

5 Europe

Many countries in Central and Eastern Europe and the European regions of the former Soviet Union that had previously been under communist regimes have subsequently achieved democratization and liberalization. They are currently pursuing economic development based on market economies under democratic regimes. Japan provides assistance for these regions toward efforts such as the transition to market economies, reconstruction of economic infrastructure, and addressing environmental issues, with the aim to further promote stability and development in these regions and in Europe as a whole, as well as to further strengthen relationships based on shared fundamental values (such as human rights, democracy, market economy, and the rule of law).

■ Japan's Efforts

The reforms of the Western Balkan countries ⁸ had once slowed due to the outbreak of conflicts in the 1990s. However, as a result of assistance from donor countries and international organizations, as well as reform efforts by the countries themselves, the Western Balkan countries have graduated from the stage of needing aid for reconstruction, and are currently at the stage in which they require assistance for sustainable economic development. Japan has provided development cooperation based on the three main pillars of “consolidation of peace,” “economic development,” and “regional cooperation” as its priority areas, which were confirmed at the Ministerial Conference on Peace Consolidation and Economic Development of the Western Balkans jointly held by Japan and the EU in 2004. In 2018, Prime Minister Abe announced the “Western Balkans Cooperation Initiative” aimed at promoting cooperation with the Western Balkan countries and realizing their socio-economic reforms. Japan continues to provide assistance especially for the “promotion of sustainable economic growth” as its priority policy in the Western Balkan countries.

Ukraine and Moldova, part of the former Soviet Union, are geopolitically important since they are located between Russia and the EU. The stability and sustainable development of these countries are indispensable for the stability of Europe as a whole. It is necessary to continue

assistance for their efforts to consolidate democracy and establish market economies. In response to the worsened situation in Ukraine since 2014, Japan announced the provision of assistance amounting to approximately \$1.86 billion, which is one of the largest scales on an individual country basis, and has been providing support for the Ukrainian domestic reforms in a wide range of areas such as health and medical care, recovery of democracy, finance, and basic economic infrastructure. At the same time, for Eastern Ukraine where the situation has worsened, Japan is steadily implementing assistance such as improving water and hygiene conditions for refugees and others, providing shelters, repairing social care institutions for the most vulnerable groups such as children, women, the disabled, and the elderly, removing landmines, and repairing housing. Japan is also providing support for democratization including assistance for administrative and financial reforms, anti-corruption measures, and the media through technical cooperation, in addition to the financial cooperation.



Local medical staff using an ambulance supplied to Ohrid General Hospital by Japan to improve the medical care environment in the Ohrid municipality, in the southwestern part of North Macedonia. (Photo: Embassy of Japan in North Macedonia)

In light of disparities in economic development in Europe, Japan will gradually reduce assistance to EU member countries, deeming them as having graduated from ODA beneficiaries, and encourage them to become donors in order to more actively provide development cooperation for developing countries in Europe.

⁸ The Western Balkan countries: Albania, Kosovo, Serbia, Bosnia and Herzegovina, North Macedonia, Montenegro

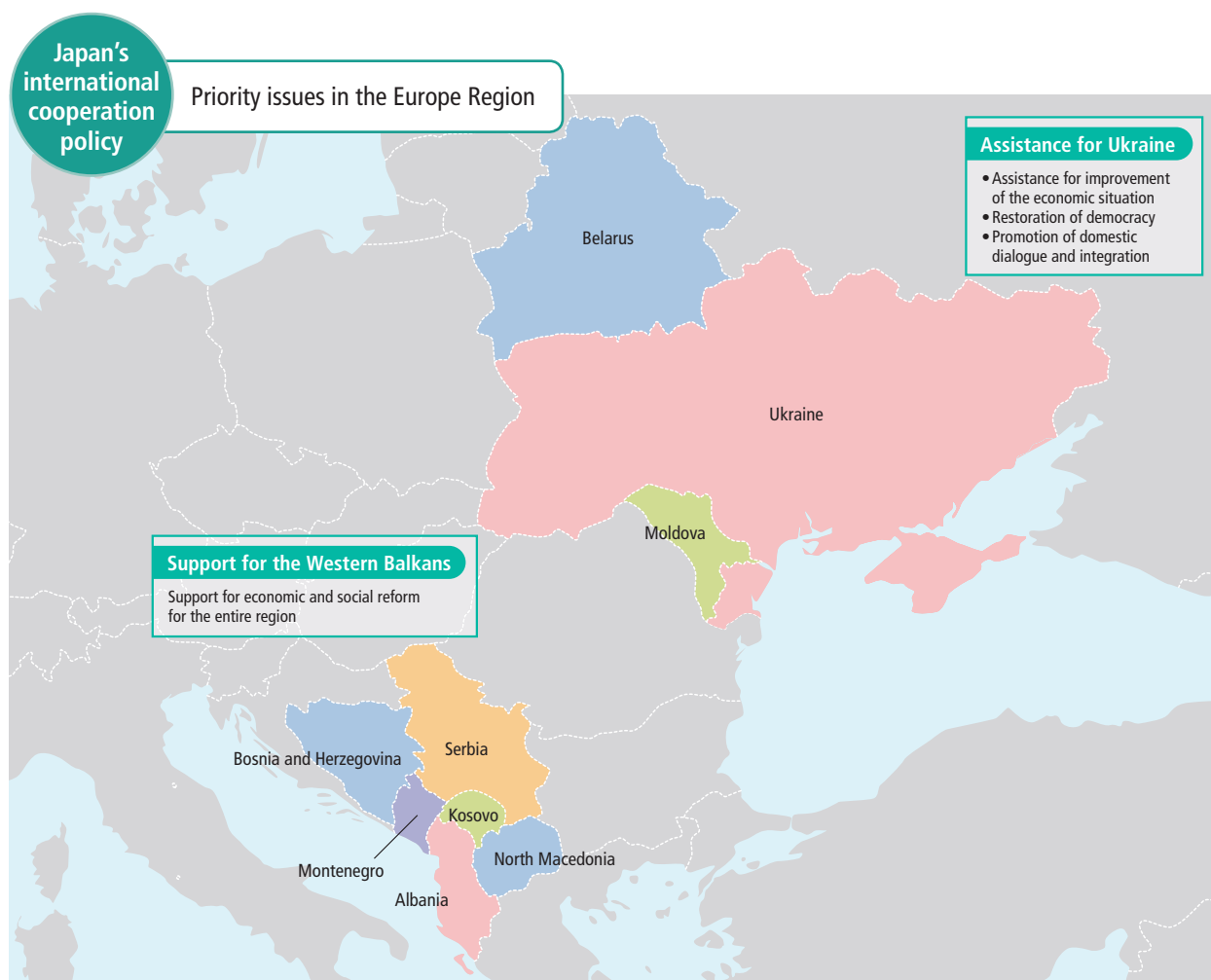


Chart III-6

Japan's Assistance in the Europe Region

Calendar year: 2017

(Unit: US\$ million)

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Rank	Country or region	Grants				Loan aid			Total (Net disbursement)	Total (Gross disbursement)
		Grant aid		Technical cooperation	Total	Amount disbursed (A)	Amount recovered (B)	(A)-(B)		
			Grants provided through multilateral institutions							
1	Serbia	0.62	—	3.45	4.07	30.86	1.00	29.87	33.94	34.93
2	Albania	—	—	3.75	3.75	15.32	3.03	12.30	16.04	19.07
3	Bosnia and Herzegovina	1.31	0.44	0.95	2.26	15.34	1.20	14.14	16.40	17.60
4	Ukraine	2.43	1.52	8.31	10.75	—	8.30	-8.30	2.44	10.75
5	Moldova	4.93	—	0.59	5.53	—	—	—	5.53	5.53
6	Kosovo	0.39	—	2.69	3.08	—	—	—	3.08	3.08
7	North Macedonia	0.45	—	0.36	0.81	—	4.67	-4.67	-3.85	0.81
8	Belarus	0.17	—	0.07	0.23	—	—	—	0.23	0.23
9	Montenegro	0.13	—	0.02	0.16	—	—	—	0.16	0.16
	Multiple countries in Europe	—	—	0.26	0.26	—	—	—	0.26	0.26
Europe region total		10.43	1.96	20.79	31.22	61.53	67.78	-6.26	24.96	92.75

Notes:

- Ranking is based on gross disbursements.
- Due to rounding, the total may not match the sum of each number.
- [—] indicates that no assistance was provided.
- Grant aid includes aid provided through multilateral institutions that can be classified by country.
- Aid for multiple countries is aid in the form of seminars or survey team dispatches, etc. that spans over multiple countries within a region.

- Country or region shows DAC recipients but including graduated countries in total.
- Figures under "Multiple countries in Europe" utilize data based on the OECD-DAC criteria, and therefore incorporate disbursements for multiple countries including Turkey.
- Negative numbers appear when the recovered amount of loans exceeds the disbursed amount.