

# EU-Indonesia

## *Comprehensive Economic Partnership Agreement*



## A DEAL FOR SUSTAINABLE GROWTH AND DEVELOPMENT

The EU and Indonesia concluded negotiations on a **Comprehensive Economic Partnership Agreement (CEPA)** in September 2025.

Beyond its wide-ranging economic benefits, the deal also establishes a strong framework for sustainable growth and development, including:

- Strong and enforceable commitments on the environment, climate, workers' rights and women's empowerment
- Commitments to the Paris Climate Agreement and fundamental ILO conventions enforceable through trade remedies as a last resort
- Opening trade in green goods and services
- An active role for civil society to monitor implementation
- Creating a platform for dialogue and cooperation on regulatory and other sustainability measures

### Protecting the climate and the environment

The EU and Indonesia commit to work together on environment and climate change issues, such as carbon pricing, or transition to a low-carbon economy.

Both parties commit to the **effective implementation of global environmental and climate agreements**, such as the Paris Climate Agreement or the Convention on Biological Diversity. The commitment to remaining a party in good faith to the Paris Climate Agreement is an **essential element of the agreement**.

**Trade remedies** are foreseen as a matter of last resort, in case of an on-going breach by a Party of these commitments.

The CEPA has dedicated provisions on the **protection of natural resources**, including:

- Forest conservation
- Conservation and sustainable use of biodiversity
- Combatting illegal wildlife trade
- Combatting illegal logging and related trade
- Combatting Illegal, Unreported, and Unregulated (IUU) fishing

The deal will make trade and investment in low-carbon goods, services, and technology easier. This includes **zero tariffs on green goods** and liberalisation of services and investment sectors of relevance for the green transition, such as renewable energy, and energy-efficient products, from the first day of application of the Agreement.



## Protocol on Palm Oil

The Agreement includes a Protocol on Palm Oil, geared towards maximising the potential of CEPA to support trade in sustainable palm oil. It does so by establishing a platform for dialogue, including on regulatory developments of relevance for the palm oil sector, and creating a framework to work more closely together in areas of specific importance for the sustainability of palm oil production.

## Workers' rights and women's empowerment

The deal requires the respect of the core International Labour Organization principles such as:

- freedom of association and the right to collective bargaining
- the elimination of all forms of forced and compulsory labour
- the abolition of child labour
- non-discrimination at work
- a safe and healthy working environment

It also includes commitments and cooperation provisions on:

- decent working conditions
- labour inspection
- social dialogue
- the promotion of responsible business conduct

The CEPA contains provisions regarding UN and ILO conventions **advancing women's economic empowerment and gender equality**.

## Civil society involvement

The agreement gives civil society a prominent role in its implementation.

**Domestic advisory groups** (DAGs) will provide advice and recommendations to, respectively, the EU and Indonesia, on the implementation of the CEPA. These groups represent:

- non-governmental organisations,
- business and employers' organisations, and
- trade unions.

DAGs can cover **all topics under the scope of the agreement** including trade and sustainable growth and development and energy and raw materials.

A **Civil Society Forum** will facilitate dialogue between civil society from both sides and with representatives of the EU and Indonesia, further enabling civil society groups to voice their views and provide input to discussions on how the agreement is being implemented.

## Enforceable commitments

Commitments on trade and sustainable growth and development are legally binding and enforceable through the Agreement's dispute settlement mechanism.

Trade remedies are foreseen as a matter of last resort, in case of an on-going breach of the commitments to remain a party in good faith to the ratified fundamental ILO conventions and the Paris Agreement on Climate Change.

