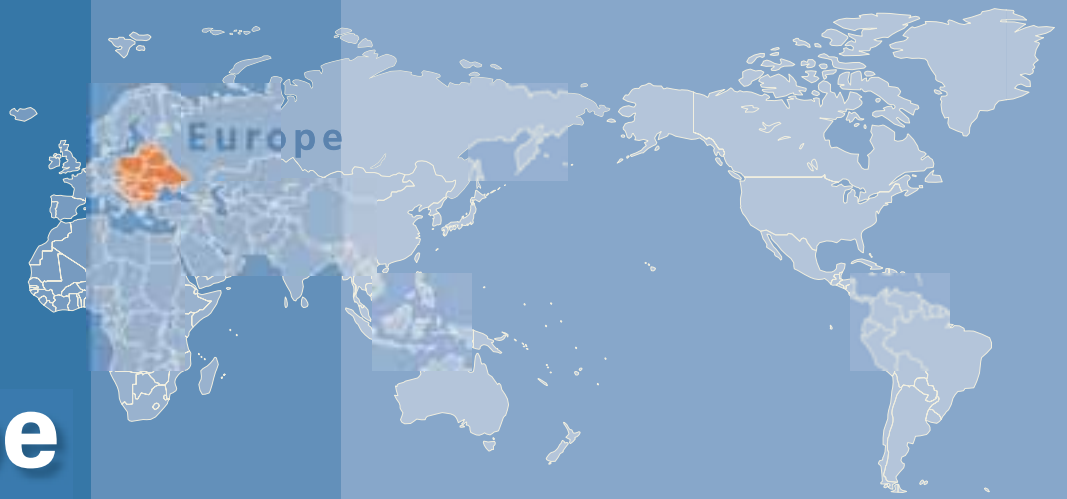


# Europe



## Pillars of Aid

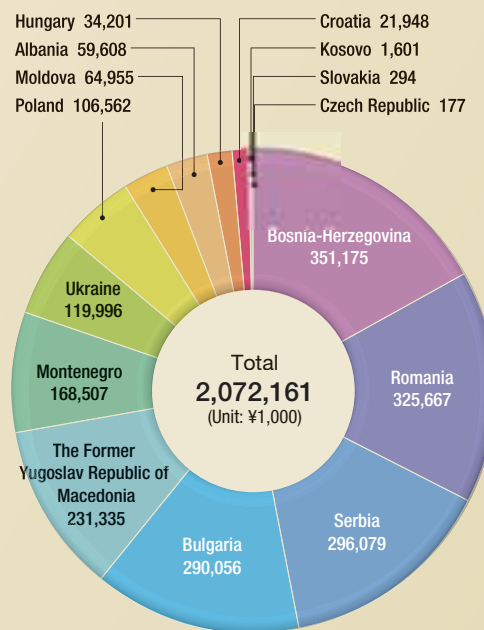
### Support Democratization, Transition to Market Economy, Peace Consolidation, Environmental Conservation

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 structural reforms despite many difficulties. As a result, the four Visegrad countries (the Czech Republic, 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, aid to Hungary and Poland was terminated in FY2007, and aid to Romania and Bulgaria is scheduled to be terminated in FY2008. At the moment, consideration is being made with regard to the sustainability of ongoing projects after the termination of aid. JICA also supports these countries in their ambitions to become donors in the future.

On the other hand, Western Balkan countries 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 rates, 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. Also, in view of aid termination in the near future, JICA will implement projects that are effective and highly sustainable utilizing local human resources.

● Cooperation Results by Country in Europe (FY2007)



\* This is the total amount of bilateral cooperation. The amount of cooperation provided to Europe including cooperation that covers a group of countries is 2,135,730 thousand yen.

## Addressing Priority Issues in JICA Programs

### The Western Balkans

As confirmed in the discussion in the Ministerial Conference on Peace Consolidation and Economic Development of the Western Balkans held 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.

For economic development, projects leading to job creation such as the promotion of small and medium-sized enterprises and tourism are being implemented. Also, 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-Herzegovina, which has a complex ethnic composition and state structure as well as a fragile administration system.

One example is a cooperation project in the Srebrenica area, one of the fiercest battlefields in the Bosnian conflict. In this area, through a community development project in different ethnic groups jointly participate, interethnic exchanges have been deepened and repatriation of displaced persons and refugees has been supported indirectly. 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. Having achieved similar results in other projects, JICA will provide ongoing assistance to ensure that these results take root and spread to other communities.

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 Albania, for example, comprehensive cooperation including loan aid is being provided for sewage system development.



(above) A community self-reliance support project in Srebrenica. Mother-child families harvested high-quality strawberries, bringing smiles back to children's faces.

(left) An IT education modernization project. Students of both ethnic groups participated in the same class together for the first time since the end of conflict.

(Both photographs from Bosnia-Herzegovina)

### Ukraine and Moldova

As Ukraine shares borders with EU member states such as Poland and Romania and has high potential for economic development, JICA's cooperation is limited to areas related to the 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 productivity in agriculture, which is the country's primary industry. Efforts have been made to operate efficient and effective projects through grant aid (especially for assistance to poor farmers) and participation in region-specific training.

## Front Line

### Romania

### Attractive Agricultural Cooperatives Established Nationwide

#### Project for Improving Farm Management through the Development of Agricultural Cooperatives

In Romania, 46% of the population lives in rural areas. Following the revolution in 1989, socialist industrial and agricultural cooperatives were disbanded and farmland was returned to the original landowners or their successors, creating approximately four million small-scale landowners. Facilities for the storage and processing of farm products and farm machinery were not returned to farmers, however, so production and sales activities were impeded by unfavorable conditions due to capitalist monopolies over these facilities.

Democratic agricultural cooperatives conforming to international standards were much needed. Therefore, JICA initiated cooperation through the dispatch of experts in 2001. In Romania, however, many farmers rejected the term "cooperative" and refused to understand the nature of these associations owing to their past experience of having been dispossessed of their farmland. Although agricultural cooperatives have been established in about 100 countries around the world and have supported farmers' activities, the negative image associated with the term "cooperative" in Romania constituted a major obstacle to their acceptance. Anticipating such a response, educational pamphlets and videos were prepared prior to start of this project and training sessions were held repeatedly in an appeal to farmers to form cooperatives. Due to the activities of experts, a new agriculture cooperatives law was put into effect in January 2005, finally laying the foundation for the formation

of agricultural cooperatives.

In this project, which began in 2006, JICA has cooperated with agricultural consulting offices in 42 provinces nationwide to provide various types of training both in Romania and Japan and the dispatch of short-term experts from Japan, who were assigned to the national agricultural consulting agency. The ultimate aim of this project is to increase the incomes of farmers who participate in agricultural cooperatives by developing model cooperatives and expanding them to other locations. As a result of these activities, about 150 cooperatives have been established as of April 2008. These cooperatives extend over many fields of agriculture, including grain, livestock, vegetable, honey and wine production. Since Romania's accession to the EU in 2007, agricultural products from other member states have put a strain on farmers' operations, increasing the need to develop cooperatives with external competitiveness.

(JICA Romania Representative Office)



A founders' meeting of the central vegetable agricultural cooperative