



EUROPEAN
COMMISSION

Brussels, 24.4.2013
COM(2013) 230 final

2013/0120 (NLE)

Proposal for a

COUNCIL DECISION

**on the conclusion of the Framework Agreement on Comprehensive Partnership and
cooperation between the European Community and its Member States, of the one part,
and the Republic of Indonesia, of the other part**

EXPLANATORY MEMORANDUM

In November 2004, the Council authorised the Commission to negotiate individual Framework Agreements on Partnership and Cooperation (PCA) with Thailand, Indonesia, Singapore, The Philippines, Malaysia and Brunei. Negotiations with Indonesia started in 2005 and were concluded in June 2007. The Commission initialled the PCA in July 2007 and Indonesia initialled in July 2009. The Agreement was co-signed on 9 November 2009 in Jakarta.

This comprehensive EU-Indonesia Partnership and Co-operation Agreement (PCA) was the first of its kind between the EU and ASEAN countries. It is a testimony to the rapidly growing importance of EU-Indonesian ties and opens a new era in bilateral relations, based on shared principles such as equality, mutual respect, mutual benefit, democracy, rule of law and human rights.

The Agreement strengthens political, economic and sectoral cooperation across a wide range of policy fields, including trade, environment, energy, science and technology, and good governance, as well as tourism and culture, migration, counter terrorism and the fight against corruption and organised crime. It will further enhance cooperation on responding to global challenges, where both Indonesia and the EU are playing an increasingly important role, such as in the G20.

The PCA will allow the EU to assume greater responsibility and influence in the region. By virtue of the PCA, the EU will promote European values and enhance concrete cooperation in a wide range of areas of mutual interest. The PCA will be regarded as a positive example for an inter-cultural/religious dialogue, given that Indonesia is the third most populous country in Asia and the largest Muslim country in the world.

The conclusion of the PCA is in line with the EU's objective of creating a comprehensive and coherent economic and political framework for relations between the EU and ASEAN countries.

In accordance with standing case-law of the Court, the Commission takes the view that, since the entry into force of the Treaty of Lisbon and the integration of CFSP into Union policies, framework agreements such as the PCA with Indonesia are entirely covered by competences conferred upon the EU by the Treaties. Therefore, it is the view of the Commission that such agreements are EU only bilateral agreements.

The fact that the Commission has submitted its proposal as an agreement of the Union and its Member States with Indonesia is exclusively linked to the genesis of this specific agreement under the rules of the Treaty before the entry into force of the Treaty of Lisbon and the international obligations that result therefrom for the Union.

The Commission notes that the Final Act contains the following Unilateral Declaration by the European Community:

"The provisions of the Agreement that fall within the scope of Part III, Title IV of the Treaty establishing the European Community bind the United Kingdom and Ireland as separate Contracting Parties, and not as part of the European Community, until the United Kingdom or Ireland (as the case may be) notifies the Republic of Indonesia that it has become bound as part of the European Community in accordance with the Protocol on the position of the United Kingdom and Ireland annexed to the Treaty on European Union and the Treaty establishing the European Community. The same applies to Denmark, in accordance with the Protocol annexed to those Treaties on the position of Denmark."

As the Proposal for a Council Decision on the conclusion of the PCA Indonesia is not based on any legal basis of Title V of Part III of the TFEU, the Commission considers that the Unilateral Declaration above has become without object. The Commission therefore considers that, at the occasion of the adoption of the Council Decision on the conclusion, the Council and the Commission should make the following joint declaration:

"The Council and the Commission note that the decision to conclude the PCA with Indonesia is adopted on the basis of Article 207 and 209 TFEU and not "pursuant to Title V of the Part Three of the TFEU". Therefore, the Unilateral Declaration made by the European Community at the occasion of the signature of the Final Act has become without object."

Proposal for a

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on the conclusion of the Framework Agreement on Comprehensive Partnership and cooperation between the European Community and its Member States, of the one part, and the Republic of Indonesia, of the other part

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Articles 207 and 209, in conjunction with Article 218(6)(a) thereof,

Having regard to the proposal from the European Commission,

Having regard to the consent of the European Parliament,

Whereas:

- (1) In accordance with the decision of the Council of 5 November 2009¹, the Framework Agreement on Comprehensive Partnership and cooperation between the European Community and its Member States, of the one part, and the Republic of Indonesia, of the other part was signed on 9 November 2009, subject to its conclusion at a later date.
- (2) The Agreement should be approved on behalf of the European Union.

HAS ADOPTED THIS DECISION:

Article 1

The Framework Agreement on Comprehensive Partnership and cooperation between the European Community and its Member States, of the one part, and the Republic of Indonesia, of the other part is hereby approved on behalf of the Union.

The text of the Agreement is attached to this Decision.

Article 2

The High Representative of the Union/Vice President of the Commission or a representative of the High Representative of the Union/Vice President of the Commission shall chair the Joint Committee provided for in Article 41 of the Agreement.

Article 3

The President of the Council shall designate the person empowered to give, on behalf of the European Union, the notification provided for in Article 48(1) of the Agreement.

Article 4

¹ Documents ST 14028 of 21 October 2009, ST 14032 of 21 October 2009 and ST 14032 COR 1.

This Decision shall enter into force on the day of its adoption. It shall be published in the *Official Journal of the European Union*.

Done at Brussels,

For the Council
The President

FRAMEWORK AGREEMENT
ON COMPREHENSIVE PARTNERSHIP
AND COOPERATION
BETWEEN THE EUROPEAN COMMUNITY AND
ITS MEMBER STATES, OF THE ONE PART, AND
THE REPUBLIC OF INDONESIA,
OF THE OTHER PART

THE EUROPEAN COMMUNITY,
hereinafter referred to as "the Community" and
THE KINGDOM OF BELGIUM,
THE REPUBLIC OF BULGARIA,
THE CZECH REPUBLIC,
THE KINGDOM OF DENMARK,
THE FEDERAL REPUBLIC OF GERMANY,
THE REPUBLIC OF ESTONIA,
IRELAND,
THE HELLENIC REPUBLIC,
THE KINGDOM OF SPAIN,
THE FRENCH REPUBLIC,
THE ITALIAN REPUBLIC,
THE REPUBLIC OF CYPRUS,
THE REPUBLIC OF LATVIA,
THE REPUBLIC OF LITHUANIA,
THE GRAND DUCHY OF LUXEMBURG,
THE REPUBLIC OF HUNGARY,
MALTA,
THE KINGDOM OF THE NETHERLANDS,
THE REPUBLIC OF AUSTRIA,
THE REPUBLIC OF POLAND,
THE PORTUGUESE REPUBLIC,
ROMANIA,
THE REPUBLIC OF SLOVENIA,
THE SLOVAK REPUBLIC,
THE REPUBLIC OF FINLAND,
THE KINGDOM OF SWEDEN,
THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND,
Contracting Parties to the Treaty establishing the European Community and the Treaty on
European Union, hereinafter referred to as the "Member States",

of the one part, and

THE GOVERNMENT OF THE REPUBLIC OF INDONESIA,

of the other part,

Hereinafter jointly referred to as "the Parties",

CONSIDERING the traditional links of friendship between the Republic of Indonesia and the Community, and the close historical, political and economic ties which unite them,

WHEREAS the Parties attach particular importance to the comprehensive nature of their mutual relationship,

REAFFIRMING the attachment of the Parties to the respect for the principles enshrined in the Charter of the United Nations,

REAFFIRMING the commitment of the Parties to the respect, promotion and protection of democratic principles and fundamental human rights, rule of law, peace and international justice as laid down, *inter alia*, in the United Nations Universal Declaration on Human Rights, the Rome Statute and other international human rights instruments where these are applicable to both Parties,

REAFFIRMING respect for sovereignty, territorial integrity and national unity of the Republic of Indonesia,

REAFFIRMING their attachment to the principles of the rule of law and of good governance, and their desire to promote economic and social progress for their peoples, taking into account the principle of sustainable development and environmental protection requirements,

REAFFIRMING that the most serious crimes of concern to the international community must not go unpunished and that those who are accused of them should be brought to justice and if found guilty should be duly punished and that their effective prosecution must be ensured by taking measures at national level and by enhancing global collaboration,

EXPRESSING their full commitment to fighting all forms of trans-national organised crime and terrorism in compliance with international law, including human rights law, humanitarian principles on migratory and refugee issues and international humanitarian law and to establishing effective international cooperation and instruments to ensure their eradication,

WHEREAS the Parties recognise that the adoption of relevant international conventions and other relevant UNSC Resolutions including UNSC Resolution 1540 underlie the commitment of the whole international community to fight against proliferation of weapons of mass destruction,

RECOGNISING the need to both strengthen disarmament as well as non-proliferation obligations under international law, *inter alia*, in order to exclude the danger posed by weapons of mass destruction,

RECOGNISING the importance of the Cooperation Agreement of 7 March 1980 between the European Economic Community and Indonesia, Malaysia, the Philippines, Singapore and Thailand – member countries of the Association of South-East Asian Nations (ASEAN) and subsequent accession protocols,

RECOGNISING the importance of strengthening the existing relationship between the Parties with a view to enhancing cooperation between them, and their common will to consolidate, deepen and diversify their relations in areas of mutual interest on the basis of equality, non-discrimination, respect for the natural environment and mutual benefit,

CONFIRMING their desire to enhance, taking account of activities undertaken in the regional framework, the cooperation between the Community and the Republic of Indonesia, based on shared values and mutual benefit,

PURSUANT to their respective laws and regulations,

HAVE AGREED AS FOLLOWS:

TITLE I
NATURE AND SCOPE

ARTICLE 1

General Principles

1. Respect for democratic principles and fundamental human rights, as laid down in the Universal Declaration of Human Rights and other international human rights instruments applicable to both Parties underpins the internal and international policies of both Parties and constitutes an essential element of this Agreement.
2. The Parties confirm their shared values as expressed in the Charter of the United Nations.
3. The Parties confirm their commitment to promoting sustainable development, cooperating to address the challenge of climate change and contributing to reaching the Millennium Development Goals.
4. The Parties reaffirm their commitment to the Paris Declaration of 2005 on Aid Effectiveness and agree to strengthen cooperation with a view to further improving development performance.
5. The Parties reaffirm their attachment to the principles of good governance, the rule of law, including the independence of the judiciary, and the fight against corruption.
6. The implementation of this Partnership and Cooperation Agreement shall be based on the principles of equality and mutual benefit.

ARTICLE 2

Aims of Cooperation

With a view to strengthening their bilateral relationship, the Parties undertake to hold a comprehensive dialogue and promote further cooperation between them on all sectors of mutual interest. Their efforts will in particular be aimed at:

- (a) establishing cooperation bilaterally and in all relevant regional and international *fora* and organisations;
- (b) developing trade and investment between the Parties to their mutual advantage;
- (c) establishing cooperation in all trade and investment-related areas of mutual interest, in order to facilitate trade and investment flows and to prevent and remove obstacles to trade and investment, including where appropriate, ongoing and future regional EC-ASEAN initiatives;
- (d) establishing cooperation in other sectors of mutual interest, notably tourism, financial services; taxation and customs; macro-economic policy; industrial policy and SMEs; information society; science and technology; energy; transport and transport safety; education and culture; human rights; environment and natural resources, including marine environment; forestry; agriculture and rural development; cooperation on marine and fisheries; health; food safety; animal health; statistics; personal data

protection; cooperation on the modernisation of the state and public administration; and intellectual property rights;

- (e) establishing cooperation on migration issues, including legal and illegal migration, smuggling and trafficking in human beings;
- (f) establishing cooperation on human rights and legal affairs;
- (g) establishing cooperation on countering the proliferation of weapons of mass destruction;
- (h) establishing cooperation on combating terrorism and transnational crimes, such as the manufacturing and trafficking of illicit drugs and their precursors and money laundering;
- (i) enhance existing and encourage possible participation of both Parties within relevant sub-regional and regional cooperation programmes;
- (j) raising the profiles of both Parties in each others' regions;
- (k) promoting people-to-people understanding through cooperation of various non-governmental entities such as think-tanks, academics, civil society, and the media, in the form of seminars, conferences, youth interaction and other activities.

ARTICLE 3

Countering the Proliferation of Weapons of Mass Destruction

1. The Parties consider that the proliferation of weapons of mass destruction and their means of delivery, both to state and non-state actors, represents one of the most serious threats to international stability and security.
2. The Parties therefore agree to cooperate and to contribute to countering the proliferation of weapons of mass destruction and their means of delivery through full compliance with and national implementation of their existing obligations under multilateral disarmament and non-proliferation treaties/conventions, as well as other multilaterally negotiated agreements and international obligations under the Charter of the United Nations. The Parties agree that this provision constitutes an essential element of this agreement.
3. The Parties further agree to cooperate in and take steps towards strengthening the implementation of international instruments on disarmament and non-proliferation of weapons of mass destruction, applicable to both Parties, amongst others through sharing of information, expertise and experience.
4. The Parties agree also to cooperate and to contribute to countering the proliferation of weapons of mass destruction and their means of delivery, by taking action towards signing, ratifying, or acceding to, as appropriate, and fully implement all other relevant international instruments.
5. The Parties furthermore agree to cooperate towards the establishment of effective national export controls, to prevent proliferation, controlling the export as well as transit of Weapons of Mass Destruction (WMD) related goods, including through WMD end-use control on dual use technologies and with effective sanctions for breaches of export controls.
6. The Parties agree to establish a regular political dialogue that will accompany and consolidate these elements. Such dialogue may take place on a regional basis.

ARTICLE 4

Legal Cooperation

1. The Parties shall cooperate on issues pertaining to the development of their legal systems, laws and legal institutions, including on their effectiveness, in particular by exchanging views and expertise as well as by capacity building. Within their powers and competences, the Parties shall endeavour to develop mutual legal assistance in criminal matters and extradition.
2. The Parties reaffirm that the most serious crimes of concern to the international community as a whole must not go unpunished and that those who are accused of them should be brought to justice and if found guilty should be duly punished.
3. The Parties agree to cooperate on the implementation of the Presidential Decree on the National Plan of Action of Human Rights 2004-2009, including preparations for the ratification and implementation of international human rights instruments, such as the Convention on the Prevention and Punishment of the Crime of Genocide, and the Rome Statute on the International Criminal Court.
4. The Parties agree that a dialogue between them on this matter would be beneficial.

ARTICLE 5

Cooperation in Combating Terrorism

1. The Parties, reaffirming the importance of the fight against terrorism, and in accordance with applicable international conventions, including human rights instruments and international humanitarian law, as well as with their respective legislation and regulations, and, taking into account the UN Global Counter-Terrorism Strategy, contained in the UNGA Resolution No. 60/288 of 8 September 2006, and the Joint EU-ASEAN Declaration on cooperation to combat terrorism of 28 January 2003, agree to cooperate in the prevention and suppression of terrorist acts.
2. The Parties shall, in the framework of the implementation of Resolution 1373 of the UN Security Council and other relevant UN resolutions, international conventions and instruments applicable to both Parties, cooperate in combating terrorism, through *inter alia*:
 - exchange of information on terrorist groups and their support networks in accordance with international and national law;
 - exchange of views on means and methods used to counter terrorism, including in technical fields and training, and by exchange of experiences in respect of terrorism prevention;
 - cooperation on law enforcement, strengthening of the legal framework and addressing conditions conducive to the spread of terrorism;
 - cooperation on the promotion of border control and management, strengthening capacity building through the establishment of networking, training and education programmes, exchange of visits of high officials, academics, analysts and field operators, and organising seminars and conferences.

TITLE II

COOPERATION IN REGIONAL AND INTERNATIONAL ORGANISATIONS

ARTICLE 6

The Parties undertake to exchange views and cooperate within the framework of regional and international fora and organisations such as the United Nations, ASEAN-EU dialogue, ASEAN Regional Forum (ARF), the Asia-Europe Meeting (ASEM), the United Nations Conference on Trade and Development (UNCTAD) and the World Trade Organisation (WTO).

TITLE III

BILATERAL AND REGIONAL COOPERATION

ARTICLE 7

1. For each sector of dialogue and cooperation under this Agreement, and while giving due emphasis to matters under bilateral cooperation, both sides agree to carry out the related activities at bilateral or regional level or through a combination of both frameworks. In choosing the appropriate framework, the Parties will seek to maximise the impact on and reinforce the involvement of all interested parties, while making the best possible use of available resources, taking account of the political and institutional feasibility, and, where appropriate, ensuring coherence with other activities involving the Community and ASEAN partners.
2. The Community and Indonesia may, as appropriate, decide to extend financial support to cooperation activities in the areas covered by the agreement or in relation to it, in accordance with their respective financial procedures and resources. This cooperation may in particular include organisation of training schemes, workshops and seminars, exchanges of experts, studies, and other actions agreed by the Parties.

TITLE IV

COOPERATION ON TRADE AND INVESTMENT

ARTICLE 8

General Principles

1. The Parties shall engage in a dialogue on bilateral and multilateral trade and trade-related issues with a view to strengthening bilateral trade relations and advancing the multilateral trade system.
2. The Parties undertake to promote the development and diversification of their reciprocal commercial exchanges to the highest possible level and to their mutual benefit. They undertake to achieve improved market access conditions by working towards the elimination of barriers to trade, in particular through the timely removal of non-tariff barriers and by taking measures to improve transparency, having regard to the work carried out by international organisations in this field.
3. Recognising that trade plays an indispensable role in development, and that assistance in the form of trade preferences schemes have proven beneficial to developing countries, the Parties endeavour to strengthen their consultation on such assistance in full WTO compliance.
4. The Parties shall keep each other informed concerning the development of trade and trade-related policies such as agricultural policy, food safety policy, animal health policy, consumer policy, hazardous chemical substances, and waste management policy.
5. The Parties shall encourage dialogue and cooperation to develop their trade and investment relations, including the provision of technical capacity building to solve problems, in the areas referred to under Articles 9 to 16.

ARTICLE 9

Sanitary and Phytosanitary (SPS) Issues

The Parties shall discuss and exchange information on legislation, certification and inspection procedures, within the framework of the WTO Agreement on Sanitary and Phytosanitary matters (SPS), the International Plant Protection Convention (IPPC), the Office International des Epizooties (OIE) and the CODEX Alimentarius Commission (CAC).

ARTICLE 10

Technical Barriers to Trade (TBT)

The Parties shall promote the use of international standards and co-operate and exchange information on standards, conformity assessment procedures and technical regulations, especially within the framework of the WTO Agreement on Technical Barriers to Trade (TBT).

ARTICLE 11

Intellectual Property Rights Protection

The Parties shall cooperate on improving and enforcing Intellectual Property protection and utilisation based upon best practices, and enhancing the dissemination of the knowledge thereof. Such cooperation may include exchange information and experience on issues such as the practice, promotion, dissemination, streamlining, management, harmonisation, protection and effective application of intellectual property rights, the prevention of abuses of such rights, the fight against counterfeiting and piracy.

ARTICLE 12

Trade Facilitation

The Parties shall share experiences and examine possibilities to simplify import, export and other customs procedures, increase transparency of trade regulations and develop customs cooperation, including mutual administrative assistance mechanisms and also seek convergence of views and joint action in the context of international initiatives. The Parties will pay special attention to increasing the security dimension of international trade, including transport services, and to ensuring a balanced approach between trade facilitation and the fight against fraud and irregularities.

ARTICLE 13

Customs Cooperation

Without prejudice to other forms of cooperation provided for under this Agreement, both Parties state their interest, in considering the possibility, in the future, of the conclusion of a protocol on customs cooperation, including mutual assistance, within the institutional framework laid down in this Agreement.

ARTICLE 14

Investment

The Parties shall encourage a greater flow of investment through the development of an attractive and stable environment for reciprocal investment through a consistent dialogue aimed at enhancing understanding and cooperation on investment issues, exploring administrative mechanisms to facilitate investment flows, and promoting a stable, transparent, open and non-discriminatory investment regime.

ARTICLE 15

Competition Policy

The Parties shall promote the effective establishment and application of competition rules and the dissemination of information in order to foster transparency and legal certainty for enterprises operating in each other's markets.

ARTICLE 16

Services

The Parties shall establish a consistent dialogue notably aimed at exchanging information on their respective regulatory environments, promoting access to each other's markets, promoting access to sources of capital and technology, promoting trade in services between both regions and in third countries' markets.

TITLE V

COOPERATION IN OTHER SECTORS

ARTICLE 17

Tourism

1. The Parties may cooperate in order to improve the exchange of information and establish best practice so as to ensure balanced and sustainable development of tourism in accordance with the World Tourism Organization's Global Code of Ethics for Tourism and with sustainability principles which form the basis of the local Agenda 21 process.
2. The Parties may develop cooperation on safeguarding and maximising the potential of natural and cultural heritage, mitigating tourism negative impacts, and increasing positive contribution of tourism business to local community sustainable development, *inter alia*, by developing eco-tourism, respecting the integrity and interests of local communities, and improving training in the tourism industry.

ARTICLE 18

Financial Services

The Parties agree to foster, according to their needs and within the framework of their respective programmes and legislation, cooperation on financial services.

ARTICLE 19

Economic Policy Dialogue

1. The Parties agree to cooperate on promoting the exchange of information and the sharing of experiences on their respective economic trends and policies, as well as the sharing of experiences on economic policies including within the context of regional economic cooperation and integration.
2. The Parties endeavour to deepen the dialogue between their authorities on economic matters which, as agreed by the Parties, may include areas such as monetary policy, fiscal (including tax) policy, public finance, and macroeconomic stabilisation and external debt.
3. The Parties recognise the importance of improving transparency and the exchange of information in order to facilitate the enforcement of measures preventing the avoidance or evasion of taxes, within the context of their respective legal frameworks. They agree to improve cooperation in this area.

ARTICLE 20

Industrial Policy and SME Cooperation

1. The Parties, taking into account their respective economic policies and objectives, agree to promote industrial policy cooperation in all fields deemed suitable, with a view to improving the competitiveness of small and medium-sized enterprises (SMEs), *inter alia*, through:
 - exchanging information and experiences on creating framework conditions for SMEs to improve their competitiveness;
 - promoting contacts between economic operators, encouraging joint investments and establishing joint ventures and information networks notably through existing horizontal Community programmes, stimulating in particular transfers of soft and hard technology between partners;

- facilitating access to finance and markets, providing information and stimulating innovation exchanging good practice on access to finance particularly for micro- and small enterprises;
 - Joint research projects in selected industrial areas and cooperation on standards and conformity assessment procedures and technical regulations, as mutually agreed.
2. The Parties shall facilitate and support the relevant activities established by the private sectors of both sides.

ARTICLE 21

Information Society

The Parties, recognising that information and communication technologies are key elements of modern life and of vital importance to economic and social development, shall endeavour to cooperate, and such cooperation shall, *inter alia*, focus on:

- (a) facilitating comprehensive dialogue on the different aspects of the Information Society, in particular electronic communications policies and regulation including universal service, licensing and general authorisations, protection of privacy and personal data, and the independence and efficiency of the regulatory authority;
- (b) interconnection and interoperability of Community, Indonesian and Southeast Asian networks and services;
- (c) standardisation and dissemination of new information and communications technologies;
- (d) promotion of research cooperation between the Community and Indonesia in the area of Information and Communication Technologies;
- (e) joint research projects in the area of Information and Communication Technologies (ICT);
- (f) security issues/aspects of ICT.

ARTICLE 22

Science and Technology

1. The Parties agree to cooperate in the field of science and technology in areas of mutual interest, such as energy, transport, environment and natural resources and health, taking account of their respective policies.
2. The aims of such cooperation shall be to:
 - (a) encourage exchanges of information and know-how on science and technology, especially on the implementation of policies and programmes;
 - (b) promote enduring relations between the Parties' scientific communities, research centres, universities and industry;
 - (c) promote human resources training;
 - (d) promote other forms of mutually agreed cooperation.
3. Cooperation may take the form of joint research projects and exchanges, meetings and training of scientists through international mobility schemes, providing for the maximum dissemination of the results of research.
4. In this cooperation, the Parties shall favour the participation of their respective higher education institutions, research centres and productive sectors, in particular SMEs.

ARTICLE 23

Energy

The Parties endeavour to enhance cooperation in the energy sector. To this end, the Parties agree to promote mutually beneficial contacts with a view to:

- (a) diversifying energy supplies in order to improve security of supply, developing new and renewable forms of energy, and cooperating on upstream and downstream industrial energy activities;
- (b) achieving rational use of energy with contributions from both supply and demand sides and enhancing cooperation to combat climate change, including through the Clean Development Mechanism of the Kyoto Protocol;
- (c) fostering the transfer of technology aimed at sustainable energy production and use;
- (d) addressing the links between affordable access to energy and sustainable development.

ARTICLE 24

Transport

1. The Parties endeavour to cooperate in all relevant areas of transport policy with a view to improving the movement of goods and passengers, promoting safety, maritime and aviation safety and security, human resource development, environmental protection, and increasing the efficiency of their transport systems.
2. The forms of cooperation may include, *inter alia*:
 - (a) exchanges of information on their respective transport policies and practices, especially regarding urban, rural, inland water and maritime transport, including their logistics and the interconnection and interoperability of multimodal transport networks, as well as the management of road, railways, ports and airports;
 - (b) possible utilisation of the European global satellite navigation system (Galileo), with a focus on issues of mutual interest;
 - (c) a dialogue in the field of air transport services, aiming at the further development of bilateral relations between the Parties in areas of mutual interest; including amending certain elements in existing bilateral Air Services Agreements between Indonesia and individual Member States in order to bring these into conformity with the respective laws and regulations of the Parties, and to examine possibilities for further development of cooperation in the field of air transport;
 - (d) a dialogue in the field of maritime transport services aiming at unrestricted access to the international maritime markets and trades on a commercial basis, abstention from introducing cargo sharing clauses, national treatment and MFN clause for vessels operated by nationals or companies of the other Party and issues related to door-to-door transport services;
 - (e) the implementation of security, safety and pollution prevention standards and regulations, notably as regards maritime transport and aviation, in line with the relevant International Conventions.

ARTICLE 25

Education and Culture

1. The Parties agree to promote education and cultural cooperation that duly respects their diversity, in order to enhance mutual understanding and the knowledge of their respective cultures.
2. The Parties endeavour to take appropriate measures to promote cultural exchanges and carry out joint initiatives in various cultural spheres including the joint organisation of cultural events. In this regard, the Parties also agree to continue supporting the activities of the Asia-Europe Foundation.
3. The Parties agree to consult and cooperate in relevant international *fora*, such as the UNESCO, and to exchange views on cultural diversity including developments such as the ratification and the implementation of the UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions.
4. The Parties shall furthermore place emphasis on measures designed to create links between their respective specialist agencies, to encourage exchanges of information and publications, know-how, students, experts and technical resources, to promote ICT in education, and taking advantage of the facilities offered by Community programmes in Southeast Asia in the area of education and culture as well as the experience that both Parties have acquired in this area. Both sides also agree to promote the implementation of the Erasmus Mundus programme.

ARTICLE 26

Human Rights

1. The Parties agree to cooperate in the promotion and protection of human rights.
2. Such cooperation may include, *inter alia*:
 - (a) supporting the implementation of the Indonesian National Plan of Action of Human Rights;
 - (b) human rights promotion and education;
 - (c) strengthening of human rights-related institutions;
3. The Parties agree that a dialogue between them on this matter would be beneficial.

ARTICLE 27

Environment and Natural Resources

1. The Parties agree on the need to conserve and manage in a sustainable manner natural resources and biological diversity as a basis for the development of current and future generations.
2. The outcome of the World Summit on Sustainable Development as well as the implementation of relevant multilateral environmental agreements applicable to both Parties shall be taken into account in all activities undertaken by the Parties under this Agreement.
3. The Parties endeavour to continue their cooperation in the regional programmes on protection of the environment, specifically as regards:
 - (a) environmental awareness and law enforcement capacity;
 - (b) capacity building on climate change and energy efficiency focused on research and development, monitoring and analysis of climate change and greenhouse effects, mitigating and adaptation programs;
 - (c) capacity building for participating in and implementing multilateral environmental agreements, including biodiversity, biosafety and CITES;
 - (d) promoting environmental technologies, products and services, including capacity building in environmental management systems and environmental labelling;
 - (e) prevention of illegal transboundary movement of hazardous substances, hazardous wastes and other forms of waste;
 - (f) coastal and marine environment, conservation, pollution, and degradation control;
 - (g) local participation in environmental protection and sustainable development;

- (h) soils and land management;
 - (i) taking measures to counter transboundary haze pollution.
4. The Parties shall encourage mutual access to their programmes in this field, in accordance with the specific terms of such programmes.

ARTICLE 28

Forestry

1. The Parties agree on the need to protect, conserve, and manage in a sustainable manner forest resources and their biological diversity for the benefit of current and future generations.
2. The Parties endeavour to continue their cooperation to improve forest and land fire management, combating illegal logging and its associated trade, forest governance, and the promotion of sustainable forest management.
3. The Parties shall develop cooperation programmes, among others on:
 - (a) cooperation via the relevant international, regional and bilateral fora on promoting the establishment of legal instruments, dealing with illegal logging and related trade;
 - (b) capacity building, research and development;
 - (c) Support for the development of a sustainable forest sector;
 - (d) the development of forest certification.

ARTICLE 29

Agriculture and Rural Development

The Parties agree to develop cooperation on agriculture and rural development. Areas of cooperation that can be further developed among others are:

- (a) agricultural policy and international and agricultural outlook in general;
- (b) the possibilities for removing barriers to trade in crops, livestock, and their products;
- (c) development policy in rural areas;
- (d) quality policy for crops, and livestock, and Protected Geographical Indications;
- (e) market development and the promotion of international trade relations;
- (f) development of sustainable agriculture.

ARTICLE 30

Marine and Fisheries

The Parties shall encourage marine and fisheries cooperation, at bilateral and multilateral level, particularly in view of promoting sustainable and responsible marine and fisheries development and management. Areas of cooperation may include:

- (a) exchange of information;
- (b) supporting sustainable and responsible long term marine and fisheries policy including conservation and management of coastal and marine resources;
- (c) promoting efforts to prevent and combat illegal, unreported and unregulated fishing practices and
- (d) market development and capacity building.

ARTICLE 31

Health

1. The Parties agree to cooperate in the health sector in areas of mutual interest, with a view to strengthening activities in the fields of research, health system management, nutrition, pharmaceuticals, preventive medicine, major communicable diseases such as Avian and pandemic influenza, HIV/AIDS, SARS, as well as non-communicable diseases such as cancer and cardiac diseases, traffic injuries and other health threats, including drug dependence.
2. Cooperation shall take place mainly through:
 - (a) exchange of information and experiences in the abovementioned areas;
 - (b) programmes on epidemiology, and decentralisation, health financing, community empowerment and administration of health services;
 - (c) capacity building through the technical assistance, development of vocational training programmes;
 - (d) programmes to improve health services, and to support related activities including among others the reduction of infant and maternal mortality rates.

ARTICLE 32

Statistics

The Parties agree to promote in accordance with existing activities on statistical cooperation between the Community and ASEAN, the harmonisation of statistical methods and practice including the gathering and dissemination of statistics, thus enabling them to use, on a mutually acceptable basis, statistics on trade in goods and services and, more generally, on any other area covered by this Agreement which lends itself to statistical processing, such as collection, analysis and dissemination.

ARTICLE 33

Personal Data Protection

1. The Parties agree to engage in this field, with the mutual aim of improving the level of protection of personal data bearing in mind best international practice, such as that contained in the United Nations Guidelines for the Regulation of Computerized Personal Data Files (UN General Assembly Resolution 45/95 of 14 December 1990).
2. Cooperation on protection of personal data may include, inter alia, technical assistance in the form of exchange of information and expertise taking into account the laws and regulations of the Parties.

ARTICLE 34

Migration

1. The Parties reaffirm the importance of joint efforts in managing migratory flows between their territories and with a view to strengthening cooperation, they shall establish a comprehensive dialogue on all migration-related issues, including illegal migration, smuggling and trafficking in human beings, as well as the protection of those in need of international protection. Migration aspects shall be included in the national strategies for economic and social development of both Parties. Both Parties agree to respect humanitarian principles in addressing migratory issues.

2. Cooperation between the Parties should be according to a specific needs-assessment conducted in mutual consultation between the Parties and be implemented in accordance with the relevant legislation of the Parties in force. The cooperation, *inter alia*, will focus on:
 - (a) addressing root causes of migration;
 - (b) development and implementation of national legislation and practices in accordance with relevant international laws applicable to both Parties and, in particular, to ensure the respect of the principle of "non-refoulement";
 - (c) issues identified as being of mutual interest in the field of visas, travel documents and border control management;
 - (d) admission rules, as well as the rights and status of persons admitted, fair treatment and integration of lawfully residing non-nationals, education and training, measures against racism and xenophobia;
 - (e) technical and human capacity building;
 - (f) the establishment of an effective and preventive policy against illegal migration, smuggling and trafficking in human beings, including ways to combat networks of smugglers and traffickers and protect the victims of such trafficking;
 - (g) the return, under humane and dignified conditions, of persons residing illegally including the promotion of their voluntary return, and the readmission of such persons in accordance with paragraph 3.
3. Within the framework of the cooperation to prevent and control illegal immigration and without prejudice to the need for protection of victims of human trafficking, the Parties further agree to:
 - (a) identify their alleged nationals and readmit any of their nationals illegally present on the territory of a Member State or Indonesia, upon request and without undue delay and further formalities once nationality has been established;
 - (b) provide their readmitted nationals with appropriate identity documents for such purposes.
4. The Parties, upon request, agree to negotiate with a view to conclude an agreement regulating the specific obligations for the Parties on readmission, including an obligation for the readmission of their respective nationals and nationals of other countries. This would also address the issue of stateless persons.

ARTICLE 35

Combating Organised Crime and Corruption

The Parties agree to cooperate and contribute to the fight against organised, economic and financial crime and corruption through full compliance with their existing mutual international obligations in this area including on effective cooperation in the recovery of assets or funds derived from acts of corruption. This provision constitutes an essential element of this Agreement.

ARTICLE 36

Cooperation in Combating Illicit Drugs

1. Within their respective legal frameworks the Parties shall cooperate to ensure a comprehensive and balanced approach through effective action and coordination between the competent authorities including from the health, education, law enforcement including custom services, social, justice and interior sectors, legal market regulations, with the aim of reducing to the greatest extent possible the supply, trafficking and demand of illicit drugs as well as their impact on drug users and society at large and to achieve a more effective prevention of diversion of chemical precursors used for the illicit manufacture of narcotic drugs and psychotropic substances.
2. The Parties shall agree on means of cooperation to attain these objectives. Actions shall be based on commonly agreed principles along the lines of the relevant international conventions, the Political Declaration and the Special Declaration on the guiding principles of drug demand reduction, approved by the Twentieth United Nations General Assembly Special Session on Drugs in June 1998.
3. The cooperation between the Parties may comprise exchanges of views on legislative frameworks and best practices, as well as technical and administrative assistance in the following areas: prevention and treatment of drug abuse, covering a wide range of modalities including reduction of harm related to drug abuse; information and monitoring centres; training of personnel; drug related research; judicial and police cooperation and the prevention of diversion of chemical precursors used for the illicit manufacture of narcotic drugs and psychotropic substances. The Parties may agree to include other areas.
4. The Parties may cooperate to promote sustainable alternative development policies aimed at reducing to the greatest extent possible illicit drugs cultivation, with particular reference to cannabis.

ARTICLE 37

Cooperation in Combating Money Laundering

1. The Parties agree on the need to work towards and to cooperate on preventing the use of their financial systems to launder the proceeds of all criminal activities such as drug trafficking and corruption.
2. Both Parties agree to cooperate on technical and administrative assistance aimed at the development and implementation of regulations and the effective functioning of mechanisms to combat money laundering and financing of terrorism including on recovery of assets or funds derived from the proceeds of crimes.
3. The cooperation shall allow exchanges of relevant information within the framework of respective legislations and the adoption of appropriate standards to combat money laundering and financing of terrorism equivalent to those adopted by the Community and relevant international bodies active in this area, such as the Financial Action Task Force on Money Laundering (FATF).

ARTICLE 38

Civil Society

1. The Parties recognise the role and potential contribution of organised civil society, especially academics, in the dialogue and cooperation process under this agreement and agree to promote effective dialogue with organised civil society and its effective participation.
2. In accordance with democratic principles and the laws and regulations of each Party, organised civil society may:
 - (a) participate in the policy-making process at national level;
 - (b) be informed of and participate in consultations on development and cooperation strategies and sectoral policies, particularly in areas concerning them, including all stages of the development process;
 - (c) manage transparently any financial resources allocated to them in support of their activities;
 - (d) participate in the implementation of cooperation programmes, including capacity building, in the areas that concern them.

ARTICLE 39

Cooperation on the Modernisation of the State and Public Administration

The Parties, based upon specific needs assessment conducted through mutual consultation, agree to cooperate with a view to the modernisation of their public administration, *inter alia*:

- (a) improving organisational efficiency;
- (b) increasing institutions' effectiveness in service delivery;
- (c) ensuring transparent management of public resources and accountability;
- (d) improving the legal and institutional framework;
- (e) building capacities for policy design and implementation (public service delivery, budget composition and execution, anti-corruption);
- (f) reinforcing the judiciary systems;
- (g) improving law enforcement mechanisms and agencies.

ARTICLE 40

Means of Cooperation

1. The Parties agree to make available the appropriate resources, including financial means, insofar as their respective resources and regulations allow, in order to fulfil the cooperation objectives set out in this Agreement.
2. The Parties shall encourage the European Investment Bank to continue its operations in Indonesia, in accordance with its procedures and financing criteria and Indonesia's laws and regulations.

TITLE VI

INSTITUTIONAL FRAMEWORK

ARTICLE 41

Joint Committee

1. The Parties agree to establish under this Agreement a Joint Committee, composed of representatives of both sides at the highest possible level, whose tasks shall be to:
 - (a) ensure the proper functioning and implementation of this Agreement;
 - (b) set priorities in relation to the aims of this Agreement;
 - (c) resolve differences arising in the application or interpretation of this Agreement;
 - (d) make recommendations to the Parties signatory to this Agreement for promoting the objectives of this Agreement and, where necessary, for settling any divergence in the application or interpretation of this Agreement.
2. The Joint Committee shall normally meet not less than every two years in Indonesia and Brussels alternately, on a date to be fixed by mutual agreement. Extraordinary meetings of the Joint Committee may also be convened by agreement between the Parties. The Joint Committee shall be chaired alternately by each of the Parties. The agenda for meetings of the Joint Committee shall be determined by agreement between the Parties.
3. The Joint Committee may set up specialised working groups in order to assist it in the performance of its tasks. These working groups shall make detailed reports of their activities to the Joint Committee at each of its meetings.
4. The Parties agree that it shall also be the task of the Joint Committee to ensure the proper functioning of any sectoral agreement or protocol concluded or to be concluded between the Community and Indonesia.
5. The Joint Committee shall adopt its own rules of procedure for the application of this Agreement.

TITLE VII

FINAL PROVISIONS

ARTICLE 42

Future Development Clause

1. The Parties may by mutual consent amend, revise, and expand this Agreement with a view to enhancing the level of cooperation, including through supplementing it by means of agreements or protocols on specific sectors or activities.
2. With regard to the implementation of this Agreement, either of the Parties may put forward suggestions for widening the scope of cooperation, taking into account the experience gained in its application.

ARTICLE 43

Other Agreements

1. Without prejudice to the relevant provisions of the Treaty establishing the European Community, neither this Agreement nor action taken hereunder shall in any way affect the powers of the Member States to undertake bilateral cooperation activities with Indonesia or to conclude, where appropriate, new partnership and cooperation agreements with Indonesia.
2. This Agreement shall not affect the application or implementation of commitments undertaken by the respective Parties in relations with third parties.

ARTICLE 44

Settlement Mechanism

1. Each Party may refer to the Joint Committee any divergence in the application or interpretation of this Agreement.
2. The Joint Committee will deal with the divergence in accordance with Article 41(1)(c) and (d).
3. If either Party considers that the other Party has failed to fulfil any of its obligations under this Agreement it may take appropriate action. Before doing so, except in cases of special urgency, it shall present to the Joint Committee all the relevant information required for a thorough examination of the situation with a view to seeking a solution acceptable to the Parties.
4. The Parties agree that for the purpose of the correct interpretation and practical application of this agreement the term "cases of special urgency" in paragraph 3 means a case of the material breach of the Agreement by one of the Parties. A material breach consists in:
 - (i) repudiation of the agreement not sanctioned by the general rules of international law, or
 - (ii) violation of an essential element of the Agreement, as described in Articles 1(1), 3(2) and 35.
5. In the selection of actions, priority must be given to those which least disturb the functioning of this Agreement. These actions shall be notified immediately to the other Party and shall be the subject of consultations within the Joint Committee if the other Party so requests.

ARTICLE 45

Facilities

To facilitate cooperation in the framework of this Agreement, both Parties agree to grant necessary facilities to duly authorised experts and officials involved in implementing cooperation for the performance of their functions, in accordance with internal rules and regulations of both Parties.

ARTICLE 46

Territorial Application

This Agreement shall apply to the territory in which the Treaty establishing the European Community is applied under the conditions laid down in that Treaty, on the one hand, and to the territory of Indonesia, on the other.

ARTICLE 47

Definition of the Parties

For the purposes of this Agreement, "the Parties" shall mean the Community or its Member States or the Community and its Member States, in accordance with their respective powers, on the one hand, and the Republic of Indonesia, on the other.

ARTICLE 48

Entry into Force and Duration

1. This Agreement shall enter into force on the first day of the month following the date on which the last Party has notified the other of the completion of the legal procedures necessary for this purpose.
2. This Agreement is valid for a period of five years. It shall be automatically extended for further successive periods of one year, unless either Party notifies the other Party in writing of its intention not to extend this Agreement six months prior to the end of any subsequent one-year period.
3. Any amendments of this Agreement shall be made by agreement between the Parties. Any amendments shall become effective only after the latter Party has notified the other that all necessary formalities have been completed.
4. This Agreement may be terminated by one Party by written notice of denunciation given to the other Party. The termination shall take effect six months after receipt of notification by the other Party.

ARTICLE 49

Notification

Notification shall be made to the Secretary-General of the Council of the European Union and the Minister for Foreign Affairs of the Republic of Indonesia, respectively.

ARTICLE 50

Authentic Text

This Agreement is drawn up in the Bulgarian, Czech, Danish, Dutch, English, Estonian, Finnish, French, German, Greek, Hungarian, Italian, Latvian, Lithuanian, Maltese, Polish, Portuguese, Romanian, Slovene, Spanish, Swedish, Slovak and Indonesian languages, each of these texts being equally authentic.

Done in duplicate at [place] on this day of
[month] in the year Two Thousand and ...

FINAL ACT

The Plenipotentiaries of

THE EUROPEAN COMMUNITY, hereinafter referred to as "the Community"

And

THE KINGDOM OF BELGIUM,

THE REPUBLIC OF BULGARIA,

THE CZECH REPUBLIC,

THE KINGDOM OF DENMARK,

THE FEDERAL REPUBLIC OF GERMANY,

THE REPUBLIC OF ESTONIA,

IRELAND,

THE HELLENIC REPUBLIC,

THE KINGDOM OF SPAIN,

THE FRENCH REPUBLIC,

THE ITALIAN REPUBLIC,

THE REPUBLIC OF CYPRUS,

THE REPUBLIC OF LATVIA,

THE REPUBLIC OF LITHUANIA,

THE GRAND DUCHY OF LUXEMBOURG,

THE REPUBLIC OF HUNGARY,

MALTA,

THE KINGDOM OF THE NETHERLANDS,

THE REPUBLIC OF AUSTRIA,

THE REPUBLIC OF POLAND,

THE PORTUGUESE REPUBLIC,

ROMANIA,

THE REPUBLIC OF SLOVENIA,

THE SLOVAK REPUBLIC,

THE REPUBLIC OF FINLAND,

THE KINGDOM OF SWEDEN,

THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND,

Contracting Parties to the Treaty establishing the European Community and the Treaty on European Union, hereinafter referred to as "the Member States"

of the one part, and

THE REPUBLIC OF INDONESIA

of the other part,

meeting at (...) on (...) for the signature of the Framework Agreement on Comprehensive Partnership and Cooperation between the European Community and its Member States, of the one part and the Republic of Indonesia, of the other part, have adopted the Framework Agreement on Comprehensive Partnership and Cooperation.

The plenipotentiaries of the Member States and the plenipotentiary of the Republic of Indonesia take note of the following Unilateral Declaration by the European Community:

"The provisions of the Agreement that fall within the scope of Part III, Title IV of the Treaty establishing the European Community bind the United Kingdom and Ireland as separate Contracting Parties, and not as part of the European Community, until the United Kingdom or Ireland (as the case may be) notifies the Republic of Indonesia that it has become bound as part of the European Community in accordance with the Protocol on the position of the United Kingdom and Ireland annexed to the Treaty on European Union and the Treaty establishing the European Community. The same applies to Denmark, in accordance with the Protocol annexed to those Treaties on the position of Denmark."

Done at (...), on (...)

The European Community

The Republic of Indonesia