

A New Direction for the Tumen River Area Development Programme

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There is still widespread confusion about the Tumen River Area Development Programme (TRADP), some due to misunderstanding of the facts, some due to wishful thinking, and some due to wildly impractical ideas. For example, the United Nations is not building an international city at the mouth of the Tumen River, although rapid growth is occurring in such cities as Hunchun. Nobody is expecting to rapidly mobilize billions of dollars of investment in the region, and certainly not the United Nations, although millions of dollars have already been invested in industry and infrastructure projects. The United Nations is not planning to settle any people in any other country although the Programme is helping governments to foster cross-border cooperation, improved flow of goods and services, and free movement of people.

It is the governments of the member countries who will determine what development takes place and create the enabling environment which will lead to investment. In a very real sense, the Programme belongs to these governments. The role of the United Nations Development Programme is to be a facilitator "to assist and encourage on-going development." Of prime importance to UNDP is facilitation of the process of identifying and articulating the needs and interests of the member countries. In some cases this entails setting the stage for close and confidential consultations among countries which have no diplomatic relations. This kind of facilitating role can only be performed by an absolutely neutral body which aims at providing practical, concrete and non-political advice and support.

UNDP has, with its limited resources, been able to bring the countries together to agree on incremental, and sometimes catalytic, programs of cooperation, building in most cases on comparative advantages and sharing of resources. UNDP-funded interventions must by necessity be focused and concentrate in areas where maximum value added can be ensured, drawing on and providing the leverage of the experience of the United Nations system for development cooperation.

The broad strategy agreed to by the participating governments is to collaborate and cooperate both bilaterally and multilaterally to create a

social and business climate throughout the region that encourages economically and environmentally sustainable development and facilitates trade as a means of improving the welfare of the peoples of the region. Not unnaturally in a project of this complexity, different ideas and approaches have been put forward. Some have been tested and found wanting, others have been modified, while yet others are still under consideration. Not every proposal is diplomatically, politically, economically or environmentally feasible. The important fact is that the member governments have met, have consulted, and have tested options. Only a short while ago, such cooperation would have been unthinkable in Northeast Asia.

With the signing of two international legal agreements (Agreement on the Establishment of the Tumen River Area Development Coordination Committee; Agreement on the Establishment of the Consultative Commission for the Development of the Tumen River Economic Development Area and Northeast Asia) and the Memorandum of Understanding on Environmental Principles Governing the Tumen River Economic Development Area and Northeast Asia, and the reconfirmation of priorities for future action, all at the 6th Programme Management Committee Meeting in New York from 4-6 December 1995, the TRADP has embarked on a new course.

The emphasis during Phase I of the Programme, which was completed at the end of October 1994, was on establishing the legal and institutional framework for future cooperation between the member countries and on carrying out a range of general studies dealing with such matters as infrastructure, telecommunications, water resources, forestry and tourism. In support of these activities, several Working Group meetings were convened, bringing together consultants and official representatives from the TRADP member countries.

With the initialling of the legal agreements and the MOU on the Environment in Beijing on 30 May 1995, UNDP's involvement in creating a legal and institutional framework for the TRADP largely ended. There is, of course, a good deal of work still to be done in this area, especially with regard to institutional arrangements, but this is now primarily the responsibility of the member countries. In particular, decisions have to be made on the location of the future Secretariat and, most importantly, on its financing, staffing and actual *modus operandi*, on the respective roles of the Consultative Commission and the Coordination Committee, on the relationship between those two bodies, and more generally on the future funding and nature of TRADP activities. The Consultative Commission has a specific promotional role, whereas the role of the Coordination

Committee—comprising only the three riparian countries, the Democratic People's Republic of Korea, the People's Republic of China and the Russian Federation—is mainly consultative, coordinating and advisory. All these matters were discussed in detail at the 6th PMC Meeting.

Between the time when the UNDP TRADP office moved to its temporary location in Beijing in November 1994 and the signing ceremony in New York, the Programme was in an Interim Phase, the first half of which was devoted primarily to "shuttle diplomacy" to achieve the initialling of the two legal agreements and the MOU on the Environment. The remainder of the Interim Phase was devoted to three main activities:

- (1) investment promotion
- (2) promotion of measures to harmonize the rules, regulations and procedures which currently impede the free flow of goods and peoples, and
- (3) carrying out of feasibility studies and identification of bankable projects.

These activities were undertaken in consultation with, and in support of, the member governments according to priorities established at the 5th Programme Management Committee Meeting. Other areas of particular concern are training in specific identified fields and in environmental protection.

During the Interim Phase there was a marked shift in emphasis towards charting an "action-oriented" course. A further change of direction, reflecting the agreed concentration on concrete activities, was the increased cooperation which took place with local and regional officials. However, the most important change occurred as a consequence of the signing of the international legal agreements last month. Those agreements provided for the creation of two intergovernmental bodies: The Consultative Commission for the Development of the Tumen River Economic Development Area and Northeast Asia; and The Tumen River Area Development Coordination Committee. Already at the 5th PMC Meeting in Beijing, the member countries had agreed that the two bodies should have an amalgamated Secretariat. The decision was taken in New York to transform the previous TRADP Office in Beijing into the Interim Secretariat—"interim" until the agreements have been ratified by the three governments, whose legislation requires it. Immediately following the 6th PMC Meeting, "informal" meetings of the two intergovernmental bodies took place to consider additional matters such as the organization and timetable of their first formal meetings, eventual location of the Secretariat, future financial arrangements and the question of Working Groups.

The priorities agreed to by delegations at the PMC Meeting in Beijing were overwhelmingly reconfirmed in New York, and form the basis of the Secretariat Work Plan. These are:

- (1) investment promotion/protection;
- (2) funds mobilization;
- (3) coordinated infrastructure development;
- (4) feasibility studies;
- (5) creating an enabling environment/harmonization of rules; and
- (6) environmental protection.

A number of activities have been and will be undertaken, many in conjunction with UNIDO, to promote investment in the Tumen River Economic Development Area. We are in the final stages of producing a *TREDA Investment Guide* through an inter-agency agreement between UNDP and UNIDO. This will be released at an Investment Launch in Niigata in February, and also distributed to the TREDA countries for further dissemination, as well as to international investment corporations and major foreign companies.