in the transport sector, while for more developed countries operations can focus on sectors such as railways, aviation and airport infrastructures.

#### Municipal and Environmental Infrastructure (MEI):

The CEI Trust Fund's approach in this sector will be strongly supportive of transition towards: decentralisation of service responsibilities to local or regional levels; commercialisation of companies providing local services; environmental improvement especially with regards to EU legislation; support utility companies and local authorities in their efforts to achieve institutional strengthening and financial and operational sustainability; supporting investment in the water and wastewater sector.

#### Energy Efficiency and Response to Climate Change

The main areas of focus for this sector are to provide support for industrial energy efficiency through dedicated technical assistance for audits; to support sustainable energy financing facilities through dedicated credit lines; to support power sector energy efficiency; to support for renewable energy, including biomass; to support municipal infrastructure energy efficiency through dedicated TA and to support initial assignment for the development of adaptation measures.



## CEI Trust Fund at the EBRD – Operational Strategies

### Agribusiness

Supporting investments in agro-processing, marketing and distribution will remain the traditional areas of focus in this sector for the CEI Trust Fund. In addition, agriculture and agribusiness in general through technical assistance or developmental programmes aimed at increasing competition, market expansion and the transfer of skills in the sector could be supported. Focus should be given on industries with strong backward linkages as well as support emerging successful locally-owned agribusiness companies through innovative finance.

### SMEs and Financial Institutions

The CEI Trust Fund can finance dedicated technical assistance designed to: increase diversity of institutions and promote healthy competition; strengthen capacity building and corporate governance in commercial banks and non-bank micro finance institutions; increase the diversity of financial products and services on the market; support privatisation and restructuring; provide sustainable finance to micro and small businesses and finally encourage competition within the financial sector catering to micro and small enterprises.

### Power and Energy

Energy production, distribution, security and commercialisation are important components of sustainable growth. The CEI Trust Fund can support the EBRD through offering dedicated technical assistance and other funding to improve the development of energy systems functioning on market principles; the efficiency in conversion, transportation, distribution and consumption of energy as well as the quality of energy services; to support and improve environmental performance, including supporting actions to address the climate change issue; improve the safety of nuclear power production.



## KNOW-HOW EXCHANGE PROGRAMME (KEP)

### Background

In 2004, in view of the imminent EU enlargement, the CEI 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.

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 in the main actors involved in the provision of development aid in the region including the EBRD, the European Commission, European Agency for Reconstruction, OECD, OSCE, UNDP and the World Bank among others. The event was an attempt to enable a more coordinated approach towards development aid by promoting structured information-sharing and joint actions of various donors in exchanging experience and lessons learned.

### Priorities

In drafting priority themes of the Programme, the CEI followed closely development aid strategies of major aid donors operating in the CEI region – an attempt to allow for a better coordination with these institutions as recommended during the ODA conference in 2005. In particular, inspirations were drawn from country and sector strategies of the EBRD, the World Bank, OECD, UNECE, and others. ODA programmes of emerging donors (such as the Slovak Republic, Slovenia, and Poland) were also taken into account. The compatibility of KEP priorities with these strategies has turned out of particular importance: it facilitated the participation of international actors (such as OECD or FAO) in KEP-supported initiatives and allowed for a combination of KEP resources with national ODA funds (several projects implemented in co-financing with ODA programmes of Poland and Czech Republic).

In principle, KEP funded projects shall focus on capacity building conceived both as the strengthening of appropriate policies and legal frameworks as well as human resources development. In addition, considering a particular position of the CEI Trust Fund, it has been decided that priority will always be given to projects promising an investment-related impact.

The KEP priorities were grouped into three thematic blocks:

#### European Integration, Capacity Building and Market Economy

- Supporting European integration efforts of its member states is considered one of top priorities of the Programme. It encompasses both the technical assistance in the elaboration of strategic documents or legal acts (position papers, plans of action, sector analysis or drafting of new legislation in accordance with EU regulations) as well as capacity building programmes for public administration staff involved in the EU integration processes.
- Strengthening capacities of central administration (including institution building and improvement of efficiency and performance of the State administration by provision of adequate professional training for civil service employees) remains of great importance. Similar aid projects can be addressed to administrative structures at regional and local levels where they shall concentrate on assistance in the preparation of development strategies, implementation of transparency measures for local government finance system, and on human resources development for local administration employees.
- Strengthening of countries' administrations shall be followed by the support to economic transformation processes. Creating conditions for the transition to a free-market economy, privatisation, reform of the public sector finances as well as support to second-generation reforms (including corporate governance, financial and banking sector services, and capital markets) are listed among KEP priorities. Attention is also given to projects aimed at improving local labour market efficiency and development of micro and SME sectors.

### Infrastructure Planning and Development

Technical assistance for infrastructure development (provision of consultancy in planning, rehabilitation and development of transport, municipal and other infrastructure of high economic impact) is considered a priority within infrastructure-dealt projects. Particular attention is given to activities implemented alongside investment projects and to initiatives promoting application of public-private partnership schemes.

### Agriculture, Energy, and Environment

- Development of sustainable agriculture and agribusiness-related projects can both be submitted for KEP financing. Priorities in this field include application of food safety and food quality regulations and standards, development of rural infrastructure, promotion and development of rural and environmentally sensitive tourism, as well as provision of training for farmers and specialists in farming-related areas.
- KEP-supported energy-related projects shall focus on the know-how transfer in the areas of energy efficiency, renewable sources of energy, clean energy and climate change – similarly to Technical Cooperation projects in this field.
- Environment projects shall support activities aimed at the protection of the natural environment, waste management, water management and water resource development.





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