

CHAPTER 9

COOPERATION AND CAPACITY BUILDING

ARTICLE 9.1

Objectives and Scope

1. This Chapter sets out a framework for cooperation and capacity building under this Agreement.
2. The Parties agree that the aim of cooperation and capacity building is to foster competitiveness of goods and services, to enhance the fulfilment of applicable international standards, and to achieve sustainable development, in particular by strengthening human and institutional capacities.

ARTICLE 9.2

Principles

1. The Parties shall promote cooperation and capacity building with the aim to enhance the mutual benefits of this Agreement in accordance with their national strategies and policy objectives and taking into account the different levels of social and economic development of the Parties.
2. Cooperation under this Chapter shall pursue the following objectives:
 - (a) facilitate the implementation of the overall objectives of this Agreement, in particular to enhance mutually beneficial trade and investment opportunities arising from this Agreement;
 - (b) support Indonesia's efforts to achieve sustainable economic and social development, including by strengthening human and institutional capacities.
3. Cooperation and capacity building shall cover sectors affected by the process of liberalisation and restructuring of the Indonesian economy as well as sectors with the potential to benefit from this Agreement.

ARTICLE 9.3

Methods and Means

1. Cooperation and capacity building by the EFTA States to Indonesia shall be provided bilaterally through EFTA programmes, multilaterally or in a combination thereof.
2. The Parties shall cooperate with the objective of identifying and employing the most effective methods and means for the implementation of this Chapter, building on already existing forms of bilateral cooperation between the Parties, and, where applicable, taking into consideration the efforts undertaken by relevant international organisations in order to ensure effectiveness and coordination.
3. Means of cooperation and capacity building may include:
 - (a) exchange of information, transfer and exchange of expertise and training, including through facilitating exchange visits of researchers, experts, specialists and private sector representatives;
 - (b) grants, development funds or other financial means;
 - (c) joint activities such as joint studies and research projects concerning issues relating to this Agreement;
 - (d) facilitation for the transfer of technology, skills and practices;
 - (e) institutional assistance and capacity building including through training seminars, workshops, conferences and internships;
 - (f) support for participation in international activities such as standards setting;
 - (g) risk assessment analyses in the trade area; and
 - (h) any other means of cooperation as mutually agreed by the Parties.
4. The Parties may implement cooperation and capacity building activities with participation of national and international experts, institutions, organisations and private sector representatives, as appropriate.

ARTICLE 9.4

Memorandum of Understanding

This Chapter shall be implemented on the basis of a Memorandum of Understanding on Cooperation and Capacity Building between the EFTA States and Indonesia (hereinafter referred to as “Memorandum of Understanding”). It shall be signed in conjunction with this Agreement, building upon and complementing existing or already planned bilateral cooperation initiatives and activities.

ARTICLE 9.5

Fields of Cooperation and Capacity Building

1. Cooperation and capacity building may cover any field jointly identified by the Parties that may serve to enhance Indonesia’s capacities to benefit from increased international trade and investment, including:

- (a) customs, origin matters and trade facilitation;
- (b) sustainable development;
- (c) fisheries, aquaculture and marine products;
- (d) standards, technical regulations and conformity assessment procedures;
- (e) sanitary and phytosanitary measures;
- (f) intellectual property rights;
- (g) trade statistics;
- (h) trade promotion and development of manufacturing industries, including vocational education and training;
- (i) development of small and medium-sized enterprises;
- (j) maritime transportation;
- (k) tourism;
- (l) labour and employment; and
- (m) any other fields of cooperation mutually agreed by the Parties.

2. The Parties acknowledge the importance of promoting cooperation and capacity building activities to contribute to sustainable development.

ARTICLE 9.6

Financial Arrangement

1. The Parties shall cooperate to employ the most effective means for the implementation of this Chapter.
2. Each Party shall bear the cost and related expenses arising from its respective obligation for the implementation of this Chapter and the Memorandum of Understanding, in accordance with their domestic laws and regulations.

ARTICLE 9.7

Sub-Committee on Cooperation and Capacity Building

1. In order to ensure the proper implementation of the present chapter, the Parties hereby establish a Sub-Committee on Cooperation and Capacity Building (hereinafter referred to as the “Sub-Committee on Cooperation”) consisting of representatives of all the Parties.
2. The functions of the Sub-Committee on Cooperation shall be to:
 - (a) discuss implementation of this Chapter and the Memorandum of Understanding;
 - (b) identify, formulate and agree on detailed proposals for the implementation of this Chapter and the Memorandum of Understanding;
 - (c) exchange of information on the progress of cooperation and capacity building as intended by this Agreement;
 - (d) cooperate with other sub-committees established under this Agreement to perform stocktaking, monitoring and benchmarking on any issues related to the implementation of this Agreement;
 - (e) undertake a periodic review, monitoring the implementation and operation of this Chapter and the Memorandum of Understanding, evaluating progress in the implementation and developing new plans for prospective joint activities and future cooperation and capacity building. The review may take place through written exchanges;

- (f) identify obstacles and opportunities for further cooperation. The Sub-Committee on Cooperation shall evaluate reports by the Parties and discuss issues raised by other sub-committees established under this Agreement with regard to cooperation and capacity building;
- (g) report to and consult with the Joint Committee.

3. The Parties shall inform the Sub-Committee on Cooperation about ongoing bilateral projects of direct relevance to this Agreement and the Sub-Committee on Cooperation shall take actions according to its functions in accordance with paragraph 2.

4. The Sub-Committee on Cooperation shall act by consensus.

5. The Sub-Committee on Cooperation shall meet as often as required and normally every year either physically or through electronic conferencing. The Sub-Committee on Cooperation shall hold its first meeting within six months after the entry into force of this Agreement. It shall be convened by the Joint Committee, by the chairpersons of the Sub-Committee or upon request of a Party. The venue shall alternate between an EFTA State and Indonesia, unless otherwise agreed by the Parties.

6. The meetings of the Sub-Committee on Cooperation shall be chaired jointly by one of the EFTA States and Indonesia.

7. The chairpersons of the Sub-Committee shall prepare a provisional agenda for each meeting in consultation with the Parties, and send it to them, as a general rule, no later than two weeks before the meeting.

8. The Sub-Committee shall prepare a report on the results of each meeting, and the chairpersons shall, if requested, report at a meeting of the Joint Committee.

ARTICLE 9.8

Dispute Settlement

1. The Parties shall not have recourse to dispute settlement under Chapter 11 (Dispute Settlement) for any matter arising under this Chapter.

2. Any dispute between the Parties concerning interpretation and implementation of this Chapter shall be settled amicably.