

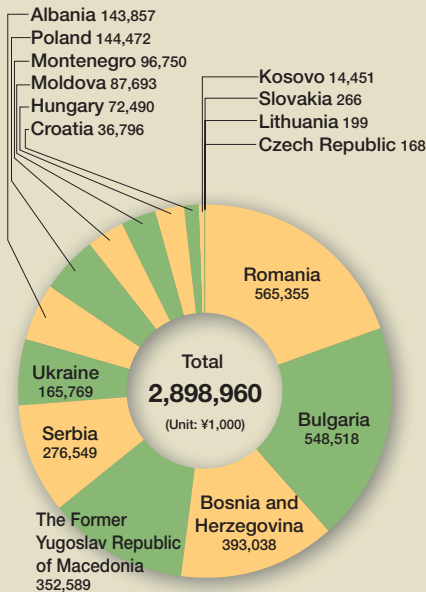
Europe



Pillars of Aid

Support Democratization, Transition to Market Economy, Peace Consolidation, Environmental Conservation

Cooperation results by country in Europe (FY2006)



* This is the total amount of bilateral cooperation. The amount of cooperation provided to Europe including cooperation that covers a group of countries is 2,923,491 thousands of yen.

Cooperation in Europe started with Poland and Hungary in 1989 after the demise of the communist regime of Central and Eastern European countries. Support for transition to a market economy and democratization in collaboration with the international community was at the heart of the cooperation. Since then, many countries in Eastern Europe have achieved socioeconomic structure reforms despite many difficulties. As a result, the four Visegrad countries (Czech, Slovakia, Hungary, and Poland), the three Baltic countries (Estonia, Latvia, and Lithuania), and Slovenia acceded to the EU in May 2004, with Romania and Bulgaria following in January 2007, thus graduating from the status of ODA recipient countries when the DAC list was revised in January 2006. Among these countries, JICA now maintains staff in Hungary, Poland, Romania, and Bulgaria for dispatching experts and volunteers and accepting training participants; however, aid will terminate in two years in these countries as well. At the moment, consideration is being made with regard to the sustainability of ongoing projects after termination of aid, and efforts are being made to ensure transition into the hands of private cooperation, etc. At the same time, JICA also supports these countries in their ambitions to become donors in the future.

On the other hand, Western Balkan coun-

tries have achieved economic growth to a certain level by receiving reconstruction assistance from the international community after the Yugoslavia separatist conflict and the Kosovo conflict in the 1990s. However, they still have many problems, such as high unemployment rate, latent ethnic confrontation, and lingering problems in Kosovo. To realize economic reconstruction and the national goal of EU accession, substantial administrative and judicial reforms are required, and these countries have great expectations for Japan, which took a neutral stance during the conflicts.

Based on the discussion in the Ministerial Conference on Peace Consolidation and Economic Development of the Western Balkans held in Japan in 2004, JICA will provide cooperation for issues that can benefit from Japan's experience and knowledge, setting the consolidation of peace and the development of the private sector as priority fields, while meeting the needs of each country. Also, in view of aid termination in the near future, JICA will implement projects that are effective and highly sustainable utilizing local human resources. In order to implement detailed assistance from the local standpoint, the local operation system was reorganized by closing the JICA Austria Office and opening the JICA Balkan Office in Serbia in 2006.

Current State of Cooperation and Development

Reconstruction and Development Progress in the Western Balkans

In the 1990s when Central and Eastern European countries began social reforms for a transition to a market economy, the Western Balkans (Croatia, Bosnia and Herzegovina, Serbia, Montenegro, the Former Yugoslav Republic of Macedonia, and Albania) experienced conflicts in Bosnia and Kosovo. This was known as the tragedy of Yugoslavia. These conflicts caused tremendous damage and the countries' development was significantly delayed compared to those in Central and Eastern Europe.

International community supported reconstruction and nation-building in these countries in concert following the end of conflicts in Bosnia the birth of democratic administration in Serbia. As a result, these countries in the Western Balkans now enjoy a certain degree of social stability and economic recovery. Today,

they have moved from the stage of reconstruction to the stage of development, and each country is working on reform with the aim of EU accession. Some of them, such as Croatia and the Former Yugoslav Republic of Macedonia, became accession candidate countries.

However, this area is not free from unstable social factors such as the Kosovo problems and complicated ethnic compositions within a country. Although the economies recovered to pre-conflict levels, the high unemployment rate is an issue common to the area and it is a concern that it may cause instability to surface.



Growing strawberries in a community development project (see p.67) (Bosnia and Herzegovina)

Addressing Priority Issues in JICA Programs



Workshop on peace held at an elementary school in Sarajevo (Bosnia and Herzegovina)

The Western Balkans

As confirmed in the discussion in the Ministerial Conference on Peace Consolidation and Economic Development of the Western Balkans held in Tokyo in May 2004, both economic development and peace consolidation are vital for development of the Western Balkans. JICA's cooperation focuses on these two areas and environmental conservation, in which JICA has provided cooperation in Eastern Europe.

Job creation is the utmost priority for economic development. Therefore, projects leading to employment promotion such as promotion of small and medium-sized enterprises and tourism promotion are being implemented, and at the same time in the investment and trade area, utilization of local resources is being examined so that it will lead to the vitalization of private business.

In terms of peace consolidation, emphasis is placed on Bosnia and Herzegovina, whose ethnic composition is complicated and whose administration system is fragile. One example is an activity in the Srebrenica area, one of the fiercest battlefields in the Bosnian conflict. In this area, through a community development project in which many ethnic groups jointly participate, interethnic exchanges have been deepened and repatriation of displaced persons and refugees has been supported independently. In this country where different ethnic groups adopt different educational curricula, the government has set a goal of introducing a unified curriculum with support from the international community; however, it has not been realized yet. JICA has developed a common curriculum (in the area of information) for two ethnic

groups, Croats and Muslims (Bosniaks), in a trial manner at a high school in Mostar, which was another fierce battlefield, and the curriculum was adopted (see p.15-16).

In terms of the environment, since a cross-border approach is necessary and many countries share common problems, effective cooperation through region-specific training is provided. In the Former Yugoslav Republic of Macedonia, comprehensive cooperation including financial cooperation has been implemented by improving the administrative capability of the government and developing facilities focused on improving water and soil management.

Ukraine and Moldova

As Ukraine shares borders with EU member countries such as Poland and Romania and the potential for economic development was originally high, cooperation is limited to areas related to transition to private cooperation such as cultivating business-related human resources (cultivation of entrepreneurs).

Moldova is the poorest country in Europe and the utmost priority issue is the improvement of agricultural productivity, which is the country's primary industry. Since JICA's implementation system is weak, with no office or diplomatic missions in place, efforts have been made to operate efficient and effective projects in collaboration with grant aid cooperation (especially for poor farmers assistance) and through participation in region-specific training, with a focus on agriculture.

Front Line Bulgaria

The Project on Development of Business Management Skills Training Center for Small and Medium-sized Enterprises Managers

Expand Effects of Cooperation by Strengthening Collaboration with Neighboring Countries

Turning from a recipient into a donor

Bulgaria is located on the Balkan Peninsula and used to be a socialist country. It took its first step toward democratization in 1989, and after going through a transition period into a market economy that took about 18 years it became a member of the EU in January 2007. Now that Bulgaria has graduated from aid and became a developed country, it has embarked on the huge task of turning from a recipient into a donor country as an EU member. For JICA, which will terminate projects in Bulgaria in two years, this can also be seen as a new challenge of assisting in a country's graduation from aid and becoming a donor.

As the first step in JICA's efforts of helping the country become a donor, the International Workshop on Managerial Skills Development was held in Sofia, the capital city of Bulgaria, in February 2007 for the purpose of

strengthening collaboration with neighboring countries. This workshop was attended by 26 people including JICA experts and counterparts of projects involved in cultivating business-related human resources in seven countries (the host country Bulgaria, three Balkan countries, and three Caucasus countries).

Contributing to aid policy formulation of Bulgaria as well

The participants experienced a 3-day, short-term intensive course developed by the Institute for Postgraduate Studies Division at the University of National and World Economy Sofia, which is the project implementation agency of Bulgaria, and each person made presentations about what he or she is working on and shared information with others. At the same time, they proactively exchanged opinions about concrete issues and solutions related to

the operation of a business course.

As a result, lofty goals were shared on the cultivation of human resources involved in business, and a network was established with JICA positioned as the core component. Additionally, human resources development and education were identified as the priority fields for assistance in Bulgaria, and at the same time, Western Balkan and Black Sea and Caucasus countries were designated as prioritized target areas of aid, thus contributing to the aid policy formulation of Bulgaria.

(JICA/JOCV Bulgaria Office)



Bulgarian business people and project counterparts from various countries attending the short-term intensive course