AGREEMENT
BETWEEN
THE GOVERNMENT OF THE REPUBLIC OF INDONESIA
AND
THE GOVERNMENT OF THE REPUBLIC OF FINLAND
CONCERNING
THE CO-OPERATION IN THE ENERGY AND ENVIRONMENT PARTNERSHIP

The Government of the Republic of Indonesia ("Indonesia") and the Government of the Republic of Finland ("Finland"), hereinafter jointly referred to as "the Parties",

REFERRING to the Joint Declaration by the Minister for Foreign Trade and Development of the Republic of Finland and the Minister of Environment of the Republic of Indonesia on Climate Change and Sustainable Forest Management, signed in Jakarta, 18 February 2008, and to the Indonesia Clean Energy Initiative and to the Agreement between the Republic of Finland and the Republic of Indonesia for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, signed on 15 October 1987;

DESIRING to strengthen the friendly relations existing between the two Countries and their peoples;

RECALLING the Millennium Declaration and the Millennium Development Goals;

CONFIRMING the eradication of extreme poverty as the main objective for the co-operation between the Parties;

REAFFIRMING their commitment to harmonisation of development cooperation activities;

RECOGNIZING that the Energy and Environment Partnership ("the Project") is essential and necessary for sustainable development of the two Countries;

PURSUANT to the prevailing laws and regulations of their respective Countries as well as to the policies and procedure of the Parties concerning international cooperation;

HAVE AGREED, in respect of the Energy and Environment Partnership in Indonesia, as follows:

ARTICLE I
Objective and Scope

1. The overall objective of the Project is to increase access to sustainable renewable energy and reduce the growth rate of green house gasses (GHG) emissions accelerating climate change in the participating provinces of Indonesia.

2. The scope of works of the Project are as follows:
   a. Promote the use of renewable energy;
   b. Enhance access to energy in rural areas;
   c. Scale up energy services for the livelihood and transportation needs of the poor;
   d. Contribute to the abatement of GHG emissions and the mitigation of the adverse impacts of global climate change.
ARTICLE II
Principle of Co-operation

1. Respect for human rights, democratic principles, good governance, and the rule of law shall form the basis for the co-operation between Finland and Indonesia and constitute the essential elements of this Agreement.

2. The Project shall be implemented in accordance with principles of transparency and open dialogue.

ARTICLE III
Competent Authorities and Implementing Agency

1. The Ministry for Foreign Affairs of Finland, represented in Indonesia by the Embassy of Finland or by the Itinerant Ambassador of Finland, and the Ministry of Energy and Mineral Resources of Indonesia shall be the Competent Authorities to represent their respective Governments in matters relating to this Agreement and are also authorised to conclude agreements on the continuation of this Project including the possible subsequent phases which shall not affect the overall responsibilities of the Parties.

2. The Implementing Agency of the Project shall be the Directorate General of New Renewable Energy and Energy Conservation which shall also have the right to represent the Ministry of Energy and Mineral Resources in matters pertaining to the implementation of the Project.

ARTICLE IV
Financing

1. The contribution of Finland to the implementation of the Project in 2011 - 2014 shall, on a grant basis and subject to annual parliamentary approval in Finland, be a maximum of four million Euros (€4 000 000). However, the contribution shall only be used up to the actual amount necessary to cover the costs resulting from the implementation of the Project as specified in the Project Document.

2. Indonesia shall provide office facilities for the National Coordination Unit for the implementation of the Project as specified in the Project Document.

3. All financial and other resources required for the implementation of the Project exceeding the Finnish contribution shall be provided by Indonesia.

4. The project shall be implemented in accordance with the Project Document and the Budget, dated 28 September 2009 attached as Annex IV to this Agreement, as well as in accordance with the annual work plans and budgets to be mutually agreed upon.

ARTICLE V
Procurements

1. Finland shall procure the supporting services prescribed in the Project Document and shall conclude a contract with a consulting agency to be agreed upon with Indonesia. Other procurements for the Project shall be made as agreed upon between Finland and Indonesia.
2. No offer, gift, payment or benefit of any kind, which would or could be construed as an illegal or corrupt practice, shall be accepted, either directly or indirectly, as an inducement or reward for the award or execution of procurement contracts.

3. All procurements shall be made in accordance with generally accepted principles and good procurement practices as well as the national laws and regulations concerning procurement. Invitations to tender as well as procurement contracts shall, respectively, include a clause on the possibility of the tender being rejected and the contract being cancelled, in case any illegal or corrupt practices have been connected with the award or execution of the contract. Furthermore, the damage or loss caused to the buyer shall, in case of the cancellation of the contract, be compensated by the supplier.

ARTICLE VI
Limitation of Personnel Activities

Any persons engaged in activities related to this Agreement shall respect the political independence, sovereignty, and territorial integrity of the host country, and shall have a duty not to interfere in internal affairs of the host country (Indonesia) and shall avoid any activities inconsistent with the objectives of this Agreement.

ARTICLE VII
Intellectual Property Rights

1. In accordance with the laws and regulations prevailing in each of the Parties, the Parties will provide efficient protection and distribution of intellectual property rights, including the ownership and legal use of such rights, which may be transferred or created as a consequence of the implementation of this Agreement.

2. The issues of ownership, protection and distribution of intellectual property rights, including protection of a third party’s legitimate rights will be dealt with on a case by case basis.

ARTICLE VIII
Information

1. The Parties shall:

   (a) promptly inform each other of any event or situation which might affect the implementation of the Project; and

   (b) ensure that all relevant authorities and organisations are informed of this Agreement and the Project.

2. Both Parties shall have the right to disseminate information about the Project, including this Agreement, to the general public and other interested parties.

3. Any publication or other material produced in connection with the Project shall mention that the Project is being or has been implemented with the financial contribution of Finland and Indonesia and within the framework of both Parties development co-operation.
ARTICLE IX
Monitoring, Evaluation, and Reporting

1. The implementation of the Project shall be reported in the manner specified in the Project documentation attached to this Agreement. The reports shall be prepared in accordance with the mutually agreed principles.

2. The Parties shall have the right to carry out an evaluation during the implementation of and after the termination of the Project.

ARTICLE X
Auditing

1. The implementation of the Project and the use of funds shall be regularly monitored as specified in the Project Document.

2. Indonesia shall permit the representatives of Finland to carry out any inspection or audit in respect of the use of the Finnish contribution. Such audits will be conducted in accordance with international external audit standards and the national law of Indonesia. Such an inspection or audit may also be initiated by Indonesia.

ARTICLE XI
Consultations

1. The Parties shall be available to each other for mutual consultations in order to:

   (a) follow up the co-operation; and

   (b) assess the attainment of the objectives of co-operation as well as the objectives and purposes of the Project.

2. The Parties shall provide each other with all necessary information for the purposes of the consultations.

ARTICLE XII
Suspension

1. Both Parties shall have the right, after consulting the other Party, to suspend in whole or in part the financing of the Project if:

   (a) either Party considers that other Party has failed to fulfil one of the essential elements of this Agreement referred to in the Article II;

   (b) the financing by the other Party is not forthcoming in accordance with this Agreement and the Project Document;

   (c) any other obligation under this Agreement or the Project Document is not fulfilled;

   (d) the management of the Project is deemed to be unsatisfactory;

   (e) a condition has arisen which interferes or threatens to interfere with the implementation of the Project or the attainment of the objectives and purposes of the Project; or
(f) the suspension is warranted by a fundamental change in the circumstances under which
the Project was started.

2. The suspension shall cease as soon as the event or events which gave rise to suspension
have ceased to exist.

ARTICLE XIII
Commodities

1. Commodities procured in or imported into Indonesia under this Agreement for the purposes of
the Project shall be at the exclusive disposal of the Project office.

2. The provision for the import/export of the commodities into or out of Indonesia under this
Agreement for the purposes of the project shall be carried out in accordance with the prevailing
laws and regulations of the Republic of Indonesia.

3. The commodities shall become the property of Indonesia upon the completion of the Project,
unless otherwise agreed by the Parties.

ARTICLE XIV
Special Provisions

1. The terms and conditions concerning Consulting Agencies and Personnel are set forth in
Annexes I - II which constitute an integral part of this Agreement.

2. Indonesia shall accord Consulting Agencies, members of their Personnel and persons
employed by Finland, as well as their families, a treatment no less favourable than the one
accorded to development co-operation agencies and personnel of any other country or
international organisation.

3. Other obligations of the Parties are specified in the Project Document.

4. Mutually agreed project planning and evaluation activities shall constitute an integral part of the
Project or Programme and they shall be governed by the provisions of this Agreement.

5. Tax exemption and relief shall be provided in accordance with the prevailing tax laws and
regulations and in accordance with the Agreement between the Republic of Finland and the
Republic of Indonesia for the avoidance of double taxation and the prevention of fiscal evasion
with respect to taxes on income, signed on 15 October 1987.

XV
Settlement of Disputes

Any dispute arising from the implementation or interpretation of this Agreement shall be settled
amicably by negotiations between the Competent Authorities.
ARTICLE XVI
Amendments

Should either Party consider it desirable to amend any provision of this Agreement, it may request consultations with the other Party through its Competent Authority. Any amendment of this Agreement shall be agreed upon in writing between the Competent Authorities.

ARTICLE XVII
Entry into Force, Duration, and Termination

1. This Agreement shall enter into force 30 days after its signature and remain in force until all the obligations under this Agreement have been duly fulfilled by the Parties, unless terminated earlier by either Party by giving a notice in writing to that effect six months prior to the termination.

2. The effects of termination of this Agreement on specific project activities will be dealt with on a case by case basis.

IN WITNESS WHEREOF, the undersigned, have signed this agreement.
DONE in______[city], on this______[day] of ______[month], in the year of _____[year], in duplicate, in the English language. Both texts are being equally authentic.

For the Government
of the Republic of Indonesia

Luluk Sumiarso
The Director General for New Renewable Energy
and Energy Conservation
Ministry of Energy and Mineral Resources

For the Government
of the Republic of Finland

Kai Sauer____________________
The Ambassador

ANNEXES

I Conditions for Consulting Agencies
II Conditions for Personnel
III Conditions for Commodities
IV Programme Document
ANNEX I

CONDITIONS FOR CONSULTING AGENCIES

1. Definition

For the purposes of this Agreement, the term “Consulting Agencies” shall mean any public authority and public or private corporation as well as any organisation, whether public or private, national or international, approved by the Parties and engaged by the Ministry for Foreign Affairs of Finland to provide supporting services for the implementation of projects and programmes.

2. Obligations of Finland

Finland shall pay the fees and costs of the Consulting Agencies, excluding the costs to be covered by Indonesia as set out in paragraph 3 below.

3. Obligations of Indonesia

Pursuant to the prevailing laws and regulations, Indonesia shall, unless otherwise agreed in a Specific Agreement;

(a) grant Consulting Agencies, free of charge and without undue delay, all necessary permits and authorisations;

(b) provide and bear the costs of suitable office accommodation and communication for Consulting Agencies in the performance of their official duties;

(c) impose no currency or foreign exchange restrictions on funds transferred into Indonesia by Consulting Agencies in accordance with the laws of Indonesia for the implementation of projects and programmes, and allow the exportation of such funds as well as facilitate the opening of bank accounts;

(d) exempt Consulting Agencies from professional registration, licence and other similar requirements;

(e) exempt Consulting Agencies from the duty to submit to the authorities of Indonesia any financial declarations required from private persons or corporations;

4. Other provisions

As concerns taxation of Consulting Agencies, reference is made to the Agreement between the Republic of Finland and the Republic of Indonesia for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, signed on 15 October 1987.
ANNEX II

CONDITIONS FOR PERSONNEL

1. Definition

For the purposes of this Agreement the term "Personnel" means personnel employed by Consulting Agencies as well as persons employed by Finland for the implementation of Project under this Agreement.

2. Obligations of Finland

2.1. Finland shall cover the salaries, fees and costs of the Personnel, excluding the costs to be covered by Indonesia as set out in paragraph 3 below.

2.2. Finland shall cover the travel costs of the Personnel and their families to and from Indonesia.

3. Obligations of Indonesia

Pursuant to the prevailing laws and regulations, Indonesia shall take the following measures with regard to the expatriate Personnel serving in Indonesia:

(a) grant the Personnel and their families, free of charge, and without undue delay, multiple entry and exit visas, work and residence permits and other necessary permits and authorisations for the entire duration of their assignment;

(b) facilitate the registration of vehicles for the personal use of the Personnel and their families;

(c) facilitate the issuance of national driver's licences to the Personnel and their families;

(d) exempt personnel and their families from customs duties with regard to household or personal effects imported and exported into and out of Indonesia for their exclusive use;

(e) exempt the Personnel and the members of their families from the duty to submit to the authorities of Indonesia any financial declarations required from the citizens of Indonesia or aliens residing in Indonesia;

(f) impose no currency or foreign exchange restrictions on funds transferred into Indonesia by the Personnel and their families for their personal use, and allow the exchange and the exportation of such funds as well as facilitate the opening of bank accounts;

(g) exempt the Personnel from professional registration, licence and other similar requirements;

(h) ensure that the Personnel and their families shall enjoy full protection of law;

(i) accord Personnel and their families the same repatriation facilities in the event of national or international crises as provided to the personnel of diplomatic missions.
4. Other provisions

4.1. Indonesia has the right to request the recall or replacement of any member of the Personnel, whose work or conduct is deemed unsatisfactory. Before exercising this right Indonesia shall consult Finland.

4.2. Finland has the right, upon prior notice in writing to Indonesia, to recall a member of the Personnel. Before exercising this right Finland shall, except in cases of special urgency, consult Indonesia and, if requested, endeavour to secure a suitable replacement.

4.3. The Finnish Embassy in Indonesia and the Ministry for Foreign Affairs of Finland in Helsinki shall be promptly notified in the event of arrest or detention, for any reason whatsoever, of any member of the Personnel or their families, or of criminal proceedings instituted against them. The representatives of Finland shall be entitled to visit the arrested or detained person. Such a person shall have the right to be represented by a lawyer.

4.4. As concerns taxation of the Personnel reference is made to the Agreement between the Republic of Finland and the Republic of Indonesia for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, signed on 15 October 1987.
ANNEX III

CONDITIONS FOR COMMODITIES

1. Definition

For the purposes of this Agreement, the term "Commodities" means goods, materials, vehicles, machinery, equipment and any other items made available by Finland for the operation of the Project office under this Agreement.

2. Obligations of Finland

Finland shall:

(a) cover the actual costs, such as purchase, transport and, as appropriate, insurance, related to each consignment of Commodities;

(b) be in charge of the delivery of Commodities to Indonesia;

(c) require that the Consulting Agencies notify designated agencies in Indonesia of the estimated date of arrival of the consignments immediately upon dispatch, and forward shipping documents, invoices and other related information.

3. Obligations of Indonesia

Pursuant to the prevailing laws and regulations, Indonesia shall, unless otherwise agreed by the Parties in a Specific Agreement:

(a) notify, if appropriate, Finland of the documentation required for procedures related to customs clearance;

(b) promptly issue, free of charge, the necessary import licences and other permits for the importation of Commodities.

4. Other provisions

4.1. The Commodities shall be at the exclusive disposal of the project or programme in question during its implementation.

4.2. Upon the completion of the project or programme, the Commodities shall become the property of Indonesia unless otherwise agreed by the Parties.
Erillinen sivu elektronisen version käsittelyyn:

**ULKOASIAINMINISTERIÖ**

HANKE-TAI GENM301-4

Amerikan ja Aasian osasto
ASA-10 Marita Meranto 3.2.2011

Interventiokoodi
73804401

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Lomakepohja: Hanke- tai ohjelmasopimus ilman puitesopimusta