Europe is a complex region with a heritage of economic and social development. Most countries belong to the European Union (EU) and countries that are not yet members are working on economic and social development in order to become a member.

JICA’s cooperation leverages its own expertise and Japan’s strengths while taking into consideration the recipient country’s EU ties and potential to graduate from ODA in the future. Measures include support for nation-building in countries in the western Balkans region, which has experienced ethnic conflicts. Cooperation utilizes JICA’s knowledge and sectors where Japan has much expertise and is focused on three sectors: (1) Environmental protection; (2) Peace consolidation; (3) Market oriented economies.

### Environmental Protection
Countries aiming to join EU must establish environmental standards that conform to EU standards. For example, countries will have to comply with restrictions on pollution from thermal power plant emissions and produce 30% of their electricity from renewable energy sources. Aid from JICA is also intended to provide support for achieving these requirements.

The Flue Gas Desulphurization Construction Project for Thermal Power Plant Nikola Tesla is the first ODA Loan to Serbia. Installing this equipment will reduce SO2 and dust emissions. This will both improve Serbia’s environment and help the country meet EU environmental standards in order to achieve EU membership in the future.

ODA Loans for environmental equipment at thermal power plants have been extended to Bosnia and Herzegovina and Romania, too. JICA extends cooperation in Kosovo for waste management and has many other environmental programs. Overall, cooperation for protecting the environment is a major element of JICA’s activities in Europe.

### Peace Consolidation
Countries in the western Balkans have achieved a measure of reconstruction from ethnic conflicts and civil wars in the 1990s. However, these countries face many challenges that include high unemployment and simmering ethnic tensions. Building stable social situations in which different ethnicities can coexist is a major theme, and international support will be needed to accomplish this. At the Conference on Peace in Europe—Support to Set the Stage for Becoming an EU Member

Support for Environmental Protection, Peace Consolidation and Market Oriented Economies

#### JICA Programs in Europe (Fiscal 2011)

The figure shows the total value of JICA programs in each country including Technical Cooperation (Training Participants, Experts, Study Teams, Provision of Equipment, JOCV and Other Volunteers, and Other costs), ODA Loans (Disbursements) and Grant Aid (Newly concluded G/A Agreements).

Note: Figures in parentheses denote the percentage share of overall JICA programs in the region.

Note: Figures exclude JICA’s cooperation for multiple countries and international organizations.
Consolidation and Economic Development of the Western Balkans, which was held in 2004, participants agreed that stability of the Balkans would be achieved within the framework of EU membership.

JICA is providing assistance, primarily in Bosnia and Herzegovina, for progress with ethnic coexistence and encouraging countries to achieve EU membership. The Project for Confidence-Building in Srebrenica on Agricultural and Rural Enterprise Development, which is Technical Cooperation, supports activities for agricultural and rural development based on joint measures by residents of different ethnicities. By facilitating interaction among ethnic groups, this project is making steady progress with fostering bonds based on trust.

**Private Sector Development**

The Balkans along with Moldova and Ukraine has the potential to become major sources of exports to EU countries. In particular, the Balkans is a huge market because of the region’s relatively high per capita gross national income and population of more than 50 million. Furthermore, there are no tariffs within this region because of the Central European Free Trade Agreement (CEFTA).

Due to these opportunities, JICA is extending aid aimed at increasing economic activity, such as by promoting tourism, the growth of SMEs and infrastructure projects.

In Ukraine, work was completed in May 2012 on the Boryspil State International Airport Development Project, which used an ODA Loan for enlargement of the international terminal.

**Turkey**

Due to remarkable economic growth, Turkey has urgent needs for environmental improvement and human resources development, and JICA has been contributing to these needs through Japanese ODA loans and technical cooperation. Since Turkey is an earthquake-prone country like Japan, JICA is also providing technical cooperation including training in Japan for disaster preparedness over the long term. In January 2012, JICA signed a memorandum of understanding with the Turkish Cooperation and Coordination Agency (TIKA) in order to promote joint projects, and technical cooperation projects have begun in cooperation with Turkey in Central Asia and the Middle East.

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**Case Study**

**Ukraine**

**Boryspil State International Airport Development Project**

The Boryspil State International Airport Development Project used an ODA Loan for the enlargement of the international terminal of this airport, which serves Kiev, the capital of Ukraine. A ceremony was held in May 2012 to mark the completion of this project.

Boryspil Airport is the largest international airport in Ukraine and serves as the gateway to the country. The number of passengers and volume of cargo at this airport have been increasing steadily as EU expanded eastward and Ukraine’s economy grew. Enlargement of the international passenger terminal was needed to accommodate the higher number of passengers.

This was the first ODA Loan project in Ukraine. Work encompassed the international passenger terminal and associated facilities such as the apron, highway and parking area.

Ukraine and Poland jointly hosted the 2012 UEFA European Football Championship over a period of about one month starting in June 2012. The terminal was completed in time for this major international event, allowing players and fans from all over Europe to enjoy this new facility.

The economic crisis of 2008 dealt a severe blow to the Ukraine economy. The economy subsequently began recovering and the country posted growth rates of 4.1% in 2010 and 5.2%* in 2011. There are big expectations for the new terminal to make a significant contribution to Ukraine’s economic and social vitality by attracting more tourism and business travelers as well as more foreign investments.

*IMF, World Economic Outlook

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The international departures lobby at Boryspil Airport

The signing ceremony for the ODA Loan for the Coruh River Watershed Rehabilitation Project (June 2011)