

17th GTI Consultative Commission Meeting

June 28-29 2017: Moscow, Russia

Venue: Borodino Hotel

GREATER TUMEN INITIATIVE

STRATEGIC ACTION PLAN FOR [2017-2020]

In accordance with the decision of the 13th GTI Consultative Commission Meeting (10 October 2012, Vladivostok (the Russian Federation)) the member-countries of the GTI approved the GTI Strategic action plan for the years 2012-2015 (hereinafter – the SAP 2012-2015). The SAP 2012-2015 has become an update to the SAP 2006-2015 (approved on 2 September 2005, Changchun (the PRC)) focusing on long-term objectives, strategies and overall common vision of cooperation of the GTI members. In 2015 the SAP 2012-2015 and the SAP 2006-2015 expired. Therefore, there is a need in the new SAP as a groundbreaking strategic document reflecting the developments of cooperation under the GTI framework and promoting the partnership between the GTI countries based on mutual benefit and consensus.

1. Background

The Greater Tumen Initiative (GTI), originally known as the Tumen River Development Programme (TRADP), is an intergovernmental regional cooperation mechanism in Northeast Asia (NEA), supported by the United Nations Development Programme (UNDP), with the membership of four countries: Peoples Republic of China (PRC), Mongolia, Republic of Korea (ROK) and the Russian Federation.

The GTI has undergone two pivotal changes over its more than 20-year history. In 1995, the GTI member governments¹ signed "the Establishment of the Consultative Commission for the Development of the Tumen River Economic Development Area and Northeast Asia" to establish the mechanism for strengthening economic and technical cooperation. In 2005, the member governments agreed to extend the 1995 agreements for another ten years, undertaking full ownership of the GTI, and adopting the SAP 2006-2015 under the Changchun Agreement. The SAP 2006-2015 aimed at re-affirming the common vision of the GTI by providing direction and strategies for GTI activities in the key areas of cooperation. In 2012, the SAP 2012-2015 was adopted. The parties elaborated the SAP 2012-2015 in order to reflect the changing global and regional context and set for the strategic directions for the GTI.

In 2014 at the 15th CC meeting in Yanji (the PRC), member governments reaffirmed their commitment to further enhance the GTI as a member-country driven platform and to move forward the legal transition process of the GTI to becoming an independent legal entity (hereinafter – legal transition). Up-to-date the process of the legal transition is not finished due to the important pending issues the parties have to solve. With reconfirmation of the previous decision, member governments will intensify the process of reaching consensus on the pending issues with the support of the GTI secretariat including facilitation of consultation and dialogue and provision of supporting materials. Upon expiration of the SAP 2006-2015 and the SAP 2012-2015 the GTI needs new SAP (hereinafter – the SAP 2017-2020) that will include key objectives, strategies and shared vision of the GTI members and reflect the new developments of cooperation under the GTI framework, including the legal transition.

2. Aims, Scope and Relationship with the SAP 2006-2015 and the SAP 2012-2015

The SAP 2017-2020 is a sequel document to the SAP 2006-2015 and the SAP 2012-2015. It aims to sustain and amend the strategic goals of the GTI in order to enhance further effectiveness and efficiency of strategic actions by focusing its competence and resources on priority sectors and projects and thereby implementing successful regional economic cooperation in the future. The SAP 2017-2020 reflects intentions of the member

¹ Initial members included China, Democratic People's Republic of Korea (DPRK), Mongolia, Republic of Korea (ROK) and the Russian Federation. In November 2009, DPRK withdrew from the GTI.

governments to create synergy for achieving their common goals including legal transition of the GTI into an independent legal entity.

While adhering to the guiding principles and policy directions stipulated in the SAP 2006-2015 and revised in the SAP 2012-2015 the SAP 2017-2020 aims at making the GTI more strategically focused, pragmatic and result-oriented platform of regional cooperation. It emphasizes the priority areas of transport, trade and investment, agriculture, tourism, energy and environment. It focuses on policy coordination and implementation of specific projects with practical value to member governments, reflecting mutual interest and improving the capacities of the GTI framework. The SAP 2017-2020 will continue to be in force after 2020 until the next SAP is adopted.

3. Common Vision

All GTI member countries have pledged to contribute to achievement of the United Nations Sustainable Development Goals by 2030. GTI member countries are encouraged to promote policy coordination, facilities connectivity, unimpeded trade, financial integration, and people-to-people bonds with a view of achieving comprehensive regional connectivity.

Particularly, the GTI member countries share the vision of building a great partnership for common prosperity of neighboring countries. Member countries are committed to strengthening cooperation under the GTI framework to increase mutual benefit, accelerate economic growth and provide conditions for sustainable development in NEA and in the Greater Tumen Region (GTR) as a milestone for cooperation in NEA². In specific terms, the member countries aim to create a growth pole for the development of NEA.

4. Strategic Objectives

More specifically, member governments share the following strategic objectives in their countries:

- Promote the rehabilitation and construction of basic transportation infrastructure and major transportation hubs to support economic cooperation and development;
 - Increase the effectiveness and the efficiency of the border-crossing procedures for the movement of goods and people;
 - Promote agricultural cooperation for achieving sustainable agricultural development and ensure food security in the region;
 - Create a positive environment to facilitate trade and attract private sector investment in the region, and improve access to international financial institutions for both public and private sector investment;
 - Promote the GTR as a globally attractive tourist destination and increase the cross-border tourist flows in the NEA;
 - Establish an effective institutional mechanism for energy policy cooperation and reduce non-physical barriers to energy trade;
 - Promote environmental sustainability while conducting economic activities;
- Strengthen the EXIM banks cooperation and promote cooperation with other financial institutions in the region and beyond that aim to mobilize resources to finance bankable regional projects;
- Facilitate cooperation between research institutions;
 - Strengthen the partnerships with Japan and DPRK and their participation in the GTI cooperation for common prosperity in NEA including joining the GTI framework institutions;
 - Improve the GTI operational capabilities for implementation of the hard projects and coordination of the member-countries policies of regional and sectoral development including development of commercial services of the GTI;
- Develop the mechanism for establishing project office under the framework of the GTI and related platform for organization of multilateral consultation process on issues and projects “of high importance”;
- Enhance the capacity of the GTI as a significant regional economic and political partnership in NEA including the efforts of legal transition and raise awareness of the GTI activities in the member-countries, and;
 - Enhance the partnership with other international institutions.

5. Principles of cooperation

The GTI cooperation shall adhere to the following principles on the basis of the “GTI Spirit”:

- Make decision by consensus through consultation and collaboration based on mutual benefit and equality;
- Take coordinated actions to address the regional development and cooperation in accordance with their respective national conditions;
- Respect the laws and regulations of the member countries and observe the applicable international principles and code governing the sectors of cooperation and development;
- Promote “fast-track project” to facilitate the smooth cooperation among two or more Member States.

² The Greater Tumen Region covers the geographic area of the Northeast provinces and Inner Mongolia of China, the Eastern provinces of Mongolia, the East coast of the ROK, and the Primorsky Territory of Russia.

6. Priority Sectors

6.1 Transport

6.1.1 Objectives

The member countries have reaffirmed regional transport connectivity in the NEA as the top priority for GTI cooperation. The GTI aims at the development and construction of key regional transport corridors, connecting through major ports, railways and roads, to reduce the transportation costs for the movement of goods and people. Cooperation in the transport sector is to fulfill the following objectives:

- Enhance transport and logistics physical infrastructure;
- Simplify the cross-border transportation procedures and reduce non-physical barriers;
- Develop efficient, safe and sustainable transport and logistics services; and
- Facilitate transit transportation and enhance smooth and seamless cross-border movement of passengers and freight.

6.1.2 Approaches

The GTI will take the following approaches to fulfill cooperation in the transport sector.

- Promote and facilitate policy dialogue under the framework of the GTI Transport Board through intergovernmental meetings, expert seminars and stakeholders' consultation;
- Identify and implement priority projects with the support of member governments, mobilizing resources from international financial institutions and the private sector;
- Identify necessary actions by studies, forecasts and research;
- Provide advisory services and introduce best practices to stakeholders; and
- Conduct capacity building and training, enhancing the competence of stakeholders.

6.2 Trade and Investment

6.2.1 Objectives

The member countries have recognized the significance of creating an environment conducive to trade and investment in the NEA. The GTI provides a platform for the facilitation of trade and the promotion of investment across borders so as to bolster the economic growth in the region, aiming at the following objectives:

- Improve the policy environment and cultivate good regulatory practices for cross-border trade and investment;
- Increase openness of trade and investment markets in the region;
- Elevate the role of trade and investment in contributing to regional economic stability and stronger growth;
- Promote the harmonization and simplification of trade and investment procedures;
- Remove bottlenecks constraining (TIC: ROK) trade and industrial development;
- Encourage innovative development and create new growth pillars for regional economy;
- Promote synergies with other GTI work streams (particularly Transport sector and EXIM banks);
- Build strong partnerships between governments and the wider business circles of the member countries to promote investment activities and trade;
- Promote cooperation between small and medium sized enterprises (SMEs); and
- Strengthen institutional arrangements providing the level of financing and support needed to promote development and encourage business activities in the region.

6.2.2 Approaches

The GTI will take the following approaches, without prejudice to member countries' existing commitment on trade and investment in international forums, to facilitate cooperation in the trade and investment sector:

- Promote effective policy coordination between the member governments under the GTI Trade and Investment Committee;
- Organize on a regular basis trade and investment conferences, seminars and related events back to back with intergovernmental meetings, and follow up on the outcomes;
- Develop a mechanism for SMEs' involvement in the GTI cooperation;
- Identify the trade and investment barriers and suggest corrective measures;
- Identify priority projects for promotion with governments, international financial institutions and private sector;
- Strengthen the capacity of regional stakeholders on cross-border policies, rules and regulations for trade and investment;
- Accelerate and expand cooperation in trade facilitation;
- Examine options for improving the flow of trade and investment finance;
- Develop special platform for the GTI Secretariat, member-countries governments, financial institutions and private entities to exchange their views and ideas for further implementation;
- Enhance the mechanism for dialogue between governments and the private sector; and
- Promote and enhance the development financing mechanism in NEA to support the implementation of projects.

6.3 Tourism

6.3.1 Objectives

The GTI seeks to create an environment that facilitates an increase in the number of cross-border visitors to the GTR. The following objectives for the cooperation on tourism by the GTI member countries are identified:

- Improve tourist facilities and services at key staging points in the GTR;
- Promote the GTR as a globally-attractive tourists destination; and
- Facilitate the simplification of frontier formalities, including tourist visa procedures, through cooperative activities such as exploring the feasibility of a common visa arrangement between the member countries.

6.3.2 Approaches

The GTI will take the following approaches to carry out cooperation in the tourism sector:

- Promote effective policy coordination among regional stakeholders on cross-border tourism through the GTI Tourism Board, by simplifying frontier formalities, tourist visa procedures in particular;
- Support the development of provincial tourism associations that includes private sector representation to promote tourism investment and tourism services;
- Promote a wide range of products, initiatives and projects, especially multi-destination tourism programs;
- Launch promotional programs with the engagement of local and international tour operators in the main source markets in order to attract more visitors to the GTR;
- Improve capacities of tourism authorities and the private sector through training and other knowledge-sharing measures; and
- Encourage actions by national and local governments to upgrade tourist facilities and the level of services in accordance with international standards.

6.4 Energy

6.4.1 Objectives

The GTI seeks to establish an institutional framework for consultations and policy support in the energy sector at government level for member countries. This framework should provide the opportunity for a full exchange of information among member governments and the private sector and lay the basis for reducing or removing non-physical barriers to energy trade in the GTR. The following objectives are identified for cooperation in the energy sector:

- Enhance energy policy coordination and cooperation;
- Reduce non-physical barriers for energy trade and investment in the GTR; and
- Promote exchange of information on energy among member countries.

6.4.2 Approaches

The GTI will take the following approaches to promote cooperation in the energy sector:

- Enhance the GTI Energy Board as an effective cooperative mechanism for coordinating energy policies in the region;
- Create a cooperation network among governments, the private sector, think tanks, financial institutions, etc. through the establishment of a regional Energy Forum;
- Promote human capacity building on energy through the organization of education and training programs, joint studies and workshops;
- Support transparency in the institutional environment to reduce non-physical barriers;
- Develop a GTR region-specific database on energy resources and supply and demand to share information among regional stakeholders; and
- Promote incentives to develop more green and renewable energy projects in the region and across the countries.

6.5 Agriculture

6.5.1 Objectives

The well coordinated sustainable agriculture sector development that links up the abundant natural resources, labor force and advanced technologies available in the GTI is considered to be of vital importance for regional and rural economic development, trade facilitation, food safety and security in the region.

The cooperation in this sector shall focus on the following major objectives:

- Support regional economic prosperity through policy coordination, joint investments and financing in the agricultural sector and trade facilitation of agricultural products;
- Promote sustainable management practices in farming and food production through exchange of information, technology transfer and supporting innovations;
- Contribute to food security in the region, especially through sustainable production of staple crops.

6.5.2 Approaches

The GTI will use the following approaches to promote cooperation in the agriculture sector:

- Enhance the GTI Agriculture Committee as an effective cooperative mechanism for coordinating agriculture policies in the region;

- Support transparency in the institutional environment to reduce non-physical barriers for trade in agriculture products;
- Identify and implement priority projects with the support of member governments, mobilizing resources from the private sector;
- Provide advisory services and introduce best practices to stakeholders;
- Conduct capacity building and training, enhancing the competencies of stakeholders.

6.6 Environment

6.6.1 Objectives

The GTI aims for coordinated regional activities promoting environmental sustainability in the GTR. The GTI seeks further cooperation among the member countries to identify and implement appropriate proposals on joint activities aimed at the coordination of environmental policies and environmental protection.

6.6.2 Approaches

The GTI will take the following approaches to carry out cooperation in the environment sector:

- Promote environmental policy dialogue and coordination through the GTI Environmental Board;
- Identify and implement proposals under the guidance of the GTI Environmental Board;
- Integrate environmental priorities into national and local development plans;
- Enhance public awareness and understanding of environmental sustainability;
- Strengthen the capacity of central and local governments in addressing environmental issues;
- Assess the environmental impact of necessary projects in the areas of transport, trade and investment, tourism, and energy in light of the national laws and policies; and
- Promote environmentally-friendly business practices.

7. Partnership Development

Partnership development forms an important channel for fulfillment of the above strategies, and therefore its success is closely linked to positive outcomes in priority sectors of the cooperation under the GTI framework. The GTI actively attracts support from international financial institutions, bilateral donors, the private sector and interested non-member countries. Furthermore, the GTI looks to other international institutions, its NEA neighboring countries and regional local governments of the region for jointly carrying out its mandate. The GTI seeks out partnerships of the following types:

7.1 Partnering with International Organizations

Partnering with International Organizations is a means to enhance cooperation, mobilize resources and attract funding for economic development and mutual benefit of the GTI members. Furthermore, it helps upgrade GTI's capacity through the sharing of international best practices. The GTI will organize regular dialogue with its international partners in order to promote exchange and attract more support for GTI projects from the international community.

7.2 Enhancing Cooperation with NEA Neighboring Countries

The GTI recognizes the need to partner with central and local governments outside of the GTR. The GTI is committed to strengthening economic cooperation for mutual prosperity in the overall NEA region, including Japan and DPRK.

7.3 Promoting Public-Private Partnerships

Constructive engagement and partnering with private business and investors is fundamental to achieving the GTI's development goals. The private sector has been recognized as the driving force for regional economic development. The GTI seeks to create a platform for cooperation among businesses in the GTR, providing support for investment in the region, developing private-sector-led projects, and building on private-sector expertise.

7.4 Strengthening Local Government Cooperation

The GTI places high importance on the involvement and participation of NEA local governments in regional economic cooperation, and encourages local governments' cooperation through the development of the NEA Local Cooperation Committee (LCC).

As a local level cooperation platform, the LCC helps strengthen the capacities of NEA local governments, enhance policy coordination among LCC members and between local and central authorities, implement joint cooperative programs and projects, mobilize international support for local cooperation initiatives, and promote information exchange and knowledge-sharing among NEA neighboring countries through various means (such as LCC website), and establish partnership with private sectors.

7.5 Enhancing Cooperation with Research Institutions

Following up on the expansion and development of the GTI framework, GTI recognizes its need of a network between academic and research centers of the member countries that serve as a Brain Trust to promote economic cooperation and integration in Northeast Asia by providing consultations and policy recommendations on the long-term direction and strategies of GTI, as well as projects relevant to GTI, through conducting in-depth joint research.

For this purpose, the GTI will:

- Strengthen and widen the operation of the GTI RIN as a major brain trust to the GTI cooperation;
- Coordinate the cooperation with research institutions to identify and consult on priority projects with the support of member governments and the private sector;
- Promote information sharing and the exchange of human resources between research centers of the member states;
- Encourage research institutions to provide advisory services and introduce best practices to the GTI members; and
- Implement research projects aimed at development of cooperation under the GTI framework.

7.6 Enhancing Cooperation with Financial Institutions

Addressing the bottleneck of lacking financial resources which has impeded the development of NEA region, an effective resource mobilization mechanism through diverse cooperation with financial institutions of the region needs to be developed to back up implementation of hard project.

For this purpose, the GTI will:

- Strengthen and widen the cooperation of the NEA EXIM Banks Association;
- Coordinate the cooperation with member banks to identify and consult on priority projects with the support of member governments and the private sector;
- Create tangible progress or exemplary cases to succeed in jointly financing for pilot hard project.