Policy Analysis 25-01

STUDY ON GTI'S LEGAL TRANSITION TO AN INTERNATIONAL ORGANIZATION

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Disclaimer

This study has been prepared based on Chapters 1–4 written by the Korea Institute for International Economic Policy (KIEP) research team, incorporating comments and reference inputs from Research Institutions Network (RIN) partner institutions and relevant government ministries. Chapter 5 has been authored by researchers from each RIN institute, reflecting their respective national perspectives. The institutions that participated in the preparation of the paper include the China Association of International Trade (CAIT), the National Development Institute for Mongolia (NDI), KIEP, and the Russian Foreign Trade Academy (RFTA). Please note that this draft reflects the current views of the research team and does not represent the official position of the GTI Secretariat or any member government.

Regarding the title of the study, Ministry of Economic Development of the Russian Federation suggested using the wording from the GTI Strategic Action Plan 2025–2029 and kindly make the corresponding amendments throughout the text; "Study on the Feasibility of the GTI's Transformation into an Intergovernmental Cooperation Institution." Also, while references to an "international organization" may be appropriate when discussing earlier negotiations (pre-2017), they strongly suggested that for current and future contexts, the terminology in the study be updated from "international organization" to "intergovernmental cooperation institution." They considered that this change would ensure consistency with the language formally agreed upon by all GTI members in 2024 and better reflect the shared vision of moving forward.

But KIEP decided to maintain the current title for following reason: The most recent document agreed upon within the GTI is the Strategic Action Plan 2025–2029. In contrast, the latest document concerning GTI's legal transition was produced in 2016. In line with the original purpose of this study, we wish to adhere to the expression used in the 2016 document, namely GTI's legal transition into an international organization.

This paper uses the term legal transition in accordance with its intended purpose, as it has been consistently used in GTI discussions since 2009. And the term legal transition refers to the aim of acquiring an internationally independent legal entity status. However, the phrase proposed by Russia, GTI's transformation into an intergovernmental cooperation institution, appears to be some-what different in meaning and does not fully align with the concept of an independent legal entity under international law. Moreover, the current title was approved at the Seoul CC in 2024, and it seems appropriate to maintain the approval record of the Seoul CC as it stands.

Executive Summary

This study examines the current status of the Greater Tumen Initiative (GTI) by reviewing its establishment background and historical evolution, major activities and achievements, and the development of internal discussions on its transition into an international organization. It assesses the necessity and feasibility of GTI's legal transformation. Over the past three decades, GTI has played a meaningful role as a platform for dialogue and cooperation in Northeast Asia; however, the absence of an independent international legal personality has imposed structural constraints on project implementation and resource mobilization. To overcome these limitations, GTI member states have formed a broad consensus in principle on the need for legal transformation, and past discussions have already laid a substantial institutional and legal foundation for such a transition. Drawing on comparative analyses of regional development and cooperation frameworks similar to GTI–such as APEC, ACMECS, CAN/CAF, and ADB–this study derives policy implications and proposes a concrete, step-by-step legal, institutional, and policy roadmap for GTI's transition into an international organization. In particular, through joint research with participating institutions of the GTI Research Institute Network, the study synthesizes member states' positions and perspectives on the legal transition, and explores cooperative approaches to overcoming differences and building consensus. In this respect, the study makes a significant contribution to advancing practical pathways toward GTI's institutional transformation.

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1. Background

The Greater Tumen Initiative (GTI) traces its origins back to the Tumen River Area Development Program (TRADP), initiated by the United Nations Development Programme (UNDP) in 1995. Aimed at fostering multilateral cooperation among geopolitically significant yet economically underdeveloped regions in Northeast Asia–including China's three northeastern provinces, the Russian Far East, eastern Mongolia, DPRK (North Korea)'s northern region, and ROK (South Korea)'s northeast region–the GTI sought to achieve two interconnected objectives: promoting cross-border regional development and enhancing regional stability.

Over its approximately three decades of evolution, spanning from its official launch in 1995 to the present, the GTI has undergone significant institutionalization, elevation of its international status, and functional transformation, aiming to solidify its role as a cornerstone for regional cooperation. In 1995, China, Russia, DPRK, ROK, and Mongolia formally established the TRADP Advisory Committee, effectively transitioning it into a government-led cooperative platform. Initially, however, the initiative remained under the administrative and technical auspices of the UNDP, which played a key supportive role in facilitating early-stage regional cooperation efforts by managing administrative structures, budgeting, and project planning. This early arrangement was instrumental in lowering barriers for cooperation among Northeast Asian countries, particularly in areas requiring economic development and mutual trust-building.

In 2005, member countries revised the original agreement among the five member states, formally renaming TRADP as GTI. Beyond UNDP's support, this revision emphasized expanding member countries' ownership and autonomy in GTI activities and envisioned strengthening GTI as an autonomous intergovernmental economic cooperation platform in Northeast Asia. To support the smooth operation of the GTI Secretariat in Beijing, a Trust Fund was established by GTI member states in 2008 under UNDP auspices.

This establishment of the Trust Fund and discussions regarding transitioning GTI into an independent legal entity indicated the potential for GTI to operate independently beyond UNDP's administrative framework, signifying full ownership by the member states. In 2009, a member-driven GTI cooperation mechanism was established, featuring a rotating chairmanship among China, ROK, Russia, and Mongolia. DPRK, however, withdrew from GTI in the same year.

From 2009 onwards, GTI began exploring options for a comprehensive legal transition, aiming to achieve independent legal status by 2016, coinciding with the scheduled conclusion of UNDP China's administrative support. Initial discussions around legal transition bifurcated into two distinct approaches: structural transition and functional transition. Structural transition envisioned the transformation of GTI into a formally recognized international organization, thereby reinforcing member countries' leadership roles and enhancing the practical impact of regional development cooperation through discussions on naming conventions, secretariat location, membership expansion, and increased member contributions.

However, due to concerns raised by certain member states regarding the feasibility and effectiveness of structural transition, GTI temporarily postponed this structural transition and agreed instead to prioritize functional transition. The functional transition aimed primarily at enhancing cooperation effectiveness through implementing a Strategic Action Plan and establishing a dedicated Project Office to identify and implement substantial 'hard projects,' which were notably absent within the GTI framework. Nevertheless, the global outbreak of the COVID-19 pandemic posed significant operational constraints, limiting the scope and speed of GTI's collaborative efforts.

2. Objective

This paper aims to explore the medium- to long-term directions for the GTI transformation through a detailed analysis of previous discussions surrounding GTI's legal transition. Specifically, this research pursues two objectives. Firstly, it conducts an in-depth examination of the feasibility of transitioning GTI from a government-led regional cooperation platform into a fully recognized international organization with independent legal personality. Tasks under this objective include analyzing structural limitations of GTI, assessing the necessity for a formal framework of the intergovernmental cooperation institution to enhance the GTI's operational efficiency and legal clarity, reviewing past GTI internal evaluations regarding the legal transition, and proposing a feasible legal transition process.

Secondly, it is aimed to build consensus among GTI member states regarding the legal transition. This includes synthesizing the diverse political, economic, and institutional perspectives of member countries and actively working towards narrowing differences through workshops and stakeholder consultations, thereby fostering greater alignment and collective support for the GTI's future legal and institutional framework.

Chapter 2

The Historical Evolution, Achievements, and Collaborative Dynamics of GTI

1. Overview of GTI: Historical Background and Evolution

The GTI is an intergovernmental consultation mechanism in Northeast Asia aiming to expand policy dialogue among its member countries-Korea, China, Russia, and Mongolia-improve the business environment to foster economic collaboration, and promote economic and technical cooperation for mutual benefit. With administrative support from the UNDP, GTI facilitates intergovernmental consultations and policy coordination in the fields of energy, environment, investment, transport, agriculture, and tourism; technical cooperation and advisory services; capacity building for regional stakeholders; identification of project priorities and sectoral studies; as well as knowledge sharing and outreach. Through these activities, GTI has pursued a common vision of shared prosperity among Northeast Asian countries and promoted regional economic growth and sustainable development.

This chapter has reviewed the 30-year history of GTI from the perspective of its structural and functional evolution. Over the past three decades, GTI has undergone a process of institutionalization, enhancement of its status, and functional transition, gradually evolving into a significant pillar of regional cooperation in Northeast Asia.

1-1. Phase 1: International Organization–Led "TRADP Period" (1995–2004)

A major milestone came in 1995, when the five countries of China, DPRK, Mongolia, ROK, and Russia formally signed an agreement establishing a Consultative Commission for the TRADP. This marked the official launch of a multilateral cooperation framework – notably, the first of its kind among Northeast Asian governments. The TRADP Consultative Commission provided an intergovernmental dialogue platform focused on developing the Tumen River delta and its hinterlands. In 1998, with UNDP's support, a permanent TRADP Secretariat was established in Beijing to coordinate studies and proposals, further institutionalizing the initiative. During this early phase, the program remained under UNDP's administrative umbrella, which, while providing crucial support, also meant that TRADP did not yet have an independent legal identity – all its activities had to conform to UNDP rules and procedures.

A defining characteristic of this period was that, as an initial phase of cooperation, development collaboration in the region was largely led by the United Nations. The TRADP functioned more as a traditional development assistance program, primarily driven by UNDP with participation from the member states. Substantive discussions were centered around UNDP, while the member countries engaged through the Secretariat. Although the scope of the program covered a wide range of sectors-including transport, environment, tourism, industry, and trade-most initiatives remained at the level of research and preliminary studies. Notable projects discussed during the TRADP period included the development of DPRK's Rajin Port and proposals for road and railway connections between Hunchun in China and Zarubino in Russia; however, these did not result in concrete agreements. Over time, the member states increasingly called for a more autonomous and strategic framework for cooperation. This led to the official renaming of the program as the Greater Tumen Initiative (GTI) in 2005, accompanied by a formal restructuring of the initiative's institutional framework.

1-2. Phase 2: Transition to GTI and Governance Restructuring (2005–2015)

In 2005, after a decade under the TRADP banner, the member governments agreed to reinvigorate the program. While the original 1995 Agreement remained in place, it was supplemented by the Agreement on the Understanding, which known as the Changchun Agreement, to provide further interpretation.

Under this framework, the initiative was officially renamed the Greater Tumen Initiative (GTI). This change was more than cosmetic: the revised agreement streamlined GTI's focus on five priority cooperation areas (transport, tourism, energy, investment, and environment) and explicitly sought to expand member ownership of the program. By redefining GTI as a member-driven intergovernmental cooperation mechanism (rather than solely a UNDP project), the countries aimed to enhance its effectiveness and move toward a more self-sufficient, Northeast Asia–led initiative.

Following the 2005 relaunch, GTI's institutional architecture grew more robust. Between 2006 and 2010, GTI established a number of sector-specific cooperation bodies to translate its priority areas into concrete collaboration formats. By 2010, five intergovernmental committees – the Transport Board, the Tourism Board, the Trade Facilitation Committee, the Energy Board, and the Environmental Board – had been set up to bring together officials and experts in each sector. These committees met regularly to implement regional projects and policy coordination in their respective domains, laying the groundwork for capacity-building activities (e.g. workshops on customs harmonization, joint tourism marketing, energy grid interconnections). The creation of these mechanisms marked an important step from general dialogues to thematic cooperation, signaling that GTI was maturing institutionally.

Another critical development was the effort to secure independent funding and reduce reliance on direct UNDP budgeting. In 2008, the member states established the GTI Common Fund, which was placed in trust under UNDP (as a UNDP-administered Trust Fund) to support GTI activities. This innovation meant that member contributions would finance the GTI Secretariat and projects, reflecting greater ownership. Indeed, the establishment of the trust fund – and the members' agreement to collectively finance GTI – demonstrated that GTI had moved beyond a purely UNDP-driven scheme, and that the member governments "fully owned" the initiative's direction. It also hinted at the possibility of creating an independent legal entity in the future, since managing a trust fund was a step toward autonomy. Still, at this stage GTI legally remained a UNDP project, without its own juridical personality, meaning it could not yet hire staff or enter contracts in its own name.

A turning point in the GTI's evolution was the withdrawal of DPRK. In November 2009, citing a lack of tangible benefits from the initiative (particularly the stalled development of its Rason special economic zone) and the impact of international sanctions after its nuclear tests, DPRK formally pulled out of GTI. GTI proceeded as a 4-party initiative from 2010 onward, and the cooperative activities continued. The chairmanship of GTI's Consultative Commission rotated annually among the four member countries (China, ROK, Russia, and Mongolia in sequence), ensuring each government took a turn leading and hosting meeting. The ability of GTI to persist despite the loss of one founding member demonstrated a degree of resilience and commitment among the remaining countries.

1-3. Phase 3: Pursuit of Legal Transition and Expansion of Cooperation (2016–2025)

Throughout the late 2010s, GTI not only deepened sectoral cooperation but also actively explored a legal transition to enhance its status. The phrase "legal transition" in the GTI context refers to the process of transforming GTI from a UNDP-supported program into a fully-fledged independent international organization. The motivation was clear: as an informal initiative, GTI's legal limitations were impeding its effectiveness. Without legal personality, GTI could not directly receive loans or funding for major infrastructure, hire its own personnel independently, or implement projects with the agility of, say, a development bank or an intergovernmental agency. All financial transactions and contracts had to go through UNDP, which meant additional bureaucracy and constraints on project scale. Member states increasingly recognized that to "unlock" GTI's potential – enabling larger projects and stronger political clout – a new legal status would be necessary.

Concrete steps toward this transition began mid-decade. In 2014, GTI's

Consultative Commission (composed of vice-ministerial officials from each country's economic ministries) endorsed a Concept Paper on Legal Transition, agreeing in principle to work toward establishing GTI as an independent intergovernmental organization. A detailed roadmap for the transition was drafted, outlining the necessary steps and timeline for creating a treaty-based organization (including confirming the name and mandate of the new organization, its membership and geographic coverage, the host country for the secretariat, staffing, budget contributions, etc.). All four member governments consented to this roadmap in 2015, reflecting a shared desire to upgrade GTI's institutional framework. By this time, GTI's scope had also grown: for instance, in 2013 a Northeast Asia Local Cooperation Committee was launched to involve provincial governments and local authorities in GTI projects (notably, China's Jilin Province, Mongolia's Eastern provinces, Russia's Primorsky Krai, and even Japan's Niigata Prefecture joined this local network). And in 2014, the GTI Export-Import (EXIM) Bank Association held its inaugural meeting, bringing together the state development banks/EXIM banks of the member countries to discuss co-financing of GTI projects. These developments signaled that GTI was expanding both horizontally (engaging local and financial stakeholders) and vertically (seeking higher-level political and legal status).

By 2016, the groundwork for legal transition seemed to be in place. GTI had even created new cooperative organs such as a GTI Agricultural Committee and a GTI Research Institutions Network in 2016 to cover additional areas and to involve think tanks in policy research. That year, the annual GTI meeting (the 17th Consultative Commission, held in Moscow) was expected to culminate in the signing of an Intergovernmental Agreement formally establishing the Greater Tumen Initiative as an independent international organization. A draft agreement had been negotiated, and optimism was high that GTI would "graduate" from UNDP and stand on its own legal footing.

However, at the final stage, the member states were unable to reach full consensus. As the member states were unable to reach consensus, they agreed instead to first address the view that the legal transition process required further preparation and to explore the added value of formal international organization status under the current conditions. Without a clearly defined flagship initiative or demonstrable benefits, there were concerns that the timing might not be optimal for creating a new intergovernmental structure. According to diplomatic accounts, several members felt that enhancing the initiative's practical functions should take precedence over institutional transformation. As a result, the planned signing of the establishment agreement was postponed.

This episode marked a significant turning point: it underscored the differing perspectives among members regarding the future direction of GTI. Since then, the vision on the GTI's legal transition has shifted from a structural transformation to a more functionally oriented approach. The member states agreed to first pursue a functional transition by enhancing the effectiveness of GTI cooperation-through the development of a Strategic Action Plan and the exploration of a dedicated project office-and to subsequently revisit discussions on a structural transition toward establishing GTI as a formal international organization.

Following this setback, the members adopted a more incremental strategy. As a part of functional transition process, GTI focused on developing a new Strategic Action Plan (SAP) 2017–2020 to deepen practical cooperation under the existing framework. The idea was to strengthen GTI's project portfolio and internal processes first, and revisit the legal status question later once there was a clearer value proposition. The SAP 2017–2020 outlined priority projects in infrastructure connectivity, trade facilitation, energy, tourism, and agriculture, aiming to generate momentum. Indeed, by the late 2010s GTI did see some notable initiatives: for example, discussions intensified around developing Zarubino Port in Russia's Primorsky region as a gateway for Northeast Asian trade (a project long championed by China's Jilin Province within the GTI framework), and new topics like digital trade and e-commerce were introduced to GTI's agenda in response to changing global trends.

However, progress still faced various challenges. The much-anticipated Zarubino Port development struggled due to financial hurdles, and the Zarubino project was removed from the list of the GTI priority projects. Around the same time, the world was struck by the COVID-19 pandemic, which forced GTI's annual meetings to go virtual and put many cooperative activities (like cross-border tourism projects and in-person training programs) on hold. By 2020, GTI had not undergone any major institutional change since the 2016 attempt – it was still operating under the UNDP's umbrella (the GTI Secretariat in Beijing continued to function, funded by the trust fund and staffed with support from UNDP), and no new members had joined or left since DPRK's 2009 exit.

Despite these headwinds, GTI remains the only standing multilateral economic cooperation framework formally connecting the region's national governments. While the goal of becoming an independent international organization is yet to be realized, the GTI has undergone significant evolution from its TRADP origins – expanding its agenda, testing the limits of multilateral diplomacy in Northeast Asia, and achieving a measure of continuity that is itself an important accomplishment given the region's complex dynamics. Table 1 below summarizes the major events in GTI's 30-year history and institutional development.

Table 1. Key Milestones in the 30-Year History of the Greater Tumen Initiative (GTI)

Year	Milestone
1991	**Launch of Tumen River Area Development Programme (TRADP)** under UNDP, as a multilateral initiative to develop the Tumen River border region. Initial participants include China, DPRK, Mongolia, Russia, with UNDP support.
1995	**Five countries sign the TRADP Consultative Commission Agreement** (China, DPRK, Mongolia, ROK, Russia) – formally establishing the first intergovernmental cooperation mechanism in Northeast Asia.
1998	**TRADP Secretariat opens in Beijing** with UNDP assistance, providing a permanent coordinating office for the initiative's research and planning activities.
2005	**Changchun Agreement:** Member states adopted an Agreement on the Understanding to supplement the 1995 agreement, rename the program to the **"Greater Tumen Initiative (GTI)"**, and designate five priority cooperation sectors (transport, tourism, energy, investment, environment). Emphasis shifts to greater member ownership beyond UNDP's auspices.
2007 – 2010	**Institutional expansion:** GTI establishes **five sectoral committees/boards** – Transport, Tourism, Trade Facilitation, Energy, Environment – to implement cooperation in each priority area.
2008	**GTI Common Fund (Trust Fund)** created with member contributions and placed under the UNDP administration. This marks the beginning of financial ownership by members and hints at future independent operations.
2009	**DPRK withdraws** from GTI, reducing membership to four (China, Mongolia, Russia, ROK). Official reason given is lack of progress in DPRK's Rason project; sanctions after DPRK's nuclear tests form the backdrop. Remaining members continue GTI with rotating chairmanship.
2012	**Partnership with GIZ:** GTI signs a cooperation agreement with Germany's GIZ (development agency) to support GTI projects, reflecting growing international collaboration.
2013	**Northeast Asia Local Cooperation Committee** launched, involving local governments (e.g. Jilin Province, Primorsky Krai, Gangwon Province, and Niigata Prefecture) in GTI dialogues.
2014	**GTI EXIM Banks Association** established; state development banks of member countries meet to discuss project financing. **Legal Transition Roadmap:** Member states approve a concept paper and roadmap to transform GTI into a formal international organization.
2015	**Continued legal transition efforts:** Members discuss specifics of the prospective organization (name, membership, Secretariat location, staffing) and reach broad consensus on many elements.

Table 1. Continued

Year	Milestone
2016	**New GTI bodies** (Agricultural Committee and Research Institutions Network, GTI Research Institution Network) launched to broaden cooperation areas. **Planned signing of GTI Establishment Agreement Postponed:** Unanimous consent could not be reached among the member states, and the transition to international organization status was not realized.
2017	**Adjustment of approach:** during the 17th Consultative Commission meeting, members have not reached a consensus on the concrete modalities of the treaty. Instead, members agreed to focus on the implementation of the *Strategic Action Plan 2017-2020* for practical cooperation within the existing framework.
2018 - 2019	**Project focus:** GTI actively discusses flagship projects (e.g. cross-border transport corridors, port development at Zarubino, cross-border tourism initiatives) and new topics (digital economy) to reinvigorate cooperation. However, tangible breakthroughs are limited.
2020	**Zarubino Port project was withdrawn from the list of the GTI priority projects. COVID-19 pandemic** begins, forcing GTI activities online and delaying on-the-ground projects.
2025	**30th Anniversary of GTI:** GTI remains in operation as a four-country cooperative initiative under UNDP support. Legal transition is on hold, but the platform endures, continuing dialogue on emerging regional issues (e.g. e-commerce, post-pandemic economic recovery).

2. Achievements and Limitations

Over three decades, GTI has accumulated a mixed record of symbolic achievements and practical challenges. On one hand, GTI's very existence and longevity are noteworthy: it has been the only multilateral economic cooperation framework in Northeast Asia formally agreed upon by the governments of the region. On the other hand, the initiative has faced persistent obstacles stemming from geopolitical tensions and structural issues, which have limited its outcomes. In this section, we highlight GTI's key achievements and its limitations, using a diplomatic lens that acknowledges progress while constructively noting areas of difficulty.

2-1. Key Achievements of GTI

Despite operating in a complex region, GTI has made several important strides that underscore its value as a regional mechanism:

- **Pioneering a Northeast Asian Cooperation Framework:** GTI broke new ground as a platform bringing together countries that historically lacked a tradition of multilateral cooperation. It established a regular channel for dialogue among Northeast Asian countries at various levels of government. The fact that GTI has continued to convene annual meetings and sectoral consultations since 1995 – surviving political ups and downs – is an achievement in itself. This continuity has helped maintain communication even during periods of strained bilateral relations outside the GTI framework. The GTI Consultative Commission and associated working groups have fostered a habit of cooperation and built trust incrementally over time.

- **Formal Intergovernmental Commitment:** The initiative's intergovernmental agreements (1995 and the revised 2005 agreement) represent a rare instance of Northeast Asian countries formally signing onto a cooperative economic development plan. This has symbolic value: GTI serves as a tangible testament to the member countries' shared interest in peaceful regional development. The commitment at the central government level also elevated the profile of remote northeastern border regions onto national agendas, a point of pride for local stakeholders.

- **Elevating Peripheral Regions:** GTI has played a role in directing central government attention and resources to peripheral areas that might otherwise be overlooked. For example, China's Jilin Province – landlocked but bordering Russia and DPRK – leveraged GTI to advocate for access to seaports, resulting in national support for projects like the Hunchun – Zarubino transport corridor. Likewise, in ROK, Gangwon Province (which borders DPRK) capitalized on GTI's vision by hosting an annual GTI International Trade and Investment Expo that attracted participation from across Northeast Asia, showcasing local products and opportunities in line with GTI's regional integration goals. These efforts have helped integrate local economies and communities into broader regional networks, embodying GTI's spirit of inclusive development.

· **Institutional Infrastructure for Cooperation:** One of GTI's notable achievements is the institutional architecture it established. With a permanent Secretariat in Beijing and various committees and boards, GTI provided an enduring framework to discuss and coordinate on priority topics. For instance, through the Tourism Board and the trade facilitation committee, member countries' officials have regularly met to exchange data, plan cross-border cooperation projects, including cross-border tourism, trade facilitation, among others, and align infrastructure development plans. The Environmental Board facilitated joint research on transboundary environmental issues in the Tumen delta. These mechanisms have built technical capacity and policy coordination that have not existed before, even if their work often remained at the planning or study level.

· **Concrete Cooperation Initiatives:** GTI has implemented a number of capacity-building projects and studies that, while modest in scale, have contributed to regional cooperation. Under the Trade Facilitation Committee, GTI launched training programs to modernize customs procedures, including sharing ROK's electronic customs clearance system (UNI-PASS) experience with Mongolia, Northeast China, and the Russian Far East. This resulted in greater awareness and preliminary steps toward customs harmonization in the region. In the tourism sector, the Tourism Board developed the concept of cross-border tourism routes uniting attractions across China, DPRK, and Russia, and even produced joint marketing materials to promote the Northeast Asia region as a single tourist destination. While implementation was slow, the planning itself built a foundation for future collaboration. The initiative also held numerous workshops and conferences on topics from energy policy to agricultural development, creating valuable networks among provincial officials, experts, and business communities in Northeast Asia.

· **Engaging Development Partners and Finance:** GTI succeeded in attracting international development partners and financial institutions to its activities, enhancing its resource base. The partnership with GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit), established in 2012, provided technical assistance and funding for sustainable development projects within the GTI region. Additionally, the creation of the GTI EXIM Banks Association in 2014 brought together the export-import and development banks of member countries (such as China EXIM Bank, Korea EXIM Bank, Mongolia's Development Bank, and Russia's VEB) to discuss co-financing opportunities. This network was a significant achievement in laying the groundwork for potential investment in regional projects, signaling to the international community that Northeast Asia's governments were jointly exploring development finance solutions. Although large-scale joint financing has been limited, the dialogue itself has been valuable for information sharing among financial institutions. In parallel, GTI has also maintained close cooperation with the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), including the organization of regular joint seminars. These events still provide a platform for policy dialogue on regional connectivity, trade facilitation, and sustainable development, while also enhancing the GTI's visibility within the broader multilateral framework. The collaboration with UNESCAP has further contributed to aligning GTI's activities with global and regional development agendas.

In summary, GTI's achievements lie in the realm of institution-building, dialogue facilitation, and incremental improvements rather than headline-grabbing infrastructure. It has nurtured a culture of regionalism in a difficult environment and helped align some of the developmental policies of the member states for their contiguous areas. A scholarly evaluation noted that GTI's "symbolic significance and influence" in Northeast Asian economic cooperation has gradually increased, even if on-the-ground results have been limited. The initiative has shown that Northeast Asian countries can work together on common goals, and that local and central governments can coordinate for regional benefit – a noteworthy outcome considering historical animosities and differences.

2-2. Challenges and Limitations

While the GTI has accomplished much in terms of frameworks and goodwill, it has also encountered significant limitations that have constrained its impact. These challenges are important to recognize in order to understand the GTI's overall performance and the lessons learned:

· **Legal and Institutional Constraints:** As discussed, GTI's lack of an independent legal identity has been a double-edged sword. While the UNDP umbrella provided invaluable support especially in the early years, the absence of juridical personality continues to pose structural limitations. For example, GTI does not possess its own legal status, meaning it cannot open or manage bank accounts independently. All financial operations must be conducted through UNDP-administered accounts, which has implications for efficiency and transparency. Moreover, GTI cannot directly sign contracts, own property, or hire staff under its own name or the name of its Secretariat -such actions must be coordinated through UNDP or participating member institutions. These constraints have limited GTI's flexibility in responding swiftly to project needs and in pursuing larger, more complex initiatives.

Furthermore, as GTI currently operates under the administrative umbrella of UNDP, its legal and operational viability is ultimately contingent upon UNDP's continued support. Should UNDP withdraw its administrative backing, GTI would lose its only formal legal and institutional anchor, raising serious questions about its capacity to function. This dependency represents a fundamental vulnerability and highlights the critical importance of legal transition efforts. The GTI should undertake its legal transition based on consensus among the member states and develop a framework that can independently promote cooperation for the development of underdeveloped regions in Northeast Asia.[1)]

This structural limitation is not merely technical–it affects GTI's credibility with private investors, development partners, and even some line ministries within the member governments. For example, potential financiers may be reluctant to commit resources to an entity that lacks legal personality, clear asset ownership, or contractual capacity. In turn, this limits GTI's ability to scale up from dialogue and capacity-building toward large-scale implementation. A 2021 evaluation candidly noted that GTI's lack of legal standing continues to hinder its effectiveness and undermines its perceived legitimacy as a regional development platform.

More broadly, the absence of a permanent legal status also complicates efforts to institutionalize lessons learned, retain institutional memory, and

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1) Review from (Ministry of Economic Development/RUS): We do not support mentioning binding agreements there as many international formats do not have them as well (G20, APEC) and that does not prevent their activities and progress.
KIEP's Suggestion: It is a reality that the GTI has been receiving administrative support from UNDP China. Since 2010, GTI member states have expressed concerns about the potential problems that could arise if UNDP China were to cease providing such administrative support, and they have continued to discuss this issue. This is essentially what is meant by the GTI's legal transition. Of course, frameworks such as the G20 or APEC could serve as alternatives if UNDP China discontinues its administrative support. However, this would only be possible if all GTI member states agreed to transform the GTI into an international organization similar to the G20 or APEC. That said, it is indeed true that the GTI would face serious difficulties if UNDP's administrative support were withdrawn. The immediate dissolution of the GTI member states would appear inevitable. Moreover, given that the GTI's institutional framework would change, each member state would also need to clarify its position regarding participation in the GTI. It is clear that if UNDP were to end its administrative support, various problems would inevitably arise.

attract or retain qualified personnel over time. As GTI aspires to play a more strategic role in regional cooperation, the resolution of this legal ambiguity will be central to its long-term sustainability.

· **Limited Funding and Project Implementation:** Financial resources for GTI initiatives have been relatively modest. The annual member contributions largely cover the operating costs of the GTI Secretariat and meetings, with only a small portion available for project activities. Unlike some other regional programs, GTI does not have a dedicated development fund or bank rolling out infrastructure investments. Attempts to mobilize external funding have had mixed success. While the EXIM bank network was a good start, it has not yet translated into a major capital infusion for joint projects. Many of GTI's project ideas remained as studies or memoranda due to funding gaps. The ambitious infrastructure plans (rail links, ports, power grids) require billions of dollars and coordination with institutions like the Asian Development Bank or AIIB – partnerships that have proven elusive at scale, partly because GTI is not an official borrower. In essence, the absence of a robust financial mechanism within GTI has meant that the initiative's influence is often limited to soft cooperation (dialogue, training, studies) rather than hard infrastructure. This limitation has been acknowledged by GTI stakeholders, who have explored the idea of transforming GTI into a Multilateral Development Bank as one option for the future (drawing inspiration from models like the EBRD or AIIB), but such plans would require consensus and significant capital commitments that are challenging in the current climate.

· **Limited Membership and Missed Opportunities for Regional Inclusion:** A key limitation of GTI lies in its restricted membership, which has hindered both regional connectivity in Northeast Asia. The absence of DPRK has significantly constrained the feasibility of integrated transport, logistics, and tourism projects in the core area GTI was originally designed to develop.

In addition, GTI's continued exclusion of Japan–despite its central role in

Northeast Asia's economy–represents a missed opportunity. Japan already contributes indirectly to the region's cruise tourism and investment networks, yet its absence from GTI limits possibilities for joint planning, branding, and coordination. Including Japan could enhance the initiative's access to capital, technology, and multilateral credibility, but no concrete roadmap for such expansion currently exists.

More broadly, GTI has lacked a strategic approach to membership enlargement. Without stronger legal status, institutional incentives, or flagship projects, the initiative remains less attractive to potential new members. This narrow membership base reduces GTI's diplomatic and economic weight, limiting its ability to function as a truly inclusive platform for regional development. Addressing this limitation will be critical if GTI is to expand its influence and relevance in an increasingly interconnected Eurasian context.

3. Looking Ahead: Balancing Achievements and Challenges

As the Greater Tumen Initiative enters its fourth decade, its track record can be seen as a glass half-full or half-empty. On the one hand, GTI has undeniably advanced regional cooperation and kept alive the idea of strengthening economic integration in a region rife with political complexity. Its achievements in creating channels of communication, enhancing mutual understanding, and even influencing policy (like promoting border region development in national plans) are significant. On the other hand, the lack of flagship successes and the slow pace of legal/institutional upgrading underscore the need for reinvigorating the initiative.

In order to move forward, GTI's member states have identified several lessons from the past 30 years:

- **Gradual Legal Evolution:** Even if a full international treaty establishing

GTI as an independent international organization remains a long-term objective, member states may continue to pursue a phased approach to legal and institutional development. In this context, structural transition refers to the formal transformation of GTI into a treaty-based entity with full juridical personality, while functional transition represents an intermediate phase focused on enhancing operational effectiveness within the existing framework. Functional measures-such as strengthening the Secretariat's autonomy, formalizing internal procedures, or expanding project execution capacity-can help build institutional readiness and demonstrate the practical value of cooperation. Over time, these incremental steps may pave the way for broader consensus on structural transition, once political conditions and member state priorities align.

· **Importance of High-Level Support:** Several analyses suggest that raising GTI's profile-such as elevating the annual Consultative Commission to the ministerial or even prime ministerial level-could provide the political momentum necessary to overcome persistent deadlocks and reinvigorate cooperation. High-level engagement sends a strong signal of commitment to regional integration and can help mobilize both bureaucratic attention and financial resources within each member government. When senior political leaders are directly involved, it becomes easier to align GTI's agenda with national development strategies and secure cross-ministerial coordination for project implementation.

Moreover, upgrading the GTI's political stature could significantly enhance its international visibility and symbolic weight. If positioned at the level of ministers or heads of government, GTI meetings could evolve into a Northeast Asian equivalent of APEC or other regionally prominent fora. This would not only attract greater media coverage and stakeholder interest but also provide a platform for launching flagship initiatives and multilateral declarations with broader geopolitical resonance. In turn, this elevated status could help attract development financing, increase participation from the private sector, and encourage new stakeholders–including prospective member states or observers – to engage with GTI more actively. Ultimately, high-level political endorsement is essential for transitioning GTI from a working-level dialogue platform into a strategic mechanism for shaping the future of regional cooperation in Northeast Asia.

· **Enhancing GTI's Capacity to Identify and Promote Hard Projects:** To elevate the impact of GTI cooperation beyond dialogue and technical assistance, it is essential to strengthen the mechanism's ability to identify, prepare, and promote "hard" infrastructure projects. This includes transport corridors, logistics hubs, energy connectivity, and other physical investments that can deliver visible and shared economic benefits. GTI could play a more proactive role by systematically identifying such project opportunities, facilitating technical and policy discussions among member states, and coordinating feasibility assessments or project preparation efforts. By institutionalizing this function within the Secretariat or a dedicated project office, GTI would be better positioned to transition from a coordination platform to an implementation-oriented mechanism, thereby increasing its strategic relevance and attracting broader stakeholder engagement.

· **Inclusive and Flexible Cooperation:** Keeping GTI inclusive (potentially open to other observers or partners, and engaging local governments, academia, and the private sector) can inject new ideas and resources. The involvement of bodies like the local cooperation committee and research network is a strength to build on.

· **Strengthening Financial Resources for GTI Cooperation:** To enhance the sustainability and effectiveness of GTI cooperation, there is a growing need to secure more robust and predictable financial resources. Expanding the financial base would enable the GTI Secretariat to design and implement larger-scale, cross-sectoral projects, attract co-financing from development partners, and broaden capacity-building activities aligned with member priorities.

One practical approach could involve increasing the financial contributions of member states to the existing GTI trust fund. Such contributions would not only support operational stability but also demonstrate renewed political commitment to the long-term goals of the initiative.

· **Strategic Membership Expansion:** Revisiting the issue of membership enlargement-particularly regarding DPRK and Japan-could unlock new momentum for GTI. Reengaging DPRK, when conditions permit, would help restore GTI's geographic coherence in Northeast Asia.[2] At the same time, inviting Japan to participate more formally could enhance the initiative's access to capital, technology, and policy expertise. Developing a clear framework for outreach to new or returning members would help position GTI as a more inclusive and representative regional platform.

In conclusion, the story of the Greater Tumen Initiative is one of **cautious**

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2) Review from (Ministry of Economic Development/RUS): It would also be useful to invite other fora, such as SCO and BRICS, and possibly ASEAN or others for cross-fora collaboration, which may help better implementation of the current SCO and BRICS initiatives, enrich GTI expertise and raise the GTI status as a valuable international forum, which is beneficial to all. It can also be an option to invite other Asian countries as observers. KIEP's Suggestion: In this study, it is considered that both an international organization and an international framework are possible forms for the GTI's legal transition. However, since international organizations and frameworks differ in their characteristics, it is necessary to distinguish between them. This study has sought to maintain a balance between the two. APEC and ACMECS are generally categorized as international frameworks. In the case of CAN and CAF, the CAN is an international organization, while the CAF is a multilateral development bank (MDB); taken together, CAN and CAF may be regarded as international organizations. The ADB is also an MDB in the form of an international organization. Such references achieve a 2:2 balance between examples of international organizations and frameworks. If BRICS and the SCO are added, however, the ratio would become 2:4, which would disrupt this balance. At present, this study seeks to maintain the 2:2 balance. If the Russian side insists on including BRICS or the SCO, ACMECS could be excluded and replaced with BRICS. Nevertheless, given that the GTI's character lies not in broad state-level cooperation but rather in cross-border regional cooperation, ACMECS should be considered a useful example for the GTI to draw upon.

but enduring multilateralism. It highlights how countries with different systems can still find common ground to pursue regional development, though not without difficulty. The legal transition theme – essentially the journey of GTI seeking an identity of its own – encapsulates the broader narrative of Northeast Asia's quest for a cooperative framework. GTI's first 30 years have laid an important foundation, creating trust and institutional knowledge. With diplomatic persistence and adaptive strategies, GTI can continue to evolve, translating its symbolic achievements into substantive ones while carefully navigating the challenges. The balance of its historical evolution, achievements, and limitations offers valuable insights for any future efforts to deepen cooperation in Northeast Asia and beyond.

Chapter 3

Rationale for Legal Transition

1. Previous Discussions on Legal Transition
2. Environmental Analysis

1. Previous Discussions on Legal Transition

This section considers existing discussions and documents on legal transition within the GTI. Based on the official literature, it reviews the discussions that have taken place, reaffirms the existing consensus among members on legal transition, and identifies issues on which new consensus needs to be built.

An overview of the discussions to date on the GTI's legal transition is as follows. While consideration of the legal transition of the GTI began in 2010, they were initially guided by the legal adviser Dr. Peter Neumann's paper, *The Roadmap on the Transition of the Greater Tumen Initiative from a UNDP Program to an Intergovernmental Organization* (2009 Roadmap). The issue has continued to be discussed at National Coordinators (NC) meetings and Consultative Commission (CC) meetings. The GTI's transformation has been consistently mentioned in the Strategic Action Plan, but there has been no substantive agreement on a specific model or roadmap for the transition.

At the 8th CC meeting in Changchun, China, in September 2005, GTI member countries decided to take a more proactive role and discussions began on the issue of granting legal personality to the GTI and exploring the issue of transforming the GTI into an independent legal entity. The 10th CC Meeting in Ulaanbaatar, Mongolia, in March 2009, endorsed the strategic aim of transforming the GTI "to become an independent inter-governmental organization, with its own legal identity and full operational capacity."[3] The members decided to pursue the transition of the GTI into an independent international organization with the support of the GTI Secretariat and appointed Peter Neumann as legal advisor to conduct a study with the GTI Secretariat and prepare a draft roadmap for the transition of the GTI into an independent international organization.

In May 2010, ROK proposed the APEC framework[4] as a reference model

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3) *ROADMAP on Transition of the Greater Tumen Initiative from a UNDP Program to an Intergovernmental Organization* (By Dr. Peter Neumann and Legal Advisor, 26 Nov. 2009)

for guiding GTI's legal transition. Since then, there have been ongoing discussions that the transition to an independent international organization should be reviewed based on the APEC model, and its shortcomings should be addressed accordingly. GTI's preparation for legal transition was mentioned continuously on the Changchun Declaration of 2010 adopted at the 11th GTI Annual Meeting, the Pyeongchang Declaration of 2011 adopted at the 12th GTI Annual Meeting, and the Vladivostok Declaration of 2012 adopted at the 13th GTI Annual Meeting.

The first official documentation of GTI's legal transition was formalized in 2014 with the endorsement of the *Concept Paper on the Legal Transition* (2014). This paper served as the first comprehensive and systematic effort dedicated to advancing the legal transition of GTI into an independent international legal entity. This 2014 concept paper was based on the earlier *Concept Note on the New Modality of GTI* (2013), which had outlined a framework for the transition prepared by the GTI Secretariat with the support of external consultants.[5] The 2013 draft was reviewed during the 14th CC Meeting. At that meeting, participants emphasized the need to finalize the paper before the second NC Meeting in 2014. A roadmap with indicative timelines, aiming to complete the transition by 2016, was also welcomed. In parallel, the Korean law firm Yulchon conducted a legal review of GTI's transition toward an international independent legal entity. The firm examined the legal framework for an establishment agreement and proposed a set of detailed, itemized provisions to be included in the draft.

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4) Review from (RFTA/RUS): Nowadays the BRICS experience may be considered.
KIEP's Suggestion: As noted earlier, this study has sought to distinguish between international organizations and international frameworks, while also maintaining an appropriate balance between the two. APEC and ACMECS fall under the category of international frameworks. However, if BRICS were to be added, the examples presented in this study would lose their balance. At present, therefore, I wish to maintain this equilibrium.

5) The Legal Advisor Peter Neumann (sponsored by UNDP) and the Consultant Donna Yoo (sponsored by the Chinese Government) have contributed to the drafting of the paper.

In 2016, however, the legal transition of GTI into an independent international legal entity reached a turning point. Diverging views among member countries regarding the process, pace, and substance of the transition became explicit during the 2016 CC Meeting. Despite a continued consensus on the need to strengthen GTI's institutional capacity, the momentum for a comprehensive legal transition began to wane after 2016. This loss of impetus can largely be attributed to the political sensitivity surrounding domestic ratification procedures, as well as institutional fatigue from protracted discussions that yielded little concrete progress or agreement. At the 16th CC Meeting in April 2016, members approved the 2016 Business Plan, agreed to expedite national ratification of the bill regarding to GTI's legal transition, and planned to sign the establishment agreement. However, disagreements over some issues, including nomenclature and legal context, collapsed. The Seoul Declaration (2016) ends up mentioning the need to increase the financial contribution following the legal transition.[6)]

The year 2017 marked a key turning point in the discourse on GTI's legal transition-shifting the focus from a structural transition, in which member states would formally recognize GTI as an international independent legal entity, to a functional transition aimed at enhancing the organization's project implementation capacity within the existing institutional framework. In 2017, the establishment of a 'Project Office' was initially proposed by the Russian side as a means to restore project momentum and facilitate the implementation of hard projects, following the postpone of earlier agreements in 2016. It was a complementary short-term alternative, given the time- consuming process of the structural legal transition, which requires consensus building among member countries.

Detailed document on Project Office, *Establishing a GTI Project Office:*

6) "With the expansion of the GTI cooperative activities and its enlarged work forces, we understand the necessity for increasing the financial contributions after the legal transition and endorse the Budget Proposal after Legal Transition." The 16th CC Meeting of the GTI, *Seoul Declaration* (28 Apr. 2016).

Rationale, Objectives, and Tasks (2017) prepared by Jeff Procak, reveals the notable shift in GTI's approach to legal transition-from pursuing structural and institutional transformation toward a more pragmatic focus on strengthening the organization's practical functioning, particularly in terms of project implementation and financing for regional development initiatives. Rather than seeking a formal legal personality and the associated broad institutional mandates of an international organization, the Project Office was planned to be a specialized operational entity within the existing GTI Secretariat. Its primary goal was seen as facilitation to the implementation of concrete investment projects within the region, acting as an intermediary rather than a direct financier. In practical terms, the Project Office was designed to operate by leveraging its technical expertise in project evaluation and financial matchmaking, closely coordinating with sector-specific committees, development banks, EXIM banks, and private investors.

However, the establishment of the Project Office was not realized, and the discourse surrounding legal transition gradually lost momentum, resulting in a prolonged period of institutional stagnation. While specific agreements were not reached, the consensus among member states on the legal transition itself remained valid, as reaffirmed in the Moscow Declaration (2017) of the 17th CC meeting.[7] The Strategic Action Plan for 2017-2020 also indicates legal transition as one of strategic objectives. The Ulaanbaatar Declaration (2018) of the 18th CC meeting is not explicitly referring to 'legal transition' but assuring the commitment to progress the GTI in transforming itself into member - driven independent intergovernmental institution.[8]

Since the Changchun Declaration (2019), the terms 'legal transition' and 'institutional independence' are not employed in the subsequent declarations

7) "We reaffirm our continuous collective commitment to develop GTI into a member-driven regional cooperation platform and to advance the legal transition process of GTI. We acknowledge the progress made so far and direct the National Coordinators (NCs), based on the consensus reached so far, to expedite relevant discussions in order to resolve the existing pending issues." 17th CC Meeting, Moscow Declaration (29 Jun. 2017).

8) the 18th CC meeting of the GTI, *Ulaanbaatar Declaration* (2018).

of CC meetings; rather, the document employs a more general phrase, namely ‘to transform GTI into intergovernmental economic cooperation institution.’ This shift reflects a more cautious and diplomatic approach among member states, avoiding legally charged terms while still acknowledging the broader objective of strengthening GTI’s institutional framework. The use of this generic language suggests continued interest in the evolution of GTI’s status, but with a focus on consensus-building and flexibility, rather than binding legal commitments.

The Strategic Action Plan 2021–2024 included a noteworthy reference that subtly reintroduces the concept of GTI’s legal transition within a broader vision. The document states: “Enhance the capacity of the GTI as a centre of economic and political partnership in Northeast Asia not only in the context of the legal transition of the platform but also raising international recognition of GTI’s performance.” It implies that legal transition is still positioned as one component of GTI’s capacity-building strategy without making it a formal obligation.

Table 2. Official GTI documents that explicitly refer to the legal transition

Year	Document Type / Year		
	Strategic Action Plan	CC Meeting Declaration	Proposal / Concept Paper
2009			· *ROADMAP on Transition of the Greater Tumen Initiative from a UNDP Program to an Intergovernmental Organization* (26 Nov. 2009)
2010		11th CC Meeting, *Changchun Declaration* (01 Sep. 2010)	· *Roadmap Timetable for GTI Legal Transition* (1–2 Jul. 2010) · *Concept Paper on GTI Legal Transition into an Independent International Entity* (Jun. 2010) · *Proposal of GTI transfer to APEC modality* (14 May 2010)

Table 2. Continued

Year	Document Type / Year		
	Strategic Action Plan	CC Meeting Declaration	Proposal / Concept Paper
2011		12th CC Meeting, *Pyeongchang Declaration* (28 Sep. 2011)	
2012	*GTI SAP 2012–2015*	13th CC Meeting, *Vladivostok Declaration* (10 Oct. 2012)	· *Progress on the GTI's Legal Transition* (9 Oct. 2012)
2013		14th CC Meeting, *Ulaanbaatar Declaration (2013)* (30 Oct. 2013)	· *Concept Note on the Modality of GTI* (9 Oct. 2013)
2014		15th CC Meeting, *Yanbian Declaration* (17 Sep. 2014)	· *Concept paper on the legal transition* (16 Sep. 2014)
2016		16th CC Meeting, *Seoul Declaration* (28 Apr. 2016)	· *Updated Roadmap for the transition of the GTI to an Independent Entity* (19 Feb. 2016) · *List of Priority Projects for the New Organization*
2017	*GTI SAP 2017–2020*	17th CC Meeting, *Moscow Declaration* (29 Jun. 2017)	· *Concept Paper on Development of Mechanism for GTI PROJECT OFFICE* (28 Jun. 2017) · *Establishing a GTI Project Office: Rationale, Objectives, and Tasks* (21 Dec. 2017)
2020	*GTI SAP 2021–2024*	20th CC Meeting, Seoul Declaration (16 Dec. 2020)	
2025	*GTI SAP 2025 – 2029*	24th CC Meeting, Seoul Declaration (9 Dec. 2024)	

Source: GTI Secretariat.

The following section summarizes and compares the content of some key concept papers on the legal transition of GTI. These documents, which were approved by CC meeting, delineate the direction and content of the legal transition. The details of concept on legal transition have been revised slightly over time due to delays in agreement.

The *ROADMAP on Transition of the Greater Tumen Initiative from a UNDP Program to an Intergovernmental Organization* (2009 Roadmap) prepared by legal adviser Dr. Peter Neumann is the first document to set out strategic goals and provide a specific timeline for GTI legal transition. It includes the contents like goal, background, present situation, implication, existing model, name of new organization, and timetable. It proposed a formal treaty, charter, headquarter agreement, and transfer agreement emphasizing the Vienna Convention procedures and mainly focused on legal independence from UNDP and formal legal powers as a fully recognized intergovernmental organization (IGO) like contracting authority, privileges and immunities.

Concept paper on the legal transition (2014 Concept paper) which was presented in 2014, is broader in scope, incorporating political, legal, and functional reforms. The document indicated that 'based on the previous discussions on the direction of the transition, it is clear that the GTI should have a new modality with its independent legal personality, as agreed among the member governments.' It also emphasized the need for high-level political support such as Ministerial level and proposed a more flexible and politically supported intergovernmental framework.

Concept paper on Development of Mechanism for GTI PROJECT OFFICE (2017 Concept paper) is departed from the legal transition model and designed as a functional solution to enhance operational capacity without legal restructuring. It proposed creation of a 'Project Office' within the Secretariat or as an affiliated entity to enhance the capacity in executing hard projects. It is focused on project preparation, investment matchmaking, and technical due diligence.

Whilst the 2009 Roadmap established the foundations for legal legitimacy and operational independence, the 2014 Concept paper placed greater emphasis on political ownership, capacity-building and integration with regional development priorities, and the 2017 Concept paper reoriented the conversation toward operational effectiveness.

Over the past 15 years, GTI has explored various pathways to evolve into an international independent legal entity. Initially, this entailed reviewing options for a structural transition, which would involve a formal transformation of GTI into an intergovernmental organization with its own legal personality. However, amid divergent views among member countries, there emerged a growing consensus that prior to pursuing full legal status, GTI must first demonstrate its ability to deliver tangible results within its existing framework. As a result, attention gradually shifted toward a functional transition approach.

This functional transition was twofold: first, to develop a Strategic Action Plan aimed at reinforcing the substance of GTI's regional development cooperation agenda and laying the groundwork for a future legal transformation; and second, to establish a Project Office that could enable the implementation of high-impact hard projects in infrastructure and cross-border development. These measures were intended to strengthen GTI's operational capacity and build credibility as a platform capable of delivering concrete results.

Nevertheless, this approach soon revealed a deeper paradox-akin to the classic "chicken-or-egg" dilemma. Some members argued that the stagnation of functional transition discussions during the 2017–2019 period stemmed from the structural limitations of GTI's current governance model. From this perspective, only by advancing structural transition first could the platform create the legal and institutional conditions necessary for successful functional reforms. Others took the opposite stance, contending that without first achieving functional success, a structural transformation would merely reproduce the existing inefficiencies under a new legal status.

One of the main reasons for the shift in GTI's legal transition discourse-from a focus on structural transition before 2016 to a more functional transition thereafter-lies both in the complex domestic ratification procedures required for formal legal recognition and in the need to identify implementable projects. It is evident from official documentation that there remains a clear consensus among member countries regarding the need for studying the options of institutional or functional changes to strengthen GTI's capacity as a regional economic cooperation platform. Nonetheless, the general agreement that this should be a legal transition appears to have diminished in comparison to the initial discourse. As noted above, this reduced momentum can largely be attributed to the inherent complexity of the legal transition process itself. Such a transition would require a domestic ratification within each member state, involving multiple government entities–including foreign ministries, justice ministries, and legislative bodies–each with potentially differing priorities and procedural requirements. This inevitably complicates and prolongs consensus-building efforts at the multilateral level. Furthermore, the varying degrees of political commitment and readiness among the GTI member states have introduced asymmetries in the transition process, causing further delays in reaching unified agreement.

The GTI's operational activities are sustained by the financial contributions of its member states. Enhancing the effectiveness of hard project implementation –such as infrastructure and cross-border connectivity initiatives–would inevitably require an increase in these financial contributions. However, some member countries remain hesitant to commit additional funding, particularly in light of GTI's limited track record in delivering tangible outcomes in Northeast Asian development cooperation. These members argue that financial contributions should only be expanded after GTI demonstrates meaningful results in flagship hard projects. In their view, performance must precede investment.

As a consequence of these challenges-ranging from legal complexity to concerns over financial commitment-the issue of GTI's legal transition has come to be viewed as politically sensitive and requiring high-level strategic decision-making, rather than being resolved through routine technical discussions. The outbreak of the COVID-19 pandemic further disrupted multilateral engagement and delayed progress on both structural and functional reforms. As a result, GTI entered a prolonged period of institutional stagnation, during which even promising initiatives-such as the proposed Project Office mechanism in 2017-failed to materialize. Moving forward, any serious discussion on GTI's institutional future must acknowledge the political sensitivities, the performance-based concerns of certain member states, and the practical need for reforms that are not only strategically phased but also grounded in demonstrable outcomes that can justify increased financial commitments.

2. Environmental Analysis

Presently, the operational future of GTI is once again at a critical juncture. The management contract with the UNDP China, which has been providing administrative and financial support for the GTI Secretariat so far, is facing an uncertain future beyond the year 2025. Member states are faced with the question of how to ensure the sustainability and institutional continuity of the GTI framework in the years ahead. In the absence of a renewed legal and institutional framework, there is a risk that GTI may face difficulties in its effective operation.[9)]

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9) Review from (RFTA/RUS): The examples of G20, APEC, BRICS which are not formally international organizations but manage to function effectively in their status confirm that this forecast seems too gloomy. We suggest keeping a neutral stance in this context.
KIEP's Suggestion: The history of the GTI has largely paralleled the administrative support provided by the UNDP. In 2005, when the UNDP altered its level of support and engagement with the GTI, the initiative changed its name from TRADP to GTI. Similarly, discussions on the GTI's legal transition during 2010–2016 arose from concerns that the UNDP's administrative support for the GTI might change. At present, if UNDP support for the GTI were to cease, the Secretariat would immediately lose its legal status, and as a result, the very nature of the GTI would inevitably be altered. In such a case, member states would be compelled to re-examine their engagement with the GTI.
The most significant challenge would be that consensus on the GTI's future vision would also be undermined. This would undoubtedly constitute a crisis for the GTI. While models such as the G20 or APEC could serve as potential futures for the GTI, it should be recalled that these bodies are generally not formal international organizations. What is clear, however, is that before the UNDP ends its administrative support, member states must reach agreement on whether the GTI should evolve into a structure akin to the G20 or APEC, or alternatively adopt a model similar to that of the UNDP or ADB. Without such consensus, the GTI will inevitably fall into a period of confusion.
We fully understand Russia's intention. This sentence will remain as it is, and we hope that Russia will emphasize this point more strongly in Chapter V.

The strategic context surrounding the GTI has also changed dramatically since the initial legal transition roadmap was drafted in 2010. The COVID-19 crisis and the subsequent reordering of international priorities have amplified the need for reliable, resilient, and regionally led cooperation mechanisms. Meanwhile, recent global dynamics and heightened strategic competition—such as post-pandemic multipolarity, realignments of the global supply chain, sanctions regimes, and conflicts—has increased the value of regional autonomy and coordination.

In response to these changes, member states of the GTI also have pursued a range of regional and global strategies that influence their engagement in multilateral cooperation mechanisms. China's Belt and Road Initiative (BRI), for example, has deepened regional connectivity through bilateral and sub-regional projects, with Northeast China also seeking complementary multilateral channels. Russia's development of its Far East has emphasized logistics corridors and energy infrastructure, often with a strong focus on engaging Asian partners. Mongolia has sought to leverage multilateral platforms as part of its Third Neighbor strategy, while Korea continues to prioritize balanced regionalism and multilateral cooperation for engagement amid rising tensions in the Korean Peninsula and global supply chain fragmentation. Moreover, the Greater Eurasian Partnership (GEP) initiative, with EAEU as its key pillar, aims to enhance regulatory and infrastructure connectivity, including by the development of East-West and North-South integrated transport corridors, eliminate unnecessary trade and investment barriers, and facilitate the development of efficient value and supply chains across the whole Eurasian continent.

In this context, it is time to consider whether the current institutional form of GTI is sufficient to respond to emerging challenges and opportunities. The SAP 2025–2029 reiterates the member states' commitment to regional integration, functional cooperation, and a long-term vision for a more capable and cohesive GTI. Notably, it acknowledges the possibility of the GTI's transformation into an "intergovernmental cooperation institution," reflecting a recognition of the institutional gap.[10)]

In addition to providing administrative stability for the GTI's operations and helping to increase its international recognition, the legal transition can contribute to the successful implementation of SAP's sectoral priorities. The SAP 2025-2029 outlines a comprehensive vision for GTI's role in regional development across seven priority sectors -transport, trade and investment, tourism, energy, agriculture, environment, and digital economy. With a contractual and legal identity as a fully recognized IGO, GTI would be empowered to conduct legal actions such as binding mandate, signing agreements, attracting co-financing with other institutes or private investors, and holding funds for projects with greater authority and accountability. In turn, this would provide the institutional tools needed to translate policy frameworks into tangible outcomes across the sectors.

One of the most important factors for legal transition is uncertainty of UNDP contract continuity. As the operational arrangement with UNDP approaches its conclusion, legal transition is no longer merely a strategic choice-it has become a structural necessity for GTI's continued survival and relevance. It would not only enhance the Secretariat's operational effectiveness but also serve as a powerful signal of renewed political commitment among member states. By providing the legal and financial infrastructure needed for consistent engagement, a formal institutional identity would give GTI the strategic momentum and motivation it needs to fulfill its regional mandate in a complex and evolving geopolitical environment.

While there have been past discussions on the possibility of legal transition, and more flexible alternatives have been explored (e.g., Project Office proposals), the conclusion of UNDP's administrative role presents an

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10) Strategic objective 09 of the SAP 2025-2029 indicates to "consider the feasibility of transformation of GTI into intergovernmental cooperation institution on the basis of outcomes of bilateral consultations regarding the main parameters of the said transformation in current global conditions."

opportunity to revisit the conversation. A legal transition need not be interpreted as an abrupt transformation, but could take the form of a phased, consensus-based evolution. Such an approach would allow member states to progressively enhance GTI's legal, operational, and financial capacities while maintaining flexibility and inclusiveness.

The following chapter will examine other regional cooperation frameworks, including the APEC model, which has been mentioned previously in internal GTI discussions, to highlight how varying institutional models-ranging from formal international organizations to hybrid or soft mechanisms-have been operated. Based on these examples, the report will propose a phased transition model, ranked in order of urgency and feasibility of consensus, that may be appropriate to GTI's unique geopolitical, institutional, and operational context.

Chapter 4

Comprehensive Frameworks and Strategic Suggestions for Legal Transition

1. Comparative Analysis of Regional Cooperation Models and Implications

This section examines four selected cases of cross-border regional development cooperation frameworks—**APEC, ACMECS, CAN+CAF,** and **ADB**—that may have implications for the GTI's legal transition. The purpose and form of those various frameworks are examined to determine their suitability as models for the GTI.[11] Beyond the four primary models addressed in this study, the Greater Mekong Subregion (GMS) and the Central Asia Regional Economic Cooperation (CAREC) have frequently been proposed as relevant benchmarks for the GTI's evolution. To explore new models equipped with financial functions, this study focuses on the four primary models mentioned above, moving beyond the GMS and CAREC frameworks previously proposed as relevant benchmarks for the GTI.

As international organizations are usually organized either with a legal personality as an independent international organization or with a legal personality under the national law of the country where the secretariat is located, it is difficult to find examples of transitions where an existing organization acquires a new legal personality, as in the case of the GTI. The selected cases represent a diverse range of institutional frameworks and operational models that are highly relevant to GTI's current context and institutional aspirations. Each case provides distinct insights into various pathways GTI could pursue for its institutional evolution. By comparing these diverse examples, GTI can identify the most practical and strategic pathway for institutional evolution-adopting flexible cooperation mechanisms or pursuing deeper legal institutionalization as conditions allow.

11) While the Ministry of Economic Development of the Russian Federation also recommended the inclusion of the Shanghai Cooperation Organization (SCO) and BRICS, these cases were excluded from further analysis in order to ensure a balanced scope and focus within the selected cooperation frameworks.

First, APEC (Asia-Pacific Economic Cooperation) is an example of a soft institutional framework. It is a forum of economies in the Asia-Pacific region that promotes sustainable economic growth and shared prosperity through free and open trade and investment. APEC does not have independent legal personality as an international organization, but is a political and economic cooperation that operates on a consensus basis among its members on an equal footing, meaning that the decisions of the General Council are not legally binding on each member.

Second, ACMECS (the Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy) is a project-based functional mechanism that operates without formal treaty obligations. It focuses on infrastructure and project implementation with targeted financial and technical assistance. ACMECS does not have a formal secretariat office for now, and Mekong Institute has been designated to provide the back-office support to the ACMECS Interim Secretariat from 2024 to 2026 through the signing of a Memorandum of Understanding (MOU) with the Ministry of Foreign Affairs of Thailand. Although ACMECS does not possess its own distinct legal status, its objectives are pursued through a variety of accords and initiatives among its member states and external development partners. This pursuit is marked by the active engagement of high-level leadership, as evidenced by the regular convening of leaders' summits.

Third, CAN (Comunidad Andina; Andean Community) operates as a political integration body, while CAF (Corporacion Andina de Fomento; Development Bank of Latin America) functions as a financially independent entity. CAF has substantial financial autonomy and operational independence from CAN. CAN and CAF is one example of regional community with financial arm which is separating financial and political roles could minimize political complexities and maximize operational effectiveness.

Fourth, ADB (Asia Development Bank) is a full treaty-based organization that clearly defined legal identity through treaty and charter with strong governance structures. ADB is one of MDB (Multilateral Development Banks) that provide economic development financing. The majority of borrowing countries and financing donors are from developing countries, and the majority of financing recipients are from developed countries. ADB membership is open to all without restrictions. It has significant financial autonomy and international credibility, allowing robust project implementation capabilities.

The implications derived from each model can be summarized as follows. Firstly, the APEC model presents the most analogous scenario to the current institutional context of the GTI, in which GTI would maintain its existing structure while becoming independent from the UNDP by acquiring a passive legal personality recognized under the domestic law of China, where the GTI Secretariat is currently located. Similar to GTI, APEC functions as a consultative forum consisting of diverse member economies, each pursuing distinct national interests yet united by the overarching goal of promoting free and open trade and investment. APEC's effectiveness largely relies on voluntary participation and cooperation among its members rather than on legally binding obligations.

One thing to consider is that a soft institutional framework such as APEC is very limited because it is not an international organization with an independent legal personality. Since APEC has not been granted legal status according to international law, it is precluded from engaging in active legal practice, and its capacity to act is constrained by the scope delineated by Singapore's domestic legal framework. This limitation impedes the organization's capacity to function as a substantial development entity or to promote investment projects beyond Singapore's borders. Furthermore, reliance on voluntary contributions can result in unstable and unpredictable funding streams, which complicates long-term planning.

In the case of the ACMECS model, if the GTI's primary objective is to promote specific projects, such as the expansion of social and indirect capital facilities for development in the Northeast Asian region or other development projects necessitating cooperation among GTI members, it may be the most suitable model for the current state of the GTI. This is due to the fact that

Table 3. Comparative Table of Regional Cooperation Frameworks

Category	APEC	ACMECS	CAN+CAF	ADB
Founding Year	1989	2003	CAN: 1969; CAF: 1970	1966
Objectives	Economic cooperation and trade liberalization	Economic cooperation and sustainable development, poverty alleviation	CAN: Regional integration; CAF: Economic development and infrastructure financing	Regional economic development and poverty eradication
Secretariat Location	Singapore	No formal Secretariat	CAN: Lima, Peru; CAF: Caracas, Venezuela	Manila, Philippines
Legal Status	Non-treaty-based informal cooperation	Non-treaty-based cooperative framework	CAN: Treaty-based; CAF: Treaty-based bank	Treaty-based international organization
Nature	Voluntary cooperation and policy dialogue	Project-based economic cooperation platform	CAN: Political-economic integration; CAF: Financial institution	Multilateral development financial institution
Membership	21 Pacific Rim economies including the US, China, Russia, Korea, Japan	Cambodia, Laos, Myanmar, Thailand, Vietnam	CAN: Colombia, Peru, Ecuador, Bolivia; CAF: 22 member countries (20 from Latin America and the Caribbean, Spain and Portugal)	69 members (49 regional, 20 non-regional)
Decision-making Structure	Consensus-based summits and ministerial meetings	Consensus-based summits and ministerial meetings	CAN: Council of Ministers and Parliament; CAF: Shareholders Assembly	Board of Governors and Directors (voting by member contributions)
Funding Sources	Voluntary contributions by members	Voluntary member contributions, external partner support	CAN: Member contributions; CAF: Member equity and international borrowing	Member contributions, capital market borrowing

Source: APEC (https://www.apec.org/); ACMECS (https://acmecs.org/); CAF (https://www.caf.com/en/); ADB (https://www.adb.org/).

the size of the international organization can be maintained on a small scale, and the necessary funds can be procured on a project-by-project basis. Adopting a similar approach could enable GTI to swiftly mobilize project-oriented cooperation without the complexities and prolonged negotiations associated with formal treaty arrangements.

It is notable that both APEC and ACMECS, despite their lack of formal legal personalities and treaty-based mandates, have successfully leveraged high-level political engagement, including regular summits and ministerial-level meetings, to sustain momentum and strategic direction. Such top-tier leadership involvement significantly enhances their ability to coordinate regional initiatives, mobilize political support, and ensure sustained cooperation, setting them apart from platforms that primarily rely on technical-level cooperation.

Nonetheless, similar to the APEC model, ACMECS's informal, non-binding structure also comes with constraints, particularly in relation to implementing complex, long-term projects or investments that require binding legal agreements and substantial contractual certainty. Additionally, heavy dependence on external financial partners exposes ACMECS to shifts in donor priorities and potential instability in resource availability, highlighting the need for a more secure and predictable internal funding mechanism over the long term.

In conclusion, while both APEC and ACMECS offer valuable strategic insights and practical approaches for GTI's immediate institutional evolution, careful consideration of their inherent limitations is essential when determining a suitable long-term institutional strategy for GTI.

To address the financial limitations observed in the APEC and ACMECS models, the adoption of a self-financing mechanism−such as the ADB model or the establishment of an independent subregional development bank like the CAF−could be considered. If GTI aims to expand infrastructure and implement direct financing initiatives across Northeast Asia, the ADB model provides a useful precedent. This approach could enhance the autonomy and operational efficiency of development projects undertaken under the

GTI framework.

However, establishing a multilateral development bank presents significant challenges due to its complexity and political sensitivity. The process involves lengthy negotiations, the need for domestic ratification by each member state, and the alignment of diverse national interests. Additionally, questions may arise regarding the sourcing of initial capital, as the required start-up and recurring financial contributions could place a heavy burden on member countries. Concerns about redundancy with existing institutions like the ADB, AIIB, and NDB BRICS also complicate the case for creating a new financial entity.

Although the ADB model effectively mobilizes external financial resources, its structure raises concerns about the equitable distribution of influence among member states. Since decision-making within ADB is largely weighted by financial contributions, smaller economies may find their influence diminished, which could hinder regional ownership and strategic balance within GTI.

In contrast, the CAN+CAF model offers a more balanced and politically sensitive framework by separating financial and political functions. Under this model, a dedicated financial institution (CAF) operates alongside a political community (CAN), enabling member states to retain greater control over regional priorities while still accessing structured financing. The CAF structure, with significant operational independence, enables effective financing without compromising the policy-making sovereignty of individual member states, thereby balancing financial capability with political autonomy and preserving national interests within a multilateral context.

The disadvantages inherent in the dual structure, which comprises separate political and financial entities, include the potential for coordination difficulties and bureaucratic inefficiency. Political integration goals of CAN may occasionally conflict with the pragmatic operational goals of CAF, creating policy tensions. Once legally established, changing governance structures or operational rules can become challenging due to complex legal and political negotiations. In addition, subregional banks like the CAF model require much less initial capital than the ADB model but they are still more financially challenging than the APEC and ACMECS models.

2. Strategic Plan for Legal Transition

The reference model for the GTI's legal transition would vary depending on how member states define the specific objectives of the GTI and the priorities for realizing those objectives. Considering GTI's original mandate, current Strategic Action Plan, and the growing importance of expanded regional cooperation frameworks, transitioning into an international independent legal entity capable of effectively implementing regional projects and mobilizing necessary financial resources appears strategically beneficial.

A review of the GTI discussions reveals that the GTI has a more active purpose and vision in mind. These projects include the expansion of social and indirect capital facilities and the promotion of private investment in the region. In order to efficiently carry out the projects necessary to realize such an active purpose, it may be preferable in many ways for the GTI to be recognized as a legal entity internationally, rather than simply acquiring the status of a domestic corporation under the domestic law of the member state where the secretariat is located. This phenomenon is especially evident in contexts where the GTI's activities transcend national boundaries, encompassing multiple countries within a specific region.

However, given the current uncertainty surrounding the continuation of GTI's operational contract with UNDP, the immediate establishment of a fully operational MDB presents considerable challenges. Such a transition would entail significant financial obligations, prolonged consensus-building processes, and complex institutional arrangements, thereby potentially rendering it unrealistic as an immediate solution. However, due to the sensitivity of the matter, UNDP China declined to meet with the GTI RIN. It is considered that only after UNDP China and the GTI NCs have concluded their consultations will the GTI RIN be able to hold a meeting with UNDP China.

Considering the current circumstances of GTI, an initial focus on lower-complexity structures such as APEC or ACMECS-type frameworks could offer practical short-term gains. In the medium to long term, transitioning towards a treaty-based structure similar to ADB or CAN+CAF would be strategically advantageous for sustained institutional stability and operational capability. Short-term flexibility, exemplified by APEC or ACMECS, must be balanced against the long-term benefits of formal legal structures, as illustrated by CAN+CAF and ADB. An incremental, phased approach-starting with a flexible framework, gradually moving toward formalized structures-may help mitigate these disadvantages while maximizing institutional effectiveness.

Given these considerations, the most pressing short-term priority must be addressing the operational uncertainty arising from the impending conclusion of GTI's arrangement with UNDP. Therefore, GTI's institutional transition should be approached strategically and incrementally-first ensuring operational sustainability and subsequently enhancing institutional capacity, project implementation capabilities, and financial resource mobilization in subsequent phases. For GTI, the optimal path forward may involve initially adopting flexible cooperation mechanisms with high-level leadership similar to those of APEC or ACMECS, gradually moving towards formalized and financially robust frameworks, drawing insights from the models exemplified by CAN+CAF and ADB for sustainable regional cooperation.

Phase 1: Grant legal personality based on existing agreement while maintaining current structure.

· Securing Operational Continuity and Basic Institutional Independence
· Establish GTI as an international independent legal entity with a

sustainable institutional structure based on the consensus of all member countries.

- Negotiate and finalize an interim agreement or basic charter providing GTI with a minimal legal and operational identity.
- Secure additional financial commitments from member countries to maintain the secretariat and essential operational funding.

Phase 2: Elevate CC meeting to Prime Ministerial/Ministerial level meetings

- Institutional Strengthening and Expansion of Influence
- Consolidate GTI's governance framework and institutional presence within regional and international cooperation networks.
- Expand cooperation through formal agreements and partnerships with regional organizations, multilateral institutions, and international partners.
- Broaden GTI's membership base by encouraging the participation of additional Northeast Asian (especially DPRK and Japan) and neighboring countries.

Phase 3: Create a permanent body with expertise in planning and conducting hard projects

- Enhancing Project Implementation Capacity
- Establish and reinforce thematic committees or working groups to enhance regional influence, credibility, and visibility in relevant sectoral issues.
- Establish a dedicated Project Office or functional implementation unit within the GTI Secretariat to identify, develop, and manage regional projects.
- Strengthen technical expertise and staffing capacities to efficiently oversee cross-border infrastructure, trade facilitation, environmental, tourism, and energy projects.
- Develop standardized project management frameworks and operational procedures to ensure effective implementation and measurable outcomes.

Phase 4: Establish and separately operate a Sub-Regional Development Bank under GTI

- Financial Resource Mobilization and Strategic Financial Autonomy
- Build sustainable financial resources and consider establishing a dedicated regional financial mechanism to independently finance priority regional projects.
- Conduct a feasibility assessment on establishing a regional financing mechanism (e.g., a Sub-Regional Bank) including capital requirements, governance structures, and operational frameworks.
- Secure member-state agreements and potential partnerships with external stakeholders (e.g., MDBs, private sector, international financial markets) to diversify and stabilize GTI's financial base.
- Incrementally establish financial independence by leveraging diverse funding sources, including member contributions, project-specific financing, international grants, and loans.

Chapter 5

Perspectives and Evaluations of Member Countries

1. China
2. Mongolia
3. Republic of Korea
4. Russia

1. China

The Tumen River is located at the heart of Northeast Asia, connecting China, Russia, and DPRK, extending eastward to the Sea of Japan (East Sea) and westward to Northeast China. It serves as a critical strategic corridor for land-sea connectivity in the region. Advancing regional cooperation and development in the Tumen River Region holds significant strategic importance for the development of Northeast Asia. Economically, it can promote regional economic development; politically, it may help enhance mutual trust among Northeast Asian countries. In the cooperation of GTI, the four nations of China, ROK, Mongolia, and Russia will have great opportunities to pursue their own economic development, contributing to the further enhancement of mutual interests in geo-economics.

In the context of an increasingly complex and volatile global landscape, exploring the issue of the Greater Tumen Initiative (GTI) transitioning into a legally recognized international organization carries significant strategic importance and practical value. Such a transition would not only enhance GTI's international influence and its capacity to address complex challenges but also better enable it to serve as an engine of global economic growth through regional development in Northeast Asia.

China has consistently paid close attention to the legal transition of the GTI. Should the GTI evolve into a new international organization—specifically, the first intergovernmental economic cooperation body established in Northeast Asia—it would build upon the existing Tumen River cooperation framework to provide stronger institutional support for regional collaboration. This transition would help further deepen cooperative development in Northeast Asia, offer pragmatic and effective solutions to the international cooperation challenges hindering the region's development, and accelerate the advancement of one of the world's most promising regions for future growth.

1-1. Position and policy direction on the legal transition of GTI

During President Xi Jinping's visit to ROK in 2014, both China and ROK emphasized in their joint statement the shared agreement to "develop the GTI into an economic cooperation organization that leads economic development in Northeast Asia." Following its transition and upgrading, the GTI-as a new international organization and the first intergovernmental economic cooperation body established in Northeast Asia-would serve as a strong pillar for regional cooperation in both Northeast Asia and the Tumen River Region, building upon the continuous improvement of the Tumen River cooperation mechanism.

This transition would drive the development of the Tumen River cooperation from a primarily conceptual initiative to a more pragmatic model, shifting from an externally driven program to an independently operating international organization, and from a temporary coordination mechanism to a legally binding institutional entity. Such a shift would play a crucial role in resolving the international cooperation challenges that have long hindered the development of the Tumen River Region, thereby accelerating the development of one of the most promising regions in the world.

1-1-1. China's position

First, it is essential to establish the legal status of the GTI in formal documentation. Participating parties may consider signing a foundational legal instrument that explicitly or implicitly confers legal personality on the organization, thereby clarifying its capacity to act at both international and domestic levels. If it is not feasible to directly grant GTI legal personality, an alternative approach would be to endow it with the capacity to independently engage in legal relationships-such as initiating or responding to litigation-which would, in effect, confirm its legal entity status.

Second, the GTI is suggested to be equipped with an independent organizational structure and operational mechanism. In fact, as early as 2017, the GTI proposed the idea of establishing a project office and corresponding operational mechanisms. However, to date, the project office has not been established or become functional, largely because the United Nations Development Programme (UNDP) China Office continues to provide administrative and financial support for the GTI Secretariat. Moving forward, the establishment of such an office requires consensus among all GTI member states and concrete implementation.

Third, the possession of independent legal capacity is of vital significance. Due to its lack of legal personhood, the GTI currently cannot independently open or manage bank accounts, enter into contracts under its own name, own property, or employ staff. This institutional limitation has had a negative impact on the organization's long-term development. Resolving the issue of legal status is therefore a prerequisite for addressing the constraints on GTI's financial autonomy and operational effectiveness.

Fourth, the capability of independently assuming legal liability plays a crucial role. If the GTI is to fulfill its intended role and enhance its influence, achieving concrete economic outcomes is indispensable-a goal that member states actively support. To this end, strengthening GTI's capacity to initiate, manage, and implement specific economic projects is strongly required. To ensure the successful implementation of such projects, it is urgent for the GTI to own the capability to independently enter into contracts, attract investment, and bear corresponding legal responsibilities-rather than relying on member states to assume legal liability on its behalf, depending on the project's location.

1-1-2. Policy direction

Compared to other member states, the Chinese government has consistently approached the development and construction of the Tumen River Region from the perspective of national development strategy. It has remained committed to maximizing the Tumen River's function and role in promoting regional economic development in Northeast Asia. From China's perspective, the transition and upgrading of GTI, as the first intergovernmental economic cooperation organization established in Northeast Asia, will provide a powerful institutional pillar for regional cooperation in both the Tumen River Region and the broader Northeast Asia region. However, in light of the challenges currently facing the GTI, China maintains the following key policy considerations.

First, priority should be given to economic and trade development. As the only intergovernmental economic cooperation platform in Northeast Asia, the GTI has, over the years of development and with the concerted efforts of its member states, continuously deepened its agenda and expanded its scale. It has become a vital platform and convenient channel for dialogue, cooperation, and development among Northeast Asian countries, playing an irreplaceable role in promoting exchanges and cooperation in areas such as economics and culture. Placing economic and trade cooperation at the forefront not only meets the economic interests of countries in the region but also mobilizes private capital and accelerates the process of Northeast Asian economic integration.

Second, focus should be placed on leveraging resource advantages. The countries in the Tumen River Region are endowed with abundant natural resources, advanced technologies, strong financial capacity, a large labor force, and vast markets-making the region an ideal environment for integrating key factors of production. Through the GTI's transition, regional development can be driven by local governments and enterprises-especially small and medium-sized enterprises (SMEs)-using project-based cooperation as a catalyst, underpinned by bilateral and multilateral partnerships. Committees, expos, and other institutional platforms should be fully utilized to harness the potential of the new organization and effectively advance regional economic integration and comprehensive cooperation among Northeast Asian countries.

Third, the level of cooperation should be elevated. Upon transition into a new organization with independent legal status, the GTI should raise the level of intergovernmental dialogue-upgrading the current Consultative Commission meetings to the level of heads of State or heads of government, thereby establishing a regular high-level summit mechanism. This would enhance decision-making authority and increase the overall effectiveness of the GTI. Furthermore, the completeness and effectiveness of Northeast Asian cooperation cannot be achieved without the participation of both DPRK and Japan. Active efforts should be made to encourage DPRK's return to the GTI and to invite Japan to join, thereby creating a more comprehensive and inclusive regional cooperation framework.

1-2. Priorities, challenges, and opportunities

1-2-1. Priorities

First, during its legal transition, a well-structured organizational framework is strongly suggested to be established. As a tool of international cooperation created by its members to achieve specific objectives, an international organization must be equipped with institutional mechanisms to perform various functions and carry out necessary activities. Only through a robust organizational structure can the GTI operate effectively and fulfill its intended goals.

Second, the legal transition of GTI would be more likely to be better operated in accordance with established international rules and norms. Most international organizations function based on defined principles and operational rules, which govern decision-making, implementation, personnel management, and financial administration. Although member states have reached a broad consensus on upgrading the GTI into an independent intergovernmental economic cooperation organization, further discussions are needed regarding specific operational details. These include issues such as financial contribution ratios, organizational framework, official naming, and special exemption clauses. As a result, the GTI's process of transition is still underway, as member states are still working toward a consensus on the terms of the basic agreement and the host country agreement.

Third, clearly-defined future areas of cooperation are vital after the legal transition. Member states expect the GTI to become a more strategically oriented, pragmatic, and results-driven organization-one that enhances shared interests and accelerates growth and sustainable development in key sectors such as transportation, trade and investment, tourism, energy, and environmental protection, as well as in other areas including agriculture. Economic and trade cooperation should remain the primary objective and core focus following the transition. In practice, project collaboration among relevant countries and regions should involve both central governments and multinational corporations. Moreover, enhanced cooperation between local governments can play a crucial role by leveraging their political, economic, and cultural influence to promote regional development in the Tumen River Region.

Fourth, the scope of cooperation following the legal transition of GTI should encompass all six Northeast Asian countries. The successful implementation of GTI's legal transition depends critically on the active participation and support of both DPRK and Japan. After the transition, in order to establish a comprehensive Northeast Asian economic cooperation mechanism, efforts should be made to actively promote DPRK's reintegration into the Tumen River regional cooperation based on existing collaborations. Furthermore, when conditions are ripe, Japan should be formally incorporated into the Tumen River cooperation framework, thereby achieving full regional coverage and establishing GTI as a genuinely representative Northeast Asian cooperation organization.

1-2-2. Challenges

Although the GTI has been established for many years, its progress in fostering economic development in Northeast Asia has yet to meet expectations.

It has been consistently faced with a limited regional foundation, inadequate development funding, and lack of independent legal status.

First, the region's economic foundation is limited and lacks core support. Much of the Tumen River Delta consists of peripheral zones of the coastal countries with limited economic strength. China's Yanbian Korean Autonomous Prefecture and Jilin Province, while possessing unique strengths, experience developmental disparities compared to coastal regions and face limitations in their capacity to stimulate broader regional growth; Russia's Far East is characterized by a relatively low population density and a developing economy; the geographical positioning of ROK and the Tumen River, separated by DPRK, introduces logistical complexities that can impact regional economic integration. Mongolia's distance from the Tumen River estuary, coupled with its economic circumstances, influences its level of participation in regional initiatives. The region's traditional industrial framework and moderate economic scale pose challenges in attracting sustained international investment. Large-scale infrastructure projects face financing challenges, limiting the provision of strong support for international cooperation.

Second, inadequate funding disturbs the deepening of the Tumen River cooperation mechanism. As a sub-regional cooperation, GMS cooperation and CAREC are led by ADB, with certain funding guarantees. However, GTI was first led by a non-financial organization, UNDP, and then driven by member states, which always has the "bottleneck" of lacking funds. The member states have been inputting limited development appropriations, and foreign capital, international financial organization, and private capital have not yet made large-scale investments into GTR. This limited availability of development capital may pose some challenges to the progress of GTI cooperation.

Third, the lack of independent legal status affects GTI's function. Although UNDP has evolved from an initiator at the beginning to a supporting partner, GTI now adopts a member-state driven mode and makes great contributions to promoting and boosting economic cooperation in Northeast Asia. Yet, without an independent legal status, GTI is not a legalized international organization in essence. It can hardly possess relevant rights and fulfill relevant obligations to a certain degree, which constrains the exertion of its roles and affects further cooperation. Additionally, the Secretariat's work has experienced some limitations. As a result, the initiative's organizational operations tend to follow established routines, which may somewhat influence the pace of introducing innovations.

1-2-3. Opportunities

First, the legal transition possesses a strong potential to inject new momentum into Northeast Asian regional economic cooperation. The transition and upgrade of GTI into a Northeast Asian economic cooperation organization offers an effective solution. As regional economic cooperation continues to develop, the GTI is evolving toward institutionalization by establishing an organization with independent legal personality to unify, coordinate, and guide sub-regional economic cooperation. This, in turn, will actively promote the establishment of the "Tumen River Free Trade Zone," thereby elevating the form and level of cooperation.

Second, the initiative may further advance pragmatic cooperation in the Tumen River Region. The GTI's transition into an independent international economic cooperation organization with legal personality will drive more pragmatic and legally binding cooperation in the Tumen River Region. Consequently, international cooperation in the region will enter a new phase of development. The Tumen River Region has the potential to become a model for multinational innovative cooperation and serve as a comprehensive transportation hub by sea, land, and air in Northeast Asia. It could emerge as an international economic center, financial center, trade center, information hub, logistics hub, manufacturing collaboration center, tourism center, and cultural exchange center in the era of innovation.

Third, responding to the "Belt and Road" Initiative and enriching sub-regional cooperation, the legal transition may contribute to further opportunities. Northeast Asia, as the connection and junction point of the Silk Road Economic Belt and the 21st Century Maritime Silk Road in Northeast China, is an extremely important region for both Asian geopolitical security and China's surrounding economic cooperation. It is also a critical area that the "Belt and Road" construction cannot overlook. The legal transition of the GTI will facilitate the integration of the "Belt and Road" Initiative with the Northeast Asian region. Centered on the Korean Peninsula and radiating outward to form an economic circle, the region connects westward to the Silk Road Economic Belt, northward to the Ice Silk Road, and southward to the 21st Century Maritime Silk Road, thereby linking land and maritime routes.

1-3. Recommendations on the future role and structure of GTI

With regard to the GTI, if its stakeholders wish to transform the GTI into a formal international organization headquartered in Beijing or any other location within China, the following steps are necessary: first, renegotiation and conclusion of a new intergovernmental agreement, clearly defining the organization's legal nature, mandate, membership, and governance; second, submission of the agreement to the Chinese Government for approval through official diplomatic channels; third, completion of China's domestic legal procedures, including registration and notification; and fourth, negotiation and signing of a Headquarters Agreement (or Host Country Agreement), to define the privileges, immunities, premises, staffing, and other operational matters.

1-3-1. Recommendations on the future role of GTI

First, at the national level, emphasize top-level design and policy guidance. In terms of domestic policy guidance, China should provide further policy preferences for the development of border areas and attach strategic importance to the role of border regions as open frontiers. A comprehensive plan would be needed for the hinterland provinces of the Tumen River Region, clearly defining their position within the national development framework. Regarding external cooperation promotion, efforts should be made to further integrate cooperation projects within the Tumen River basin. On one hand, China should advance regional stability, peace, and reconciliation processes. At the same time, economic cooperation in Northeast Asia should be accelerated, leveraging the construction of China-ROK and China-Japan- ROK Free Trade Areas to deepen economic exchanges between China and Northeast Asian countries. On the other hand, the integration of the Tumen River regional cooperation with the "Belt and Road" Initiative is of great significance, developing it into a pivotal node connecting the sub-regions along the routes.

Second, at the local level, emphasize autonomy and pilot initiatives. Local governments should fully exercise their autonomy and actively explore pilot projects. The implementation and execution of specific projects in the Tumen River regional cooperation primarily depend on local governments. While the central government maintains strategic oversight, it should further ease restrictions and enhance local autonomy. Relevant regions should expand openness to the outside world, accelerate industrial upgrading and economic restructuring, stimulate local economies to expand the domestic hinterland of the sub-region, and strengthen port and corridor construction to connect and develop surrounding markets. This will better position the Tumen River Region as a critical node in the dual circulation economic system.

Third, at the regional level, emphasize improving cooperation mechanisms. Existing cooperation mechanisms constitute the foundational platform for the future development of Tumen River regional cooperation. It is necessary to both address current deficiencies in multilateral mechanisms and leverage the momentum of bilateral cooperation among Northeast Asian countries to promote regional development. On one hand, existing mechanisms should be fully utilized to upgrade cooperation. At this stage, these mechanisms should serve both as regional multilateral forums and as platforms for fundamental project cooperation. Key projects in regional cooperation should be initiated, evaluated, and implemented under the GTI banner, fostering regular cooperation among countries through issue-based project construction and enhancing mutual understanding. On the other hand, the driving force of bilateral cooperation should be further harnessed. Bilateral or trilateral cooperation can lay the groundwork for the development of multilateral frameworks. For example, under the "Belt and Road" framework, cooperation among China, Mongolia, and Russia, as well as between China and ROK, can align development policies, achieve connectivity of main regional roads, and promote collaboration in key sectors, thereby revitalizing the regional economy.

1-3-2. Recommendations on the structure of GTI

First, upgrade the deliberative and decision-making level. The highest existing coordination mechanism within GTI is the Consultative Commission meetings. However, according to the agreement signed by the member states in 1995, the level of the CC Meeting is actually deputy-ministerial. The heads of government delegations are typically deputy ministers or assistant ministers, who may not hold ultimate decision-making authority and consequently find it challenging to garner the necessary high-level backing within their respective governments when major disagreements arise. Therefore, it is recommended to elevate the level of the Consultative Commission meetings to the head-of-state or prime-minister level, establishing a regular mechanism for national leaders to meet and exchange views. This would enhance the influence of the decision-making level and improve the overall effectiveness of GTI.

Second, optimize administrative functions. After the legal transition, the GTI Secretariat should include the following primary functions: publicizing the development program of the Tumen River Region to enhance public visibility, leveraging resources by holding talks with diplomatic corps in Beijing and maintaining close cooperation with international organizations including

UNIDO, ESCAP, UNWTO, ADB, and NEAEF, securing funding from international organizations such as UNDP and UNWTO in order to promote the progress of specific related projects and organizing conferences, which contains assisting the member states to hold a Consultative Commission meeting annually and leading the organization of periodic sessions for national coordinators, and facilitating work meetings for the six boards.

Third, scale up the workforce. The current GTI Secretariat is located in Beijing, China, but with only a few staff members delegated by member countries. As the daily management and execution body, the Secretariat needs to ensure balanced and representative country participation. Considering the expanded scope of cooperation and the increased complexity of organizational functions following GTI's legal transition, the Secretariat should incorporate a greater number of experienced international development experts. In addition, personnel from Japan and DPRK should be incorporated into the Secretariat's operations. By stationing staff from these two countries in the Secretariat to handle routine communication and coordination related to cooperative projects with their respective governments, the initiative can actively encourage Japan's and DPRK's enthusiasm to join the organization.

2. Mongolia

2-1. Introduction

Mongolia is one of the founding members of the Greater Tumen Initiative (GTI)-a regional platform for economic and infrastructure integration in Northeast Asia-and the initiative occupies a central place in the country's trade and development strategy. Launched in 1995 as the Tumen River Area Development Programme (TRADP) and rebranded in 2005 as the Greater Tumen Initiative (GTI), the latter has since evolved into a multilateral cooperation mechanism working across priority pillars such as trade, investment, transport, energy, and environment/tourism. Today, a standing Secretariat supports the sectoral committees and councils of the member states [9], coordinating conferences and meetings and ensuring operational coherence in project implementation. GTI is represented by the Ministry of Commerce (China), the Ministry of Economy and Development (Mongolia; previously the Ministry of Finance until 2022), the Ministry of Economy and Finance (Republic of Korea), and the Ministry of Economic Development (Russian Federation). Within the research and policy support framework for GTI, Mongolia was represented by the Institute for Strategic Studies under the National Security Council from 2016 to 2025, and thereafter by the National Development Institute under the Ministry of Economy and Development.

2-2. Mongolia's Contribution to GTI's Development and Its Significance

Located at a strategic crossroads that links the major growth poles of Northeast Asia, Mongolia is a land-locked, small economy with a strong interest-and need-to participate in regional economic integration. For Mongolia, the Greater Tumen Initiative (GTI) has served as a key mechanism to meet this need. Since 1995, Mongolia has participated actively in GTI's multilateral negotiations and sectoral committee work. It has chaired the annual Consultative Commission on several occasions (for example, the 10th meeting in Ulaanbaatar in 2009) and has tabled concrete new initiatives. Notably, the GTI Transport Committee was established at the 2009 Ulaanbaatar meeting, reflecting Mongolia's push to elevate regional attention to cross-border transport connectivity.

Mongolia's economy is highly interlinked with its neighbors, and three GTI members−China, the Russian Federation, and the Republic of Korea−account for the bulk of the country's external trade. A distinctive feature of Mongolia's participation in GTI is its active engagement in regional infrastructure projects. Owing to its geography, Mongolia can function as a critical transit corridor between East Asian markets. Under the GTI Transport Cooperation Strategy, member states identify international highway and railway projects traversing Mongolia and discuss their implementation. The China–Mongolia–Russia Economic Corridor, for instance, dovetails with GTI transport priorities and includes proposals for new road and rail links across Mongolia that connect China and Russia. Addressing such cross-border projects through a multilateral GTI framework, rather than solely bilateral deals, tends to be more effective; Mongolia, for its part, leverages GTI to secure regional-level support for national connectivity projects.

Institutionally, Mongolia takes an active part in GTI's governance and decision-making. Each member designates a National Coordinator; since 2025, Mongolia's coordinator has been the Ministry of Economy and Development (MED). The National Coordinator represents the country at the High-Level Consultative Commission, channels GTI decisions and initiatives to relevant domestic bodies, and coordinates implementation. Alongside MED, the Ministry of Foreign Affairs, Ministry of Energy, Ministry of Environment and Tourism, Ministry of Food, Agriculture and Light Industry, Ministry of Construction and Urban Development, and the Ministry of Road and Transport Development engage through GTI's sectoral committees; business associations and sub-national authorities also take part (e.g., the Local Cooperation Committee, and the business chamber network). In recent years Mongolia has emphasized greater private-sector participation; the Mongolian National Chamber of Commerce and Industry (MNCCI) now plays an active role in the GTI Business Council.

In sum, Mongolia's engagement in GTI: 1) enables policy coordination with its principal economic partners at the regional level; 2) provides a vehicle to align and advance national development priorities through a regional initiative; 3) facilitates participation in region-wide projects to improve infrastructure and trade connectivity; and 4) strengthens multilateral diplomacy and cooperation with international organizations. Going forward, Mongolia should sustain its active role in GTI and deliver concrete progress in priority areas. Successful implementation will require stronger domestic coordination capacity, policy alignment with neighbors, and mobilization of support from international financial institutions.

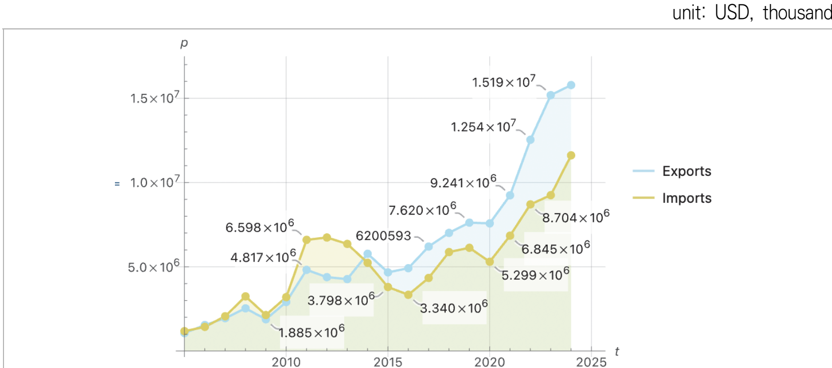
2-3. Projects and Programs Implemented in Mongolia under GTI: Achievements and Challenges

2-3-1. Mongolia's Foreign Trade with GTI Member States

Figure 1 illustrates the trajectory of Mongolia's total exports and imports over 2005–2025. The data show steady expansion in 2008–2012, driven by the commodity super-cycle and increased flows along the southern corridor (Zamiin-Uud–Ereen). During 2013–2016, both exports and imports softened due to weaker commodity demand/prices and logistics constraints. In 2020–2024, exports surged in the immediate post-pandemic period, reaching roughly USD 9.24–10.52 billion. Imports likewise rose from about USD 5.3 to USD 11+ billion, reflecting recovering domestic demand and higher investment- related imports.

Figure 1. Foreign trade, by year

unit: USD, thousands



Source: Foreign trade statistics report, General Department of Customs of Mongolia.

From 2021–2024, export growth outpaced imports and led the overall expansion of foreign trade. This pattern is consistent with the corridor/port modernization orientation embedded in GTI and in Mongolia's national policy documents—Vision 2050 and the New Recovery Policy. That said, the high concentration of trade—both in market (China) and route (the southern gateway)—remains a structural risk. Therefore, phased implementation of eastern—region mega-projects in rail, road, and energy, and the operationalization of competitive alternative gateways at Bichigt, Nomrog/ Bayanhoshuu, and Ereentsav (within the GTI network) are essential to underpin long-term trade balance and continuity. In addition, inward/ outward processing regimes (soft-infrastructure measures) can reduce costs and expand the range of products reaching regional markets.

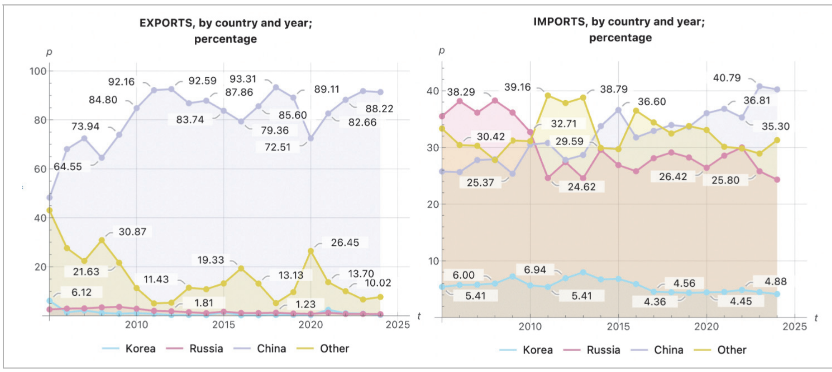
Note. The figure presents nominal trade values (not deflated). Disaggregation by sector, commodity and partner country suggests that the share of GTI's eastern border crossings is still modest, but is poised to rise as corridor projects come online.

Figure 2 presents Mongolia's foreign-trade partner structure in two panels. The figure shows a high degree of concentration: exports are predominantly directed to China, while imports are largely sourced from Russia and China.

Exports: The chart confirms a persistent concentration on China. Since 2005 the share of exports to China has risen from roughly 65% to above 90%, dipping temporarily in 2020 but remaining around 89–88% in 2023–2024. The share of "Other" partners is volatile (about 10–30%), fluctuating over short periods by product and destination. Exports to the Russian Federation and the Republic of Korea are small and broadly stable, together around 1–7%. This pattern corroborates the finding that Mongolia's export structure within GTI is highly China-centric, driven by the product mix (e.g., coal, copper concentrate) and the capacity of the southern corridor.

Figure 2. Foreign trade, by country and year

unit: %



Source: Foreign trade statistics report, General Department of Customs of Mongolia.

Imports: The import market is split between Russia and China. In 2005–2012, Russia accounted for about 35–40%; in recent years, this declined to roughly 25–26%. China's share increased to ~25–41%, peaking in 2021 (≈ 40.8%). Other partners have held a steady ~30–35%, while the Republic of Korea remains modest at ~4–7%. Overall, Mongolia's imports continue to rest on two pillars: energy and fuels from Russia, and industrial/consumer goods from China.

Policy implications (linked to GTI 'mega-projects'). The eastern vertical corridor (Sainshand–Baruun-Urt–Khööt–Bichigt; Choibalsan–Ereentsav) and port modernization are expected to:

- create additional border gateways,
- increase the share of other partners,
- reduce transport costs and time, and
- enhance export competitiveness.

Soft-infrastructure measures-such as inward/outward processing customs regimes supporting SMEs-can further diversify exports and lift the "Other partners" line on a sustained basis.

2-3-2. Overview of Projects and Programs Implemented in Mongolia

Between 2015 and 2025, Mongolia implemented a number of GTI-supported projects and activities-primarily in Dornod Province in the eastern region-to foster regional economic growth and cross-border cooperation [2]. The table below summarizes, by year, each major project's title and objective, financing amount and source, and implementation status

Table 4. Projects implemented in Mongolia under GTI, 2015-2025

Year	Project title and objective	Financing (amount, source)	Implementation status
2015	GTI Local Cooperation Forum (Choibalsan): regional dialogue on cross-border trade and logistics; information-sharing event.	Local government budget; GTI program funding (pooled contributions from member states).	Successfully organized.
2016	Eastern-region transport & logistics infrastructure study: technical-economic assessment to identify needs and corridors for rail and road network development.	Research under the GTI program (financed by development partners).	Implemented; study complete
2019	Customs pilot to support SME exports: initiative of the Mongolian General Customs Administration to introduce inward/outward processing regimes and simplify export clearance for SMEs, facilitating cross-border SME exports.	USD 130,000 - GTI Korea Trust Fund (Government of the ROK), 100% external financing (Mongolia 0%).	Approved by the GTI Customs Subcommittee in 2019; temporarily delayed for funding reasons, but successfully implemented in 2022-2024.
2022	SME export-support customs project (follow-on): implementation phase of the temporary customs regime project; development of information systems to expedite border clearance of SME products.	Continued under the above financing (USD 130,000 project)	Successfully implemented in 2022-2024.

Note: Although Mongolia has been an active participant in GTI since the 1990s, the program's financing rule-requiring the initiating member to contribute at least 30% of total project costs from domestic sources-has remained a constraint. Until 2019, more than ten Mongolia-initiated proposals failed to obtain GTI funding; the 2019 customs pilot became the first GTI-funded project that was implemented successfully.

Looking at the financing structure of both GTI projects and major eastern integration initiatives, a common pattern emerges: the domestic contribution is relatively small, while a substantial share is covered by foreign investment and concessional lending. The subsequent table presents representative cases, showing the domestic vs. external shares, names of funding sources, and total amounts.

Table 5. Structure of domestic and external financing (GTI/related projects)

Project / Programme	Domestic financing (%)	External financing (source, country)	Total financing
Customs pilot to support SME exports (GTI, 2019) – an initiative of the Mongolian General Customs Administration to introduce inward/outward processing and simplify export clearance	0	100% – GTI Korea Trust Fund (Government of the Republic of Korea)	~USD 130,000
Dornod–Sainshand oil pipeline (2023) – 530-km crude pipeline to supply the domestic refinery	100	0% – financed solely by Erdenes Tavan Tolgoi JSC (state-owned, Mongolia)	~USD 388 million
"Züvch–Ovoo" uranium mine (Orano) (2024) – Mongolian–French joint investment (Badrakh Energy LLC)	34	66% – Orano Group (France)	~USD 1.6 billion
"Mongol Refinery" oil refinery (2018–2025) – Altanshiree, Dornogovi; capacity 1.5 mtpa	0	100% – EXIM Bank (Government of India credit line)	~USD 1.2 billion

Note: Under GTI program rules, the initiating member is expected to contribute at least 30% of total project costs from domestic sources; in Mongolia's case, limited fiscal capacity meant that many proposals did not obtain funding prior to 2019. The 2019 customs pilot was an exceptional case with 100% external financing from the ROK side [6]. Going forward, GTI could leverage mechanisms such as EXIM-bank linkages to finance other "hard" infrastructure projects [29].

2-3-3. Eastern Region Development Strategy and Cross-border Cooperation

Mongolia's eastern region (Khentii, Dornod, and Sükhbaatar) occupies a pivotal place in GTI's regional integration agenda. Major transport and energy infrastructure projects are therefore planned for the area, several of which have already begun. The tables below classify the key road and energy projects by route/location, length, budget, and financier.

Table 6. Railway projects in the Eastern region

Project (alignment)	Location & Connection	Length (km)	Budget (preliminary)	Investor / Financier
Sainshand–Baruun–Urt railway	From Sainshand (Dornogovi) to Baruun–Urt (provincial center of Sükhbaatar)	350	~USD 700 million	Planned (investor sought)
Baruun–Urt–Khööt railway	From Baruun–Urt to Khööt station (on the Sükhbaatar/ornod boundary)	140	~USD 280 million	Planned
Khööt–Bichigt railway	From Khööt station to Bichigt border crossing (Mongolia–China)	200	~USD 400 million	Planned (investment talks initiated with the PRC)
Khööt Nomrog railway	From Khööt station to Nomrogborder crossing (Mongolia–China)	380	~USD 760 million	Planned (long–term)
Ereentsav–Choibalsan railway	From Ereentsav border point to Choibalsan city (Dornod)	210	~USD 420 million	Planned (talks with the Russian Federation; linkage to the Russian rail network via Ereentsav)

Note: By linking directly to China and Russia across the eastern region, Mongolia has conceptualized these new rail lines as the "Eastern Vertical Axis" (approx. 1,280 km in total). The corridor is of strategic importance for scaling up international transport and transit flows and for improving access to third-country seaports.

Table 7. Road projects in the Eastern region

Project/route	Location & Connections (aimag)	Length (km)	Budget	Investor/ Financier
"Eastern Vertical" highway corridor: Ulkhan–Bayan-Uul–Chinggis–Bor-Öndör–Zamiin-Uud	From Ulkhan border point on the Russian frontier to Chinggis (Khentii), then via Govisümber to Bor-Öndör and on to Zamiin Uud (Dornogovi)	~1,100	~USD 300 million (preliminary)	Government of Mongolia (budget capex; concession sought)
Paving/expansion: Bichigt–Baruun-Urt	From Bichigt (Sükhbaatar) border crossing to Baruun-Urt (provincial center); a key regional export road	290	State budget	In service (constructed 2009–2013)
New road: Ulkhan–Choibalsan	From Ulkhan (Dornod, RU border) to Choibalsan (provincial center)	230	TBD / not specified	Planned (investor sought)

Note: The eastern road network remains incomplete; many soum centers are still connected by gravel roads. Segments such as Ulkhan–Choibalsan and Chinggis–Ulkhan include ~200 km of unpaved sections, with travel times of ~6–10 hours. Hence, phasing in paved links along the Eastern Vertical Axis is a core regional development goal. In 2022, under the Port Revival policy, freight flows through Bichigt–Zuunkhatawch and Khavirga–Arkhashaat border points were restored and normalized.

Table 8. Energy projects in the Eastern region

Project/facility	Location	Key parameters	Financing (source)	Status/outcome
Dornod 50 MW Thermal Power Plant	Choibalsan (Dornod)	New 50 MW plant to improve regional power supply	~₮120 billion (state budget; development finance)	Commissioned (entered service in 2024)
Dornod–Sainsh and crude oil pipeline	Matad (Dornod)→ Sainshand (Dornogovi)	530 km crude pipeline to supply the domestic refinery	~USD 388 million (Erdenes Tavan Tolgoi JSC, domestic financing)	EPC launched (started in 2023; scheduled completion within 3 years)
"Mongol Refinery" oil refinery	Altanshiree (Dornogovi)	1.5 mtpa refining capacity (target commissioning 2025)	~USD 1.2 billion (EXIM Bank of India credit line)	Under construction (2020–2025)

Note: In April 2023, construction began on the Matad–Sainshand pipeline, a strategic project to ensure crude feedstock for Mongolia's first refinery [7]. Originally planned under a concessional loan from the Government of India, the pipeline's financing shifted in 2022 to Erdenes Tavan Tolgoi JSC's own resources [28]. In 2024, the Dornod Thermal power plant expansion added 50 MW, enabling the provincial center to meet its power demand domestically [18].

Most eastern-region infrastructure projects (railways, roads, plants, etc.) are currently at feasibility or negotiation stages and are being advanced via external loans/investment from neighbors (e.g., China, India) or via domestic state-owned enterprise financing (see Table 2). This underscores the high importance of external financing for moving regional cooperation projects forward [3][14].

2-4. Mongolia's Development Policy and Programming Related to GTI

Mongolia's long-term development policy, Vision 2050, aims to achieve national development goals through active participation in regional economic cooperation. The policy document explicitly states that Mongolia will "implement the Greater Tumen Initiative (GTI), the Silk Road, and the Tea Road programmes to expand trade and tourism" [18]. In other words, GTI is positioned in Mongolia's long-range strategy as a key instrument to support regional trade and tourism.

In the first implementation phase (2021–2030) of Vision 2050, Mongolia sets numerous goals to integrate into regional transport and logistics networks and to develop an export-oriented economy. These include: linking Mongolia to international transport and logistics systems; actively integrating into Asian highway and railway networks; and, with neighboring countries, expanding border-crossing capacity and establishing free economic zones. Taken together, Mongolia's medium-term (to 2030) ambition is to create deep economic linkages with its neighbors and the wider region, and to function as a transit and logistics hub. Within this agenda, GTI provides concrete avenues and instruments for implementation.

Under the New Recovery Policy, targets for industrial and export revival -such as supporting value-added processing of agricultural and mineral products for export-are consistent with several GTI initiatives in agriculture and environment (e.g., building regional food-supply networks and cooperation on eco-friendly product supply chains).

Furthermore, when the Government approved its 2024–2028 Action Programme in 2023, it embedded objectives to deepen regional cooperation and expand investment in transit transport, power exports, and digital infrastructure. In implementing these aims, Mongolia can align its efforts with emerging opportunities under GTI-such as regional power-grid interconnection in Northeast Asia and cross-border e-commerce initiatives. Mongolia also supports broader multilateral frameworks in Northeast Asia (e.g., RCEP) and pursues an open-economy policy. Because GTI also advances the region's "soft" agenda (institutional coordination, capacity development, research and analysis), it remains a core platform for Mongolia's open-development strategy.

In sum, GTI is reflected in Mongolia's long- and medium-term planning at several levels:

Infrastructure and market access. Leveraging GTI to implement major regional infrastructure projects and expand access to global markets;

Export-oriented production and tourism. Linking national objectives on export industries and tourism to GTI's trade and investment cooperation;

Regional integration and multilateral diplomacy. Using active participation in regional integration to articulate and safeguard national interests in multilateral dialogues and to cultivate a favorable external economic environment.

These points confirm that Mongolia's development policy is aligned with GTI's objectives and operations. Going forward, Mongolia should continue to originate concrete proposals and projects within GTI that directly support its national development goals.

Mongolia has, over the past decade, updated its long- and medium-term policies and initiated a regionalization concept, while also acceding to multiple international initiatives to deepen economic integration with neighbors. The table below (to be compiled) will list the major policies and programs since 2015, including adoption year, implementation period, and their linkages with GTI objectives.

Table 9. Mongolia's development policies and programmes aligned with GTI

Year	Policy / Program	Period	Key GTI-aligned directions (regional integration)
2016	Sustainable Development Vision – 2030 (long-term national policy; approved by the State Great Khural /Parliament in 2016)	2016 – 2030	Balanced regional development; creation of integrated infrastructure networks; pathway to an upper-middle-income, green economy by 2030. Eastern (and other) regional development and integration explicitly reflected.
2020	Vision 2050 (long-term development policy; SGK Resolution No. 52 of 2020)	2020 – 2050	National vision to 2050. Phase I (2021–2030) targets economic corridors with neighbors, entry into regional economic integration (incl. exploring FTAs with Russia/China), and explicitly implements GTI-supporting the integration of the Eastern region.
2021	Five-Year Main Directions & Ten-Year Plan (Phase-I operational plan for Vision 2050)	2021 – 2030	Embeds the New Recovery Policy; upgrades border-crossing capacity, develops economic corridors, industrialization, energy and logistics infrastructure; balances cooperation with third neighbors; advances an export-oriented economy.
2022	New Recovery Policy (Government initiative; SGK Resolution No. 106 of 2022)	2022 – 2026	Post-pandemic medium-term recovery. One of six packages-Port Revival-boosts border infrastructure and trade facilitation. Also accelerates Eastern-region energy/transport/ logistics projects (e.g., reopening Bichigt and Khavirga border points in 2022–2023; advancing new rail links).
2024	Regional Development Concept – 2050 (SGK Resolution No. 23 of 2024)	2024 – 2050	Strategy to balance development via regionalization. Positions the Eastern region as a hub for heritage tourism and intensive agriculture; upgrades rail/road/air (and inland water) infrastructure; makes the region an active participant in Northeast Asian integration. Highlights projects such as the Bichigt-Zuunkhatawch rail and Buir Lake-Khalkh Gol tourism networks.

Table 9. Continued

Year	Policy / Program	Period	Key GTI-aligned directions (regional integration)
2024	Government Action Programme 2024–2028 (coalition government post-election)	2024 – 2028	Commits to 14 mega-projects[12]; initiates investor negotiations (e.g., Oranojoint uranium project signed in 2023, ~USD 1.6 bn, as a third-neighbor FDI case). Expands economic cooperation with PRC and RF; advances new border-link railways (e.g., Gashuunsukhait–Gantsmod connection noted for 2025 start).

2-5. Mongolia's Position on Elevating GTI to an International Organization

Mongolia supports the legal transition of the Greater Tumen Initiative (GTI) into a formal international organization. From the moment it joined, Mongolia has wished to strengthen the initiative's self-reliance beyond the UN and other partner agencies. In 2006, while chairing the GTI Consultative Commission, Mongolia officially voiced the need to reinforce GTI's institutional structure and upgrade its status. Between 2010 and 2015, Mongolia endorsed the road map for transforming GTI into an international organization and took part in the relevant processes. Because member states could not reach a consensus at the time, the plan was postponed and Mongolia instead supported a 'functional transition.' In short, Mongolia has remained flexible, accepting any phased approach to GTI's institutional evolution.

Since 2020, discussion of international-organization status has regained

12) Orano uranium project: Following an intergovernmental investment agreement concluded in 2024 between Mongolia and France, the joint venture Badrakh Energy LLC (Orano 66%-MonAtom 34%) agreed to develop the Zuuvch-Ovoo uranium mine near Zuunbayan, Dornogovi, with a 30-year operating term [25]. The project's total investment is estimated at USD 1.6 billion, with initial production targeted for 2028 [24]. This initiative exemplifies Mongolia's "third-neighbor" investment policy and aligns with priorities under the New Recovery Policy [23].

momentum, and Mongolia sees strong grounds for a proactive stance. Regional circumstances have shifted and, amid great-power competition, small multilateral initiatives must enhance their institutional capacity. Notably, UNDP withdrew from GTI in 2016, making formalization increasingly imperative. Once GTI attains legal personality, its operations will become more autonomous and sustainable under a multilateral treaty among the members.

Anticipated benefits for Mongolia:

- Expanded financing channels: As an international organization, GTI could sign agreements with entities such as the World Bank, ADB, and UN specialized agencies in its own name, thereby unlocking additional external support and investment for Mongolia.
- A strengthened Secretariat. A larger, more professional Secretariat would improve project-delivery capacity, enabling Mongolia to participate more broadly and swiftly.
- Clearer decision rules: International-organization status would allow members to renegotiate contributions, voting procedures, and dispute-settlement mechanisms. For a smaller economy like Mongolia, embedding principles such as "one country – one vote" or safeguards against disproportionate financial burdens is essential.
- Admission of new members and observers: Mongolia views expanded membership as a strategic opportunity-specifically to bring in Japan (already an observer since 2018) and potentially offer DPR Korea a path to re-join. Broader participation would augment GTI's reach and Mongolia's own multilateral network.

Risks and challenges:

- Ratification hurdles: Transforming GTI requires a new multilateral treaty to be signed and ratified by each parliament. Mongolia must manage the domestic approval process carefully. Contentious issues-contribution levels, Secretariat location, membership criteria-could delay national initiatives.
- Higher annual contributions: Mongolia currently contributes roughly USD 100,000 or less per year; a larger budget might raise that figure. The

government must communicate the tangible returns-greater project finance, staff positions for Mongolians, and a formal platform to advance national infrastructure and energy projects-to pre-empt criticism.

- Institutional readiness: Mongolia needs a coordinated inter-agency structure, trained personnel, and appropriate domestic legal adjustments (tax, privileges, legal environment for GTI offices) before the transition takes effect.

Proposed Mongolian contributions:

- Analytical support: Mongolia already participates in the KIEP/RIN research on GTI's legal transition and can continue to supply data and co-author comparative studies.
- Honest-broker role: Maintaining balanced relations with China, Russia, and the ROK, Mongolia can help mediate compromises during negotiations.
- Flagship initiatives: Once GTI is upgraded, Mongolia intends to table signature projects-e.g., a "Northeast Asia Power Super-Grid" working group, or leadership on a "Tumen Free Trade Agreement." Proactively shaping the agenda will bolster Mongolia's profile.

In conclusion, Mongolia strongly endorses transforming GTI into an international organization, provided that:

- the financial burden remains manageable;
- equitable decision-making safeguards are entrenched; and
- the tangible developmental benefits for Mongolia are clearly articulated to domestic stakeholders.

If these conditions are met, GTI's upgrade can significantly enhance Mongolia's access to funding, its influence in regional economic integration, and the effectiveness of its own development strategies.

3. Republic of Korea

3-1. Position and Policy Direction on the Legal Transition of GTI

ROK views the Greater Tumen Initiative (GTI) as the core framework for multilateral cooperation in Northeast Asia. The GTI is a consultative body officially launched in 2005, originating from the Tumen River Area Development Project (TRADP) spearheaded by the United Nations Development Programme (UNDP) in the early 1990s. It serves as a multilateral intergovernmental cooperation platform in Northeast Asia involving four countries: China, Mongolia, ROK, and Russia. Since the GTI's inception, ROK has been actively engaged, expanding the scope of cooperation in various ways at both the central and local government levels. ROK has consistently supported the GTI, believing that regional economic cooperation through this framework can contribute to the common development of the Korean Peninsula and its neighboring countries. In particular, through GTI cooperation projects, ROK has demonstrated its policy intent to lay the groundwork for inter-Korean economic cooperation and, further, to link Northeast Asian economic integration with strategies for peace and prosperity on the Korean Peninsula. Against this backdrop, the ROKn government assesses that participation in the GTI will contribute not only to expanding economic cooperation but also to fostering peaceful relations in the Northeast Asian region through the establishment of institutional trust.

The economic potential of the GTI cooperation is immense. As of 2023, The combined GDP of the four member countries, China, Mongolia, ROK, and Russia, reaches approximately $22 trillion, surpassing the entire European Union (EU)'s economic scale of $18.6 trillion. In terms of population and resources, it also forms one of the central pillars of the global economy.

Considering this economic scale, it is expected that if this region can be directly and indirectly linked and integrated through platforms like the GTI, it could generate significant growth momentum. Particularly, the GTI region possesses abundant natural resources, low-cost labor, a developed manufacturing base, and the geographical advantage of being a crossroads for major maritime and land transport routes, creating conditions where systematic cooperation can maximize synergistic effects. To maximize this potential for regional cooperation, ROK is encouraging participation from its domestic companies and local governments, thereby simultaneously promoting the revitalization of the East Coast and border region development alongside regional growth.

Participation in the GTI aligns with ROK's Northeast Asia economic cooperation and peace initiative policies. The ROKn government has emphasized strengthening mutually beneficial economic ties with neighboring countries to establish a peace regime on the Korean Peninsula, even in foreign strategies like the New Northern Policy. Northeast Asia has long lacked formal regional economic cooperation organizations like EU or ASEAN, with cooperation between nations primarily conducted on a bilateral basis. Since its inception, the GTI has consistently served as the foundation for regional cooperation by establishing a channel for collaboration through a consultative body involving all four nations surrounding the Korean Peninsula. It is expected to grow into a multilateral cooperation channel tailored to Northeast Asia, enabling the joint resolution of regional issues and strengthening economic interdependence.

The GTI promotes multilateral cooperation projects in six priority areas: transportation and logistics infrastructure, energy, trade and investment, environment, tourism, and agriculture. It establishes sector-specific boards and committees to coordinate policies and develop projects, thereby naturally fostering the foundations for an economic community. Such progress in economic cooperation can create an environment conducive to easing tensions and settling peace on the Korean Peninsula. As regular dialogue and projects accumulate within the multilateral framework through the GTI, tangible outcomes in promoting economic development will be achieved. Furthermore, sustained dialogue and joint project implementation will maintain points of cooperation even amid the region's geopolitical dynamics, ultimately contributing to the formation of peaceful relations and reinforce political stability within the region.

To enhance the economic and diplomatic potential of the GTI, it is necessary to develop it into a stable and efficient cooperative governance framework. This will serve as an important means to support the long-term vision for Northeast Asian economic integration and the strategy for peace and prosperity on the Korean Peninsula.

3-2. GTI's Key Policy Directions, Challenges and Opportunities

3-2-1. Key Priorities

The core priority for the GTI is to secure institutional stability and sustainability to grow into an organization capable of playing a pivotal role in building prosperity and peace in Northeast Asia. The GTI's legal transition aligns with national strategic objectives such as expanding multilateral cooperation in Northeast Asia, laying the foundation for peace and prosperity on the Korean Peninsula, and promoting regional economic integration. If the GTI evolves beyond its current loose consultative body status into an independent international organization with legal personality, it will enhance the symbolic significance of Northeast Asian economic development projects and ensure their continuity. The GTI signifies regional development through the pursuit of related projects with the support and investment of multiple Northeast Asian countries, transcending individual national interests. This will contribute to enhancing the trust and participation of the international community.

The GTI has set strengthening regional connectivity as its top priority. The Greater Tumen Region encompasses a vast area including China's three northeastern provinces and Inner Mongolia, Mongolia's three eastern aimags, Russia's Primorsky Krai, and ROK's East Coast port cities. Integrated development of this region requires seamless transportation and logistics infrastructure connectivity. Since the 2010s, the GTI has introduced the concept of Trans-GTR Transport Corridors, establishing comprehensive plans centered on major transport routes like the Tumen Corridor and Suifenhe Corridor to link roads, railways, ports, and logistics centers.

Furthermore, the GTI pursues the promotion of regional economic integration through trade facilitation as a key priority. The intra-regional trade remains low among the GTI member countries compared to other regional cooperation bodies, such as ASEAN. Factors such as the complexity of customs procedures, non-tariff barriers, and institutional differences act as obstacles to trade revitalization. Consequently, the GTI is promoting initiatives through its Trade Facilitation Committee, including the reduction of technical barriers to trade, simplification of customs procedures, and the establishment of an electronic trade platform.

If the GTI acquires independent legal status, the symbolic significance and legitimacy of these regional development projects will be greatly enhanced. This is because the status as an international organization signifies that the GTI project is not merely a one-off initiative driven by the interests of individual nations, but rather a sustainable regional development program recognized by the international community. This is expected to have a positive impact on attracting private investment, cooperation with international financial institutions, and expanding participation from third countries.

3-2-2. Key Challenges

The GTI has accumulated considerable achievements over its 30-year history since its founding. But it simultaneously faces several challenges.

Firstly, examining the GTI's history, from the inception of the TRADP in 1995 to its transition in 2005, and the subsequent period around 2014, there was an expansion and spread of the momentum for cooperation as specific development projects were proposed, such as the development of Zarubino Port, cross-border tourism, and the advancement of Northeast Asian maritime logistics. However, the COVID-19 pandemic crisis persisted for a significant period in 2020, and intensifying global strategic competition significantly worsened the environment for regional cooperation. These changes in the geopolitical environment made it difficult to advance substantive cooperative projects among GTI member countries.

Secondly, the GTI cannot restore and revitalize the momentum for cooperation solely through its own efforts. There are inherent limitations. The GTI itself faces structural constraints and operational challenges. Currently, GTI operates as a hybrid cooperation mechanism under UNDP support. However, the operational budget, personnel, and administrative capacity required for transboundary projects exceed what UNDP can provide. Regarding the personnel and budget operations of the GTI Secretariat, the coordination requires consideration of both member countries' views and UNDP regulations. Furthermore, its financial and legal capacity is limited for independently executing large-scale development projects. The GTI's lack of independent legal personality introduces complexity, requiring simultaneous consideration of member state consensus and UNDP procedures. These operational constraints limit the GTI's ability to function as the true backbone of Northeast Asian economic cooperation. To overcome this, it appears necessary for the GTI to acquire independent legal status.

Thirdly, the nature of the projects pursued by UNDP and the GTI differs somewhat. While UNDP's core mission is to support individual countries in achieving their Sustainable Development Goals (SDGs), the GTI aims for the integrated development of transboundary regions spanning multiple countries. Due to these structural limitations, the GTI faces difficulties in establishing independent strategies, making swift decisions, and securing long-term funding.

3-2-3. Opportunities for GTI Cooperation

There are still opportunities for the development of the GTI, and its potential is expected to grow alongside future efforts to promote its legal transition. Firstly, the economic growth and mutual complementarity within Northeast Asia itself are strengthening the foundation for cooperation. Despite recent global economic fluctuations, Northeast Asia remains one of the world's most dynamic economic regions. The combined potential of China's sustained growth, ROK's technological innovation capabilities and Russia and Mongolia's resource development could generate enormous economic value. Thanks to this complementary structure, expanding trade and investment, as well as pursuing joint projects within the GTI framework, has the potential to deliver mutually beneficial outcomes. For instance, various initiatives are gaining feasibility, such as projects linking Russia's natural gas and Mongolia's coal resources with ROK and China's capital and technology in the energy sector, and projects connecting China and Mongolia's inland logistics nodes with ROK's ports and Russia's rail network in the transportation sector. The GTI can play a role in facilitating such transnational economic cooperation projects, presenting an opportunity to provide new growth engines for all member countries.

Secondly, there is also significant potential for development through collaboration with extra-regional partners. Japan's potential accession as a full member would substantially expand the GTI's standing and resources, given its status as a major economic power in Northeast Asia. Should DPRK also rejoin as a GTI member, the regional connectivity of GTI projects aimed at transnational infrastructure development in Northeast Asia would be strengthened. Furthermore, beyond the UNDP, partnerships with international financial institutions interested in Northeast Asian development cooperation, such as the Asian Development Bank (ADB) and the Asian Infrastructure Investment Bank (AIIB), could secure more abundant development resources. For instance, linking the GTI projects with the ADB's priority support areas, such as regional transport corridor projects, or with the AIIB's infrastructure investments, would be advantageous for achieving tangible results. Furthermore, if the GTI gains international recognition as an organization, it could pursue formal cooperation with relevant international bodies like UN ESCAP. This would position the GTI as a regional implementation platform for global agendas (e.g., the Sustainable Development Goals, SDGs). Such recognition would form the basis for attracting international support and interest in the GTI projects.

Thirdly, the GTI's role as a platform for collaboration in responding to regional economic realignment in the post-pandemic era is becoming increasingly prominent. As transnational issues such as the restructuring of global supply chains, climate change response, and energy security emerge, Northeast Asian countries are recognizing the necessity of regional cooperation once again. The GTI provides an existing framework for jointly addressing these new challenges, increasing member countries' willingness to utilize it. Particularly regarding climate change, which demands concerted regional efforts in Northeast Asia, the GTI can respond to the changing environment by identifying joint climate change response projects through its Energy and Environment Working Group. Furthermore, the post-COVID-19 pandemic has highlighted the need for multilateral health and medical cooperation within the region. This has prompted exploration of new cooperative agendas through the GTI platform, such as joint stockpiling of epidemic prevention supplies and sharing information on infectious diseases. This potential for expanding the horizons of cooperation demonstrates that the GTI has room to develop into an even more valuable platform for its member countries.

3-3. Rationale for GTI's Legal Transition

In order to realize the priority actions, overcome the challenges, and capitalize on latent opportunities examined earlier, it seems necessary to secure the GTI's institutional stability. The GTI's legal transition involves changing the GTI from its current consultative body (status quo) to an independent international organization. Granting this legal status would secure the institutional stability of the GTI's integrated cooperation. The key benefits of the GTI's legal transition are as follows:

In terms of overcoming structural limitations, institutionalization as an international organization would provide the GTI with legal personality and a charter based on its own treaty, enabling it to address the administrative and financial constraints that have necessitated reliance on UNDP. For example, it will be able to formulate and execute budgets on behalf of the GTI. The recruitment and management of Secretariat personnel can also be conducted independently, provided there is agreement from the member states. This will enhance the speed and accountability of decision-making and implementation. Furthermore, becoming an international organization will allow the GTI to enter into direct contracts or agreements not only with member governments but also with private entities, local governments, and international financial institutions, facilitating smoother cooperation projects with diverse stakeholders. Currently, the GTI's ambiguous legal status has hindered its role as a lead agency in large-scale infrastructure projects. However, after legal transition into an international organization, the GTI will gain the capacity to act as the project lead, overseeing both funding and implementation.

From the standpoint of reinforcing the financial foundation, legal transition into an international organization would enable member states to establish a formal contribution framework, thereby ensuring the stable formation of the GTI budget. Until now, operating costs have been covered by voluntary contributions from member countries and UNDP projects. However, after becoming an international organization, voluntary contributions from member countries and non-regional partners can be utilized as the GTI's new project budget. If the GTI successfully becomes an international organization recognized by the OECD Development Assistance Committee (DAC) as eligible for Official Development Assistance (ODA), it will open up new opportunities to secure substantial ODA funding for the development of underdeveloped regions in Northeast Asia and to respond to the climate crisis. The OECD DAC assesses ODA eligibility of international organizations and includes them in Annex 2: List of ODA-Eligible International Organizations. Contributions by DAC member countries to international organizations included on this list can counts as ODA, which is recognized as the donor country's ODA achievement. Therefore, DAC member countries have an incentive to expand their contributions to ODA-eligible international organizations.

ODA funding can significantly exceed the scale of regular member contributions. For example, major international organizations such as the World Health Organization (WHO) and the Food and Agriculture Organization of the United Nations (FAO) secure a significant portion of their operating budgets through voluntary contributions, including ODA, in addition to regular member state assessments. In the case of the World Organisation for Animal Health (OIE), after being listed as an ODA-eligible international organization in 2019, it was granted an ODA coefficient of 61%. This means that 61% of contributions to its regular budget and specific funds are recognized as ODA. This has significantly expanded the financial contributions from donor countries.

Furthermore, gaining international organization status facilitates attracting third-party donations. Obtaining international organization status would allow it to receive direct project funding from other countries or international funds, in addition to its current support through the UNDP. It would also be possible to establish trust funds with institutions such as the World Bank or the ADB. This ability to mobilize diverse funding sources will significantly expand the scale and influence of the GTI projects.

Consequently, even after the GTI's legal transition, member countries' regular assessed contributions may not be excessively increased. Conversely, securing additional resources through ODA and voluntary contributions could dramatically strengthen the GTI's financial foundation. This means the GTI will gain the capacity to plan and execute larger-scale development projects.

Elevating the GTI to an international organization institutionalizes cooperation and enhances its symbolic significance, meaning it institutionally solidifies multilateral cooperation in Northeast Asia. Member states declaring their mutual commitment to cooperation and making legal commitments through a treaty constitutes a significant milestone in establishing a tradition of multilateralism long lacking in the Northeast Asian region. This also carries great diplomatic symbolism. The legal transition of the GTI signifies the birth of the first official regional organization involving the Korean Peninsula and the three major surrounding nations. This will send a strong signal to the international community that Northeast Asia prioritizes cooperation over conflict and aims for shared prosperity. Positive effects are also anticipated within member countries, such as enhanced inter-ministerial coordination and increased public awareness. Once formalized, national governments will respond to the GTI affairs more systematically. Preparing for regular meetings and monitoring implementation will involve multiple ministries and stakeholders, strengthening domestic coordination mechanisms. This will form the foundation for enhancing the GTI's effectiveness.

In terms of expanding development resources and expertise, the GTI's legal transition will also help strengthen the professionalism of its own secretariat and enhance project planning and execution capabilities. While currently operating with UNDP-dispatch personnel and a small staff, becoming a formal international organization would enable the dispatch of specialized personnel from member countries or expanded recruitment to enhance the Secretariat's capacity. This would facilitate more professional project identification, feasibility studies, and monitoring, thereby improving the quality of cooperative projects. Furthermore, significant progress can be made in project implementation methods, such as conducting international bidding under the GTI's name or promoting investment attraction. Particularly for large-scale infrastructure projects, securing credibility as an international organization will facilitate participation from global development banks in co-financing, making complex financial arrangements a reality.

Thus, legal transition will serve as an opportunity for the GTI to make a qualitative and quantitative leap forward. Indeed, at the 15th Annual General Meeting in 2014, member countries agreed to legal transition of GTI into an international organization by 2016, and have since continuously held related consultations. Advancing these discussions further to swiftly complete the transition of GTI's legal status will serve as an opportunity to overcome the various challenges currently facing the GTI and capitalize on future opportunities

3-4. Recommendations for the Future Role and Structure of GTI

Alongside the drive to establish the GTI as an international organization, there are also proposals for several specific development directions regarding its future role and structure.

Firstly, the legal transition of the GTI is the most fundamental and effective development approach. ROK supports this approach. However, should the GTI become an international organization, ROK believes it is necessary to strengthen the continuity and effectiveness of cooperation through a binding institutional framework rather than a loose international forum format. When pursuing concrete and substantive cooperative projects like the GTI-such as transboundary infrastructure development, environmental conservation, and trade facilitation-a secretariat with strong enforcement capabilities and stable funding are essential. The launch of an international organization dedicated to developing underdeveloped regions in Northeast Asia signifies the potential to significantly amplify the momentum for advancing related projects. The existence of an international organization provides private investors with confidence in the stability and sustainability of projects and has the effect of encouraging participation from third countries. Indeed, there are examples from Central Asia and Southeast Asia where investment both within and outside the region surged following the establishment of regional development international organizations or multilateral development banks. If the GTI evolves into an international organization, it will gain independent legal personality, enabling it to enter into treaties, hold property, and participate in litigation. It could then be recognized as a credible regional development organization within the international community. Furthermore, by mobilizing diverse funding sources -including regular assessed contributions and voluntary contributions from member states, ODA, and private investment -it would be able to stably advance large-scale infrastructure projects and capacity-building programs.

Secondly, to enhance the effectiveness of the GTI, it is necessary to elevate the level of high-ranking leadership participating in the GTI from the current deputy minister level to the head of state or prime minister level. While deputy minister-level consultative bodies are suitable for practical coordination and project implementation, they have inherent limitations in generating political momentum, establishing strategic direction, and securing large-scale budgets. The political will of the highest leadership is essential for the success of regional cooperation, and this can be most effectively demonstrated through summit-level or prime minister-level meetings. The Northeast Asia region already has a trilateral cooperation mechanism among ROK, China, and Japan, featuring regular summits, foreign ministers' meetings, economic and trade ministers' meetings, and finance ministers and central bank governors' meetings. However, a high-level meeting system including Russia and Mongolia is currently absent. For example, there are no regular summit-level or prime minister-level meetings such as ROK-China-Russia, ROK-China-Russia-Mongolia, or ROK-China-Japan-Russia-Mongolia. If the GTI Consultative Committee is elevated to the level of prime ministers or heads of state, it would establish the highest-level consultative body for Northeast Asian multilateral cooperation, including Russia, providing strong momentum for regional cooperation. Summit-level meetings are effective in mobilizing media attention and public support, and they enhance the priority given to the GTI cooperation within member governments. Furthermore, summit-level agreements carry strong domestic and international binding force, facilitating implementation by bureaucratic organizations and making budget allocation easier.

Thirdly, expanding membership is essential to enhance the effectiveness and legitimacy of the GTI. For the GTI to leap forward as a genuine Northeast Asian regional cooperation body, it must complete an inclusive cooperation framework by encouraging the accession of Japan and DPRK.

Japan has shown significant interest in promoting Northeast Asian trade, infrastructure investment, and logistics cooperation. Furthermore, Japan is one of the world's largest ODA donors, providing over $20 billion in ODA as of 2023. Should Japan join the GTI and the GTI be recognized as an ODA-eligible international organization, Japan's ODA funds could be invested on a large scale into GTI projects.

DPRK's re-entry into the GTI is also a task that should be pursued from a long-term perspective. Although DPRK participated in the TRADP and GTI in their early stages before withdrawing in 2009, it remains a key stakeholder in the Tumen River region. During the process of internationalizing the GTI, it is necessary to provide DPRK with an opportunity to rejoin and emphasize that its participation could make the GTI a useful platform. If immediate full membership proves difficult, DPRK could be encouraged to engage indirectly in GTI activities through observer status or participation in specific projects. For instance, the GTI could cooperate on development projects in the Rajin-Sŏnbong area or involve DPRK in small-scale projects in agriculture or health-areas likely to interest them-thereby creating opportunities for confidence-building.

Finally, it would be desirable to enhance practical implementation capabilities by setting more specific and actionable sub-goals—such as developing transportation hubs and strengthening the functions of free economic zones—under the overarching objective of Northeast Asian regional development. Dr. Kim, who is a former Executive Secretary of UN ESCAP, also proposed shifting the institution providing administrative support to GTI from UNDP to ESCAP in the medium to long term.[13)]

3-5. Conclusion

ROK maintains a firm stance in supporting the revitalization of Northeast Asian regional economic cooperation through the GTI and, in the same vein, actively supports the legal transition of the GTI. Over its 30-year history, the GTI has served as the only intergovernmental economic cooperation mechanism in Northeast Asia and possesses ample potential to develop further as an institutional foundation for peace and prosperity in the region.

The legal transition of the GTI is not merely a formal change, but an opportunity for the GTI to make a qualitative leap and transform into a substantive engine for regional development. Should the GTI be recognized as an ODA-eligible international organization by the OECD DAC after its transition to an international body, development assistance funds from ODA donor countries, including ROK and Russia, could flow into GTI projects on a large scale, dramatically strengthening the GTI's financial capacity. Korea will support the GTI in this process to ensure it leaps forward as a genuine international regional development organization and further develops into an institutional foundation for peace and prosperity in Northeast Asia.

4. Russia

The GTI is a unique intergovernmental mechanism, which originally united five key players of the North East Asia region (NEA): the Russian Federation, the Democratic People's Republic of Korea (DPRK), China, Mongolia and the Republic of Korea to explore and unleash the potential for economic cooperation between member states in six priority areas: transport, tourism,

13) Haksu Kim, 2025, Keynote Speech on "Toward Better Regional Cooperation in Northeast Asia", GTI RIN Conference on Development Cooperation in Northeast Asia, (2025. 07.23.).

trade and investment, energy, agriculture, and the environment. With the occasional participation of Japan, that has successfully implemented several huge infrastructural projects in the NEA region, the GTI was envisaged as the platform strengthening connectivity among NEA countries. The choice of cooperation areas makes the GTI a promising forum for striving for prosperity of the population of the region in the time of the transformation of the global and regional economies.

Since the establishment of the GTI and its predecessor – the Tumen River Area Development Programme (TRADP), Russia has been its member, seizing this opportunity to develop trade, economic and investment cooperation with NEA countries, and to attract investments to major projects of regional scale to improve connectivity within the region and facilitate communication of the NEA region with other regions of the world. It mostly relates to the projects, implemented in the Far Eastern region of the Russian Federation.

GTI member countries have considered the regional cooperation as a key factor for sustainable growth, and have made efforts in implementing regional transport, tourism, trade and investment, energy, agriculture, and environment projects. However, there are still challenges regarding regional integration within NEA compared to other regions. While GTI member countries have implemented various measures and achieved significant progress in this context, there are still a lot of barriers and challenges that exist. Today the GTI faces systemic and emerging issues, which slow down the development of the organization. Among others, they include new unprecedented challenges, such as geopolitical shifts, unilateral, bilateral and multilateral sanctions, natural and man-made disasters, climate change, pandemics, which result in the global economic, finance and trade system fragmentation, uncertainty, global value chains disruptions, and looming economic crises all over the world. These trends reflect the urgent need for implementing the new principles of diplomatic work of higher level and further dialogue between all parties in order to find solutions which will be beneficial for all, based on commonalities and mutual interests rather than differences.

In these circumstances, as other international mechanisms, the GTI faces the need for transformation and internal change in order to adapt to the recent trends of international economic, finance and trade systems to find new solutions and be able to address rising challenges that the world in general and the member states in particular are facing.

To date, the GTI has gone through quite a long development path. From the very beginning, the institutional framework for cooperation was formed: in 1995, the founding countries signed an agreement on the establishment of the Consultative Commission (composed of high-level representatives of member countries). The Commission, which is the governing body of the GTI, meets annually at the senior level of the national economic agencies of member countries, serves as the major driving force behind the GTI, defining and updating its tasks and overseeing their implementation.

Since the 2010s, the GTI members started negotiations on transforming the GTI towards an independent intergovernmental institution. The preparatory stage was completed in 2015, when the parties agreed to start formulating the legal agreements, required for it.

The preparation of the legal agreements, required for the transformation of the GTI's legal status revealed the number of fundamental issues that require coherence of the countries' positions. In particular, these are the issues related to the GTI's legal registration, administrative organization, management and financing rules, principles of participation in its project activities, hiring personnel and others. Member countries have to carefully consider all of them as matters of priority, so that the future GTI activities in the new status fully meet the national interests of all GTI members. Moreover, apart from these matters, new issues have emerged in the changing international geopolitical and economic context that need to be considered while shaping directions for the GTI legal transition.

This section of the joint research project will provide some considerations of the Russian side on the GTI legal transition highlight the issues which should be solved before the start of the possible legal transition.

4-1. The GTI's Legal Transition

4-1-1. Legal Form

Despite the steady development of the GTI in changing political and economic conditions, its legal status (often referred to as "hybrid") nowadays is considered by some parties as not sufficient to conduct full-scale activities. They also believe that the GTI cannot properly position itself in external relations, sign agreements on its behalf, and act as a legal entity. These restrictions may be challenging for the GTI operational, financial and project activities.

In order to ensure that the GTI transformation to an independent intergovernmental cooperation institution contributes to strengthening its international image, it is advisable to clearly define its future legal status, fundamental principles, goals and activities to deliver its mission to the outside world. A well-prepared establishing document may play an important role in the administration of the future projects.

4-1-2. Format of the legal transition discussion and implementation

Considering the importance of the discussions about the GTI legal transition into the independent intergovernmental cooperation institution and challenges of the changing geopolitical and economic landscape of the region, it may be useful to form a working group or a technical expert's group, which would involve representatives from the Ministries, responsible for foreign affairs and trade and economic development for technical consultations on the possible future legal status and the format of the GTI. Taking into consideration the experience of other international fora, it may be useful to involve representatives from several organizations from each member country to consider all aspects related to the possibility of establishment and functioning of the GTI as an independent intergovernmental cooperation institution.

The same group might consider discussing and preparing the set of all establishing documents for the GTI as an independent intergovernmental cooperation institution - the respective GTI statement, the new GTI terms of reference and the Plan of action for the first 5 years of the GTI in its new legal status, draft budget proposal, among others.

4-1-3. Financing

Financing of the GTI in its possible new legal status is an indisputable factor of its successful development. Reaching an agreement on the sources and procedures for financing the future GTI in its potential new status is a key step in its legal transition. When formulating such an agreement, it is essential to take into account the financial challenges encountered during the previous phase of the GTI's activity. Building on this experience, it may be useful to address, among others, the following points: establishing a formula for calculating national contributions based on a budget sufficient to ensure the full implementation of the GTI's mandate, as well as determining measures to prevent the negative effects of delayed payments by individual countries.

The agreements on financial issues might be reflected in the founding document of the GTI and subsequently detailed in a separate document to be adopted by the governing bodies of the GTI in its new status. As a matter of priority, the following provisions might be also consolidated: the procedure for the formation and approval of the organization's annual budget, the principle of budget balance in income and expenditure, the procedure for the formation and payment of national contributions, the main items of expenditure, the procedure for the formation of budgets for project activities, the procedure for co-financing the activities of the GTI from external donors, external audit.

When considering the issue of national contributions, special attention might be paid to maintaining a fair and clear algorithm for calculating the volume of the contributions of the participating parties in the formation of the GTI's budget, and the mechanism for ensuring timely approval and receipt of the contributions from all member states, so that the GTI's budget is sufficient to achieve the ambitious its goals.

In doing this exercise, the parties should also consider the ways to facilitate seamless and convenient financial transfers in the circumstances of financial sanctions and restrictions imposed on some of the GTI members and their individuals and legal entities.

As part of the preparation of the establishing documents on the issue of the GTI's financing, a separate document might also be prepared, namely a guide for the financing of projects implemented by the GTI and principles and procedures for cooperation with external donors. From the very beginning, it is important to establish systematic work on the preparation of project documentation in the GTI at the level of international standards and ensure appropriate reporting on them.

Moreover, it would be useful to calculate and see if it is economically feasible to make the transition and what economic and other benefits it would bring to the member states and the region, compared to continuation of the GTI's work in the current format and status. Upon the agreement of the GTI members, it may be done in the form of a feasibility study, which would focus precisely on economic matters.

Apart from that, in order to ensure full-fledged financing of the GTI's projects, it is desirable to create a separate GTI Partnership Fund at the initial stage of the organization's activities in order to mobilize additional (voluntary) contributions from both GTI countries and third countries for the projects' implementation.

These financial matters should be properly discussed and considered by the technical group of experts, mentioned above in order to streamline the change of the legal status of the GTI in a proper manner.

4-1-4. Project implementation

One of the most important reasons for the legal transition is providing a solid legal ground for the practical projects implementation to address the challenges, existing in the NEA.

In order to facilitate the possible process of internal consultations within the countries and for better understanding of future work of the GTI, it would be useful to determine and outline key areas of the GTI work as the independent intergovernmental cooperation institution, possible formats and the most prospective projects to outline the basis for practical work of the future GTI.

4-1-5. Membership Expansion

Along with the Russian Federation, the DPRK, China, Mongolia and the Republic of Korea became the founders of the project in 1995. Nevertheless, the DRPK withdrew from the GTI in 2009, citing the fact that the decisions taken by the UN Security Council infringe on its sovereignty. The return of the DPRK to the GTI would be in the interests of its all members, both economically and politically. The DPRK is located at the intersection of important regional transport routes and has a direct impact on the environmental situation in the region.

Apart from that, it will also be more productive for the future of the GTI if the members of the organization will participate in all working groups in their full capacity despite political restrictions or sanction regimes. Thus, in order to ensure full-scale participation of all GTI members in its activities and to unveil full potential of the implementation of all possible beneficial projects, it is important to make the GTI not affected by political issues and see the ways for cooperation even under the sanctions' regime imposed on some GTI members.

It is advisable to note in the founding agreement of the possible future GTI that the membership is open not only to the states of Northeast Asia region, but also to other Asian countries as observers or dialogue partners. The participation of new members in the GTI would attract additional financial resources, accelerate the implementation of infrastructure projects, and increase cargo flows along transport corridors. As a result, the future GTI organization can play a more important role for the development of the whole NEA region. In the changed geopolitical situation precise attention might be given to the ASEAN, SCO, and BRICS countries, including their dialogue partners so that the GTI could help connecting the NEA countries with the Eurasian, South-East Asian, South Asian and the Middle East countries.

Finally, in the long-term scenario the GTI may consider changing its name to, for example, the Organization for Economic Development and Cooperation in NEA reflecting its focus region in such a way. The new name could better reflect the new status of the association, its goals and objectives, as well as the broader scope of its activities.

4-2. The Opportunities for Expanding Cooperation in Major Sectors

It is important to note that the choice of the key areas for cooperation of the GTI make this organization an important entity in the region and helps to deepen cooperation of the member states on the issues of vital importance for all, in the times of global transition into the new format of social and economic development.

First of all, the GTI members might continue deepening cooperation in the field of trade and investment. In order to reduce the costs of trade for exporters and importers, it is necessary to foster simplification and harmonization of customs procedures. Moreover, steps such as improvement of customs clearance efficiency and stimulation of cross-border exchange of trade data in electronic form should also be implemented. Another major field is the e-commerce. It is vital to unlock its potential as a tool for involving SMEs in regional supply chains. In order to speed up this process a whole range of measures should be implemented, such as expanding access to information through e-commerce platforms, creation of joint e-commerce platforms and coordination of government agencies in the fields of e-commerce and trade. At the same time the Member States should continue taking steps towards trade liberalization between participating countries and the creation of new investment opportunities in the NEA, especially taking into consideration the geopolitical challenges of the region at the moment.

The transport sector remains an important industry. The interaction on transport is closely linked to many other areas. However, GTI countries should implement more measures to raise the level of infrastructure development and improve interconnection with each other through electronic systems. Firstly, the GTI countries might work together on enhancing the efficiency of current logistics routes in the NEA. The GTI countries might not only upgrade the transport infrastructure in the region, but also deepen the collaboration with the relevant organizations in participating countries responsible for managing international transport corridors. One of the possible options is the implementation of pilot projects in cross-border exchange of transport data. Secondly, the GTI members should make efforts towards opening up new logistics opportunities in NEA. For example, developing promising multimodal transportation routes or introducing digital technologies for cargo transportation.

Thirdly, the energy sector remains essentially important for the NEA countries cooperation, and its value for all GTI member states has increased even more over the last 10 years in the face of the challenges, created by climate change, and the change in the global value chains. The development of cross-border electricity trade in the NEA region becomes a promising area for cooperation. In order to facilitate such trade joint assessment of electricity supply and demand should be made, including the creation of a regional energy database and the preparation of periodic reviews. The GTI countries should also invest in the development of cross-border energy infrastructure. Apart from that the joint work should be done on improvement of the international contractual framework in the field of cross-border electricity trade and harmonization of the rules of the cross-border electricity trade market in the NEA. Another major area of cooperation in the energy sector is energy efficiency and low-emission technologies. The GTI countries have to join the forces in order to provide joint development of promising low- emission technologies (natural gas, hydrogen, nuclear and hydropower, etc.). One of the ideas can be joint research of innovative methods to reduce energy consumption in different industries.

Environmental protection continues to be an important area for cooperation in the NEA region. In order to pull together the views the GTI member countries have to develop the strategy for cooperation in environmental protection and cooperate with other environmental platforms in the NEA. Attention should be paid to preservation and a restoration of forests as a natural way to balance oxygen and CO2 circulation. Water security, land and soils restoration, rehabilitation after technological catastrophes and over use of natural resources in man's activities might be the possible areas for cooperation here, among others.

Agriculture is another vital sector of economy for the NEA countries to facilitate trade and ensure food security. However, some of them still remain vulnerable due to natural restrictions and lack of investment. The success of the sector depends on the introduction of sustainable practices of international cooperation. The GTI countries should combine their efforts to accelerate the expansion of regional agricultural cooperation in the NEA, creating joint agro-industrial clusters and using e-commerce platforms as a channel for promoting agricultural products for export. Apart from that, it will be effective to introduce new digital technologies to increase productivity in the agriculture sector.

The tourism potential of the GTI countries is extremely high, which makes this area of cooperation attractive not only for the member countries, but also for potential investors. It is important to mention that the countries should work together on simplification of visa regimes. One of the solutions can be harmonization and standardization of visa procedures and requirements. The GTI countries should also explore the possibilities of introducing a visa-free regime for tourists from the GTI member countries. Apart from that it will be great to create joint tourism clusters and strengthen ties between the business circles of the participating countries (tour operators, hotels, restaurants, etc.). Finally, the GTI countries should strive to develop new types of tourism activities (ecotourism, agrotourism, industrial tourism). Taking into consideration the possibly difficult provision of visa-free regime for all, the GTI might take into consideration the APEC Business Travel Card experience with the provision of the visa free regime for individual Card holders, approved by the respective public authorities for precise period normally within the duration of the passport validity of the Card holder. The similar initiative might be tested within the NEA to facilitate trade, business and people-to-people communication within the region.

At the same time there are more areas, that might be beneficial for the regional cooperation within the NEA, considering the recent world economy's developments. Digital Economy is one of the possible areas for extended cooperation of the GTI. First of all, it may cover such issues as interoperability of digital platforms and solutions, AI and digital technologies implementation for sustainable growth and well-being of people, and e-commerce development within the region, among others.

Considering the rich experience of all GTI members, education, social care and health might be another field of cooperation. Member states might exchange their experience in building complex education, social and health care systems and may find ways how to make them economically and physically affordable for the whole population.

4-3. Conclusion

The development of cooperation with the NEA countries is high on the agenda in the list of economic priorities of the Russian Federation. The tasks of establishing international cooperation and implementing cross-border projects with the countries of the region are stated in key national planning documents at both on the federal and regional levels.

Increasing the export potential and investment attractiveness of the Russian Far East has been one of the key objectives of Russian state policy in the region over the past 10 years. In this context, research on the assessment of the current state and prospects of trade, economic and investment cooperation in the NEA conducted within the framework of the GTI during the next 5 years, would provide a good opportunity to identify gaps in the ongoing state policy or, conversely, to confirm the relevance of the measures already being implemented, as well as show the areas for cooperation with the NEA countries, which will be beneficial for all.

It is important to mention Russia's competitive advantages in different fields that can become major opportunities for joint cooperation in the NEA region. Firstly, Russia has significant transit potential to all Greater Eurasian countries. Further development of this potential in both intraregional and transnational trade is a major part of Russia's policy. GTI's project activities aimed at improving the efficiency of existing logistics routes and opening up new logistics opportunities in the NEA can be considered as a tool for implementing this policy.

Secondly, Russia is striving to increase both non-energy and raw materials export (including energy). The country is open to new export opportunities and development of regional markets. The GTI's project activities aimed at assessing supply and demand can allow to receive up-to-date information from foreign partners in the NEA about the demand for mutual products. In addition, it is an opportunity to explore the potential of new product chains and strengthen the capacity of export-oriented companies to use these chains.

Thirdly, it should be mentioned that the regions of Siberia and the Far East have extensive natural potential and are becoming more and more popular in terms of ecotourism for tourists from the NEA countries, therefore this type of tourism is a growth point for Russia. Among the promising areas of further work for Russia are the practice of holding thematic policy dialogues with the participation of tourism administrations and tourism businesses from NEA countries, raising awareness of tourists from NEA countries about promising ecotourism routes in Siberia and the Far East, implementing joint projects to develop tourism infrastructure, creation of cross-border ecotourism routes, and conducting joint marketing campaigns on promotion of regional ecotourism products.

The joint cooperation within the GTI countries opens up excellent opportunities in various sectors of the economy. Moreover, close cooperation within GTI is an important foundation for the development of the entire NEA region. The new challenges that have emerged in the global economy in recent years should not be the obstacles, but new opportunities for the development of joint projects in NEA region.

However, it should be noticed that before starting the concrete discussions about changing the legal status of the GTI a set of issues, listed above, should be considered. There is the need for more proper discussion and preparation of the draft legal documents, defining the principles of the GTI's work as the independent international body. Moreover, the Parties should find the ways to overcome the geopolitical challenges, which have already resulted in the withdrawal of the DPRK from the GTI and the withdrawal of the Republic of Korea from one of the most promising and important GTI initiatives – the activities of the GTI NEA EXIM Banks Association. As a result, the extension of today's status of the interstate mechanism of cooperation under the operational contract with UNDP China for the next 5 years looks like a safer option for the GTI for the present moment.

At the same time, while taking such a scenario the GTI member states may look for the most appropriate legal form of the GTI, as the independent intergovernmental cooperation institution, and consider the ways to resolve the issues outlined above in the manner, beneficial for all GTI member states and, at the same time, allowing for extending NEA cooperation with other Greater Eurasia countries.

Chapter 6

Conclusion

1. Summary of Findings
2. Policy Implications
3. Strategic Directions for GTI’s Institutional Transformation

1. Summary of Findings

Over three decades, the GTI has functioned as the only intergovernmental economic cooperation mechanism in Northeast Asia, making notable strides in regional dialogue and project coordination. However, the study finds that GTI's current hybrid status – lacking an independent legal personality – has fundamentally constrained its growth and effectiveness. Without formal international organization status, GTI has been limited primarily to soft projects and cooperative activities (such as policy dialogues, capacity-building, and studies) and has struggled to implement hard projects. This limitation in legal and operational capacity has been widely acknowledged by member states, as evidenced by recurring discussions on transforming GTI's status over the years. Member countries recognize that under the present arrangement, GTI cannot enter binding agreements in its own name, mobilize substantial funding autonomously, or provide the strong institutional backing needed for ambitious regional development programs. In short, GTI's lack of legal personality has left it under-institutionalized relative to its potential mandate, hampering its ability to act as a catalyst for regional economic integration.

Another key finding is that the push for GTI's legal transition has become timely and imperative. The initiative's administrative support agreement with UNDP China is approaching its conclusion, bringing to the forefront questions about GTI's future viability. The end of UNDP's umbrella support effectively removes the institutional "safety net" that GTI has relied on since inception, thereby exposing GTI to operational uncertainties. In this context, the legal transition is no longer a matter of prestige or long-term vision alone, but a structural necessity to ensure GTI's continued survival and relevance. The study highlights that without a transition to an independent intergovernmental organization, GTI risks stagnation or even dissolution in the face of evolving regional dynamics. Conversely, a successful legal transformation would enhance GTI's credibility and effectiveness, enabling it to secure sustainable financing, attract high-impact investment projects, and deepen cooperation among members. For instance, if GTI were recognized as an international organization with full legal standing (and potentially deemed ODA-eligible by the OECD DAC), it could unlock access to substantial development assistance funds from member states and international donors. This would dramatically strengthen GTI's financial base and project implementation capacity, reinforcing its role as an engine for regional development.

The study also finds that member states share a broad consensus on the value of transitioning GTI into a formal international organization, albeit with differing perspectives on timing, scope, and modality. Each member's national interests and concerns influence its stance. Despite these nuances, all members agree in principle that an enhanced institutional framework could substantially benefit Northeast Asia's development cooperation. Importantly, past rounds of multilateral consultations (notably around 2010–2015) already produced draft agreements and roadmaps for legal transition, indicating that much groundwork has been laid. The obstacles that halted those efforts – such as divergent legal requirements and concerns over cost-sharing – are not insurmountable. With renewed political will and updated strategies to reflect the current environment, the legal transition of GTI appears feasible through phased, consensus-based steps. Comparative analysis in the study, examining other regional cooperation models, supports this approach: for instance, Asia-Pacific Economic Cooperation (APEC) demonstrates the limitations of a purely "soft" cooperation forum with no legal status, whereas frameworks like the Mekong-focused ACMECS offer insight into how a loosely-structured intergovernmental mechanism can incrementally build institutional strength. These examples underscore that GTI's evolution need not be a sudden leap to a fully fledged organization overnight; instead, it can follow a gradual path that carefully balances ambition with consensus. In summary, the findings affirm that a legal transition of GTI is both necessary and attainable – necessary to overcome current structural constraints, and attainable if member states commit to a pragmatic, step-wise transformation plan reflective of shared interests.

2. Policy Implications

The above findings carry several important policy implications for GTI member governments and stakeholders in Northeast Asia. Foremost is the imperative for member countries to elevate GTI's legal transition to a priority policy agenda. Each government – China, Russia, Mongolia, and ROK – should recognize that strengthening GTI's institutional status is not a mere bureaucratic change but a strategic investment in the region's cooperative future. As such, ministries of foreign affairs, finance, and development across the member states need to coordinate closely to chart out the diplomatic and legislative steps required for establishing GTI as an international legal entity. This may involve incorporating the goal of GTI's organizational transition into national development cooperation strategies and engaging high-level political leaders to build the necessary support domestically. The commitment at the policymaker level will signal to all parties that the legal transition is a shared priority backed by political will, which in turn can build mutual trust among members during negotiations.

Another critical implication is that member states must prepare for the practical requirements of the transition, especially in terms of legal agreements and financial arrangements. Policymakers should be ready to draft, negotiate, and eventually ratify a formal intergovernmental agreement that will serve as GTI's founding treaty. This will require diplomatic coordination and possibly parliamentary approval in each country, meaning that early consultations with legal experts and legislators are advisable. Legal preparedness and harmonization are key policy tasks: the smoother the legal groundwork is laid in each country, the faster the transition can materialize with minimal hurdles.

Financially, the policy implications are equally significant. Transforming GTI into an independent body will entail establishing a sustainable funding model, so member governments must reach consensus on funding contributions and mechanisms. Policymakers should begin discussions on a fair formula for assessed contributions that reflects each country's capacity and the organization's needs. Budgetary planning at the national level should account for annual contributions to GTI's budget once it becomes a formal entity. This may require securing parliamentary budget allocations or including GTI funding under ODA (Official Development Assistance) budgets for those members that classify it as such. Additionally, members should consider jointly creating a GTI Partnership Fund or similar funding vehicle to pool voluntary contributions from member states and even third-party partners. Such a fund could finance GTI's priority projects (especially hard infrastructure projects) and be an instrument to attract donor support from outside the region. The implication for donor engagement is noteworthy: if GTI attains international organization status, it could potentially qualify for multilateral funding and technical support (e.g., from international financial institutions or global funds). Policymakers should thus be prepared to engage with institutions like the Asian Development Bank, World Bank, AIIB, or bilateral aid agencies to explore co-financing opportunities for GTI projects post-transition. In essence, by investing modest national resources into a stronger GTI, member countries stand to leverage much larger development finance inflows in the future.

The study's findings also suggest that policymakers need to address the balance between "soft" and "hard" project implementation in GTI's portfolio. In the current setup, GTI's activities have leaned toward soft cooperation areas (e.g. workshops, studies, and policy coordination), largely because the initiative lacked the legal and financial capacity to execute capital-intensive projects. With the legal transition, policymakers should intentionally broaden GTI's scope to include hard infrastructure and investment projects, which have high impact on regional connectivity and growth. This implies developing new internal guidelines and project management capacities within GTI. Member governments may need to second experts or provide technical assistance to the GTI Secretariat (or a new Project Office) to help identify, design, and implement large-scale projects in transportation, energy, trade facilitation, and other priority sectors. At the same time, they should continue to support GTI's valuable soft projects – such as knowledge sharing, training, and networking programs – as these software initiatives strengthen the collaborative environment and often lay the groundwork for successful hard projects. The policy implication here is a call for a more balanced and ambitious project pipeline, underpinned by the necessary legal authority to carry it forward.

Furthermore, the prospect of an empowered GTI carries implications for regional diplomacy and multilateral coordination. Policymakers should use the GTI legal transition as an opportunity to rejuvenate high-level dialogue and cooperation in Northeast Asia. The process itself – negotiating a new GTI agreement – will require unprecedented collaboration among the four member states, which can help rebuild trust and habit of cooperation in a region often marked by bilateral tensions. In this sense, pursuing GTI's institutionalization is also a diplomatic strategy for confidence-building. It implies that each government must be ready to compartmentalize broader political issues and work pragmatically with the others on this common goal. Additionally, a stronger GTI could serve as a platform to engage other regional actors; thus, policymakers should plan for a more inclusive approach. For instance, observer status or partnership arrangements could be offered to countries like Japan or to international organizations, thereby gradually expanding GTI's cooperative network. While immediate full membership of new countries (such as re-inviting the DPRK or including Japan) might not be viable in the short term, creating avenues for their participation in GTI activities would enhance the initiative's legitimacy and reach. The implication is that foreign policy establishments in member countries should be ready to manage an expanded diplomatic scope for GTI – one that positions GTI as a central hub linking Northeast Asia with other regional frameworks (e.g. ASEAN, or BRICs). In summary, the policy message is clear: to secure the future of GTI and maximize its benefits, member states must take coordinated policy action now – legally, financially, and diplomatically – to implement the transition. By doing so, they will equip GTI to better support national and regional development objectives, from infrastructure connectivity and trade facilitation to sustainable development and peace-building in Northeast Asia.

3. Strategic Directions for GTI's Institutional Transformation

Building on the findings and implications above, the report outlines strategic directions to guide GTI's evolution into a full-fledged international organization. These directions are intended as a roadmap for member states to follow in a cooperative and phased manner. At the highest level, the strategy is to pursue an incremental transformation – strengthening GTI's institutional capacity step-by-step – rather than an abrupt overhaul. This phased approach respects the need for consensus and allows members to adapt progressively to the new framework. The following key strategic directions are recommended:

Forge a New Intergovernmental Agreement: The immediate strategic priority is for member countries to jointly draft and conclude a formal agreement establishing the GTI as an international organization. This founding treaty should clearly define GTI's legal personality, mandate, governance structure, membership criteria, and funding commitments. It is advisable that the agreement be comprehensive yet flexible – for example, including provisions for future expansion of membership and for adjustment of financial contributions. Members should aim to sign this agreement at the earliest feasible opportunity (for instance, at an upcoming GTI Consultative Commission or high-level meeting) to demonstrate collective commitment. Once signed, each country must undertake the necessary domestic procedures (such as government approval and legislative ratification) to bring the agreement into force. Strategically, members may set a mutually agreed target date for the agreement's entry into force (for example, aligning with the next five-year strategic cycle) to maintain momentum and accountability.

Secure Interim Operational Continuity: Recognizing that the transition will take time, member countries should ensure continuity of GTI's operations during the interim period. As noted in the analysis, a prudent course is to renew the current GTI-UNDP administrative agreement for a limited period (e.g. an additional five-year term) as a stop-gap measure. This "bridge" period provides a stable environment in which to finalize the legal transition without jeopardizing ongoing projects or the employment of Secretariat staff. During this interim phase, member states should also gradually empower the GTI Secretariat with enhanced capabilities – for example, allowing it greater autonomy in project management and fundraising – in preparation for its role as an independent entity. Establishing a GTI Project Office could be an actionable interim step: this office, possibly based within the existing Secretariat or as a pilot unit, would focus on the preparation and execution of investment projects. It can serve as a precursor to a fully mandated project implementation department once GTI becomes an international organization. By taking these measures, members ensure that there is no operational vacuum; instead, GTI's transformation will be a seamless progression rather than a risky leap.

Develop a Strategic Action Plan for the New GTI: A successful transformation requires a clear vision of what the "new" GTI will do. Therefore, members should collaboratively formulate a Strategic Action Plan (SAP) delineating GTI's priority areas, projects, and goals for the first five years after attaining legal personality. This plan would translate the broader mandate in the founding agreement into concrete programs and targets. It should include flagship regional projects that highlight GTI's value-added, such as cross-border transport corridors, energy grids, trade facilitation initiatives, environmental protection projects, and people-to-people exchanges in tourism and education. By agreeing on a portfolio of tangible projects and quick wins, the member states can ensure the reformed GTI hits the ground running and delivers early benefits, which is crucial for maintaining political support. The Strategic Action Plan should also outline the organizational development steps – for instance, staffing expansions, the establishment of specialized working groups or committees under the new organization, and partnerships with other international bodies. A well-crafted SAP will serve as both a roadmap and a performance benchmark for the renewed GTI, guiding its work and providing criteria to measure success in its formative years.

Enhance External Partnerships and Regional Integration: As a final strategic direction, members should leverage GTI's transition to deepen integration with broader regional and global frameworks. The strategic plan should include actions to raise GTI's international profile, such as attending regional summits as an observer, co-hosting forums on Northeast Asian development, and aligning GTI projects with the UN Sustainable Development Goals (SDGs) to attract support. This will help garner the interest of additional stakeholders – other governments, investors, and multilateral agencies – creating a virtuous cycle of greater cooperation and resource mobilization. In practical terms, this direction calls on each member's policymakers to serve as advocates for GTI in international arenas, reinforcing the message that Northeast Asia is committed to open, inclusive development collaboration.

In conclusion, these strategic directions provide a comprehensive pathway for GTI's institutional transformation. They combine immediate actions (like concluding the agreement and maintaining interim operations) with medium-term initiatives (like new projects and partnerships) to ensure that the transition is carefully managed and yields early dividends. By following this roadmap, the member countries of GTI can collectively transform the initiative from a modest UNDP-supported program into a robust, treaty-based international organization. Such an outcome will significantly bolster regional economic cooperation and contribute to the long-term peace and prosperity of Northeast Asia. The journey of legal transition, if undertaken with unity of purpose and strategic foresight, will send a powerful message: that the member states of GTI are not only aware of the region's challenges but are also jointly committed to creating enduring institutions to address them. The policy recommendations and strategic steps outlined above thus serve as a blueprint for writing the next chapter of GTI – one in which it emerges as a key pillar of multilateral cooperation in the region, fully equipped to fulfill its mission of shared growth and development.

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Jangho Choi, Heeseon Lee, Jung-kyun Rhee, Lyu Hongjun, Tseveennamjil Damiran, and Nikita Moguchev

This study examines the current status of the Greater Tumen Initiative (GTI) by reviewing its establishment background and historical evolution, major activities and achievements, and the development of internal discussions on its transition into an international organization. It assesses the necessity and feasibility of GTI's legal transformation.

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