

EC/Indonesia Framework Agreement on Comprehensive Partnership and Cooperation

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PURPOSE: to conclude 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.

PROPOSED ACT: Council Decision.

ROLE OF THE EUROPEAN PARLIAMENT: Council may adopt the act only if Parliament has given its consent to the act.

BACKGROUND: in 2004, the Council authorised the Commission to negotiate a Framework Agreements with Indonesia. Negotiations started in 2005 and were concluded in June 2007. 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.

Union competences: 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.

IMPACT ASSESSMENT: no impact assessment was undertaken.

LEGAL BASIS: Articles 207 and 209, in conjunction with Article 218(6)(a) of the Treaty on the Functioning of the European Union (TFEU).

CONTENT: with this proposal, it is sought to approve, on behalf of the Union, the Framework Agreement on Comprehensive Partnership and cooperation between the European Community and its Member States, of the one part, and Indonesia, of the other part.

General principles: the draft Agreement 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. These instruments applicable to both Parties underpin the internal and international policies of both Parties and constitute an essential element of this Agreement.

Amongst the other main principles defined as the basis of the draft Agreement, the following should be noted:

- the challenge of climate change and the achievement of the Millennium Development Goals;
- the attachment to the principles of good governance, the rule of law, including the independence of the judiciary, and the fight against corruption;
- the principles of equality and mutual benefit.

Cooperation: the Agreement strengthens political, economic and sectoral cooperation across a wide range of policy fields, including:

- trade,
- environment,
- energy,
- science and technology,
- 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.

Other sectors shall also be covered: financial services, taxation and customs, macroeconomic policy, industrial policy and SMEs, information society, energy, transport, education and culture, natural resources, including marine environment; forestry; agriculture and rural development; personal data protection; cooperation on the modernisation of the state and public administration; and intellectual property rights, migration issues, legal and illegal migration, smuggling and trafficking in human beings.

Cooperation should also be established as regards **countering the proliferation of weapons of mass destruction**, combating illicit drugs, civil society and the strengthening of NGOs.

The draft Agreement also includes a future development clause allowing for the Parties to put forward suggestions to widen the scope of cooperation.

Political dialogue: 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.

Institutional framework: the draft Agreement includes institutional provisions which aim to put in place a joint committee, composed representatives of both sides at the highest possible level, to ensure the proper functioning of any sectoral agreement or protocol concluded or to be concluded between the Community and Indonesia.

Duration of the Agreement: 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 it.

BUDGETARY IMPLICATIONS: this proposal has no implications for the EU budget.