



**Ministry of Foreign Affairs and Cooperation
&
Ministry of Tourism, Commerce and Industry**

**CAPACITY SUPPORT FOR THE JOURNEY TOWARDS ACCESSION
TO THE ASEAN ECONOMIC COMMUNITY**

July 30th, 2021

Supported by the ADB

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Ministries

Ministry of Foreign Affairs and Cooperation
Ministry of Tourism, Commerce and Industry
Ministry of Agriculture and Fisheries
Ministry of Higher Education, Science and Culture
Ministry of Finance
Ministry of Justice
Ministry of Transport and Communications
Coordinating Ministry of Economic Affairs
Secretariat of State for Training and Employment

Autonomous agencies

Agency of Information and Communication Technology
Central Bank
Customs Authority
National Agency for Academic Assessment and Accreditation
National Institute of Workforce Development
National Petroleum and Minerals Authority
TradeInvest

We also extend our deepest appreciation to the Asian Development Bank (ADB) in assisting the government in preparing this report. ADB has been supporting our development journey since 1999 and in particular our accession to the Association of Southeast Asian Nations (ASEAN) since 2012, which has contributed to boost our regional economic integration efforts. This report represents the continued joint efforts between ADB and our economic agencies, who will continue to collaborate and work together towards our ASEAN accession journey and our overall economic development. In particular, we also express our thanks to the ADB Timor-Leste Resident Mission (TLRM) for their counsel and support during this journey.



Foreword

Accession to ASEAN has been Timor-Leste's national priority since our restoration of independence in 2002. In 2011, Timor-Leste submitted a formal application for ASEAN membership. Apart from cultural affinity and solidarity with ASEAN, there are mutual economic benefits to be reaped from ASEAN membership. These include a greater regional and global market reach, increased investment and business opportunities, and enhancing Timor-Leste's long-term sustainable growth.

As part of our journey towards ASEAN accession, we must be able to meet the requirements of priority agreements under the ASEAN economic pillar such as the ASEAN Trade in Goods Agreement (ATIGA), ASEAN Framework Agreement on Services (AFAS) and ASEAN Comprehensive Investment Agreement (ACIA). We have been making clear strides in consolidating our readiness for accession. Most notably, 2019 and 2020 saw the momentum ramped up with the completion of the ASEAN Political-Security Community (APSC) Fact-Finding Mission in September 2019, and the virtual interfaces of the ASEAN Socio-Cultural Community (ASCC) and ASEAN Economic Community (AEC) in September and December 2020 respectively.

The challenges of the COVID-19 pandemic notwithstanding, the Government of Timor-Leste has remained steadfast in our efforts towards technical readiness. Most recently, we conducted a needs assessment as well as a capacity support workshop that identified areas that required further support to boost technical readiness be it in infrastructure, capacity building or knowledge transfer. This report is the culmination of these efforts. We recognise that this is just a start of prioritised support in two to three years' time, and further work would need to continue to be done beyond this timeframe.

MNEC and MTCI are honoured to lead Timor-Leste's whole-of-government approach with the assistance from the ADB in achieving our long-standing national priority of joining ASEAN, and we will coordinate these efforts with the ongoing World Trade Organisation (WTO) accession process and Economic Partnership Agreement (EPA) as well. As we continue on this journey, MNEC and MTCI will collaborate closely with our bilateral counterparts and donor partners alike to take this important work forward.

Adaljiza Albertina Xavier Reis Magno

José Lucas do Carmo da Silva

Introduction

In July 2021, the Government of Timor-Leste, with the technical assistance from the ADB, conducted a needs assessment on our capacity to meet the requirements of the key AEC agreements. Following the assessment, the relevant ministries and line agencies took part in a Capacity Support Workshop to discuss each agency's priorities and their ongoing work to support ASEAN accession.

The information gathered from the workshop indicates the next steps for Timor-Leste in making progress towards greater technical readiness for ASEAN accession. The ensuing tabulation summarises the findings from the assessment and workshop, highlighting the ongoing work of each ministry and line agency, the areas of support required, and how each area relates to the ASEAN agreements. These will be the priorities for the next two to three years.

Findings of the Needs Assessment

The following ministries have been listed in alphabetical order, from ministries to line agencies.

Ministry of Agriculture and Fisheries (MAF)

Ongoing Work	Areas of Support	ASEAN Agreements
<p>The decree law and general quarantine regulations on quarantine and sanitary control will need to be aligned with International Plan Protection Convention (IPPC) and Organisation for Animal Health (OIE).</p> <p>Currently, local Sanitary and Phytosanitary (SPS) measures are awaiting approval by the Council of Ministers, as well as for the decree law for quarantine and animal health.</p> <p>Alignment of OIE and IPPC measures are also underway. Timor-Leste is already completely aligned with veterinary measures.</p> <p>Currently, imported agricultural goods are only subject to the rules contained in the Quarantine Law requiring sanitary import permits. Timor-Leste's sanitary and phytosanitary measures are regulated based on decree law and general quarantine regulations on Quarantine and Sanitary control on imported and exported goods.</p> <p>Timor-Leste is currently developing an Action Plan for the Implementation of the WTO Agreement on the application of Sanitary and Phytosanitary Measures.</p>	<p>MAF will require assistance to implement all SPS measures and to align to plant protection standards.</p> <p>They will also require support on technical training, human resource capacity, knowledge and implementation across all relevant agreements.</p> <p><i>SPS measures must also be coordinated with the drafting and implementation of the ASYCUDA World System.</i></p>	<p>ASEAN Sanitary and Phytosanitary Measures to facilitate trade while protecting human, animal or plant life or health in the territories.</p>
On investments and strategic	MAF requires assistance on	This will play a key role in Timor-

Ongoing Work	Areas of Support	ASEAN Agreements
<p>developments, there are plans to revitalise key agricultural sectors through strong public-private partnerships, infrastructure support and smart agriculture. Eco-agro tourism will also be promoted in these sectors.</p> <p>Additionally, there are plans to support SMEs to certify production and quality, as well as for their export/industrialisation activities.</p> <p>There is a possible plan to construct dams to support agriculture, clean water, renewable energy and environmental matters, which is currently being studied.</p>	<p>market intelligence to identify niche markets, as well as on marketing tourism.</p> <p>MAF also requires assistance in developing an investment plan for eco-agro tourism.</p> <p>After its construction, MAF will require capacity support in managing the potential water dams.</p> <p>MAF requests support on a PPP joint agriculture research focusing on breeding and seedbank establishment as well as innovation technology. It also requires support in promoting agri-PPP model for agriculture-based SMEs.</p> <p>MAF is targeting to certify farmers as 'fair trade' to target niche market for coffee in the Pacific Island.</p>	<p>Leste's investment policies as agriculture is a priority sector.</p>

Ministry of Higher Education, Science and Culture (MHESC)

Ongoing Work	Areas of Support	ASEAN Agreements
<p>For Higher Education and Science, MHESC’s current priorities are the following:</p> <ul style="list-style-type: none"> • Develop infrastructure • Reinforce institutional capacity building • Improve human resources quality • Reinforce International Cooperation • Promote Science and Timor-Leste’s Cultural identity 	<p>MHESC requires assistance in financial capacity and technical expertise. Additionally they require more skilled human resources and support in capacity building.</p>	<p>While not directly related to the AEC agreements, MHESC plays a key role in ensuring that Timor-Leste’s workforce is skilled and productive. This will allow Timor-Leste’s talents to enter the ASEAN (and global) market.</p> <p>It can contribute to ASEAN Mutual Recognition Arrangements (MRAs) and ASEAN Mutual Recognition of Skills (MRS) as well, which ensures a free flow of skilled labour.</p>
<p>For Arts and Culture, MHESC’s current priorities are the following:</p> <ul style="list-style-type: none"> • Establish the Academy of Arts and Creative Cultural Industry • Establish the National Library • Promote and Preserve Cultural Heritage • Promote activities within the areas of libraries and museums 	<p>MHESC requires assistance in financial capacity and technical expertise. Additionally they require more skilled human resources and support in capacity building.</p>	<p>While not directly related to the AEC agreements, MHESC plays a key role in ensuring that Timor-Leste’s workforce is skilled and productive. This will allow Timor-Leste’s talents to enter the ASEAN (and global) market.</p> <p>It can contribute to ASEAN Mutual Recognition Arrangements (MRAs) and ASEAN Mutual Recognition of Skills (MRS) as well, which ensures a free flow of skilled labour.</p>
<p>The National Agency for Academic Assessment and Accreditation (ANAAA) has been established and all governance bodies are fully operational. The Evaluation Criteria and Indicators used to assess higher education institutions have already been defined and have already been implemented.</p> <p>ANAAA has already carried out several cycles of institutional evaluation/assessment and programmatic</p>	<p>MHESC requires assistance in financial capacity and technical expertise. Additionally they require more skilled human resources and support in capacity building.</p>	<p>While not directly related to the AEC agreements, MHESC plays a key role in ensuring that Timor-Leste’s workforce is skilled and productive. This will allow Timor-Leste’s talents to enter the ASEAN (and global) market.</p> <p>It can contribute to ASEAN Mutual Recognition Arrangements (MRAs) and ASEAN Mutual Recognition of Skills (MRS) as well, which ensures a free flow of skilled labour.</p>

Ongoing Work	Areas of Support	ASEAN Agreements
<p>evaluation/assessment among 18 higher education institutions.</p> <p>To facilitate progress in this area, MHESC requires more skilled national evaluators with adequate qualifications and training in specific areas related to science.</p>		

Ministry of Justice (MOJ)

Ongoing Work	Areas of Support	ASEAN Agreements
<p>Timor-Leste has ratified the New York Convention.</p> <p>MOJ has a range of programmes at the Judicial Training Center to train prosecutors, public defenders, and private sector lawyers.</p> <p>Currently, MOJ is receiving assistance from a donor partner to provide short-term capacity building training for public defenders on all kinds of disputes, including tax.</p> <p>MOJ has a potential plan to develop the Investor-to-State Dispute Settlement (ISDS) provisions.</p>	<p>MOJ needs assistance to design a training programme to improve the existing programmes at the Judicial Training Center. MOJ would like to provide more specialised training, including training on commercial law, tax law, investment law, arbitration and economic dispute, internal trade law, labour dispute, trade-related disputes.</p> <p>MOJ also requires technical assistance on ministry capacity-building to be able to settle trade-related issues. Additionally, they seek assistance to be able to understand ISDS and what it entails.</p> <p>MOJ also seeks assistance in strengthening its legal research unit in order to effectively provide legal research and legal advice.</p>	<p>Having the ISDS provisions in place will help provide confidence in Timor-Leste's dispute resolution process.</p>
<p>MOJ has established a Land Commission to resolve land disputes through arbitration (Legal Decree No. 5/2020).</p> <p>MOJ has presented a proposal of the Decree Law Property Registration and Decree law on Land Registry Code to the Council of Ministers.</p>	<p>They may require support with implementation.</p>	<p>The decree laws and land laws are established to facilitate foreign investment in Timor-Leste.</p>

Ministry of Tourism, Commerce and Industry (MTCI)

Ongoing Work	Areas of Support	ASEAN Agreements
Timor-Leste is looking to cooperate with a potential partner to create a Trade Repository Portal.	Timor-Leste requires assistance to create an interoperable trade portal.	Under the ATIGA, each Member State shall make laws, regulations, decisions and rulings of the kind referred to in Article X of GATT 1994 available on the internet.
MTCI has proposed a draft ministerial diploma on Rules of Origin (ROO) for import and the certification procedures for export. Draft policy outline for ROOs on coffee is underway.	MTCI requires capacity building assistance to develop the ROOs.	ROOs help importers and manufacturers determine the country of origin of a product and establish the product's eligibility for preferential tariff treatment available under FTAs.
There is an existing initiative to develop the trade policy document. Conclusion/agreement has not been agreed on yet. The government of Timor-Leste through MCAE has already submitted a market access offer (MAO) on services to the World Trade Organisation (WTO).	MTCI requires assistance to finalise the trade strategy in order to move towards implementation. Additionally, MTCI requires assistance to develop one market access offer (MAO), for WTO, ASEAN, and EPA.	A national trade policy strategy is required to facilitate trade. A common MAO is required to effectively accede to the three economic agreements.
Timor-Leste established the National Trade Facilitation Committee (NTFC) as a forum for consultative dialogue between the Government, the private sector and other stakeholders, such as development partners, to recommend reforms, with the ultimate goal to coordinate efforts and improve trade facilitation. Timor-Leste is examining prospects for accession and implementation of the UNESCAP Framework Agreement on Paperless Trade and has commenced a process to accede to the WTO, including the trade facilitation	MTCI requires assistance to establish the NTFC and revise the terms of reference of the NTFC and create a roadmap to establish the NTFC. Additionally, MTCI requires support to implement the e-commerce law and to develop related legislations, including e-transaction, data protection, e-signatures, and cyber security. MTCI requires assistance to build skilled human resources to develop the IP law.	Timor-Leste needs to develop these legislations in order to meet the trade facilitation measure requirements under ATIGA. Member states shall be guided by the following principles in relation to trade facilitation measures and initiatives at both ASEAN and national levels: <ul style="list-style-type: none"> • Transparency • Effective communication and consultations • Simple, practical, and efficient trade rules and procedures • Non-discriminatory trade rules and procedures • Consistent and predictable

Ongoing Work	Areas of Support	ASEAN Agreements
<p>commitments. In this regard, MTCI is finalising the draft e-commerce laws.</p> <p>MTCI is working together with MCAE to develop legislations relating to Intellectual Property (IP) and to institutionalise an IP office.</p>		<p>trade rules and procedures</p> <ul style="list-style-type: none"> • Harmonisation, standardisation, and recognition of international standards • Modernisation and use of technology
<p>Timor-Leste has established the National Quality Institute as the main regulatory body to implement, coordinate, and develop a National Quality System. The next step is to implement the system and enforce it.</p>	<p>Timor-Leste requires assistance to develop the national standard law, and metrology law. Additionally, Timor-Leste needs support to establish a national laboratory.</p> <p>MTCI also requires assistance to implement and enforce the National Quality System.</p>	<p>Under ATIGA, member states are required to take measures to harmonise national standards with the relevant international standards.</p>
<p>Timor-Leste has plans to develop a trade remedy law.</p>	<p>MTCI requires assistance in developing and materialising trade remedies.</p>	<p>Trade remedies are important to protect Timor-Leste's industries from unfair practices such as dumping and subsidies, or to cope with a sudden surge of foreign goods.</p>
<p>MTCI has prepared a draft of the Industrial Policy.</p>	<p>MTCI asks to get an expert review on the draft industrial policy.</p>	<p>The objective of the industrial policy is to encourage the development and growth of all economic sectors. It is aimed to prepare Timor-Leste's sectors for trade and investment.</p>

Ministry of Transport and Communications (MTC)

Ongoing Work	Areas of Support	ASEAN Agreements
<p>For trade facilitative sites, there are plans for a possible construction of three terminals in Dili under the Land Transport Master Plan with 4 others in municipalities.</p> <p>Feasibility studies are also being proposed for a Major Project Consultant to do Ship Docking and regular ship maintenance yard in Ulmera, Tibar. MTC has also conducted a light feasibility study for terminal construction in Hera and Manleu.</p> <p>MTC is also keen to conduct a feasibility study on the redevelopment of Dili Port.</p> <p>The opening of Tibar Port is expected for around May 2022, and the Berlin-Ramelau Ferry is expected to arrive in Timor-Leste in September 2021.</p> <p>As part of the airport development plan, MTC is keen to conduct a feasibility study on the economic opportunities/policies for a Timorese national airline.</p> <p>Additionally, the development of Baucau regional airport is also underway.</p>	<p>Support on a feasibility study for the redevelopment of Dili port.</p> <p>Support on a feasibility study on a national airline to better understand economic opportunities.</p> <p>Appointment of a National Land Transport Adviser.</p>	<p>While not directly related to the AEC agreements, the development and improvement of these sites will help to facilitate movement and boost trade and investments.</p>
<p>On transport agreements, the Memorandum of Understanding (MOU) on buses and coaches have been approved by the Council of Ministers, but MTC is awaiting</p>	<p>MTC will require assistance in general compliance and implementation of legislations and agreements. They will also require human resources, particularly for civil aviation, to</p>	<p>Compliance with both regional and international transport agreements is critical to ensure a smooth flow of movement of goods, services and people, such as through the Air Services</p>

Ongoing Work	Areas of Support	ASEAN Agreements
<p>approval from Indonesia.</p> <p>On maritime agreements, SOLAS, MARPOL, STCW have been approved by the Council of Ministers. Approval for SAR, COLREG, TONNAGE and LOADLINE are at MNEC to confirm the agenda for discussion by the Council of Ministers.</p> <p>On air transport agreements, the Air Services Agreement has been signed with Qatar, UAE, the Philippines, and Brunei. It has also been ratified with Australia, Indonesia and Singapore.</p>	<p>train officers to implement the agreements.</p> <p>Requests by the MTC Minister to conduct an impact assessment of the Open Skies Agreement and UN Multimodal Transport for better technical knowledge on how to align to the agreements. MTC also needs to develop a general legal framework that addresses goods in transit and a law on Multimodal Transport.</p> <p>MTC also requires support to align to the Contract for the International Carriage of goods by road and the Open Skies Agreement.</p> <p>If possible, MTC requests the appointment of an International Legal Adviser to assist with adoption of the UN Multimodal Transport Convention and Contract for the International carriage of goods by road.</p>	<p>Agreement, Open Skies Agreement, UN Multimodal Transport and other relevant agreements.</p>

Secretariat of State for Training and Employment (SEFOPE)

Ongoing Work	Areas of Support	ASEAN Agreements
<p>There is legislation related to MRA, which is 36/2011 (National Qualification Framework Law), however it is a decade long law, which will need to be revised.</p> <p>Work on aligning qualifications/standards is currently underway.</p> <p>Timor-Leste is prepared to accede to these mutual recognition agreements immediately upon accession, after consultation and discussion with AMS.</p>	<p>To draft laws relating to Mutual Recognition Arrangements.</p> <p>To harmonise its MRA/MRS policies and regulations with ASEAN countries.</p> <p><i>*MRA/MRS policies will be done in coordination with relevant line agencies (Ministry of Basic and Secondary Educations, Ministry of Higher Education, SEFOPE, INDMO & ANAAA).</i></p>	<p>ASEAN Mutual Recognition Arrangements (MRAs) and ASEAN Mutual Recognition of Skills (MRS) to ensure a free flow of skilled labour.</p>

The Coordinating Ministry of Economic Affairs (MCAE)

Ongoing Work	Areas of Support	ASEAN Agreements
<p>MCAE is drafting a Decree-Law to establish a Permanent Secretariat for WTO Accession. The draft is expected to be finalised by September 2021.</p>	<p>MCAE requires assistance in building human resource capacity and technical expertise throughout the whole project chain. They also would like the donors to transfer knowledge to the local teams.</p> <p>MCAE would like assistance in acquiring government and private sector buy-in for trade integration. This can be done by conducting research to build data to secure buy-in.</p>	<p>While not directly related to the AEC agreements, technical expertise and buy-in from the private sector and the government are essential to ensuring a smooth accession into the economic and trade agreements, including WTO and ASEAN.</p>

Agency of Information and Communication Technology (TIC-TL)

Ongoing Work	Areas of Support	ASEAN Agreements
<p>TIC-TL has submitted the e-commerce law to MTCI for review. MTCI created a working group to review the law. They are redrafting the e-commerce law to include commercial code, e-signature and transaction, etc.</p> <p>TIC-TL is currently drafting the Data Privacy and Protection (DPP) law.</p> <p>TIC-TL is currently developing the copyright law.</p> <p>TIC-TL has shared the draft of the property code to MTCI.</p>	<p>TIC-TL requires assistance to implement and enforce the e-commerce laws and other related laws.</p>	<p>In the area of paperless trade, Timor-Leste is in the process of developing its National Single Window to participate in the ASEAN Single Window (ASW). E-commerce and ICT capability plays a key role in facilitating trade in goods, services, and investment.</p>
<p>TIC-TL is working with Customs on the ASYCUDA system.</p>	<p>They may require support with implementation.</p>	<p>The ASYCUDA World System is needed to facilitate trade.</p>

Customs Authority (MOF)

Ongoing Work	Areas of Support	ASEAN Agreements
<p>Timor-Leste is aligned with the ASEAN Harmonised Tariff Nomenclature (AHTN) 2017 - implementation with the coffee sector underway.</p> <p>Timor-Leste will also be working on aligning to AHTN 2022.</p>	<p>Alignment and implementation of AHTN 2022.</p> <p>Customs also requires support for the development of requirements for other commodities other than coffee.</p>	<p>ASEAN Harmonised Tariff Nomenclature to streamline and harmonise customs procedures in ASEAN.</p>
<p>The current law applies a 2.5% sales tax only on imported goods.</p> <p>Timor-Leste is considering a draft VAT law that will eliminate the differential taxation of imported goods. Discussions and the additional draft regulations of the VAT tax are currently underway.</p>	<p>Implementation of the VAT tax policy.</p>	<p>National Treatment on Internal Taxation and Regulation – Taxes and Duties Act (Decree-Law No. 8/2008)</p>
<p>Draft policy outline of the Rules of Origin (ROOs) is underway and Customs will be responsible for the implementation stage.</p>	<p>Customs will require assistance in technical capacity to help its staff understand and implement the requirements of the ROOs, particularly for inspection.</p>	<p>ROOs help importers and manufacturers determine the country of origin of a product and establish the product's eligibility for preferential tariff treatment available under FTAs.</p>
<p>Timor-Leste modernised its customs code in 2017. Timor-Leste is not aware of any inconsistencies between the ASEAN Agreement on Customs and Law 14/2017.</p> <p>Timor-Leste has initiated cooperative efforts on customs with ASEAN on Customs Enforcement and Mutual Administrative Assistance, Cooperation for a Coordinated Border Management, Partnership with Customs Stakeholders.</p> <p>Customs Appeals have been</p>	<p>To recruit additional staff (e.g., legal experts) and train new and existing personnel for Customs.</p> <p>To implement ATIGA Customs commitments.</p> <p>To make its regime consistent with the Law 13/2017 on Customers.</p> <p>To implement cooperative efforts.</p> <p>To develop an advance ruling system in accordance with the provisions of the WTO Agreement on Customs Valuation.</p>	<p>Law 14/2017, Customs Code</p>

Ongoing Work	Areas of Support	ASEAN Agreements
<p>completed and the decree law is currently undergoing revisions on decree law with the Tax Authority. It is awaiting approval by the Council of Ministers.</p>	<p>Additionally, Customs has implemented 5 methods to comply with the Customs Valuation Agreement. However, they may require support to either develop different methods or better implement these methods.</p>	
<p>Timor-Leste is already a member of the WCO and is in the process of ratifying the RKC.</p> <p>Customs will coordinate with MNEC to submit the instrument of accession to the Revised Kyoto Convention (RKC) to the World Customs Organisation (WCO), in accordance with diplomatic protocols as a matter of priority.</p>	<p>To become a party to the revised Kyoto Convention and ratify it.</p>	<p>Law 14/2017, Customs Code</p>
<p>Timor-Leste has rules for goods in transit, but not a specific customs transit framework. Customs will coordinate with the relevant ministries to develop one.</p> <p>Timor-Leste is also not yet a party to the Convention on the Contract for the International Carriage of Goods by Road.</p>	<p>To draft a customs transit framework and to draft a law on Multimodal Transport as per the definition set forth in the draft United Nations (UN) Multimodal Convention.</p> <p>Customs may require technical expertise, support and training on this.</p>	<p>ASEAN Customs Transit System</p> <p>Law 14/2017, Customs Code</p>
<p>Timor-Leste is implementing a national single window with some line agencies, but progress has been slow due to the Covid-19 pandemic.</p> <p>They will also need to address the procedures and protections for sharing trading information with other countries. Timor-Leste has also adopted the ASYCUDA</p>	<p>To draft provisions for data sharing and protection.</p> <p>To ensure that the ASW Agreement aligns with Law 24/2017 and to be assisted in the implementation phase.</p> <p>Customs will require further development of standard operating procedures and human resources to align to the ASEAN</p>	<p>National Single Window, ASEAN Single Window and ASYCUDA World System to facilitate trade.</p>

Ongoing Work	Areas of Support	ASEAN Agreements
<p>World System (AWS) as the platform for the National Single Window.</p> <p>Customs currently has plans to enter agreements with CPLP and ASEAN countries under the national single window. Customs will work with the relevant ministries/agencies to promote its use and for compliance.</p>	<p>countries. This also includes procedures for anti-corruption, inspection and border control.</p>	
<p>Timor-Leste is intending to develop an advance ruling procedure. The Customs Code DL 14/2017 contains all necessary provisions to establish an advanced rulings system, but a procedure needs to be developed and staff for the new positions recruited.</p>	<p>To develop the Advance Rulings Standard Operating Procedure (SOP).</p>	<p>Law 14/2017, Customs Code</p>
<p>Timor-Leste is currently implementing the national single window that incorporates information and communication technology functionality.</p> <p>IT development work has started with initial work done with several stakeholders, including Quarantine, Ministry of Health, Ministry of Interior, Ministry of Tourism, Industry and Commerce, Ministry of Transport and others.</p>	<p>To update and implement a national single window that incorporates information and communication technology functions.</p> <p>To ensure that Timor-Leste's customs law aligns with ASEAN Agreement on Customs Law 14/2017.</p>	<p>Law 14/2017, Customs Code</p>
<p>Timor-Leste has not acceded to the Agreement on the Preferential Shortlisting of ASEAN Contractors, but this can be done upon accession to ASEAN. However, Customs wishes to have a greater understanding of the agreement for preparation.</p>	<p>Greater technical knowledge on the Agreement on the Preferential Shortlisting of ASEAN Contractors.</p>	<p>Agreement on the Preferential Shortlisting of ASEAN Contractors.</p>

National Agency for Academic Assessment and Accreditation (ANAAA)

Ongoing Work	Areas of Support	ASEAN Agreements
<p>There is legislation related to MRA, which is 36/2011 (National Qualification Framework Law), however it is a decade long law, which will need to be revised.</p> <p>Work on aligning qualifications/standards is currently underway.</p> <p>Timor-Leste is prepared to accede to these mutual recognition agreements immediately upon accession, after consultation and discussion with AMS.</p>	<p>To draft laws relating to Mutual Recognition Arrangements.</p> <p>To harmonise its MRA/MRS policies and regulations, as well as institutional standards with ASEAN countries.</p> <p><i>*MRA/MRS policies will be done in coordination with relevant line agencies (Ministry of Basic and Secondary Educations, Ministry of Higher Education, SEFOPE, INDMO & ANAAA).</i></p>	<p>ASEAN Mutual Recognition Arrangements (MRAs) and ASEAN Mutual Recognition of Skills (MRS) to ensure a free flow of skilled labour.</p>

National Institute of Workforce Development (INDMO)

Ongoing Work	Areas of Support	ASEAN Agreements
<p>There is legislation related to MRA, which is 36/2011 (National Qualification Framework Law), however it is a decade long law, which will need to be revised.</p> <p>Work on aligning qualifications/standards is currently underway.</p> <p>Timor-Leste is prepared to accede to these mutual recognition agreements immediately upon accession, after consultation and discussion with AMS.</p>	<p>To draft laws relating to Mutual Recognition Arrangements.</p> <p>To harmonise its MRA/MRS policies and regulations with ASEAN countries.</p> <p>Additional support required on:</p> <ul style="list-style-type: none"> • Revision of the National Training Competency Standards. • Revision Training Centres and Programmatic Accreditation Manual. • Development of Trainer and Assessor Competency Standards and Certification. • Training for Vocational Education and Training curriculum developer. <p><i>*MRA/MRS policies will be done in coordination with relevant line agencies (Ministry of Basic and Secondary Educations, Ministry of Higher Education, SEFOPE, INDMO & ANAAA).</i></p>	<p>ASEAN Mutual Recognition Arrangements (MRAs) and ASEAN Mutual Recognition of Skills (MRS) to ensure a free flow of skilled labour.</p>

National Petroleum and Minerals Authority (ANPM)

Ongoing Work	Areas of Support	ASEAN Agreements
<p>Ongoing efforts to improve local participation in goods, services, employment and training, while aligning to global energy transitions.</p> <p>National Emergency Response Plan and Greater Sunrise Programme Plan are currently underway.</p>	<p>To offer support for the commitments of the Private Investment Law.</p> <p>Human resource development training, as well as sectoral sharing on best practices and avenues to share investment opportunities with AMS.</p>	<p>While not directly involved in the ASEAN agreements, ANPM will play a key role in Timor-Leste’s investment policies as petroleum remains a priority sector.</p>

TradeInvest

Ongoing Work	Areas of Support	ASEAN Agreements
<p>TradeInvest is currently participating in a Trade Facilitation Agreement (TFA) online training course organised by a donor partner and MTCI.</p>	<p>TradeInvest needs further support in trade facilitation and building skills for economic negotiations.</p> <p>TradeInvest also requires more human resources to implement ASEAN agreements.</p> <p>They need support to conduct a market intelligence/research for export promotion strategy.</p>	<p>Timor-Leste needs to meet the trade facilitation measure requirements under ATIGA.</p> <p>Member states shall be guided by the following principles in relation to trade facilitation measures and initiatives at both ASEAN and national levels:</p> <ul style="list-style-type: none"> • Transparency • Effective communication and consultations • Simple, practical, and efficient trade rules and procedures • Non-discriminatory trade rules and procedures. • Consistent and predictable trade rules and procedures • Harmonisation, standardisation, and recognition of international standards • Modernisation and use of technology
<p>TradeInvest wants to promote the productive sector and improve the investment incentives under the Private Investment Law.</p>	<p>TradeInvest needs support to conduct a market intelligence/research for export promotion strategy.</p> <p>TradeInvest also requires assistance to enhance the promotion and promoted sector list and to revise investment incentives.</p> <p>TradeInvest is seeking support to develop the investment package. Additionally, they need support to conduct an investment risk analysis.</p> <p>They also request support on the enhancement of investment</p>	<p>Developing an investment package is required to support investment promotion and attract potential investment.</p>

Ongoing Work	Areas of Support	ASEAN Agreements
	promotion to integrate into ASEAN investment promotion (ACIA)	
<p>There is a Private Investment Law. The next step is to implement the law and enforce it.</p> <p>Trade Invest is working with a donor partner to review the Investment Guide to be done in 2022.</p> <p>TradeInvest has finalised the negative sector list that will be exempt from foreign investment liberalisation under the ACIA. The Negative list does not require additional legal form as it has been covered in the PIL (Private Investment Law). It has been published in May 2021.</p> <p>Tradeinvest has shared the negative list with the WTO to complement documents related to TL's Investment Law,</p>	TradeInvest requires assistance to harmonise, implement and enforce the private investment law.	The implementation and enforcement of the Private Investment law is required to facilitate investment.

Conclusion

This report marks a critical step in Timor-Leste's journey towards greater technical readiness. The ongoing work and areas of support identified above are important elements that will help Timor-Leste acquire the right tools and capabilities to effectively fulfil our requirements under the AEC pillar. These agreements will also form a stable foundation for Timor-Leste to pursue greater economic integration, such as free trade agreements, and access the global and regional market in the future.

As seen in the summary above, Timor-Leste still has some way to go before attaining full technical readiness. In particular, technical knowledge, human resource support and implementation follow-through are key areas for improvement. With support from bilateral counterparts and development partners, strong commitment, coordination and a whole-of-government approach, Timor-Leste can better prepare itself for both ASEAN and WTO accession. Timor-Leste will strive to demonstrate tangible progress in our journey through milestone-setting and providing timely updates.

ASEAN accession remains a national goal for Timor-Leste, and it will help in achieving long-term and sustainable growth. Beyond goods, services and investments, Timor-Leste's participation on a regional platform would allow us to seek benefits in other areas such as health, education, energy and human resource development. For Timor-Leste, the current work towards technical readiness is important not only because it will count towards joining ASEAN, but also because it will ultimately improve the lives of the Timorese people.

ANNEX A
AEC (ASEAN Economic Community) Interministerial Working Group Consultation



