

(Draft as at 16 September 2008)
AGREED MINUTES
SPECIAL INDONESISA-MALAYSIA-THAILAND SENIOR OFFICIALS MEETING

CONFERENCE ROOM, 6TH FLOOR
ECONOMIC PLANNING UNIT, PRIME MINISTER'S DEPARTMENT,
PUTRAJAYA, MALAYSIA

5 SEPTEMBER 2008

INTRODUCTION

1. The Special IMT-GT Senior Officials Meeting was held in the Economic Planning Unit, Prime Minister's Department, Putrajaya, Malaysia, on 5 September 2008. The Indonesian delegation was led by the Honorable Dr. Firman M. U. Tamboen, Senior Official for the Coordinating Ministry of Economic Affairs for Investment and Public-Private Partnership, Indonesia. The Malaysian delegation was led by the Honorable Dato' Dr. Ali Hamsa, Deputy Secretary-General II of the Economic Planning Unit (EPU), Prime Minister's Department, Malaysia. The Thai delegation was led by the Honorable Dr. Poramettee Vimolsiri, Senior Advisor on Policy and Plan, Office of the National Economic and Social Development Board (NESDB), Thailand. Also in attendance was Dr. Hassan Ibrahim, Director of the Centre for IMT-GT Subregional Cooperation (CIMT). The full list of participants of the Meeting appears as **Annex 1**.

AGENDA ITEM 1: WELCOMING REMARKS

2. The Honorable Dato' Dr. Ali Hamsa, as Head of Host Country delegation, gave all delegates a warm welcome and looked forward to a cordial meeting as the Senior Officials have known each other for a long time. He mentioned that the IMT-GT and the BIMP-EAGA (Brunei-Indonesia-Malaysia-Philippines East ASEAN Growth Area) subregional cooperation are now back again under his responsibility, and he looked forward to new dynamism in the cooperation, especially with the Centre for IMT-GT Subregional Cooperation (CIMT) now established, and some new faces at both the Government ministries and private-sector leaderships. He also announced that the Second Meeting of CIMT's Advisory Committee Meeting in the afternoon would be postponed as there were no representatives from the Joint Business Council.

3. The Honorable Dr. Poramettee Vimolsiri, as Head of Thai's delegation, and Standing Chair, thanked the EPU for hosting this meeting, and also a related meeting prior to that, the National Secretariat Meeting that was held on 4 August 2008, at the same building. He commended the EPU and CIMT for the excellent arrangement and taking care of their transportation and the hotel arrangement at Shangri-la in Putrajaya. He mentioned that the meeting is a very important process so that CIMT can be operating more full-pledged when all processes and procedures on its legalisation have been pursued.

4. The Honorable Dr. Firman M. U. Tamboen, as Head of Indonesia's delegation, also thanked EPU for the good preparation and excellent arrangement made for this meeting especially for the Indonesian delegation as it was already involved in a similar meeting (Special BIMP-EAGA Senior Officials Meeting) the previous day at the same venue. Dr. Firman announced that the 15th Senior Officials Meeting and Ministerial Meeting in Palembang, Sumatera, are undergoing preparation at the moment and will go on as scheduled even though the province will be very busy with its gubernatorial election that will take place soon. He looked forward for useful inputs from the Senior Officials and support from CIMT so that the SOM, MM and Governors/Chief Ministers' Forum in 21 – 23 October 2008 will take place smoothly and effectively.

AGENDA ITEM 2: AGENDA OF MEETING

5. The Meeting agreed to the arrangement of the Agenda of the Meeting which appears as **Annex 2**.

AGENDA ITEM 3: FINALISATION OF THE CENTRE FOR INDONESIA-MALAYSIA- THAILAND GROWTH TRIANGLE SUBREGIONAL COOPERATION (CIMT) AND RELATED AGREEMENTS:

6. The Meeting agreed on the following amendments:

- 6.1 On Article 1 (Definitions - Staff of the Centre): to add “or seconded”, after “members of the Centre who are recruited”;
- 6.2 On Article 1 (Definitions - Standing Chair): Standing Chair “means the current Chairperson of the Senior Officials Meeting”;
- 6.4 On Article 2 (Clause 2): the Centre shall have its “initial” location in Malaysia (hereinafter referred to as “the Host Country”);

7. On Article 6 (Director), on the appointment of the Director, while the Agreement does not spell out who shall be responsible for officially appointing the Director, the Meeting agreed that the appointment of the Director shall be made by the Standing Chair of the Senior Officials Meeting.

8. On Article 8 (Salaries and Allowances), the Meeting agreed that during the initial period when the Centre is hosted and funded by Malaysia, the salaries of the Director and its staff will be determined by the Government of Malaysia (Economic Planning Unit) and communicated to the other two countries. The Meeting agreed that Malaysia will discuss the

matter on staff and salary in the Second Meeting of CIMT's Advisory Board in Palembang. The Meeting also agreed that all matters related to staffing and salaries will be discussed in the CIMT's Advisory Committee Meeting rather than Senior Officials Meeting.

9. On Article 20 (Entry Into Force), the Meeting agreed that the period for the Contracting Parties to complete their domestic legal requirements and notify other Contracting Parties is 120 days from the date of the signing of the Agreement, during which if the domestic legal requirement cannot be met 30 days before the expiry of this period (i.e. within 90 days after the signing), then the respective Contracting Party would notify the other two Contracting Parties, and decide the course of actions to be taken. Extension may be granted at the Senior Officials Meeting if the date of entry into force cannot be met.

10. The Meeting was also informed that the Director and all seven executive posts of the Centre of IMT-GT Subregional Cooperation would be accorded with Privileges and Immunities (P&I) by the Government of Malaysia.

11. The final version of the Agreement on the Establishment of the Centre for IMT-GT Subregional Cooperation, after the amendment, appears as **Annex 3**.

12. The other two Agreements, i) The Agreement Between the Government of Malaysia and The Centre for IMT-GT Subregional Cooperation Relating to the Privileges and Immunities of the Centre, and ii) Agreement on the Use of Maintenance of the Premises of the Centre for IMT-GT Subregional Cooperation, were to be signed between the Director of the Centre and the Government of Malaysia. No amendments were made to the draft agreements discussed and agreed at the National Secretariats Meeting on 4 August 2008. Both Agreements appear as **Annex 4** and **Annex 5**, respectively.

AGENDA ITEM 4: IMPROVING AND REVIEWING THE IMT-GT ROADMAP FOR DEVELOPMENT 2007 – 2011, AND ROTATION FOR LEAD COUNTRY FOR THE WORKING GROUPS

13. Dr. Hassan Ibrahim of CIMT explained that Mid-Year 2009 would be time for review and strengthening of the IMT-GT Roadmap for Development 2007 – 2011, with the review process to be done from the second quarter to third quarter of 2009. The review would include selecting few “high priority” projects from the Roadmap for Implementation in 2010 and 2011, and focusing more on business-biased projects; categorisation of the projects into government-led, business-biased and technical capacity projects so that a good balance can be identified for implementation; as well as preparing the project profiles by the Working Groups so that more detailed information about the project objective, time-line and expected deliverables can be identified from the project descriptions.

14. Dr. Hassan suggested that future five-year development plans be called the Second Roadmap for Development (2012 – 2016), Third Roadmap for Development (2017 – 2021), etc. He also explained CIMT's views about the technicality and complications of changing the Lead Country in the middle of the five-year period. The Meeting agreed that the existing

Lead Country remains throughout the five-year period for each of the six Working Groups, and that they would only change coinciding with the next Roadmap. The Meeting agreed that future Roadmaps for Development would be spearheaded by CIMT (with assistance of ADB), and that it would come along with proposals for a new Lead Country for every Working Group. Dr. Hassan's presentation and paper on this Agenda Item appears as **Annex 6**.

AGENDA ITEM 5: COMMITMENT FROM IMT-GT COUNTRIES ON TRADE, INVESTMENT AND TOURISM DATABASE

15. This initiative is a decision of the 14th Senior Officials Meeting in Songkhla, Thailand, in September 2007 and strengthened further by the Third IMT-GT Leaders Summit in Singapore, in November 2007, in which this database was one of the Leaders' directive.

16. Dr. Hassan of CIMT explained about the IMT-GT Database on Trade, Investment and Tourism prepared by the Asian Development Bank (ADB), which will be established in two stages: i) Baseline Database, which will identify buckets of data, ranging from data available off-the-shelf and indirect methods of collection ii) Customised Database which will identify mostly data from the National Secretariats, ministries and National Statistics Departments. The Baseline database which will be linked to CIMT-website will be reported back to the 4th IMT-GT Summit in Bangkok, on 15 December 2008. The Customised Database will be developed starting from January 2009. When these databases structure are established, CIMT will also be involved in developing the database and will later take over the maintenance and update of the databases. He added that commitment from the IMT-GT countries are instrumental in ensuring the database to be up-to-date, relevant, and accurate.

17. The Meeting endorsed the efforts made by ADB and CIMT and ensured that the National Secretariats would support and facilitate as far as collection of data from national sources are concerned. The Meeting, however, cautioned against seeking data which may not be possible to be collected, citing the example of a similar BIMP-EAGA database. Malaysia also commented that most Malaysian trade and investment data are national data. The paper on Trade, Investment and Tourism Database appears as **Annex 7**.

AGENDA ITEM 6: INTEGRATING ENERGY AND ENVIRONMENT IN THE IMT-GT COOPERATION

18. Dr Hassan of CIMT presented a Concept Paper: Implementing the Energy and Environment Programme in IMT-GT. He stressed sustainable energy and environment programme as the way forward on any economic development. He suggested that energy and environment being cross-cutting in all economic sectors, a most effective way was to include the elements of sustainable energy and environment in all the IMT-GT Working Groups, rather than establishing new Working Groups, one on Energy and one on Environment. However, he suggested for the formation of two Task Forces (one on Energy and one on Environment), each with members from the respective Working Groups to help initially formulate the programmes and activities pertinent to the respective Working Groups, each

with the respective representatives from the Ministries of Energy, and the Ministries of the Environment from the three IMT-GT countries.

19. The Meeting viewed that the proposal sounded academic and involving the establishment of Task Forces would entail additional mechanism and costs to the existing IMT-GT structure, even at the initial stage. The Meeting suggested CIMT to work on a simpler and practical solution, such as directly identifying few workable and most appropriate projects for each of the Working Groups. For example, for the Working Group on Toursim, one appropriate project would be campaigns and incentives provided by hoteliers for their guests to be more prudent in terms of using electricity and other natural resources such as water. The Meeting suggested that the proposal be discussed at the National Secretariats level first before being informed or presented to the next SOM or at the Working Groups level. The Powerpoint presentation and one technical paper attached to the Powerpoint presentation appear as **Annex 8**.

AGENDA ITEM 7: OTHER MATTERS

20. As the Second CIMT's Advisory Meeting scheduled after this IMT-GT Special SOM was postponed, the Meeting agreed that the Second CIMT's Advisory Committee Meeting would be held in Palembang on the day before the 15th SOM (on 20 October 2008). That means the members of the CIMT's Advisory Committee which includes both the Senior Officials and JBC representatives, would have to come one day earlier as compared to the usual schedules in past years' Senior Officials and Ministerial meetings.

21. Indonesia requested CIMT to help the National Secretariat of Indonesia in the preparation of report and materials to present to the Fourth IMT-GT Summit. The report especially should include more profiles on projects.

AGENDA ITEM 8: CLOSING REMARKS

22. The Chairman thanked all delegates for the cooperation provided that enabled the Meeting to be completed early than the scheduled time. He expressed his appreciation to the Government of Malaysia, the Economic Planning Unit, in particular for the excellent preparation of the Meeting. He also expressed his hope that with the CIMT's Establishment Agreement then finalized, CIMT will be able to operate next year full-pledged since its tasks seem to be getting more daunting and challenging.

23. The Honorable Dr Firman, as Head of Indonesian delegation, expressed his thanks to the Economic Planning Unit, and to Honorable Dato' Dr Ali Hamsa for hosting the Meeting Malaysia and making excellent preparations for the Meeting. He looked forward to meet all delegates in Palembang, towards the end of October 2008.

24. The Honorable Dato' Dr. Ali Hamsa, as Head pf Malaysian delegates, in his closing remarks, also thanked all delegates for participating in the Meeting, and thank the Chairman

for his excellent stewardship of the Meeting such that it could be completed earlier than scheduled.