Chapter 15: Economic Cooperation

Article 15.1: Objectives

1. Economic cooperation under this Chapter shall be built upon a common understanding between the Parties to support the implementation of this Agreement, with the objective of maximising its benefits, supporting pathways to trade and investment facilitation, and further improving market access and openness to contribute to the sustainable inclusive economic growth and prosperity of the Parties.

2. The Parties reaffirm the importance of economic cooperation activities between them and shall seek, if possible, to minimise duplication of ongoing efforts and utilisation of resources, particularly under other trade agreements and economic cooperation programs.

Article 15.2: Scope

Economic cooperation under this Chapter shall support the effectiveness and efficiency of the implementation and utilisation of this Agreement through activities that relate to trade and investment as specified in the Annual Work Program.

Article 15.3: Committee on Economic Cooperation

1. For the purpose of effective implementation of this Chapter, and to achieve better coordination of economic cooperation activities with efficient and effective allocation and use of resources, a Committee on Economic Cooperation (the Committee) is hereby established.

2. Australia and Indonesia shall jointly chair the Committee. The membership of the Committee shall include representatives from the Committee on Trade in Goods, Committee on Trade in Services and Committee on Investment.

3. Members of the Committee shall be familiar with the scope of economic cooperation activities conducted under this Agreement and promote coherence between these activities and the work undertaken through the broader bilateral economic partnership.

4. The Committee shall meet within one year of the date of entry into force of this Agreement and, unless the Parties otherwise agree, once every year after that.

5. The functions of the Committee shall include, but not be limited to, the following:

   a. developing medium-term objectives as a guideline for the development of an annual work program of economic cooperation activities ("Annual Work Program") for consideration and approval by the Joint Committee;

   b. developing an Annual Work Program for consideration and approval by the Joint Committee, including coordinating and prioritising proposals for economic cooperation activities from the Committee on Trade in Goods, the Committee on Trade in Services and the Committee on Investment as well as their subsidiary bodies;

   c. conducting a review of the Annual Work Program from the previous year and providing a report to the Joint Committee;

   d. overseeing and reviewing the implementation of the Annual Work Program to assess its overall effectiveness and contribution to the implementation of this Agreement;
Article 15.4: Formulation of Annual Work Program

1. Each activity in an Annual Work Program developed under this Chapter shall:
   a. be guided by the medium-term objectives, as agreed in Article 15.3.5(a);
   b. be related to trade or investment and support the implementation of this Agreement;
   c. involve both Parties;
   d. address the mutual priorities of the Parties;
   e. avoid duplicating existing economic cooperation activities; and
   f. take into consideration the economic cooperation needs as proposed and identified by other Committees.

2. In developing the Annual Work Program, the Committee shall take into account the Annual Work Program review under Article 15.3.5(c).

3. The Joint Committee may modify the Annual Work Program, taking into account the Annual Work Program review under Article 15.3.5(c), any recommendations from the Committee and available resources. The Joint Committee may modify the Annual Work Program out of session if agreed by the Parties.

4. The first Annual Work Program will be developed in accordance with the medium-term objectives attached to the exchange of letters constituting an agreement on economic cooperation signed between Australia and Indonesia in connection with the signing of this Agreement.

Article 15.5: Contact Points

Each Party shall designate a contact point to facilitate communication between the Parties on all matters relating to the implementation of the Annual Work Program and shall update the other Party on any changes to the details of the contact points.

Article 15.6: Resources

1. Resources for economic cooperation under this Chapter shall be provided in a manner as agreed by the Parties and in accordance with the laws and regulations of the Parties.

2. The Parties, on the basis of mutual benefit, shall consider cooperation with, and contributions from, external parties to support the implementation of the Annual Work Program.

Article 15.7: Non-Application of Chapter 20 (Consultations and Dispute Settlement)

Chapter 20 (Consultations and Dispute Settlement) shall not apply to any matter arising under this Chapter.

Article 15.8: Relation to Other Chapters

This Chapter shall apply to all economic cooperation activities under this Agreement.
SIDE LETTER ON ECONOMIC COOPERATION

4 March 2019

The Honourable Mr Enggartiasto Lukita
Minister of Trade
Republic of Indonesia

Dear Minister

In connection with the signing on this date of the Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA), I confirm the following agreement reached between the Government of Australia (Australia) and the Government of the Republic of Indonesia (Indonesia) during the course of negotiations regarding Chapter 15 (Economic Cooperation) of IA-CEPA:

In the lead-up to the date of entry into force of IA-CEPA, Australia and Indonesia shall commence work on the design of a new facility and the development of the first Annual Work Program (and related activities) in line with the medium-term objectives attached to this letter. Full mobilisation of the facility, and implementation of activities outlined in the first Annual Work Program, will commence after the date of entry into force of IA-CEPA.

The first Annual Work Program, provided for in Chapter 15 (Economic Cooperation) of IA-CEPA will be developed jointly and in parallel with the design and procurement of the new facility. For greater certainty, the Parties may make changes, through the IA-CEPA Joint Committee, to the Annual Work Program at any time in accordance with Article 15.4.3 (Formulation of Annual Work Program) of Chapter 15 (Economic Cooperation) of IA-CEPA.

I propose that this letter and your letter of confirmation in reply, in the English and the Indonesian languages, both being equally authentic, shall constitute an agreement between our two Governments, which shall enter into force on the date of entry into force of IA-CEPA.

Yours sincerely

Simon Birmingham
<table>
<thead>
<tr>
<th>No.</th>
<th>Priority Areas</th>
<th>Agreed Components</th>
<th>Indicative/Focus Sectors</th>
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</table>
| 1   | Building technical and human capacity in agricultural and industrial production and management to improve productivity | 1. Knowledge and information sharing in a range of sectors through:  
   - exchanges between ministries, peak industry bodies, research institutions and the private sector to develop pest control techniques specific to Indonesian environment/regions/sectors;  
   - joint research into commercially viable export crops that fit unique growing conditions across the archipelago;  
   - joint economic analysis on policies tools to improve Indonesia’s export opportunities;  
   - knowledge sharing and exchanges between departments and industry stakeholders including the Grains Partnership; and  
   - economic modelling and pain point analysis on opportunities for reform to increase trade.  
   2. Training and technical assistance to facilitate product quality control in agreed areas through training courses for government and industry stakeholders as determined.  
   3. Cooperation activities to promote investment in supply chains to improve quality of goods to domestic/ international markets. | - Advanced Manufacturing\(^1\)  
- Grains Partnership  
- Live Cattle  
- Horticulture (Fresh Fruits and Vegetables)  
- Sugarcane  
- Food and Beverages  
\(^1\)Advanced manufacturing in support of Industry 4.0, including cooperation to explore synergies in our respective automotive sectors |
| 2   | Promotion and Innovation to improve competitiveness | To enhance trade and investment promotion between the Parties and to third markets through:  
   - capacity building in trade and investment promotion between the Parties and to third markets for government and industry in selected sectors; and  
   - building industry association linkages to promote private sector capacity in communications, advocacy and promotion. | - Food, Drug and Herbal Products  
- Creative Industry (for example Fashion and Jewellery)  
- Tourism, Trade, and Investment promotion  
- Horticulture (Fresh Fruits and Vegetables) |
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| 3   | SPS – strengthening quarantine and biosecurity    | Training and technical assistance to strengthen biosecurity and quarantine system through:  
- targeted training and technical assistance to strengthen biosecurity and quarantine system in selected sectors across selected export products;  
- technical assistance and support to identify new products for export and approaches to supporting industry meeting SPS requirements; and  
- information sharing and training on resolving issues with quarantine and biosecurity breaches and avenues for advice on treatment options to resolve issues. | • Live Cattle  
• Horticulture (Fresh Fruits and Vegetables)                                                                                                             |
| 4   | TBT – promote further standards harmonisation and support product compliance | 1. Risk management capacity building in agreed sectors.  
2. Continued work on standards harmonisation including:  
- joint research project to develop a model for harmonisation, guided by (early outcome) joint Standards Mapping Project that identifies useful areas of convergence based on existing systems, bilateral trade flows and points of emerging trade interests;  
- short courses to build on (early outcome) first round of courses of food, drugs and well-being products - on Australia and Indonesian standards regimes; and  
- promote information sharing and access to pre-market, standards, and conformity assessment. | • Food and Beverages  
• Pharmaceutical Products  
• Herbal Products, Traditional Medicine  
• Textile and Clothes  
• Footwear  
• Advanced Manufacturing and Component Industries  
• Medical Devices  
• Digital Trade/E-commerce                                                                                                                              |
| 5   | Improve the capacity of Small and Medium-sized Enterprises (SMEs) to utilise IA-CEPA                  | 1. Training to support administration of SMEs in the following agreed sectors through:  
- workshops, seminars and trade conferences in targeted areas; and  
- private sector engagement and public education campaigns.                                                                                               | • Food and Beverages  
• Pharmaceutical Products  
• Herbal Products, Traditional Medicine  
• Creative Industry (for example Handicrafts, Fashion and Jewellery)                                                                                      |
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<tr>
<td>2.</td>
<td>Training</td>
<td>2. Training to support product development and export capacity for SMEs in agreed sectors through technical aspects of exporting to Australia and third-party markets.</td>
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<td>3. Support training for women entrepreneurs in agreed sectors.</td>
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<td>4. Publication of tariffs, non-tariff measures, charges and rules for exporters utilising IA-CEPA.</td>
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<td>6</td>
<td>Communication and coordination</td>
<td>1. Cooperation to strengthen communication and coordination between the Parties.</td>
<td>Supporting the dissemination of information relating to trade facilitation for the traders of both Parties.</td>
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<td>2. Sharing of information and data relating to IA-CEPA implementation to build public awareness and understanding as well as promotion of IA-CEPA to industry and domestic stakeholders.</td>
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<td>7</td>
<td>Supporting growth in the tourism sector</td>
<td>1. Human capacity building through, but not limited to: • training in related tourism industries; and • technical advice on tourism promotion and campaigns.</td>
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<td>2. Assistance and cooperation with the development of new tourism destinations including, for example, through technical assistance in support of the 10 New Bali initiative.</td>
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| 8   | Improve capacity of Indonesia’s Technical and Vocational Education and Training (TVET) system to boost standards and global competitiveness of Indonesian workers | 1. Cooperation to develop a Government of Indonesia TVET Committee responsible for national coordination of TVET; developing national TVET standards; and, incentivising Indonesian industry to participate in TVET.  
2. Cooperation to assist Indonesia to develop sustainable linkages with Indonesian industry to help define relevant national occupational standards appropriate for Indonesian industry and labour market requirements in priority sectors.  
3. Cooperation whereby Australian Registered Training Organizations could, including in consultation with Indonesian education providers, create training modules based on national standards.  
4. Cooperation to assist in developing effective quality assurance of education providers in Indonesia. |                                                                                     |
| 9   | Strengthen Health Professional standards and competitiveness                      | 1. Undertake an initial scoping study and comparative assessment of health professional standards in Indonesia against Australia’s standards.  
2. Recommendations from this review could be considered for further economic cooperation, including to develop comprehensive standards accreditation. |                                                                                     |

Notes: The discussion on concrete activities of economic cooperation subject to the establishment of Committee on Economic Cooperation.
4 March 2019

The Honourable Mr Simon Birmingham
Minister for Trade, Tourism, and Investment
Australia

Dear Minister,

I acknowledge receipt of your letter of this date, which reads as follows:

In connection with the signing on this date of the Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA), I confirm the following agreement reached between the Government of Australia (Australia) and the Government of the Republic of Indonesia (Indonesia) during the course of negotiations regarding Chapter 15 (Economic Cooperation) of IA-CEPA:

In the lead-up to the date of entry into force of IA-CEPA, Australia and Indonesia shall commence work on the design of a new facility and the development of the first Annual Work Program (and related activities) in line with the medium-term objectives attached to this letter. Full mobilisation of the facility, and implementation of activities outlined in the first Annual Work Program, will commence after the date of entry into force of IA-CEPA.

The first Annual Work Program, provided for in Chapter 15 (Economic Cooperation) of IA-CEPA will be developed jointly and in parallel with the design and procurement of the new facility. For greater certainty, the Parties may make changes, through the IA-CEPA Joint Committee, to the Annual Work Program at any time in accordance with Article 15.4.3 (Formulation of Annual Work Program) of Chapter 15 (Economic Cooperation) of IA-CEPA.

I propose that this letter and your letter of confirmation in reply, in the English and the Indonesian languages, both being equally authentic, shall constitute an agreement between our two Governments, which shall enter into force on the date of entry into force of IA-CEPA.

I confirm that the above reflects the agreement reached between the Government of the Republic of Indonesia and the Government of Australia during the course of negotiations on IA-CEPA, and that your letter, equally authentic in the English and the Indonesian languages, and this letter in reply shall constitute an agreement between our two Governments, which shall enter into force on the date of entry into force of IA-CEPA.

Yours sincerely,

Enggartiasto Lukita
Minister of Trade
Republic of Indonesia