

GTI NEA Local Cooperation Progress Report

GTI NEA Local Cooperation Committee

The 6th GTI NEA LCC Meeting

The 6th Greater Tumen Initiative (GTI) Northeast Asia (NEA) Local Cooperation Committee (LCC) Meeting was concluded on 13 July 2018, Tottori Prefecture, Japan, with the participation of the Governors of Dornod Province and Tottori Prefecture, senior officials from the central government of Republic of Korea, Jilin Province, Heilongjiang Province, Liaoning Province, Tottori Prefecture, Busan Metropolitan City, Gangwon Province, Inner Mongolia Autonomous Region, and representatives from private sector, research institutions and international organizations.

The LCC Members reaffirmed their commitment to making continuous effort to strengthen further cooperation in the Greater Tumen Region (GTR) by harmonizing policies, sharing information, and carrying out concrete projects in the priority sectors of agriculture, energy, environment, trade and investment, transport, and tourism.

The LCC Members reviewed the report on the session II "Go back to 2011" of the Preparatory Meeting for the 6th GTI NEA Local Cooperation Meeting. The exercise had been provided by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH and was designed to evaluate the needs of LCC Members and the operation mode of LCC framework for the future by reflecting on LCC's work since its establishment in 2011. The LCC Members provided insightful perspectives reaffirming the achievements so far and building on the progress to better lay out directions for practical work of LCC for the period ahead.

LCC members agreed that continuous effort should be made to invite new members and broaden the involvement of the private sector. Specialised parallel session to accommodate the need for regional business-cooperation is seen as a vital contribution of the LCC to the regions sustainable development. A technical guide on the LCC Mechanism and the working procedures should be drafted and distributed to LCC Members to help new members and partners understand the framework. The LCC Members agreed upon the participation in an online survey designed to identify needs and resources for capacity building of local level government officials under the LCC mechanism.

The LCC Members reviewed the Chita Logistics Hub project proposed by Zabaykalsky Krai, Russian Federation, and agreed to work jointly to attract private investment for the successful construction of the industrial park and consolidated export area. The LCC Members recognized the project's potential to boost trade volume and lower logistics cost for trade between China and Eastern Russia. The LCC Members reviewed "Milk Run Logistics System Project" of Busan which is being conducted between Busan and Kyushu of Japan. Dornod province proposed two project initiatives, respectively aiming for regional agricultural and tourism cooperation. The agricultural initiative indicated providing naturally-grown agricultural products and grass-fed livestock to the NEA region by utilizing intensive agricultural methods and advanced technologies. The "Community-Based Tourism" initiative, which is still a concept, intends to strengthen cross-border and border area tourism by deregulating the short-term visa regime and offering one-package tourism products.

The LCC Members welcomed representatives from the private sector, research institutions and international organizations to share their insights and viewpoints on local cooperation.

The Economic Research Institute for Northeast Asia (ERINA) from Japan commended the outcomes of the meeting with Far Eastern Customs Directorate of Russia in April 2018, suggested to promote more interactions between central and local governments and invite chairing countries of each GTI sectorial

Boards or Committees to the annual LCC meeting. ERINA also expressed their willingness to continue supporting partnerships between the GTI and the Japanese public and private sector.

Changchun International Land Port Development Co., Ltd from China elaborated on the operation mode of its “International Multimodal Terminal” which covers rail, air, road, and sea, reported on the successful conclusion of the NCEXpress I (Changchun - Manzhouli - Europe) and called for support from Jilin and Russian customs, railways, and related departments for the smooth implementation of the trial of the NCEXpress II (Changchun - Hunchun - Europe).

Liaoning Shen-Ha & Hongyun Railway Logistics Co., Ltd. from China introduced its Yingkou-centered international sea-land transport corridor that passes through Manzhouli and Erenhot connecting Northeast and Southeast Asia and Europe, and appealed to GTI member states for more practical support in attracting investment, coordinating policies, and facilitating transportation.

Swift Transport International Logistics (Suifenhe) Co., Ltd. from China shared its experience in implementing the Pilot Transport Testing Project (Mudanjiang - Suifenhe - Grodekovo - Vladivostok - Donghae - Sakaiminato), by emphasizing the importance of transportation and hence enhanced infrastructure investments in the region. Based on the eastbound China-Europe Block Train service they called for attention to cooperation opportunities between related provinces with the present operation of inbound block trains from Russia to China.

The LCC Members expressed strong belief in deepening partnership through cooperation and coordination among central governments, local governments, private enterprises and international partners in facilitation of trade, investment and logistics.

Khentii Province expressed its commitment to hosting the 7th LCC Meeting in 2019. Gangwon Province invited all LCC Members to the 2018 GTI International Trade & Investment Expo, and LCC Members pledged their full support.

The Preparatory Meeting of the 7th GTI NEA LCC Meeting in 2019

The Preparatory Meeting for the 7th GTI NEA Local Cooperation Committee (LCC) Meeting was concluded on 10th of April 2019 in Beijing, People’s Republic of China. The meeting was hosted by the GTI Secretariat, with the aim to review LCC activities since the 6th GTI NEA LCC Meeting, pre-discuss potential proposals proposed by member provinces, and discuss preparatory issues for the 7th GTI NEA LCC Meeting.

During the meeting, representatives from member provinces shared their efforts in cooperating with other LCC members in trade and investment during the past year and discussed potential projects and policy proposals. Representatives reviewed the LCC Technical Guide compiled by the Secretariat. The purpose of compiling the LCC Technical Guide is to help new members and partners understand the LCC mechanism and working procedures, and navigate their activities and involvement within LCC. Representatives discussed the project proposal for the Establishment of the Marine Cooperation Sub-Committee of NEA LCC, including its framework, functions, key cooperation areas and its future plan. According to the proposal, the Marine Cooperation Sub-committee is a platform for cooperation between cities, the main areas of cooperation include carrying out industrial cooperation (such as construction of land transportation infrastructure, cooperation on ports and industrial parks, development of coastal tourism and aquaculture, improvement of sea shipping and logistics, protection of marine environment, utilization of mineral resources, development of petrochemical industry, and exploitation of offshore oil and gas etc), coordinating cooperation on marine environmental protection (such as in areas of climate monitoring, ecological investigation, and early warning system of marine hazards) and promoting exchanges in marine culture between members. In order to generate and formulate demand-focused training program enticing financing from the Members States, LCC

members and external sources, representatives also presented and discussed potential capacity training programs based on the Capacity Building Program Survey Results integrated by the Secretariat. Representatives agreed to narrow down the cooperation areas and focus on the private sector's involvement, development of human resources and trade/logistics related program. Representative from GIZ briefed on technical assistance options rendered by GIZ and invited LCC members to prepare concrete long-term project proposals, mentioning that GIZ can offer support in fields of project management, international expertise and network, monitoring and financial contribution as the organization is working worldwide and has some political leverage. In terms of criteria, GIZ is looking for projects that promote regional cross-border cooperation, at least three LCC members have to participate in the project that can help to yield trilateral or even multilateral cooperation; one of the LCC members has to be from Mongolia.

The 7th GTI NEA LCC Meeting in 2019

The 7th LCC Meeting will be held on 24th July 2019, in Khentii Province, Mongolia. Currently, GTI Secretariat is working with Khentii Province for logistics arrangement and jointly develop project proposals with LCC members. A coordination meeting with Ministry of Finance of Mongolia and Khentii Province was held on 28 March, 2019.

GTI NEA Logistics Sub-Committee (LSC)

The 4th LSC Meeting in Houki, Tottori Prefecture, Japan in 2018

The LSC Members reviewed the progress of LSC activities and recognized the significance of the meeting with the Far Eastern Customs Directorate of Russia and the Administration of Vladivostok Port and the meeting with the Administration of Zarubino Port in strengthening communication and yielding solutions to simplify customs clearance procedures in GTR. The LCC Members also congratulated on the successful conclusion of the Pilot Transport Testing Project (Mudanjiang - Suifenhe - Grodekovo - Vladivostok - Donghae - Sakaiminato) and the first trial of the new Pilot Transport Testing Project (Changchun - Hunchun - Zarubino - Vladivostok - Donghae - Sakaiminato) and look forward to the second trial of the Pilot Transport Testing Project. The LCC Members also reviewed the Assessment Form on Logistics Barriers and reaffirmed the benefit of the continuous update and improvement of the Assessment Form on Logistics Barriers as an integral tool for identifying and addressing logistical barriers. Members vowed to consider concrete problems in further research and other joint cooperation projects.

The LSC Members warmly welcomed Yingkou City to be a new member of the Logistics Sub-Committee (LSC). Boasting Yingkou Port, the 8th largest port in China, and Yingkou area of China (Liaoning) Pilot Free Trade Zone, Yingkou has made itself one of the most attractive regions in China to promote logistics, tourism, trade and agriculture. With the accession of Yingkou City, at the time of the 6th LCC Meeting, LCC and LSC would have twelve and nine members, respectively. The LSC Members recognized that the family of the LSC has been steadily growing and appealed that it was time to make greater progress towards concrete cooperation projects. Local governments unanimously agreed to consider introducing new members to LCC and LSC.

The Working Meeting of the 5th LSC in 2019

The Working Meeting for the 5th LCC Logistics Sub-Committee (LSC) Meeting was concluded on 10th of April 2019 in Beijing, the People's Republic of China. The meeting was hosted by the GTI Secretariat, with the aim to review LSC activities since the 4th LSC Meeting and discuss preparatory issues for the 5th LSC Meeting.

At the Working Meeting, LSC members shared recent development in railway construction, logistical infrastructure and cross-border transportation, emphasized the importance of closer, freer and more convenient interconnection, economic and trade investment and cultural exchanges in the GTR, and suggested to deepen regional cooperation in the areas of transport infrastructure by expanding cross-border intermodal transport channels; international trade and investment by establishing marketing network to promote the rapid development of cross-border logistics industry as well as the cross-border tourism cooperation by jointly creating quality routes. Members reviewed the "Information Sharing Sheet - Logistics Barriers and Cargo Data 2019" which was restructured by the Secretariat and updated by LSC members to identify logistics problems and solutions at border points, and developing pilot routes. The second trial of the second Pilot Transport Testing Project was reported by Tottori Prefecture. According to the report, the whole testing was very successful, the lead time was the same as last time, thus reconfirming the speed advantage of this route, the suitability for transporting precision equipment was confirmed and the ability for transporting alcohol, vegetables and other food products on this route was reconfirmed. As a follow up, a new project "Pilot Transport Testing Project in 2019" will be conducted involving new types of cargo and changing freight method and timing to address issues that arose from the 2018 trial transportations, the outcome of the new testing project will be shared with LSC members and Transport Board later. Heilongjiang Province also introduced the land-sea intermodal transportation corridor "Harbin-Suifenhe-Russia-Asia", with Harbin as the starting point, via Suifenhe and the Russian Far East port to ROK and Japan. LSC members discussed the advantages of the corridor and agreed to further study and develop this route through joint efforts.

The 5th LSC Meeting in Khentii Province, Mongolia in 2019

The 5th LSC Meeting will be held on 24th July 2019, in Khentii Province, Mongolia.

Information Sharing Sheet on Logistics Barriers and Cargo Data 2019

The "Information Sharing Sheets-Logistics Barriers and Cargo Data" is to be used for identifying logistics problems and solutions at border points, developing the existing routes and new pilot routes and promoting the development of sea-land transport logistics in NEA. LSC members agreed to update the Information Sharing Sheet twice a year, before the working level meeting and before the annual LSC meeting. For this year, the original Information Sharing Sheet on Logistics Barriers and Cargo Data (Information Sharing Sheet) was restructured and merged with the Assessment Form to make the Information Sharing Sheet (2019) more comprehensive. The revised Information Sharing Sheet includes challenges on transport and logistics in the segment (rules, procedures, infrastructure, facility, volume of goods, etc.), background and rationale by which LSC members need to briefly describe the evolution or present situation of the aforesaid challenges and highlight problems and obstacles with concrete cases or statistics, possible solution and action plan based on individual experience or previous handling. countries or government departments to be involved both at central and local level (who they are, what they should do, etc.) and expected outcomes. Currently, the Information Sharing Sheet on Logistics Barriers and Cargo Data 2019 was updated and reviewed by LSC members during

the Working Meeting for the 5th LSC Meeting held in April in Beijing. As one of the key work of LSC, the Information Sharing Sheet will be continuously updated by LSC members and the GTI Secretariat will help to coordinate the discussions and solutions of these challenges and problems.

The Pilot Transport Testing Project

During the Inaugural Meeting of LSC in Choibalsan, Dornod Province in 2015, two potential sea-land routes were identified for a joint pilot routes testing:

- 1) Harbin – Suifenhe – Vladivostok – Donghae – Sakaiminato
- 2) Changchun – Hunchun – Zarubino/Vladivostok – Donghae – Sakaiminato

In 2016, the first pilot transport was successfully conducted from Mudanjiang to Sakaiminato, via Suifenhe, Grodekovo and Vladivostok, and the follow up activities including the meeting with the Far Eastern Customs Directorate and the Administration of Zarubino Port and ports visit in April 2018 were conducted as planned.

In order to test another sea-land route, Tottori Prefecture and Jilin Province implemented two trials for another Pilot Transport Testing Project (Changchun – Hunchun – Zarubino – Vladivostok – Donghae – Sakaiminato) in 2018, in cooperation with relevant local governments and the private sector, with the aim to assess logistical problems, such as cost, infrastructure and customs clearance at the border crossing points by transporting cargo from Tottori Prefecture to Jilin Province and identify necessary steps to develop a fully operational and viable transport corridor, connecting Greater Tumen Region and Japan by sea, railway and road. Both trials have been very successful and a new testing project will be launched in 2019.

GTI LCC/LSC Technical Guide

During the 6th LCC Meeting held on 13 July 2018 in Tottori Prefecture, Japan, the LCC Members reviewed the report on the exercise, "Go back to 2011" of the Preparatory Meeting for the 6th LCC Meeting. The report was designed to evaluate the needs of LCC members and the operation mode of LCC framework for the future by reflecting on LCC's work since its establishment in 2011. The LCC members provided insightful perspectives to reaffirm the achievements so far and to better lay out directions for practical work of LCC for the period ahead.

Reflecting on the report on the exercise, "Go back to 2011", LCC members reached consensus on and reemphasized the necessity of continuous effort being made to invite new members and broaden the involvement of the private sector. According to the Tottori Declaration and LCC Work Plan for 2018-2019, it was agreed on the 6th LCC Meeting that a technical guide on the LCC Mechanism and the working procedures should be drafted and distributed to LCC members to help new members and partners understand the framework.

Therefore, the "GTI LCC/LSC Technical Guide Questionnaire" was designed by the Secretariat and building on the information provided by LCC members in "GTI LCC Technical Guide Questionnaire", the GTI Secretariat has compiled this detailed LCC/LSC Technical Guide on the LCC/LSC Mechanism and the working procedures to help both our current and prospective members as well as partners to understand the framework of LCC and navigate their activities and involvement within LCC.

This document has already been discussed by LCC and LSC members during the Preparatory Meeting for the 7th LCC Meeting held in Beijing in April and will be reviewed during the 7th LCC Meeting to be held in July in Khentii Province, Mongolia.

GTI Capacity Building Survey Results

Following the 6th LCC Meeting held on 13 July 2018 in Tottori Prefecture, Japan, the LCC/LSC Capacity Building Program Survey was designed by the Secretariat. According to the responses of members to the LCC/LSC Capacity Building Program Survey, the Secretariat compiled a draft Capacity Building Program Survey Results for comments and discussions during the meeting on 10 April in Beijing. The Capacity Building Program Survey Results will be reviewed during the 7th LCC Meeting and potential capacity building programs will be discussed.

GTI NEA Local Development Forum (LDF)

The GTI NEA Local Development Forum (LDF) was held on 13-14 July 2018, in Tottori Prefecture, Japan. The event brought representatives from private sector to exchange information and views on how to promote logistics development in Northeast Asia.

Participants reaffirmed the significance of improving cross-border transport infrastructure, simplifying customs clearance procedures, and implementing supportive policies in lowering transportation cost and increasing trade volumes, and noted that the stability and sustainability of existing routes, exploration of new sea-land routes, information sharing and expertise exchange as well as scientific research on cross-border transportation issues are critical for regional cooperation.

Next Steps

- The 7th LCC Meeting, the 5th LSC Meeting and the 6th LDF will be held on 24 July 2019, in Khentii Province of Mongolia.
- The third Pilot Transport Testing Project Proposal is being prepared by Tottori and will be implemented in 2019.
- The Information Sharing Sheet on Logistics Barriers and Cargoes Date will be updated twice a year by local provinces.
- LCC/LSC Technical Guide and Capacity Building Survey Results will be reviewed during the 7th LCC Meeting and follow-up actions will be further discussed among LCC and LSC members.
- Kemerovo Region of Russian Federation expressed their willingness to join LCC as observer, the Draft LCC/LSC Technical Guide has already sent to Kemerovo Region for their reference and the GTI Secretariat will keep contact with Kemerovo for this issue.

Analysis and recommendations

- Customs procedures still need to be simplified, different solutions to problems will be coordinated by GTI Secretariat, efficient coordination with local agents and shipping companies needs to be further enhanced by local provinces for precise evaluation of difficulties.
- Information Sharing Sheet on Logistics Barriers should become a planning and problem solution tool for further tackling the bottlenecks in a more constructive way and should be in the focus for the LSC members in the future.
- Cooperation with Transport Board, CSC, Environmental Board and other Board/Committees need to be enhanced by inviting local governments to attend GTI Board/Committees meetings or jointly organizing workshop or capacity building programme.
- Cooperation with the Far Eastern Customs Administration and Zarubino Port need to be deepened.

- Analytical exercise on future perspectives of LCC by looking back at the past period of LCC's activity and discussion on what local provinces want from LCC as a platform and how they want to work together within the LCC framework in order to identify next steps need to be conducted regularly.
- A continuous effort should be taken to invite new members and include the private sector.
- Keep track of existing cooperation platforms and utilize them for further communication and meetings. An example is the GTI Expo or the CC Meeting.
- Language barriers affect greatly communication and cooperation among members.
- The sense of ownership need to be built up and cooperation scope need to be broadened to obtain more practical results.

I. ACTIVITIES IN PRIORITY SECTORS

1.1 Transport

8th GTI Transport Board meeting

8th GTI Transport Board Meeting was held on 20 September 2018 in Beijing. The Meeting co-organized by the GTI Secretariat and Ministry of Transport of China was held back to back with the GTI Transport Expert Group meeting. Transport Expert group meeting which preceded the session of the Transport Board gave the opportunity to exchange experts' views on the project proposals, which were later submitted to the transport board for endorsement, as well as to share the latest developments with regards to Present Situation and Prospect of Cross-border Logistics Corridor in Northeast Asia and plans to conduct a trial shipment from China to Japan through the territory of Russian Federation. Moreover the issue of logistics information sharing and the possibility of establishment of such an initiative under GTI was brought up during the Experts meeting. In this regard, a representative of LOGINK introduced the NEAL-NET platform among China, Japan and Republic of Korea, and their best practices which allowed to substantially progress with logistics information exchange among the three countries.

During the Transport Board meeting, the GTI Secretariat has reported to the Transport Board on the recent developments within the transport sector including the latest activities of NEA EXIM Banks Association and Logistics Sub-Committee (LSC). Later, the Members of the Board presented the national progress made along the GTI Regional Transport Strategy.

Furthermore, the GTI Secretariat presented a revised version of the GTI Midterm Transport Action plan suggesting to include new objectives and activities based on the discussions by the Expert Group and analysis of the agenda of the recent Transport Board meetings. It was also decided to extend the Action Plan for the period of one more year (until 2019) in order to prepare an updated version of the Plan, based on the relevant study of NEA Integrated logistics network which was proposed by the GTI Secretariat.

Besides the "Study on NEA Integrated Logistic Network" project proposal, the Far-Eastern Federal University presented the proposal of "Master's Program at the Far Eastern Federal University "Transport and Spatial Logistics" for GTI Member Countries" aimed at strengthening exchanges in transport education among GTI member countries and building capacity of transport professionals. The members of the Transport Board generally supported the two proposals and instructed the GTI Secretariat to proceed with further elaboration on the proposals and initiation of the process of the exchange of comments among the GTI countries on the details, such as scope of projects, work plans, sources of financing, etc.

Participants from the central transport ministries of the GTI Countries, local transport administrations, representatives of the academia and research institutes (Transport Planning and Research Institute of China, China Academy of Transportation Science, Research Institute of Highway of the Ministry of Transport of China, Mongolian University of Science and Technology, Korea Railroad Research Institute, Korea Transport Institute, "DNIIMF-Vostochny" Co. Ltd., Far-Eastern Federal University (Russia), Economic Research Institute for Northeast Asia (ERINA), as well as partners from GIZ (the German agency for international cooperation), and LOGINK attended the meeting. The 9th Transport Board Meeting will take place in Mongolia in 2019 (September).

UNESCAP Expert Group Meeting on Strengthening transport connectivity between the Republic of Korea and Europe through the Eurasian Transport Corridors (Beijing, 28 February, 2018)

UNESCAP decided to organize the Expert Group meeting to share and preliminary findings of the study project “Strengthening transport connectivity between the Republic of Korea and Europe through the Eurasian Transport Corridors” and collect further information of relevance. In line with the direction of intensifying cooperation and establishing synergies with other international organizations, primarily the long time partners such as UNESCAP, the GTI Secretariat offered to provide its support in organization of the meeting in Beijing. The meeting was co-organized and co-chaired by UNESCAP and GTI Secretariat. During the meeting the GTI Secretariat presented about GTI’s activities and initiatives in transport, including the study proposal on NEA Integrated Logistics Network, Establishment of Coordination Committee for Observation and Management of GTI Transport Corridors and organization of Master’s Program at Far Eastern Federal University.

Project Activities

Proposal on “Study on NEA Integrated Logistics Network”

The proposal was jointly prepared by GTI Transport Expert Group member (Mr. Mikhail Kholosha, DNIIMF-Vostochny) and GTI Secretariat. The proposed study should be based on the earlier implemented study projects such as “Integrated Transport Infrastructure and Cross-Border Facilitation Study”, studies on Financial options for infrastructure projects in the Greater Tumen Region (2014) and “Software Support”(2014) implemented in 2014 and Evaluation study on Sea-Land routes (2014). The main objectives of the proposed study on NEA Integrated Logistics Network are to suggest logistics schemes integrating the land and sea-land multimodal routes, update the GTI regional transport strategy and Action Plan (current Plan is until 2019), suggest a pipeline of projects for the establishment of integrated transport and logistics network in NEA and expand the coverage of the Study to all 6 countries of the NEA region (Japan and DPRK).

Progress

- ◆ Proposal supported by the 8th GTI Transport Board meeting (September 2018, Beijing)
- ◆ Preliminary draft TOR prepared by the GTI Secretariat and GTI Transport Expert Group, open for further suggestions

Establishment of Coordination Committee for observation and management of GTI Transport Corridor

The Concept paper on the establishment of Coordination Committee for observation and management of GTI Transport Corridors was prepared by the GTI Secretariat and presented during the 7th Transport Board meeting (December 2017, Moscow). Establishment of such a committee was suggested by the GTI “Transport Corridor Study” completed in 2013 and is in line with one of the policy directions of the GTI Regional Transport Strategy – “management of corridors.” The concept of establishment of coordination committee was supported by the Transport Board, and the GTI Secretariat was requested to prepare a detailed proposal. The proposal is being developed including negotiations with UNESCAP on possible forms of cooperation and synergy between the two institutions on the implementation of the project.

Progress

- ◆ Concept is approved by the GTI Transport Board for further development
- ◆ Made inquiries on best practices and on-going activities

Partnership

Master's Program at the Far Eastern Federal University (FEFU) "Transport and Spatial Logistics" for GTI Member Countries/Cooperation with FEFU and other interested member countries' institutes

Project proposal prepared by FEFU and the GTI Secretariat was approved by the 8th GTI Transport Board meeting. The project aimed at training of experts knowing principles of development of logistics, good understanding of the features of the regional development, speaking common language and using unified special terms. Master`s program «Transport and Spatial Logistics» should be implemented as a partnership platform between institutes from GTI member countries and FEFU. The overall objective of the project is to provide a platform for training specialists in the field of spatial logistics to build overall capacity and supply skills for the labor market in Northeast Asia.

Progress

- ◆ First "pilot" visiting professor from ERINA will give lectures at FEFU 8-12 April 2019
- ◆ A program including other activities is prepared and being approved by FEFU («Visiting Professors program», Summer Schools, Winter Schools, online lectures, guest lectures, seminars, conferences, workshops, distant training).

Next Steps

- ◆ **The 9th Transport Board Meeting back to back with Expert Group meeting** is scheduled to take place in Ulaanbaatar, Mongolia in September 2019.
- ◆ **Study on NEA Integrated Logistics Network** – further develop/improve the proposal and TOR with the help from partners (UNESCAP, ADBI, etc), other GTI sectoral committees and GTI's affiliated bodies (RIN, LCC). Reach out to potential partners to look for involvement and financing resources. Organization of a GTI Transport Expert Group back-to-back with the Transport Board meeting in Mongolia (September 2019).
- ◆ **Establishment of Coordination Committee for observation and management of GTI Transport Corridors** – a detailed proposal should be prepared with contributions from GTI transport board and GTI expert group. Discuss and identify synergies with the UNESCAP's project on introduction of the unified pre-arrival document for multimodal transport. Follow up on the UNESCAP project "Developing Intermodal Transport Connectivity for Enhancing Euro-Asian Transport Linkages. Management arrangements for selected intermodal transport corridors in Asia" (Intergovernmental Agreement on International Road Transport along Asian Highway Network) to see the opportunities for GTI to be involved (if the corridor is in GTI region). Establishment of the Committee with concrete steps/phases and action plan should be included into the updated GTI Regional Transport Strategy and Action Plan – based on the outcomes of the proposed NEA Integrated Logistics Network study project (proposal under development and solicitation).
- ◆ **Master's Program at the Far Eastern Federal University (FEFU)/Cooperation with FEFU and other interested member countries' institutes** – specific formats and modalities of collaboration between FEFU, GTI Secretariat, and GTI member countries should be identified through further exchanges. Investigate the possibilities of establishing formal arrangements (MOUs, etc) between the academic institutions of GTI countries and/or GTI Secretariat. Facilitate the exchanges among the institutions.

1.2 Trade and Investment

Trade and Investment Committee (TIC)

The 3rd Trade and Investment Committee (TIC) was held successfully (3 December. 2018, Kemerovo, Russia). The TIC members viewed the progress and achievement since the 2nd meeting in 2017, approved the Work plan of 2019 and shared information on trade facilitation and investment promotion efforts in their respective countries. The TIC members welcomed the completion of the project, “Study on the Soft Environment of Regional Supply Chain Connectivity”(conducted by CAIT), and the successful organization of cooperation activities such as “Policy Dialogue on Industrial Park (5 September 2018, Changchun, China)”, GTI Workshop on FTAs/RTAs Information Sharing (25 October 2018, China), and 6th GTI International Trade and Investment EXPO (13~16 September 2018, Donghae, ROK). In particular, TIC meeting had a special session, “Trade and Investment Opportunities of Kemerovo Region’. Stakeholders in the Kemerovo region gave presentations on the regional industry including coal mining, metal industry, and tourism. It might be a good opportunity to explore a new way of cooperation with Kemerovo as a new friend of GTI.

Customs Sub-Committee (CSC)

The 3rd GTI Customs Sub-Committee (CSC) Meeting was held (3 December. 2018, Kemerovo, Russia). The CSC members welcomed the completion of the project, “AEO Cooperation Scheme among Customs Administration” which drafted a standardized AEO Mutual Recognition Arrangement (MRA), and the successful organization of 7th Trade Facilitation Capacity Building Workshop (20~22 November 2018, Jeju, ROK). The CSC members reviewed shared information and insights on their best practices in promoting trade facilitation including the harmonization of AEO security criteria, time-release study, WTO TFA capacity building program, etc. Also, UNESCAP organized the 2nd ‘UNNEXt Task Force on Cross-border Electronic Data Exchange’ meeting (4~5 December 2018).

International Seminar on Trade Facilitation in Northeast Asia

Back-to-back with the meetings of TIC and CSC, the 8th International Seminar on Trade Facilitation in North East Asia was held by UNESCAP on 4 December 2018. The seminar discussed the current issue of the cross-border paperless trade. Government officials and experts from UNESCAP, World Customs Organization (WCO), and the private sector shared experiences and insights on cross-border electronic data exchange and e-commerce. The East and North East Asia Office (ENEA) of UNESCAP will prepare the report based on 8th Seminar, which would be aimed at keeping efforts of GTI members strategically focused, pragmatic and results-oriented.

Project 1 – GTI Policy Dialogue on Industrial Park

The Ministry of Commerce of China (MofCOM), Jilin Provincial government of China, Deutsche Gesellschaft für Internat. Zusammenarbeit (GIZ) GmbH and GTI Secretariat co-organized ‘GTI Policy Dialogue on Industrial Parks’ on 5 September 2018 (Changchun, China). During the Policy Dialogue, around 40 experts from governments, international organizations, academia, and private sector discussed issues and shared insights with 4 themes: 1) Current industrial Parks in NEA, 2) Tools for achieving the Sustainable Development Goals (SDGs), 3) Opportunities for business and investment, and 4) regional policy coordination.

The Policy dialogue provided policymakers and stakeholder with information and insights for future planning and cooperation actions. The GTI Secretariat published the ‘GTI Policy Brief: Special Economic Zones in the Greater Tumen Region’ in cooperation with GIZ collecting key points of the presentations and discussions during the Policy Dialogue.

Project 2 – GTI Workshop on FTAs/RTAs Information Sharing

GTI Workshop on FTAs/RTAs information Sharing was held on 25 October 2018 (Boao, China), co-organized by the Ministry of Commerce of China (MOFCOM), the China Association of International Trade (CAIT) and the GTI Secretariat. Participants from non-member countries such as Japan, and Malaysia as well as member countries, took part in this workshop to share experience and insight on regional integration including FTAs/RTAs issues. During the workshop, experts while putting forward various ideas to improve the NEA regional integration discussed the role of FTAs/RTAs. For example, GTI member countries may consider flexible, informal and consensual approaches benchmarking the Association of Southeast Asian Nations (ASEAN), and the Asia-Pacific Trade Agreement (APTA) because trade and investment are linked to other issues such as the economic environment and social issues.

The GTI Secretariat e-published the report, which reflects the discussion, views, and recommendations from the Workshop and provides information on FTAs/RTAs of North East Asia.

Project 3 – GTI Trade Facilitation Capacity Building Workshop

The Korea Customs Service in cooperation with the GTI Secretariat organized the 7th GTI Trade Facilitation Capacity Building Workshop on 20-22 November 2018 in Jeju, ROK with the theme of “Risk Management in Customs”. Recognizing the significance of efficient and effective risk management in border-crossing procedures, the participants actively exchanged related information and policy, and shared their experience and insights on improving risk management process and system. In particular, GTI member states discussed the analysis and targeting information on high-risk passenger and import/export cargo, where the passenger information systems as well as cargo selectivity process were displayed, together with the analysis and targeting procedures, criteria, and case study. Moreover, participants exchanged deeper insights into the overall risk management process, integrated clearance procedure, and advance risk identification based on their practices and experience.

GTI International Trade and Investment EXPO

The 6th GTI International Trade and Investment EXPO was held on 13-16 SEP 2018 in Donghae City, Gangwon Province of ROK with the theme ‘The New North East Asia Era: Cooperation, Development, and Mutual Prosperity.’ 850 companies from 50 countries are expected to participate in the EXPO. During the EXPO, contracts amounting to 149 million USD were concluded. GTI Economic was organized as a side event with the theme ‘Fostering the development of Sea-land Routes in NEA, Linking with ‘Belt and Road Initiative’ and ‘Strengthening China-ROK Economic Cooperation in line with the Changjitu Development Strategy. Experts from China and ROK shared their insights on logistics network, prospects for China-ROK economic cooperation zone and Changjitu Development Strategy.

Next Steps

- **4th TIC, CSC and 9th International Seminar on Trade Facilitation in Northeast Asia** will be held in December 2019 (TBD) in China
- **Capacity Building Programme on Trade Facilitation in Northeast Asia** will be held in November. 2019 (TBD) in ROK
- **7th GTI International Trade and Investment EXPO** will be held in October. 2019 (TBD) in Wonju, ROK
- **Cooperation with UNESCAP:** UNNExT Task Force on Cross-border Electronic Data Exchange' was organized by UNESCAP to improve readiness in exchange of trade-related data electrically across borders. GTI continues to support UNESCAP to organize the task force and will hold a joint special session with it to share the outcome in the next CSC meeting.

1.3 Tourism

Project Activities

7th GTI NEA Tourism Forum

The 7th GTI NEA Tourism Forum was held on 3-4 August 2018, co-organized by the GTI Secretariat and Jilin Provincial Tourism Administration, Yanbian Korean Autonomous Prefecture Government and Hunchun Municipal Government. The Forum was attended by representatives from tourism administrations tourism companies of GTI member countries, representatives from UNWTO, Mekong Tourism Coordination Office (MTCO), GIZ and GTI Secretariat. The Forum under the theme "Corresponding to "The Belt and Road Initiative", Developing Multi-Destination Tourism to Build Northeast Asia Tourism Community" was followed by Training on Marketing of Tourism Destinations and Tourism Planning and a UNWTO Workshop. During the opening remarks the Director of GTI Secretariat emphasized the role that GTI NEA Tourism Forum have played in development of tourism cooperation in the GTR. In the future, GTI would like to further raise the profile of the Forum, expand scale and scope of the event and make it the main event for GTI Tourism Board serving as an extension and practical implementation of policy discussions held among members of GTI.

The Forum went over in 5 sessions with participants' presentations.

The first session was devoted to the Cross-Border Multi-Destination Tourism Development in NEA. The key-note speaker of this session Ms. Vanessa Satur (UNWTO) gave an overview of the Tourism Development Trends in NEA and stressed both advantages and challenges of the NEA's tourism. GTI Secretariat briefed on the current activities and prospects of cooperation under GTI, i.e. participation of GTI member countries at the XXII Pacific International Tourism Exhibition (18-20 May, Vladivostok) under the "GTI logo", partnership with UNWTO and GIZ in organizing the training programme, proposals for establishment of a web-based collaborative platform for social commerce and multi-level exchange for promotion of tourism products and tourism destinations in the region as well as proposal from Primorsky Territory to organize a familiarization tour to Vladivostok for tour operators from China, Mongolia and Republic of Korea.

A separate session 2 was organized to discuss the Multi-Destination Tourism Products in NEA: Best Practices and Suggestions for the Future. Mr. Jens Thraenhart, Executive Director of the Mekong Tourism Coordination Office (MTCO), showcased the social collaborative platform "Mekong Moments" which has been successfully launched and introduced a proposal for GTI on establishment of a similar platform for the Greater Tumen Region. Representatives from Chinese Academy of Social Sciences, Silk Road Programme of UNWTO, Ministry of Environment and Tourism of Mongolia, Tourist Information Center of Primorsky Territory and Khasan Municipal District Administration shared the best

practices and cases for multi-destination travel routes. The General Manager of Yanji Airport Company also gave his suggestion to the development of new multi-destination routes.

During Session 3 speakers shared ideas and initiatives on the development and promotion of international sea routes in Northeast Asia.

The fourth session mainly focused on the effective transformation and implementation of the academic achievements. Representatives from National University of Mongolia and Vladivostok State University of Economics and Service shared their ideas on how to transform the academic findings into intellectual support for the realization of the multi-destination tourism concept in Northeast Asia.

In Session 5, Cross-Border Self-driving Tourism was discussed. Director of the Exit and Entry Administration Department of Jilin Provincial Public Security Bureau, General Manager of Yanbian Far East International Tourism Co. Ltd., General Manager of Changchun Culture International Travel Service Co., Ltd. and General Manager of Yanbian Holiday International Travel Service Co., Ltd. shared their experiences and presented project ideas and initiatives for cross-border self-driving tourism development.

Capacity-Building Programme on the Development of Multi-Destination Tourism (MDT): Training on Marketing of Tourism Destinations and Tourism Planning

The project proposal was jointly prepared by GTI Secretariat and UNWTO and presented at the 10th GTI Tourism Board meeting in ROK (31 August 2017, Pyeongchang). Following the approval of the Tourism Board, the GTI Secretariat in cooperation with UNWTO has prepared a detailed project proposal with a draft of the programme of the training. The main objective of the training was to raise awareness and develop skills of tourism stakeholders from the GTR to better understand concepts and latest techniques in tourism marketing and promotion, particularly in relation to multi-destination tourism (MDT); improve the skills in the fields of strategic marketing planning, operational marketing, e-marketing, and evaluation of promotional activities.

In the process of negotiation with Hunchun Government, it was agreed to hold the training as a side event to the annual GTI NEA Tourism Forum in Hunchun. The GTI Secretariat together with the UNWTO jointly organized the training with financial support from the GIZ SCSi on 4 August 2018 in Hunchun. The Jilin Provincial Tourism Administration, Yanbian Korean Autonomous Prefecture Government and Hunchun Municipal Government hosted the training. The training provided a first approach to jointly develop capacity among GTI members from the GTR region on cross-border tourism development. The event assembled tour operators and delegates who represented the various tourism strategies which had recently been put forward by national and local governments. The training was complemented by UNWTO's workshop for tour operators "Introduction to Silk Road Programme. Preparing for Attendance at ITB Berlin". Based on inputs and group work during the training, next steps could be discussed for concrete cooperation under the GTI Tourism Board.

The output of the training is a report with recommendations on the development of MDT products for GTI region.

Establishment of a web based platform for the information exchange and promotion of tourism products and tourism destinations in the GTI region

The proposal of establishment of a GTI tourism website was presented by the Russian side at the 10th GTI Tourism Board meeting (31 August 2017, Pyeongchang, ROK). Following the comments by the board members, the GTI Secretariat has made a research to learn about best practices from similar regional organizations and suggested to look into a more comprehensive web-based platform which will promote the Greater Tumen Region as a single tourism destination both inside and outside the region, build social media capacity in the region, make local experiences available online to an international

audience, offer businesses a platform, engage travelers and build a database. Based on the proposal received from the Chameleon Strategies (innovative strategy think tank based in Bangkok) the GTI Secretariat facilitated communication between the Ministry of Environment and Tourism of Mongolia and GIZ to discuss potential financial support to Mongolia to create their country platform. The agreement among the Ministry of Environment and Tourism of Mongolia, Chameleon Strategies and GIZ was signed in November 2019 in Ulaanbaatar. The launch event for Mongolia's platform took place at the ITB Berlin 2019 on 6 March 2019. Mongolia's platform is seen as a pilot stage of the project of establishment of a regional platform which will integrate all the 4 member countries' platform. In case of support and commitment from the other 3 members of the Tourism Board (China, ROK, Russian Federation), the Secretariat will look for potential partners and financial resources in order to implement the project of the regional platform.

Partnership

Cooperation with UNWTO

MOU between UNWTO and GTI was signed on 22 June 2018 on the sidelines of the 18th GTI CC meeting in Ulaanbaatar, Mongolia. The MOU aims to enhance cooperation between UNWTO and GTI and to identify areas of mutual interest with a view to the sustainable development and promotion of tourism in the region. The MOU institutionalized the relations between the two organizations and should allow UNWTO to mobilize financial resources for joint implementation of projects with GTI and financial participation of UNWTO's representatives in GTI's events in the tourism sector.

A few areas of potential collaboration were identified according to the MOU:

- Organization of joint workshops and events on issues of tourism development and promotion;
- Participation, as and where possible, in each other's events and programmes;
- Based on availability of budget, UNWTO to provide technical assistance to GTI in the field of tourism statistics, voluntary labelling, quality standards, capacity building and training for Government and private sector, product development, marketing and promotion;
- Based on availability of budget, GTI to participate as much as possible in the programmes and initiatives of the UNWTO Silk Road Programme; and
- Any other areas of cooperation as deemed suitable through mutual consultation.

GTI's participation at ITB Berlin-2019

By invitation of UNWTO and Ministry of Environment and Tourism of Mongolia, representatives from GTI Secretariat took part in the following events of the ITB Berlin-2019: UNWTO Silk Road Ministers Meeting, UNWTO Silk Road Tour Operators' Forum, High-Level Dialogue on Digital Skills in Tourism and a Launch event for Mongolia's social collaborative marketing platform. Besides participation in ITB's events, the GTI Secretariat had a few working meetings with representatives of tourism authorities of GTI member countries, UNWTO (including the UNWTO's Secretary General and Executive Director), Mekong Tourism Coordination Office (MTCO) and GIZ. GTI Secretariat discussed with partners plans to organize GTI's tourism meetings, further steps to intensify cooperation with UNWTO and its Silk Road Programme, development of a regional marketing platform for promotion of tourism in GTR as a next step after Mongolia's platform was launched.

Next Steps

- **The 12th Tourism Board Meeting** will be held in Mongolia in 2019 (May).
- **XXIII Pacific International Tourism Expo and V Pacific Tourism Forum** will be held in Vladivostok, 24-26 May 2019. Discuss with member countries the possibility to organize a GTI stand at the Expo and a special session for GTI member countries and the Forum.
- Cooperation with other international organizations and use their experience, e.g. UNWTO to organize **trainings and capacity building workshops** for local governments, promotion of GTR at the ITB Berlin, GTI's participation in the programmes and initiatives of the **UNWTO Silk Road Programme**, exchange of best practices with Mekong Tourism Cooperation Office (MTCO).
- The proposal on the establishment of a web based **platform for information exchange and promotion of tourism products and tourism destinations in the GTI region** will be further discussed and next steps identified. Following Mongolia's example, other GTI members should consider establishment of their countries' platforms which should be later integrated into a regional one.

1.4 Energy

GTI Energy Board Meeting

The 7th GTI Energy Board Meeting was held on 2 Nov 2018 in Ulaanbaatar, Mongolia. The event was hosted by the Ministry of Energy, Mongolia and organized by the GTI Secretariat. The participants shared the progress and achievements of GTI activities including its energy sector, the suggestions for the GTI energy cooperation, the recent progress of regional energy cooperation of each GTI member countries, and reviewed and the national report of GTI Industrial Energy Efficiency Project as well as the GTI Energy Work Plan for 2019.

The 7th GTI Energy Board Meeting agreed to have 8th GTI Energy Board Meeting in 2019 in the Republic of Korea. The republic of Korea proposed to host 2019 GTI Energy Board Meeting back to back with 2019 International Renewable Energy Conference in Seoul. The ROK accepted the chairpersonship for 2019.

Project – Research on Regional Industrial Energy Efficiency Cooperation

The research project on Regional Industrial Energy Efficiency Cooperation was endorsed at the 15thGTI CC Meeting. The initial in-depth analysis of National and Regional Energy Efficiency (EE) situation was conducted, including incentives, measures and programs, recommendations for central and local governments to improve EE initiatives and joint projects in the GTR. The project consultants have submitted the national reports under the guideline in December 2018. The national reports were reviewed at the 7th GTI Energy Board Meeting. The Regional Report is now prepared by the International Consultant.

MOU – Memorandum of Understanding with Korea Energy Agency

In the 7th GTI Energy Board Meeting, GTI Secretariat discussed the potential energy cooperation with KEA (Korea Energy Agency) including the signing of MOU (Memorandum of Understanding) between GTI and KEA, confirming jointly the possible energy cooperation projects, GTI participation in 2019 International Renewable Energy Conference in Seoul. The draft MOU is under discussion between GTI and KEA. The MOU will be signed in 8th GTI Energy Board Meeting.

Next Steps

- **2019 GTI Energy Board Meeting** – The republic of Korea proposed to have 2019 GTI Energy Board Meeting back to back with 2019 International Renewable Energy Conference in Seoul. GTI Energy Board members agreed to have 8th GTI Board Meeting in 2019 in ROK. GTI Secretariat had a plan to sign the MOU between GTI and KEA (Korea Energy Agency) for cooperation in the energy sector.

1.5 Environment

GTI Environmental Board Meeting

The 5th GTI Environmental Board Meeting was held on 14 November 2018 in Ulaanbaatar, Mongolia. The event was hosted by the Ministry of Environment and Tourism, Mongolia and organized by the GTI Secretariat. The government officials from the GTI member countries and experts from research institutes took part in the meeting and shared information on the progress and achievements of the GTI framework and each member country's recent policies in the environment sector to upgrade the cooperation activities among the GTI member countries.

The GTI Green Development Forum was suggested by China and it is one of priority issues mentioned in the Explanatory Note of GTI Secretariat on Suggestions for Future Cooperation in Environmental Sector. The participants exchanged comments on the environmental forum including the possibility of having the forum back to back with GTI CC (Consultative Commission) Meeting. The GTI Secretariat introduced the Explanatory Note on Suggestions for Future Cooperation in Environmental Sector that proposed that the NEA Clean Air Partnership, Desertification and Land Degradation and Reforestation, Trans-boundary Joint Sites and Environmental Forum can be the prior areas in NEA environmental cooperation. The ROK delegation accepted the Chairmanship for 2019 and mentioned that they will closely communicate with the GTI Secretariat to discuss details including the meeting date and venue.

Project – GTI Environmental Cooperation Strategy

The project proposal titled “GTI Environmental Cooperation Strategy in Northeast Asia” was approved by the GTI Environmental Board Members and endorsed at the 16th GTI CC Meeting. The project TOR was circulated and agreed by the GTI Environmental Board Members. The GTI Secretariat prepared the TOR of the project and the TOR for consultants. The recruitment of consultants is in the process of cooperation with the GTI Environmental Board Members. The national consultants were recommended by the China, Mongolia and ROK, and the TOR of the Russian national consultant will be submitted sooner.

Next Steps

- **GTI Environmental Board member** – The China, Mongolia and ROK had appointed its members to the GTI Environmental Board. And Russia is kindly requested to appoint its member to the GTI Environmental Board.

1.6 Agriculture

Agriculture Committee Meeting

The 4th Working Meeting for GTI Agriculture Committee

The 4th Meeting of the GTI Agriculture Committee was held on March 28-29, 2019 in Ulaanbaatar, Mongolia. The Meeting firstly reviewed the progress of Committee's work in 2018 and exchanged the updates on major achievements in agricultural cooperation among GTI member states, where the representatives provided comprehensive overview of different activities and programs implemented in collaboration with of other members in grassland ecology, agriculture science and technology, agricultural product processing and trade, plant varieties protection, and controls of trans-boundary animal diseases and others.

The participants further discussed project proposed by the Ministry of Agriculture and Rural Affairs (MARA) of China and Ministry of Food, Agriculture and Light Industry of Mongolia (MoFALI), which included 1) proposal on “Report on Good Practices of Agricultural Cooperation in Greater Tumen Region”, and 2) concept note on “A Regional Consultative Meeting to Promote Trade Facilitation of

Agricultural Products in the Greater Tumen Region”. Members supported the idea of both projects, and committed to give further directions after internal consultation in due course.

Ultimately, the Work Plan of GTI Agriculture Committee for 2019 was reviewed with emphasis on intensifying the work of the committee by holding more frequent exchange through video and teleconferences based on demand, development and implementation of current and new project proposals, and development of partnerships with other stakeholders in agricultural cooperation.

Projects

Reflecting the consensus made on the 4th Agriculture Committee Meeting, the committee members will draft project/activity proposals to further push the agricultural cooperation forward. The drafted proposals will be reviewed either through e-mail communication or during the quarterly video conference(s). It is expected that each member may submit at least one project proposal idea to the committee through the Secretariat by July 2019. Also, members are expected to further develop and hopefully to implement the following projects.

- Project Proposal on “Report on Good Practices of Agricultural Cooperation in Greater Tumen Region”
- Concept Note on “A Regional Consultative Meeting to Promote Trade Facilitation of Agricultural Products in the Greater Tumen Region”

Partnership

During the preparation of “China Agriculture Technical Study Tour”, not only MOARA of China, also Ministry of Agriculture, Food and Rural Affairs of the Republic of Korea, CSAM, and GIZ provided valuable financial support to the project. Moreover, the GTI Secretariat was invited to the International Organizations in Food and Agriculture in China Workshop organized by CSAM. This workshop created the opportunity for GTI meet and learns from other organizations in the field, to explore the interesting topics and areas of future agriculture cooperation, and heard the demand from Chinese stakeholders on international cooperation.

Next Steps

- **Working level Meeting of the Agriculture Committee** – The 5th meeting of the GTI Agriculture Committee will be held tentatively in December 2019/January 2020 (TBC) in ROK, which is the chairing member country. The GTI Secretariat in cooperation with the Ministry of Agriculture, Food and Rural Affairs of ROK will organize the Meeting.
- **Partnership building** – The GTI Secretariat will strengthen partnership-buildings with potential partners, to develop possible cooperative activities and joint projects in the areas of agricultural development, as well as to seek for financial and technical support, and develop networks with other agricultural cooperation platforms.