

TRADP Transport Working Group Meeting Summary Report 30-31 October 2000, Changchun, China

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Introduction

The Transport Working Group Meeting of the Tumen River Area Development Programme was held in Changchun, Jilin Province in the People's Republic of China on 30-31 October 2000. Government delegates from China, Mongolia, the Republic of Korea and the Russian Federation discussed a wide range of issues related to transport cooperation in the Tumen region and Northeast Asia. Participants from international organizations and regional institutes also attended the meeting. The meeting was hosted and organized by the Tumen Secretariat with the assistance of the TRADP Administration of Jilin province.

Discussions

The discussions centered on the perspectives of regional economic cooperation in the transport sector in Northeast Asia; past analysis and future directions; challenges and opportunities for transport cooperation within the framework of the Tumen Programme.

Speakers from the Asian Development Bank (ADB), Economic and Social Commission for Asia and the Pacific (ESCAP), Korean Transport Institute (ROK), Economic Research Institute for Northeast Asia (Niigata, Japan), Northeast Normal University (Changchun, China) and the Yanbian Hyuntong Shipping Group (Jilin, China) exchanged views on the topics discussed.

The UNDP Tumen Secretariat reported on the sector activities, attained progress and perceived challenges since the last TRADP Transport Working Group Meeting in 1998.

Progress

Both cargo transport and passenger traffic through the Hunchun-Kraskino and Quanhe-Wonjong border crossings have soared for the last two years with the cargo volume reaching more than 100,000 tons through Wonjong bridge and around 30,000 tons in the Russian direction, several times the 1998 traffic.

Two new shipping routes connecting the Tumen region with ROK and Japan have been opened and the Hunchun-Kraskino railway line has had a test run and proved ready for regular service.

Road construction on the Chinese side is progressing according to the schedule with completion of the Hunchun-Quanhe section this year and the whole 600km highway in 2003;

Both Quanhe and Wonjong border crossings now have new customs and immigration control facilities;

Border crossing procedures have been improved at

China-Russia border crossings, particularly after the May 2000 bilateral meeting;

The Tumen Secretariat has completed the first phase of the "Study of Non-physical Impediments at Border Crossings Between TRADP Member Countries" and the final report of the Transport Forecast Study was published;

Two bilateral meetings on border crossing issues, organized by the Secretariat in May and August 2000, contributed to better understanding of national policies concerning border crossing movement in the region and related regulations.

Remaining Problems

Two major sets of problems "hard" and "soft" infrastructure were identified during the implementation of the sector initiatives. While both factors play an equally important role in facilitating traffic, soft infrastructure problems can usually be solved without high capital investment. In order to professionally handle the existing barriers to trade and transport flows across national borders in the Tumen region, the Tumen Secretariat suggested the urgent establishment of an institutional mechanism that can raise the effectiveness and efficiency of the activities. One of the major shortcomings, identified during the implementation of the first Transport Action Plan, was the lack of coordination between the countries and the Secretariat and between a number of transport related national agencies in each country, largely due to the absence of such a mechanism.

Decisions and Agreement Reached

Based on the meeting deliberations and suggested by the Tumen Secretariat activity plan the country delegates agreed to:

select a lead transport agency to work with the Tumen Secretariat on Tumen transport related issues in each member country;

nominate a focal point for transport related matters, who can take the responsibility for coordination and implementation of the decisions made at the Transport Working Group meeting of the Tumen Programme;

consider the suggested elements for the Transport Action Plan and send the comments together with the nominated transport lead agency and the focal point by 15 December 2000. Unless otherwise commented by the delegates/national teams, the suggested action plan will be considered final. The suggested elements for the 2001 Transport Action Plan are attached as Appendix 3.

include the following infrastructure projects as priority projects to be promoted by the Tumen programme for the short term:

- Completion of Makhhalino rail border crossing facilities and full operation of the Hunchun Kraskino railway line;
- Construction of the Rajin-Wonjong road;
- Completion of the Changchun-Hunchun highway;
- Construction of the China-Mongolia railway connection;
- Rehabilitation of the railways in DPRK's North Hamgyong Province; and
- Completion of new border customs and immigration buildings at Wonjong, Quanhe and Hunchun border crossings.

continue improvement and harmonization of the

national legislation and procedures related to border crossings, and work toward a multilateral agreement on transport facilitation issues;

take complex measures to enhance the competitiveness of the transport service in the region including a fact finding and assessment mission, followed by bilateral and multilateral talks to enhance the competitiveness of the transport service;

take all possible measures to engage ADB and the Japanese government in the Tumen Programme activities.

The time and venue of the next Transport Working Group meeting will be suggested by the Tumen Secretariat and agreed through the transport lead agencies and focal points. The detailed meeting minutes are attached.

Suggested Elements for 2001 Action Plan in the Transport Sector

	Activities
1.	<p>Cross Border Facilitation</p> <ul style="list-style-type: none"> Complete the study of non-physical impediments at the border crossings (Phase 2) Review of ESCAP conventions and accession to the conventions Organize 3 bilateral meetings on the cross border facilitation issues Organize a national seminar on cross border facilitation issues
2.	<p>Enhancing Competitiveness of the Transport Route</p> <ul style="list-style-type: none"> Conduct national studies of the existing transport tariffs and service charges Develop recommendations to make the tariffs more competitive and suggest to relevant government agencies for consideration Establish transport tariff review board with participation of local government, business, transport organizations
3.	<p>Promoting Infrastructure Investment</p> <ul style="list-style-type: none"> Identify priority transport routes in the NEA/Tumen region Update transport forecasts Identify mid and long term transportation infrastructure requirement in the region Prepare project documents, promotion packages for the priority project Fund raising activities
4.	<p>Organizational Activities</p> <ul style="list-style-type: none"> Nomination of the lead national agency and the contact person in Tumen transport related issues in five member countries (December 15) Formally establish transport working group within the TRADP national team (name of ministries and departments, by 15 December 2000) Approval of the national action plans (by December 15 2000)

TRADP Transport Working Group Meeting Minutes (Extract)

First Session

Trends in Trade and Transport Cooperation in the Tumen Region and Northeast Asia

1. Professor Wang Roncheng of the Northeast Asia Research Center (NARC), Northeast Normal University, presented a report on the Transport Forecast Study commissioned by the Tumen Secretariat in 1997-1998. The transport forecast study presents one of the major works of research done in the framework of the Tumen Programme and provides an important tool for government agencies and research institutes in the region to analyze and trace the trade and transport development patterns, not only in the Tumen, but in a wider area of Northeast Asia. It was, however, noted that the study is already becoming outdated and there is an urgent need to update the database created and make the forecasting model developed for this purpose more useable and useful for the decision making process.
2. Ms. Hisako Tsuji, Senior Economist at the Economic Research Institute for Northeast Asia (ERINA), commented on the study report. She noted that while the study provides good insight into economic cooperation between the Tumen member countries, it has not fully taken into account some important factors like cross border problems and institutional barriers. She also suggested that the quality of service like

frequency of calls at ports and port facilities should be considered. She shared the view that the database needs to be updated and suggested that some inaccuracies in statistics concerning trade and transport flows of Russia should be corrected.

3. Mr. Jong-Hyun Byun, an expert from the Transport, Communications, Tourism & Infrastructure Department of ESCAP, made a presentation on the Asian Highway Project. To assist member countries in creating a reliable and efficient transport network in Northeast Asia, ESCAP launched in 1992 the Asian Land Transport Infrastructure Development (ALTID) Project, which consisted of three major components: Asian Highway, Trans-Asian Railway and Land Transport Facilitation. The Asian Highway Project covers the whole of Asia including all Tumen member countries. ESCAP is currently concentrating on revision and formulation of the road network, its technical standards and requirements, and updating the database for the network.

Country Discussions

4. Mr. Zhao Yongli, Director of the Division of Technical Cooperation among Developing Countries of the China International Center for Economic & Technical Exchanges (CICETE), noted that although the

programme has achieved certain results, a lot remains to be done. He suggested the participants should focus on the problematic issues and discuss the possible solutions for them, and expressed his hope that the transport experts from the Tumen member countries would advise national coordinators of the Tumen Secretariat how to overcome the problems in the transport sector.

5. Ms. Dorjpagma, Senior Officer of the International Cooperation Division of the Mongolian Ministry of Infrastructure Development confirmed the strong continued interests of the Mongolian government in the Tumen programme and its activities, particularly in the transport sector. Mongolia attaches the highest priority to the railway connection of eastern Mongolia with the Tumen region via the Chinese rail network. So far, the Ministry of Infrastructure Development has had two bilateral meetings with the provincial government of Inner Mongolia on the China-Mongolia railway project and hopes that the UNDP can help in finding the resources for this project. Currently the local governments of Mongolia are discussing with their Chinese counterparts the opening of a new border crossing in the area.
6. Mr. Kim Han-Yong, Director of the International Cooperation Division of the Korean Ministry of Construction and Transportation, supported the suggestions to update and revise the transport forecast study and make it more useable for the member countries. He also recommended the inclusion of existing and planned road connections in the Korean peninsula during the future revision of the framework of the Asian Highway project.
7. Mr. Jaroslav Seminikhin, President of the Far Eastern Marine Research, Design and Technology Institute, noted that the Russian economic and transport data used in the transport forecast study was not accurate and did not reflect the actual picture. Mr. Seminikhin extensively discussed the pros and cons of the rail route that was suggested and has basically been agreed between the two Koreas for reconstruction. Based on the cost calculation estimates, he argued that the transport expenses would be strikingly lower if the East Coast railway was chosen. According to the Russian sources, 1 container-km could cost as much as US\$0.24 through the currently suggested railroute from Seoul via Pyongyang, Shinuiju in DPRK and Shenyang and Harbin in China, whereas the transport along the east coast via the Trans-Siberian Railway would cost only US\$0.03, a fraction of the west coast price.
8. The delegates and other participants unanimously agreed that the database and forecasts of trade and transport development in the Tumen region need to be constantly updated and renewed. Mr. Gombo, the chairperson emphasized that it is now a task for the national governments and related institutes to update and make the maximum use of the study report and database for their long term planning and decision making processes as the UNDP cannot continue funding the study indefinitely. For this purposes, he said, it is critical to have for the Tumen transport issues

a responsible national organization or person that can enable and ensure the smooth implementation of the decisions made at working group meetings.

9. Mr. Gunter Hecker, the Resident Representative of ADB in the Philippines, suggested the close linking of the transport forecast study and the suggested an updating and revision process with the development and economic cooperation scenarios that should be agreed among the concerned governments. Only on that basis will the forecasting model become an instrumental tool for the policymaking process for the member governments. Without having defined and agreed the degree and extent of cooperation and development scenarios, it makes little sense to talk plainly about cargo volumes or passenger traffic.

Second Session:

Trade, Tourism and Transport Facilitation: from business perspectives

10. Mr. Gombo introduced the nature and purpose of the session on the cross border related problems and obstacles. In an any given subregion, usually two sets of problems arise in connection with trade and transport facilitation across the national borders: inadequacy of infrastructure facilities and complex national rules and regulations that present disincentives to economic exchange and the movement of people. Both hard and soft infrastructure problems present their own specific obstacles to deal with. The enormous size of investment required to build new roads and transport facilities puts the task beyond the reach of most developing nations, whereas institutional barriers tend to survive the strongest criticism as they reflect national interests and policies. So tackling both problems takes time and demands lots of patience from the players. Given the specific nature of the problems, the UNDP is more inclined to concentrate on the soft infrastructure issues rather than on building missing road and rail connections, where it has neither the mandate nor the expertise required.
11. Mr. Li Mao Xiang, President of the Yanbian Hyuntong Shipping Group, started with a concise description of the development patterns of the three riparian Tumen provinces, establishment of special economic and trade zones in these provinces, lessons learnt and the current status of the trade and economic relationship between the provinces. After a brief introduction of the new shipping routes that the Hyuntong group opened in last two years he focused on the restrictive factors the company faces in doing business in the Tumen region. These factors include the absence of adequate transport infrastructure, the backwardness of telecommunications and the restrictive clearance procedures at the international borders. All these factors seriously damage the economic performance of the business, and a private company is not in a position to tackle the institutional barriers imposed by government agencies. Therefore, Mr. Li called on the central and local governments of the region to visit the area and start taking concrete measures to create normal business environment.

12. The chairperson commented on Mr. Li's speech referring to the ongoing argument between Chinese and Russian local administrations and business groups. The Russian side argues that they will improve port facilities and service quality only if China gives warrants to continuously ship their cargoes through Russian ports, otherwise there is no point in investing in a currently underutilized transport infrastructure. In turn, the Chinese say that "there would be no transport unless Russian transport tariffs become competitive and service acceptable." He noted that considering the current trends, when more and more businesses and companies are changing their way of doing business and becoming more market oriented and less dependent on administrative directives the governments should act accordingly. This means government agencies both at the center and at local levels should concentrate on creating a business environment and level playing field for domestic and foreign companies.
13. Mr. Gunter Hecker made an informative and extremely useful presentation about cross border facilitation measures in the countries of the Greater Mekong Subregion (GMS) and the ADB's role in their endeavors. An hour-long presentation highlighted the major aspects of the economic cooperation and integration process among the subregional countries. Main points stressed in the presentation included the institutional and operational approach used, namely strong political commitment by the central governments, the highest level of participation from the governments in the project and regular working group meetings with stressed ownership of the project activities.

Cooperation in the transport sector, backed by the ADB, focused on the elimination of infrastructure bottlenecks and institutional barriers. With the assistance of the ADB the priority projects in the sector were identified and the sequencing and phasing were agreed among the participants. Then the ADB provided around a billion dollars in loans and technical assistance. As a result the region has remarkably advanced in a short period of time, in creating a region wide inter-coordinated transport network.

On the "soft infrastructure" side too, the progress has been phenomenal. The ADB, with its world class experts in the field, managed to create mutual trust among the players and three countries have already signed on otherwise impossible multilateral agreement on the cross border facilitation measures and the other countries are expected to join the agreement. Strong political will and understanding of the global trend of economic integration were important factors in the success. The ADB's involvement as the facilitator and financial supporter undoubtedly played a critical role in this successful process of regional cooperation.

14. Mr. Gombo introduced to the participants of the meeting the report of the 1999 cross border impediments study and the results of two bilateral meetings on transport facilitation issues that the Tumen secretariat had organized in May and August

2000 between the three riparian countries.

The study of non-physical impediments at the border crossings in the Tumen region was conducted in 1999 by an international consultant and the study report was presented at the June 1999 intergovernmental meeting of the Tumen Programme. The recommendations of the study report included the following measures to be undertaken by the concerned governments:

- (a) the elimination of redundant checks (especially in the Russian Federation) and moves toward single-window control;
 - (b) greater efforts to harmonize Customs offices on the opposite sides of the borders;
 - (c) a move toward single-stop control, beginning with a pilot project at one location in the region;
 - (d) reduction or elimination of compulsory checks on the quality of goods entering or leaving countries in the region;
 - (e) provision of concessions to facilitate border trade, especially by the DPRK and Russian Federation;
 - (f) computerization of Customs in the DPRK;
 - (g) the reduction of documentation and a move towards the harmonization of documents and procedures;
 - (h) in the short run, for China and the Russian Federation to reduce the costs of visas to a reasonable level by international standards and provide more locations where visas may be obtained; and
 - (i) addressing vehicle-related constraints, by extending vehicle operating rights for cross-border transport.
15. The discussions at the bilateral meetings clearly showed that substantial problems still exist at the border crossings, from visa issuance to granting a vehicle operating license, not to mention actual complex formalities at the border points. Although there have been some signs of changes toward improvement, border formalities and national regulations are still discouraging the movement of people and business operations in the region. The six points stressed in Mr. Li's speech clearly demonstrated and pinpointed the actual problems and difficulties that business organizations face while doing business in the Tumen region across national borders.

Country Discussions

16. Mr. Seminikhin suggested the conclusion of a bilateral agreement between Russia and China to effectively use the Tumen transport corridor including Far Eastern Russian Ports. Such an agreement should clearly indicate how much cargo China would ship using Russian ports with monthly/quarterly breakdown for a certain period of time. Russia in turn should take full responsibility for providing timely service and competitive, market based transport tariffs. He thought that without such a constructive approach it would take another 5-10 years for both sides to make the transport corridor operational and economically viable.
17. Mr. Hecker commented that what had been suggested by the Russian delegate might not be the right approach. He discussed that decisions like which port

or route a business entity should use and how much it should ship through the port is pure business choice based on cost/profit analysis. If using the Russian ports is profitable they will come without any administrative decision, but if not, no agreement could force them. Governments however should agree either bilaterally or multilaterally on the legal and institutional sides, about relaxation of the procedures, coordination of working hours etc.

18. Mr. Seminkhin responded by saying that more political commitment is needed to activate economic cooperation in this region. Without effective government involvement, he thought, no business would be in a position to handle the problems they are confronted with, because the market mechanisms and institutions are not yet in place.
19. Mr. Zhao Yongli noted that the Chinese government focuses increasingly on creating an attractive business environment rather than regulating the market. If there are good incentives and stimuli, business entities will come without invitation. Likewise, Russian port administrations will invest in modernization of the port facilities if they feel that there are business opportunities with China, Japan or Korea, again with no guarantee is needed from these governments.
20. Mr. Hecker supported the view expressed by Mr. Zhao about creating a favorable market environment. He advised that in addition to the soft infrastructure issues, governments should also play an active role in building infrastructure as public goods. This is particularly relevant to the developing countries, where the private sector is not strong enough to take care of a capital intensive infrastructure sector.
21. Mr. Kim Won-Bae of the Korea Research Institute for Human Settlements, reminded the participants of the meeting of the most important factor of the cooperation in Northeast Asia, the political relationship between the countries. He argued that unless this critical dimension of the relationship is improved the Tumen Programme member countries could not go far focusing solely on the economic side. Political relationship among the countries in this region is one of the tensest in the world and although there are some signs of improvement, the geopolitical climate in Northeast Asia is still far from perfect. Without political normalization of the relationship, it is hard to expect any fruitful economic cooperation.

More political commitment at the central government level would have a decisive impact on promoting economic cooperation in the distant and small provinces of the big countries of China and Russia. If centers continue ignoring the interests and need of locals, the Tumen programme will never reach its targets. The Tumen programme urgently needs financial backing for its activities. The UNDP does not have the ability to financially support the project activities. It is now time for the Tumen programme member countries to seek a new player that can be helpful and useful, as the UNDP has proven to be incapable of leading this programme ahead.

22. Mr. Li Mao Xiang pointed out that there have been

many UNDP meetings to discuss transport problems, including bureaucratic procedures, high costs etc., but there have been few real results or solutions. International borders still present big obstacles to business activities, and neither the government officials nor the UNDP representatives attending these meetings take any measures that can change these high cost barriers for normal business. He further noted that the soft infrastructure problems are the most serious and no business organization can solve these issues no matter how strong their desire.

23. Mr. Zhao Yongli shared the view that the Programme needs strong financial support, and in this respect, he wanted to see Japan becoming a member of the project. He also noted that the programme is too small to attract investors' interests and the central governments' attention. The Tumen national coordinators' meeting held in Beijing recently addressed the issues and five national coordinators agreed to take measures to expand the programme's scope and coverage area.
24. The chairperson commented that the UNDP and all countries of the Tumen programme were aware of the political dimension of the relationships, and now this factor has been improved dramatically, giving a strong boost to economic cooperation. He said that there is much to learn from others about how to handle critical situations in regional cooperation. It was therefore most useful to listen to Mr. Hecker's presentation about GMS cooperation, its success factors and lessons learned.

Third Session:

Creating an integrated transport system in Northeast Asia: Challenges and Opportunities

25. Mr. Ahn Seung-Bum, Research Associate of the Korea Transport Institute, discussed various aspects of the transport development process in the region. Among others, he pointed out four major suggestions his institute is putting forward for regional governments to consider:
 - Creation of a regional transport facilitation committee
 - Legal and institutional harmonization measures
 - Creation of a regional standardization organization
 - Establishment of a Northeast Asia Development Bank
26. Ms. Hisako Tsuji concentrated on two points: mutually beneficial cooperation between Suifenhe and Hunchun border crossings, and the effectiveness of the marine transport in the region. She suggested that two major border crossings of China in the Tumen region could learn each other and successfully cooperate by balancing the workload among them, as Suifenhe is currently overloaded while Hunchun is underutilized. It would definitely raise the service quality and cut the border crossing time significantly, assuming that the Russian procedures at the border crossings become more liberal and relaxed. She was also concerned about the sluggish development of container traffic in newly opened shipping routes between the Tumen region and Japanese west coast ports, and the

unattractiveness of these routes for the Heilongjiang and Jilin based cargo forwarders, as they are still opting to use the more remote Dalian port. She suggested that its not only Russian or Chinese transport tariffs that keep the customers away from this close and convenient route to reach their market, but it has a lot to do with institutional obstacles and total delivery time to the final destination.

27. Mr. Suh Hoon-Taik, an expert from ESCAP, introduced the second major project launched by ESCAP in Northeast Asia; the Trans-Asian Railway Project. The experimental container train run project from port Vostochny to a destination in Europe (Berlin) undertaken by ESCAP together with 9 countries in 1998, successfully demonstrated that rail transport could have a competitive edge over the marine mode if everything in land transport was perfect, and border crossings operated with no undue delays.
28. Mr. Seminikhin introduced in depth analysis on transit traffic through ports in Northeast Asia, particularly through the Far East Russian ports of Vostovhny and Nahodka. Recent rapid developments in maritime transport and the introduction of new generation-ships of Post-Panamax class place new requirements on ports and port-related land services. Due to geographical locations and insufficient water depths, many small ports in the Northeast Asia/Tumen region cannot meet the technical requirements of these super jumbo container ships that now dominate inter-continental container traffic. The paper suggested that two big Russian ports in the region could serve as a hub port in the region. Both Vostochny and Nahodka have good natural water conditions with ample room for expansion, and even the current installed capacity can handle today's volume of traffic. He also informed the participants about the new shipping line recently introduced between Shanghai and Vostochny. The first call of the FESCO operated ship was on October 24, 2000 and since then, every ten days carries Europe and North America bound container cargo.
29. Mr. Gombo introduced the suggested Transport action plan for the year 2001 and beyond. He briefly outlined the elements of the previous Transport Action plan that was adopted in the 1998 Transport Working Group Meeting and the problems encountered during the implementation of the action plan. In his view, the following factors played a critical role in implementing the transport action plan of 1998:
- non involvement of the national governments during the development of the plan
 - absence of institutional frameworks at national levels to implement the plan
 - lack of ownership by the national agencies
 - inconsistency of the plan with government agendas
 - frequent changes of national officials and inadequate policy coordination between the different government agencies in place
- The proposed four programmes of the new action plan are based on a number of factors, which include the

current ongoing activities, the urgent need for establishing the institutional framework for the implementation of the planned or agreed activities, and the feasibility of the suggested measures.

Country Discussions

30. Mr. Dai Xiyao, of Jilin Province assessed the transport sector activities of the Tumen Programme and proposed ways to improve the effectiveness of actions by the programme member countries and the UNDP. Although there has been notable progress in this sector, there is still a long way to go to achieve the initial targets. In his view, the most important issue is to establish the transport network in the region. To achieve this, the following factors need to be considered:
- The relationship of the Tumen region with the rest of North East Asia. The Tumen region is the core of North East Asia; it could become the corridor between the mainland and the sea.
 - The balance between short-term and long-term development perspectives or plans. Long-term vision is important. However, now we should focus on the short-term development plans. These short-term transport development plans could include:
 - Operating the Sino-Russian railway line Hunchun-Kraskino.
 - Extending the shipping line of Hunchun-Zarubino-Sokcho to connect with one of the seaports in Japan. e.g. Niigata.
 - Speed up the construction of the Sino-Mongolian railway line. Member countries should help to mobilize financial resources from international financial organizations and the private sector.
 - Rehabilitate DPRK railways in order to connect with ROK railways.
 - Continue to improve the cross-border environment between three riparian countries.
- Finally, he agreed with the suggested activities in the transport sector of the Tumen Programme and called on member countries to actively cooperate in the implementation process.
31. Ms. Dorjpagma of Mongolia informed the participants about recent development in transportation. In addition to active bilateral talks on transportation matters with Russia and China, Mongolia has become a member of a number of international organizations in transport including the International Maritime Transportation Association. With the assistance of the ADB and the World Bank Mongolia is now successfully implementing a major road construction programme in its vast but unconnected territory. The government has recently decided to reconstruct the airport in Choybalsan to enable it to operate international flights. In conclusion she expressed that the Mongolian delegation supports the action plan for the next year and will actively participate in the implementation of it.
32. Mr. Kim Han-Young of the ROK emphasized that to get maximum use of existing transport facilities in the region it is crucial to streamline national regulations and procedures used at border crossings in line with

the global standards. In this respect, the suggested three bilateral meetings and seminars on border crossing facilitation measures are most relevant and timely. The Tumen region should develop good road and rail linkages, not only in the immediate area but also with the rest of Northeast Asia. The agreement reached between the two Koreas to construct the Trans-Korean railway along the West Coast will undoubtedly play an important role in serving this purpose. In conclusion, Mr. Kim strongly supported the action plan and future directions suggested by the Tumen secretariat and assured that the Korean government will do its best to contribute to the successful implementation of the proposed plan.

33. Mr. Boris Sitkov of Russia thought that the future directions and action plan suggested are reasonable and timely and need to be implemented urgently. Then he briefly introduced the Russian interests in participating in the Tumen programme and in developing its Far Eastern transport facilities including the Trans Siberian Railway. The Russian Federation plays an important role in world transportation with a notable share of the overall world transport volume. The Russian transport system annually handles 60 million tons of transit transport. The central government places increasingly more attention to the Far East and the Tumen region and its infrastructure development. Finally he hoped that the Tumen region will have a strong and prosperous future and the programme will achieve greater results.
34. Mr. Jiang Zaihuan of Yanbian Prefecture indicated that in the past there have been too many studies and meetings but the results have definitely been not up to expectations. China is trying its best to contribute to the development of the region by building roads and railways with appropriate border crossing facilities but we do not see the same action from our neighbors. The issue of impediments at borders has been discussed for years with and without the UNDP, but the desired change is not there. He also pointed out that although the UNDP has been instrumental to the success of the Tumen Programme, it still lacks the much needed ability to provide and generate financial resources for creating the infrastructure facilities. So it will be appreciated if the UNDP can advocate with international financial institutions.

Finally, he recommended that the practice of UNDP's involvement in promoting the region be reconsidered. Instead of holding all the same meetings and workshops, he suggested to start working with real projects and concrete measures. He also suggested to ROK delegates to consider assisting the Rajin-Wonjong road construction in DPRK as it is now becoming the most serious bottleneck in this transport corridor.

35. Mr. Kim Han-Yong responded to the Mr. Jiang Zaihuan's suggestion of the ROK assisting with the Rajin-Wonjong road construction saying that his Ministry would consider the matter if there were an official request from the Government of the DPRK.

Closing Session:

36. Mr. Kim Won-Bae noted that it is now time for the five member countries as well as the UNDP to bring into the programme some new impetus. It is a good sign that the ADB is attending this meeting and showing interests in the programme activities. Now it seems that the time for Japan to officially participate in this multilateral programme has come. All would benefit from such cooperation. He finally pointed out the importance of creating a favorable business environment in bringing foreign investment.
37. Ms. Hisako Tsuji reiterated the Japanese policy concerning the Tumen programme. The normalization of the political relationship with the DPRK has been and still is the key determinant for the sideline position the Government of Japan prefers to maintain in relation to the Tumen programme. She also asked whether China, Russia or the ROK have ever approached Japan at higher levels and talked about the Tumen programme. If Mr. Kim Dae-Jung or President Putin asked Japan about this, the Japanese government would have definitely considered the suggestion seriously, she thought.
38. Mr. Gunter Hecker pointed out that the TRADP needs a strong commitment from the member governments and that has to come from the highest possible level in a type of the joint declaration. Only with such a joint declaration, the message goes downward to the implementing levels. Only then the cooperation becomes feasible. If countries do not have commitment from the very top level, nobody in lower levels would be prepared to compromise, and every province and agency will be looking for its own benefits.

In response to the numerous remarks during the meeting about the ADB's involvement and financial assistance for the Tumen Programme Mr. Hecker said that he did not have the mandate to officially reply to such calls but he will certainly convey the message to the management of the Bank and its President. He also advised the programme member countries and the Tumen Secretariat how to approach and get a quick response from the ADB. First, the initiative should come from the ADB member governments. In this case, member states should approach the ADB through their counterpart to the bank agencies; in China, the People's Bank of China; in Mongolia, the Bank of Mongolia etc. with an official request to participate in the Tumen programme. The ADB needs the agreement from all member countries about the ADB's participation. The same message could come from the UNDP.

Another way of getting the ADB's resources for the purposes of the programme is through the annual ADB's consultations with the member countries to identify their priority projects for loans and other type of financing. If countries include and indicate Tumen projects as their national priority projects they can easily secure funding from the Bank. Finally Mr. Hecker wished all the success to the programme.

[Original UNDP Tumen Secretariat, edited by ERINA]