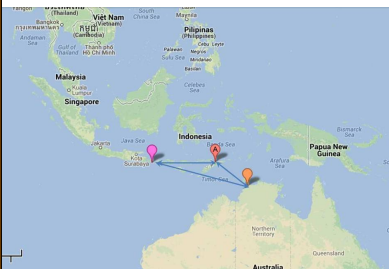




V GOVERNO CONSTITUCIONAL

T.I.A GROWTH TRIANGLE

***Sub Regional Economic Integrated Development
Timor-Leste, Indonesia and Northern Territory of Australia.***



João Mendes Gonçalves
Head of Mission Unit/ TIA-GT

Bali, 12th November 2013
Indonesia Australia Business Council
Business Conference

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Regional Economical Integrated Development Timor-Leste, Indonesia and Northern Territory of Australia.

1. Background

1. Events
2. Unit Mission's start up
3. Sub Regional Cooperation in South East Asia
4. Master Plan on ASEAN Connectivity

2. Action Plan (first approach)

1. Timeline
2. International Treaty
3. Scope of Activities
4. Flag projects
5. Guidelines for structure
6. Drivers of success
7. Conclusions

2



Background

Recognizing the potentialities of an Integrated Regional Economical Development Framework with T-L and Indonesia, comes the Idea by former MED to launch an initiative to start up a project in order to foster it and to provide legal and institutional support.

3



Events

2010/May

Bilateral Meeting, Indonesia / Timor-Leste

Visit of PM Xanana Gusmão and former MED João Gonçalves to Jakarta

Proposal by former MED to President Susilo Bambang YUDHOYONO, during lunch

2011/Apr

Bilateral Meeting, RDT-L / NT Australia

Visit of Deputy Prime-Minister and Minister of Economy to Darwin

2012/Apr

Visit of former MED, João Gonçalves to Jakarta

Meeting with Coordinating Minister for Economic Affairs of the RI. Mr.Hatta Radjasa

2012/Nov

V Bali Democracy Forum – Meeting of the Executive Leaders of 3 countries: PM Julia Gilard, President Susilo Bambang YUDHOYONO and PM Xanana Gusmão

Restating the importance of Economic Cooperation and integration between Timor-Leste, Indonesia and Australia.

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Events

Statements of Chief Ministers of Northern Territory of Australia, willing to join the process

2011/Apr - Paul Henderson

- Visit of Deputy Prime-Minister and Minister of Economy & Development to Darwin for the Bilateral Meeting between RDT-L and NT Australia
- Issue raised with NT Chief Minister, who immediately supported and expressed interest in being part of the initiative

2013/May - Adam Giles

- During his visit to Dili, reiterated NT Gov. interest in pursuing with this initiative

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Events

2012-May

Protocol signed between the Foreign Affairs Ministers of RDT-L and RI, witnessd by the Pres. of RI and the P.M of RDT-L

- 1 . *The objective of the approach is to develop and implement programs to strengthen connectivity between the two Countries based on a multi-sectorial approach;*
- 2 . *The development may be implemented among others in Nusa Tenggara Timur, Timor-Leste and whereas necessary, their surrounding areas;*
- 3 . *To study and develop such approach, a Joint Task Force shall be established between the two governments under a Memorandum of Understanding;*
- 4 . *The Task Force shall report its work to the Sub-Committee on Economic Cooperation under the Bilateral Joint-Commission between Timor-Leste and Indonesia*

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Events

2013/Sep

UM TIA-GT “Kick Off”

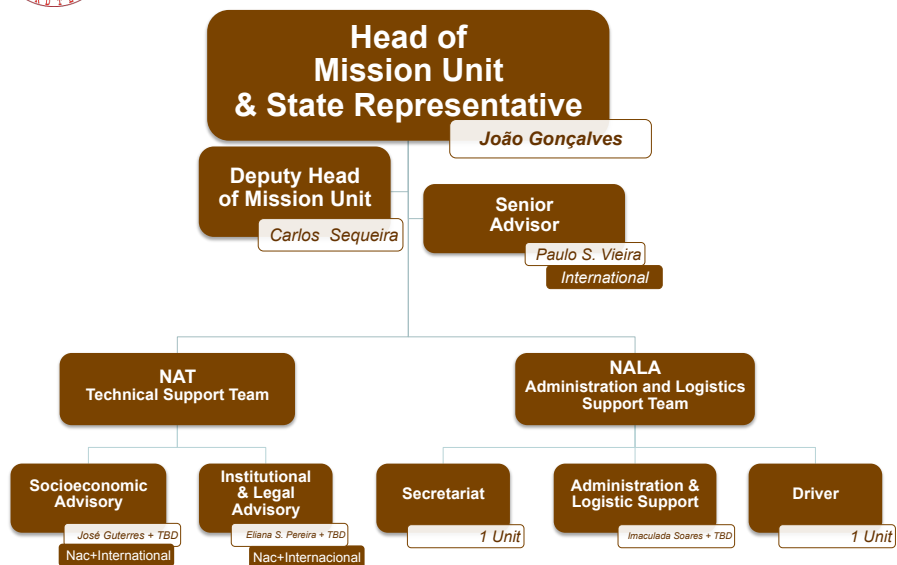
(Timor, Indonesia & Australia - Growth Triangle)

- Government Resolution nº 20/2013, of the V Constitutional Government of the RDT-L, published on 11th September;
- Launched a Mission Unit for the negotiation and establishment of the platform for cooperation and regional integrated economic development across Timor-Leste, Indonesia and Australia;
- Under the sponsorship and direct supervision of the Prime Minister of RDT-L;
- Appointed, as the Head of this Mission Unit, Mr. João Mendes Gonçalves, former Minister of Economy and Development.

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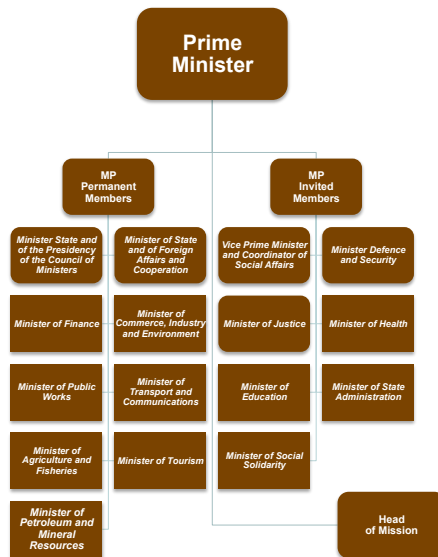
Mission Unit for TIA-GT Operative Organogram





Mission Unit for TIA-GT

Strategic Organogram – Ministerial Council



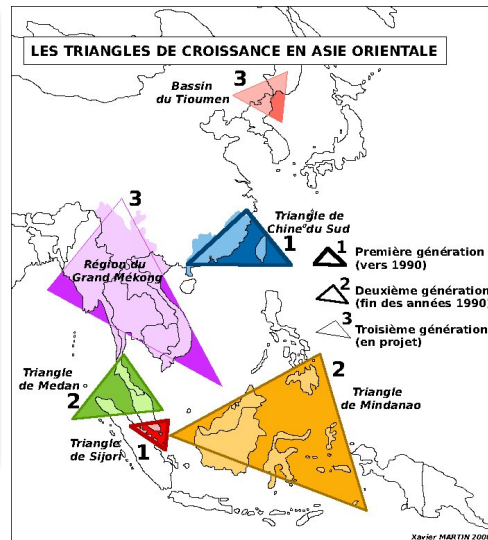
Operations' Macro Activities





1.2 Sub Regional Cooperation in South East Asia

The sub-regional initiatives usually focus on less developed areas of the ASEAN region with less favorable infrastructure stock and weak intra-regional connectivity and hence, most projects involve infrastructure projects and trade and transport facilitation as well as investment promotion and facilitation.



1.2 Sub Regional Cooperation in South East Asia

- The major three sub-regional initiatives in the ASEAN region include:
 - The Greater Mekong Sub-region (GMS)
 - The Brunei Darussalam, Indonesia, Malaysia, and the Philippines-East ASEAN Growth Area (BIMP-EAGA)
 - The Indonesia, Malaysia and Thailand - Growth Triangle (IMT-GT)



The Greater Mekong Sub-region (GMS)

Established in 1992

Comprising:

Cambodia **,
Laos PDR **,
Myanmar **,
Thailand,
Viet Nam *
+ 2 provinces of PR China
Yunnan Province &
Guangxi Zhuang Autonomous Region

Becoming members of ASEAN in

* 1995

** 1997

*** 1999

GMS
GREATER MEKONG
SUBREGION



The Brunei Darussalam, Indonesia, Malaysia & Philippines East ASEAN Growth Area (BIMP- EAGA)

Established in 1994



Brunei Darussalam - Indonesia - Malaysia - Philippines
Ease ASEAN Growth Area
(BIMP-EAGA)

Including:

- Brunei Darussalam,
- Indonesia,
- Malaysia and
- Philippines



BIMP - EAGA





The Indonesia, Malaysia and Thailand Growth Triangle (IMT-GT)

Established in 1994

- Indonesia,
- Malaysia and
- Thailand



Master Plan on ASEAN Connectivity *

Connectivity in ASEAN refers to the physical, institutional and people-to-people linkages that comprise the foundational support and facilitative means to achieve the economic, political-security and socio-cultural pillars towards realizing the vision of an integrated ASEAN Community

Key Elements of ASEAN Connectivity:

- Physical Connectivity
- Institutional Connectivity
- People-to-People Connectivity

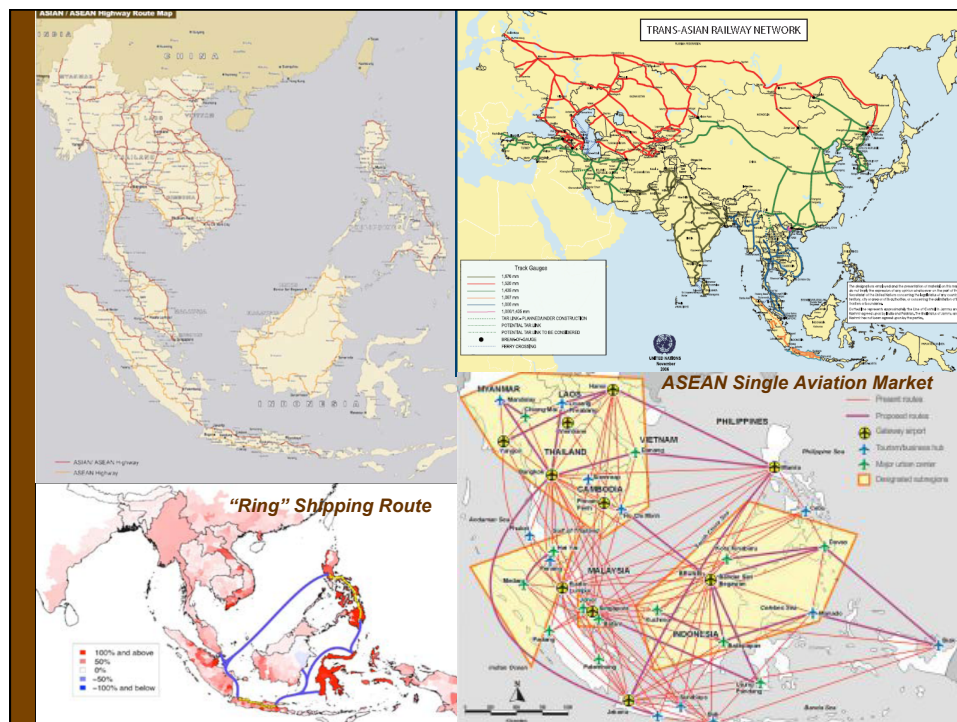
**Adopted by the ASEAN nations on 18/Nov/2010 in Ha Noi, Vietnam*

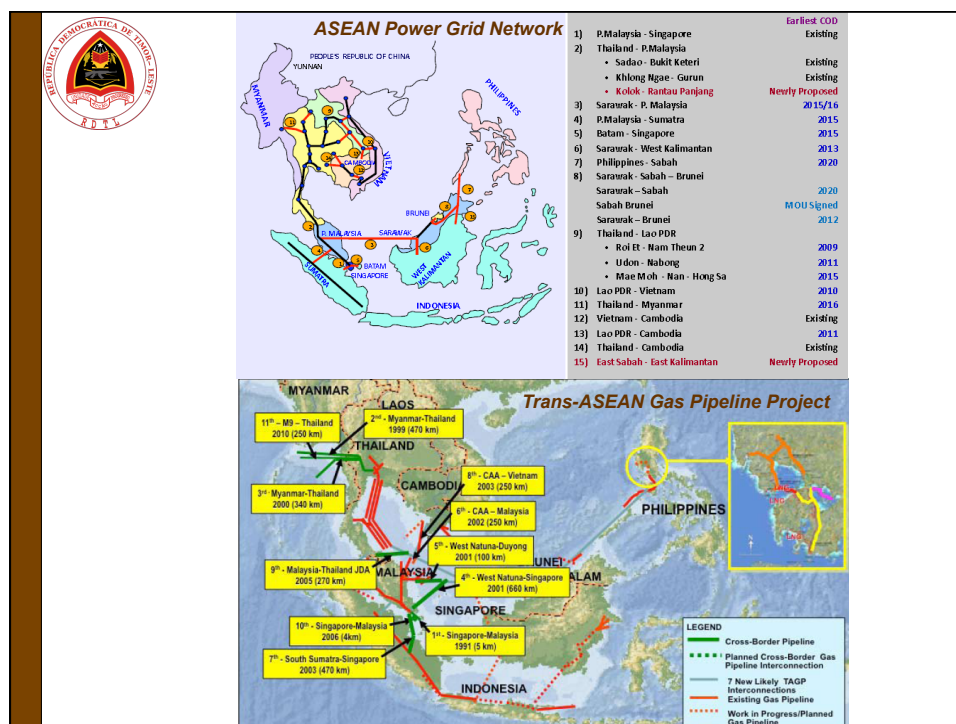


Master Plan on ASEAN Connectivity

Physical Connectivity

- **Transport**
 - Land Transport
 - Road infrastructure *ASEAN/Asian Highway Network Map*
 - Rail infrastructure *Trans-Asian Railway Network*
 - Maritime Transport *"Ring" Shipping Route*
 - Air Infrastructure Development *ASEAN Single Aviation Market*
- **ICT - Information & Communications Technology** *ASEAN ICT Masterplan (AIM2015)*
- **Energy**
 - ASEAN Power Grid Network*
 - Trans-ASEAN Gas Pipeline Project*





Master Plan on ASEAN Connectivity

Institutional Connectivity

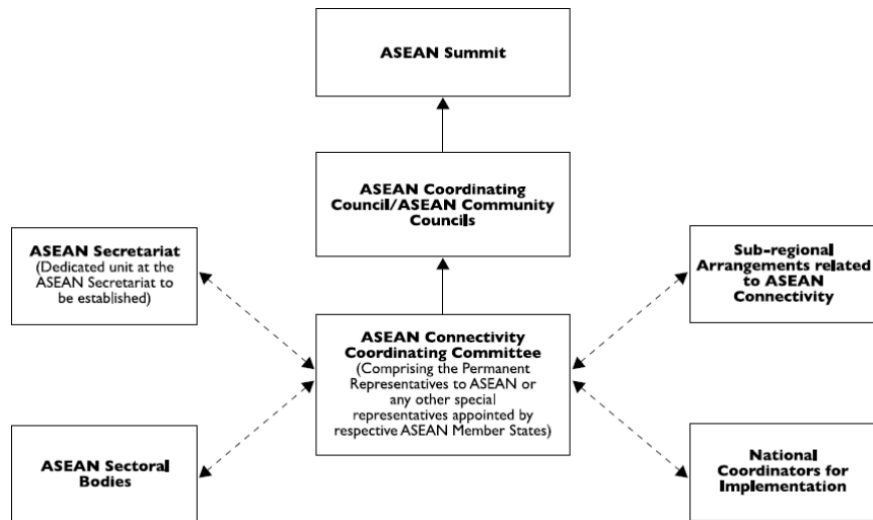
- Trade liberalization and facilitation
- Investment and services liberalization and facilitation
- Mutual recognition agreements/arrangements
- Regional transport agreements
- Cross-border procedures
- Capacity building program

People-to-People Connectivity

- Education and Culture
- Tourism



Implementation Arrangements for the Master Plan on ASEAN Connectivity



Indicative List of Funding Sources for Technical Assistance

1. ASEAN Development Fund (ADF)
2. ASEAN Cultural Fund (ACF)
3. ASEAN Information Communications Technology (ICT) Fund
4. ASEAN Energy Endowment Fund
5. ASEAN-China Cooperation Fund (ACCF)
6. Japan-ASEAN Integration Fund (JAIF)
7. ASEAN-ROK Special Cooperation Fund (SCF)
8. ASEAN-ROK Future Oriented Cooperation Programme Fund (FOCP)
9. ASEAN Plus Three Cooperation Fund
10. ASEAN-Australia Development Cooperation Programme Phase II (AADCP II)
11. ASEAN-India Fund
12. ASEAN Economic Integration Support Programme (ASEAN-EU)
13. ASEAN Air Transport Integration Project (ASEAN-EU)
14. ASEAN Development Vision to Advance National Cooperation and Economic Integration
(ADVANCE) Programme (ASEAN-US)
15. Economic Research Institute for ASEAN and East Asia (ERIA)
16. Asian Development Bank (ADB)
17. World Bank
18. Other Technical Assistance Programmes within ASEAN and with ASEAN External Partners

In MASTER PLAN ON ASEAN CONNECTIVITY
Table 4.1: Indicative List of Funding Sources for Technical Assistance



Action Plan

(First Interaction)

To carry on with the obligations concerning the Protocol signed between RDTL and RI in 2012/May/19

1. Preparation of a MOU to start up the process
Immediately
2. Signature of MOU
Deadline 15/12/2013
3. Set up an *ad hoc* tri-party independent working group
Deadline 31/12/2013
4. Prepare and approve a Treaty on Sub Regional Integrated Economic Development to be agreed by the 3 countries, Timor-Leste, Indonesia and Australia
Deadline 01/09/2014
5. Signature of International tri-party Treaty
Deadline 30/09/2014

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Action Plan - Treaty

Treaty on Regional Integrated Economic Development to be agreed and signed by the 3 countries, Timor-Leste, Indonesia and Australia.

Approving

*Objectives
Strategies
Action Plans
Funding model*

Launching

Agency for Regional Integrated Economic Development of Timor-Leste, Indonesia and Northern Territory of Australia

Deadline 31/12/2014

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Scope of Activities

Economy

- **Business development**
 - Agribusiness (*including Livestock*)
 - Fisheries
 - Manufacturing
 - Tourism
 - Energy / Natural Resources
- **Technology**
- **Infrastructure**
 - Inter-regional connectivity
 - ASEAN Connectivity
- **Management**
- **Tourism**
- **Knowledge**
 - R & D

Social

- **Cultural and Social Interchange**
- **Health**
- **Education & Culture**
- **Sports**

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Flag Projects

Original Idea:

Considering the preferred Commercial Agreements that Timor-Leste established with several Geographies

European Union (Cotonou agreement) + USA + China + India + Australia + CPLP

Setting up Timor-Leste as a Logistic and Manufacturing Hub for

- Raw materials & Semi-processed products
- of the surrounding Islands.

Development Macro drivers

- Agribusiness, Fisheries, Sea & Biodiversity
 - Knowledge Management & Human Capital Enhancement
 - Natural Resources
 - Starting with very simple and easy operation, move to higher links of the value chain
- Life Sciences & Biotechnology.

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Flag Projects

- **Sub regional Markets**
- **Integrated Business Location Areas**
 - Business Location Areas
 - Special Economic Zones (ZEESM + others)
- **Education & Science**
 - Human Capital Development
 - Knowledge Management
 - Research and Development
- **Socio-Cultural exchange**
 - Sport events + others

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Agency– Guidelines for structure

- **Directive Committee**
 - Composed with representatives of the 3 countries
 - Executive chairman + Directors
 - Secretariat location (Considering Dili)
- **Strategic Institutional Supporting Tools**
 - On the “Demand side”
 - Promotion and advertising - “Hunting Unit”
 - Client Support, Nurture and Fidelity - “Farming Unit”
 - Joint Ventures Support
 - On the “Supply side”
 - Business Location Management
 - Venture Capital and Fund Management
 - Human Capital Enhancer
 - Technology, Management & Knowledge

Establishment of a formal unit to lead, energize and supervise the process



TIA-GT → Drivers for success

- **Institutional Model**

- Tested with many successful cases
- Adaptable to local conditions (TL+I+A - Growth Triangle)

- **Strong Leadership**

- Agency & Strategic Institutional Supporting Tools
- Flag projects (it can be done!)
- Strong and direct involvement of the top leadership of the 3 countries

- **KEY - Commitment, Involvement, Attachment & Belief**

Players / Stakeholders

Entrepreneurs and private sector
People (pride)
Governments & Public Institutions

Tools

Business Facilitation
Human Capital Enhancement
Knowledge Management

Elements of Institutional & People to-People Connectivity

- **National Pride →**

WE CAN DO IT!!

Timor Leste + Indonesia + Australia

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TIA- GT

*A Growth Triangle between
Timor-Leste, Indonesia and Australia*

This initiative:

- To be considered under the context of the accession process of RDT-L to ASEAN and fulfill the requirements of the Master Plan on ASEAN Connectivity
- Inspired on the experiences of proven success, with operating model that can be properly assessed, analyzed and adapted to local realities such as the sub-regions promoted by ASEAN
- Will strongly contribute towards:
 - Promoting economic, social and cultural development;
 - Attracting valuable investment ;
 - Promoting the development of manufacturing industries;
 - Enhancing human capital;
 - Strengthening the friendship and cooperation ties between the three countries
 - Fostering & accelerating the process of accession of Timor-Leste to ASEAN



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Obrigado
Barak

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