

## **CHAPTER 8**

### **COOPERATION**

#### **Article 8.1: Basic Principles**

1. The Parties reaffirm the importance of economic and trade cooperation, as means to contribute to implementing this Agreement and enhancing its benefits, in accordance with their respective laws and regulations.
2. For this purpose, the Parties shall, if necessary and appropriate, encourage and facilitate cooperation between entities such as business communities, including Micro, Small, and Medium Enterprises (MSMEs), and academia.

#### **Article 8.2: Objective**

The objective of this Chapter is to facilitate the establishment of close cooperation aimed, among others, at:

- (a) strengthening the capacities of the Parties, including MSMEs, and building on existing and new form of cooperative relationships to maximize the opportunities and benefits deriving from this Agreement;
- (b) promoting economic and social development;
- (c) supporting the role of the private sector in promoting and building strategic alliances to encourage mutual economic growth and development;
- (d) increasing the level of and deepening cooperation actions between the Parties at the bilateral level;
- (e) promoting the export of goods and services of the Parties to international markets; and
- (f) creating new opportunities for trade and investment and promoting competitiveness.

#### **Article 8.3: Areas of Cooperation**

Cooperation and capacity building activities may include the following areas:

- (a) development of MSMEs;
- (b) services;

- (c) tourism;
- (d) trade-related environmental issues;
- (e) global supply chains;
- (f) creative economy;
- (g) manufacturing;
- (h) agriculture;
- (i) fisheries and aquaculture; and
- (j) any other fields of cooperation mutually agreed by the Parties.

#### **Article 8.4: Means of Cooperation**

Cooperation may be developed through:

- (a) information exchange;
- (b) conferences, seminars, and dialogue;
- (c) promoting contact and encouraging exploration of industrial and technical opportunities between stakeholders;
- (d) trade promotion activities, including participation in trade fairs and missions;
- (e) capacity building, trainings, and expert dispatch; and
- (f) any other activity mutually agreed by the Parties.

#### **Article 8.5: Micro, Small and Medium Enterprises**

1. The Parties will promote a favourable environment for the development of MSMEs and the sharing of best practices, lessons learned and collaborative programs aimed at MSMEs.
2. Cooperation will be undertaken on a mutually agreed basis and may include the following subjects:
  - (a) strengthening collaboration on activities to promote partnerships and development, thereby improving the productivity and participation of MSMEs in the value chain;

- (b) sharing information and best practices on effective regulatory measures and capacity building to enhance the integration of MSMEs in global trade;
- (c) promoting the utilization of platforms for business entrepreneurs and counsellors to share information and best practices that help MSMEs link with international suppliers, buyers, and other potential business partners in order to contribute to the global value chains;
- (d) encouraging initiatives oriented to innovation and the use of technology for MSMEs, including access to information on technological and digitalization promotion programmes for MSMEs;
- (e) encouraging information exchange and capacity development programs related to access to finance initiatives for MSMEs; and
- (f) encouraging collaboration in the exchange of information on measures and interventions that contribute to the formalization of MSMEs and generate a more favorable environment for their growth and development.

#### **Article 8.6: Cooperation on Trade-Related Environmental Issues**

1. Recognizing the importance of strengthening capacity to promote sustainable development with their three interdependent and mutually reinforcing components, which are economic growth, social development and environmental protection, the Parties agree to cooperate in the field of trade-related environmental issues.

2. The Parties agree to cooperate in the field of environment. The aim of trade-related environmental cooperation shall be the prevention or reduction of contamination, and degradation of ecosystems and biological diversity, including climate change, and the integrated management of natural resources, through developing projects or programs dealing, among others, with the transfer of knowledge and technology.

3. Taking into account their national priorities and available resources, the Parties shall explore and decide areas of cooperation of mutual interest and benefit. These areas may include:

- (a) climate change;
- (b) conservation, restoration and sustainable use of ecosystems and biological diversity;
- (c) management of hazardous chemicals;
- (d) air quality;
- (e) water management;

- (f) waste management;
- (g) improvement of environmental awareness, including environmental education;
- (h) combating illegal, unreported, and unregulated fishing; and
- (i) promoting sustainable forest management.

### **Article 8.7: Cooperation on Global Supply Chains**

The Parties may establish cooperation on:

- (a) exchanging knowledge and exploring trade policy strategies aimed at deepening the integration of Indonesia and Peru into global supply chains; and
- (b) sharing knowledge and experiences regarding the interaction of trade policy with other public policies, in the development of strategies for the engagement in global supply chains, aiming to achieve long-term economic development for the Parties, considering all stakeholders, including the private sector.

### **Article 8.8: Committee on Cooperation**

1. For the purposes of this Agreement, the Parties hereby establish a Committee on Cooperation, which shall comprise representatives of each Party. The representatives of each Party shall be:

- (a) for Indonesia, the Directorate of American Affairs II of the Ministry of Foreign Affairs; and
- (b) for Peru, the Directorate of Aid for Foreign Trade of the Ministry of Foreign Trade and Tourism (*Ministerio de Comercio Exterior y Turismo - MINCETUR*);

or their successors.

2. The Parties may designate new representatives as members of the Committee on Cooperation if necessary.

3. The Committee on Cooperation shall meet annually or as deemed necessary by the Parties. Online meeting may be deemed as a substitute to meeting in person.

4. The functions of the Committee on Cooperation shall include:

- (a) establishing rules and procedures for the conduct of its work;

- (b) making recommendations of the cooperation activities under this Chapter, in accordance with the strategic priorities of the Parties;
- (c) overseeing and facilitating the implementation of the strategic collaboration agreed by the Parties;
- (d) encouraging the Parties to undertake cooperation activities;
- (e) assessing the progress in the implementation of the cooperation projects agreed by the Parties; and
- (f) exchanging information on the field of cooperation.

5. The Committee on Cooperation may establish *ad hoc* working groups in accordance with its terms of reference.

6. The Committee on Cooperation may interact, if appropriate, with the relevant entities to address specific matters.

7. The Committee on Cooperation may interact, if appropriate, with other Committees in this Agreement to address specific matters.

8. The Parties shall designate a contact point to facilitate communication on mutually agreed cooperation activities.

#### **Article 8.9: Resources**

The implementation of the cooperation activities under this Chapter shall be subject to the availability of funds and resources of each Party and the applicable laws and regulations of each Party.

#### **Article 8.10: Non-Application of Dispute Settlement**

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

#### **Article 8.11: Supplement**

Cooperation between the Parties under this Chapter will supplement the cooperation and cooperative activities between the Parties set out in other Chapters of this Agreement and in other mutually agreed bilateral cooperation mechanisms.