

# Europe

Aiming for Advanced Stability and Sustainable Economic Development in the Region

## Key Aid Strategies

### Consolidation of Peace, Industrial Development and Environmental Preservation

Many European countries belong to the European Union (EU), and most non-member countries are working on economic and social development with a view to becoming EU members in the future. JICA supports the stabilization and development of this geopolitically important region. In the Western Balkans, JICA extends cooperation

in establishing peace, industrial development, and environmental preservation, utilizing Japan's knowledge and specialization, aiming at future self-sustainability without foreign assistance. JICA also promotes support for stabilization and domestic reform of former Soviet Union countries such as Ukraine and Moldova.

#### ● Consolidation of Peace

Countries in the Western Balkans still face many challenges, including high unemployment rate and deep-rooted ethnic sensitivities. Building a peaceful and cooperative multiethnic society is of great importance and requires international support. JICA has been providing support for facilitating ethnic collaboration and social stabilization mainly in Bosnia and Herzegovina. In the technical cooperation Project for Improving IT Education at Mixed Secondary Schools with Gymnasia Course, a multiethnic curriculum for informatics education has been introduced to secondary schools throughout the country. By establishing an environment where students from different ethnic groups study together and interact with each other, this project is fostering trusting relationships among them.

Japan has set out the Ukraine Aid Policy, composed of three major objectives: economic improvement, restoration of democracy, and promotion of dialogue and integration. Based on this policy, JICA has provided training for legislative

and administrative officials, and extended the credit of the Economic Reform Development Policy Loan to assist the fiscal reconstruction of Ukraine [ → see the Case Study on page 63]. JICA is also preparing an ODA Loan for renovation of a sewage treatment plant for improvement of public health and living conditions for the residents of Kiev, the capital of Ukraine.

#### ● Industrial Development

The Western Balkans, Moldova, and Ukraine are expected to emerge as exporters to EU countries. In addition, the Western Balkans is a huge market: with the region's relatively high per capita gross national income (GNI) and a population of more than 50 million, there are no tariffs within the region covered by the Central European Free Trade Agreement (CEFTA). JICA supports economic revitalization by promoting tourism and SMEs. In the Training Course for Tourism Promotion for Serbia, Montenegro, and Albania, staff members from tourism authorities of these countries study Japanese tourism policies and Japanese-style

### JICA Programs in Europe (Fiscal 2014)



hospitality, “*Omotenashi*,” to develop a joint scheme among the three countries in order to attract tourists from Japan. The Project on Establishment and Promotion of Mentoring Service for Small and Medium Enterprises in the Western Balkans, a technical cooperation project, aims at improving the service of SME assistance organizations in Serbia, Bosnia and Herzegovina, and Montenegro. JICA also provides support for enhancing domestic and export industries in Moldova and Ukraine through accepting training participants.

### ● Environmental Preservation

Countries that want to join the EU need to establish environmental standards in line with EU criteria. For example, they will have to comply with restrictions on emissions and activate renewable energy. JICA focuses its support on achieving these requirements. The Flue Gas Desulphurization Construction Project for the Ugljevik Thermal Power Plant is an ODA Loan project for Bosnia and Herzegovina. Through installing equipment that will reduce sulfur dioxide (SO<sub>2</sub>) and dust emissions from power plants, the project aims to reduce air pollution and achieve EU environmental standards.

ODA Loans for environmental improvement at thermal power plants have been extended to Serbia and Romania as well. JICA also has many other environmental projects, such as technical cooperation for waste management in Kosovo and Albania and energy conservation in Serbia. Environmental programs are a main pillar of JICA’s activities in Europe.

### ● Turkey — Strengthening Relationship as a Global Partner

As Turkey is located at a node point that links Asia and

the Middle East to Europe, the political and economic stability of Turkey is of vital importance for peace and stability in the region. Based on recent solid economic growth, Turkey has set its goal to rank among the world’s 10 biggest economies by 2023. Turkey chaired the G20 in 2015 and is enhancing its international presence. JICA supports Turkey in achieving high economic growth in harmony with the environment, and has strengthened the partnership between JICA and Turkey to support less developed regions.

Specifically, JICA has been involved in the improvement of transportation infrastructure, such as the Bosphorus Rail Tube Crossing and bridges, enhancement of the business and investment environments, and strengthening of disaster prevention and management capacity that can minimize risks impeding the country’s growth. Especially in the field of disaster risk reduction, JICA extends technical cooperation in disaster risk management, disaster mitigation of earthquakes and tsunamis, and for capacity development of the Bursa Disaster Learning and Training Center, a first-of-its-kind center in Turkey. JICA also works on enhancing development partnerships, as in the Third Country Training Program titled Earthquake Engineering and Disaster Management, which started in fiscal 2014, in cooperation with the Turkish Cooperation and Coordination Agency (TIKA). The training is for the Western Balkans, Central Asia, and countries of the Caucasus region to improve their natural disaster management capacities. JICA will keep supporting Turkey’s efforts in the environment, disaster prevention and management, and enhancement of partnerships for supporting less developed countries, with a view to developing partnerships with private sector.

#### Case Study

#### Ukraine: Economic Reform Development Policy Loan/Practical Business Training

### Support in a Variety of Fields Such as Economic Reform and Energy Conservation

JICA contributes in various ways to confront the challenges that Ukraine faces, including assistance in financial restoration in cooperation with the World Bank, and provision of training in Japan to introduce advanced energy-saving approaches.

#### Supporting Economic Reform with a Development Policy Loan

Antigovernment protesters organized large-scale demonstrations in November 2013 in Ukraine when the government decided to postpone signing an association agreement with the European Union (EU), leading to a change of government in February 2014. Meanwhile, the economy stagnated, and in particular, a decrease of foreign currency reserves and accumulation of public debt became big issues.

In such circumstances, JICA signed an ODA Loan agreement with Ukraine in July 2014, the Economic Reform Development Policy Loan, providing up to ¥10 billion. This loan is to support efforts by Ukraine for economic reform, such as governance improvement,

enhancement of the business environment, and reform of the public sector in collaboration with the World Bank. The loan is expected to promote reforms that will lead to the economic and social stabilization of Ukraine.

#### Practical Business Training Focused on Energy Conservation

The Practical Business Training Program focused on energy conservation was conducted for approximately two weeks in early March 2015. A total of 10 participants, consisting of local government heads, administrative officials, and private-business employees, all of whom promote energy conservation, attended the training. Lectures on Japanese energy policy and energy conservation measures taken by private companies, and



Visiting the mayor of Miyazu City in Kyoto Prefecture

visits to manufacturers of bamboo charcoal and pellets, were included in the training. For the purpose of understanding Japanese culture, the participants also visited historic roads in Kyoto, a sister city of the Ukrainian capital, Kiev. On the last day, the participants presented post-visit action plans, including specific plans such as launching energy conservation promotion targeted at general households and implementation of garbage separation training at schools. It is hoped that the participants will play an active role in promoting energy-saving activity in Ukraine.