

AGREE MINUTES OF THE THIRD MEETING OF THE PHILIPPINES-INDONESIA JOINT COMMISSION FOR BILATERAL COOPERATION

In accordance with the Memorandum of Understanding on the Establishment of a Joint Commission for Bilateral Cooperation between the Philippines and Indonesia, the Third Meeting of the Joint Commission for Bilateral Cooperation (JCBC) was held in Manila, Philippines, on 20-21 December 2002.

The Philippine delegation was led by H.E. Bias F. Ople, Secretary of Foreign Affairs. The Indonesian delegation was led by H.E. N. Hassan Wirajuda, Minister of Foreign Affairs. The lists of both delegations appear as Annexes A and B.

The Leaders of both delegations expressed confidence that the Third Meeting will further strengthen the existing friendly and fraternal ties between the two countries, as reflected in their opening statements. The texts of the Statements appear as Annexes C and D.

I. ADOPTION OF THE AGENDA

1. The Meeting was held in Plenary and adopted the agenda, which appears as Annex E.

II. BUSINESS ARRANGEMENTS

2. The Meeting was preceded by a Senior Officials' Meeting (SOM). The SOM Leaders agreed to facilitate the deliberation by setting up five working groups on: (a) Trade and Investment Issues; (b) Maritime and Ocean Issues; (c) Border, Defense, Police, Security, Consular, and Legal Issues; (d) Agriculture, Forestry, Energy Issues, and Cooperation in Joint Oil Spill Response; and (e) Cooperation in Labor, Information, Tourism, Culture and Education, and Sister-city Relations.

III. CONCRETE MEASURES TO PROMOTE BILATERAL RELATIONS

Trade and Investment Issues

3. The Meeting created a Joint Technical Working Group (JTWG) on trade and investments that would cover, among others, issues relating to the wood and rattan industries. The JTWG would have focal points - the Bureau of International Trade Relations for the Philippines and the Directorate-General on Foreign Trade MOIT for Indonesia. These focal points are tasked to exchange discussion papers and information to keep the two parties constantly updated. The JTWG will study the feasibility of joint ventures in rattan between Indonesia and the Philippines.

4. The Philippines agreed to provide Indonesia with a draft Terms of Reference on a Task Force for the Promotion of Investments.

5. The Meeting agreed to explore the possibility of concluding a Mutual Recognition Agreement (MRA) on Pharmaceutical and Cosmetic Products. The two countries would use the Agreement between the Bureau of Product Standards of the Philippines and the Standardization Council of Indonesia on Product Certification and Approval Schemes as a starting point. The Meeting also agreed that such a bilateral

MRA would serve as an important building block in establishing regional MRAs, as well as MRAs between developing and more advanced countries.

6. Indonesia supported the Philippine proposal to send promotion/selling missions to Jakarta and Manado, and to encourage more active involvement of the Philippines-Indonesia and Indonesia-Philippines Business Councils in these efforts.

7. The Meeting agreed that the Philippine Tariff Commission would soon review the mid-term effectiveness of safeguard measures on ceramic tiles which could lead to the possibility of the following:

- a) The lifting of the safeguard;
- b) Reduction of the specific duty; or
- c) Shift from tariff to quota measure.

The Philippines will submit a report on the results of this review to Indonesia. Moreover, the Meeting took note of the Philippine approach to the safeguard measure, to wit:

- a) Periodic review of domestic industry performance and market conditions to determine whether the elimination of the safeguards may be accelerated.
- b) Commitment to receive and consider all legitimate requests for compensation.
- c) Efforts to monitor the ceramic tile exports of other players not affected by this safeguard measure, with the intention to prevent unwarranted displacement of affected players.

8. The Meeting approved the report of the Working Group on Trade and Investment, which appears as **Annex F**.

Maritime and Ocean Issues

9. The Meeting established a Philippines-Indonesia Joint Working Group on Maritime and Ocean Concerns. The Philippines offered to host the first Joint Working Group Meeting in the second half of February 2003.

10. The Meeting recalled the agreement at the highest level to resume the maritime boundary delimitation talks between the two countries. The two countries agreed to focus discussions, as a start, on the technical issues involved in maritime boundary delimitation.

11. The Meeting recognized the importance of establishing a Monitoring, Control, and Surveillance system and the need for this system to be region-wide in breadth in order to be effective. The harmonization of MCS systems of the Philippines and Indonesia could culminate in a possible ASEAN initiative that could be raised with the European Union during the forthcoming ASEAN-EU Ministerial Meeting in January 2003. The effective region-wide MCS would have multi-purpose applications, e.g., a seamless monitoring of fisheries, combating piracy and maritime terrorism, search and rescue operations, and marine environment protection.

12. The Meeting agreed to consolidate the efforts of the Philippines and Indonesia vis-a-vis other groupings in the MHLC Convention on the issue of tuna spawning grounds in Sulu-Sulawesi Sea. The two countries will seek to find a balance between conservation measures and the economic benefits that accrue to both countries from the endowment of tuna resources.

13. The Meeting recognized the need for a Regional Caucus on Archipelagic States that could have an organizational mechanism and would advance the cause of the archipelagic states like the Philippines and Indonesia.

14. Indonesia agreed to join in a Tri-national Sea Turtle Protected Area Program with the Philippines and Malaysia.

15. The Meeting approved the report of the Working Group on Maritime and Ocean Issues, which appears as Annex G.

Border, Defense, Police, Security, Consular, and Legal Issues;

16. The Meeting recognize the need to establish a linkage between the JCBC and the RP-RI Border Committee. It was agreed that the Philippines-Indonesia Border Committee will discuss and decide on technical matters while policy recommendations will be submitted to the JCBC.

17. The RP-RI Border Cooperation Agreement was signed on 11 March 1975. In view of significant developments in the region, the Meeting agreed to establish linkage with the JCBC. For this purpose a technical working group will be created which will undertake a comprehensive review of the 1975 RP-RI Border Cooperation Agreement to make it attuned with the prevailing security and economic environment in the region.

18. On the proposed MOU on Cooperation in Law Enforcement, the Meeting agreed that there are distinct cross-border problems that both countries have to address through cooperation in the following:

- Monitoring and exchange of information on suspected and actual criminal activities in each other's territory.
- Exchange of information on criminal elements who are fugitives from laws in each other's territory;
- Cooperation on the investigation of criminal activities of interest to either party;
- Joint police cooperation in investigating criminal activities of interest and concern to either country; and
- Exchange of intelligence information.

19. The Meeting agreed to the early negotiation and conclusion of an MOU on Cooperation in Law Enforcement. The Meeting also agreed to intensify the exchange of intelligence information between the military organizations, as well as the law enforcement agencies of the two countries.

20. The Meeting reiterated the decision of the 2nd RP-RI JCBC to convene a Joint Inter-agency Technical Working Group on the problems of fishermen as soon as possible, either in Manila or Jakarta. The Joint Inter-agency Technical Working Group