

**No. 32669**

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**CANADA  
and  
INDONESIA**

**General Agreement on development cooperation (with annexes). Signed at Ottawa on 21 May 1991**

*Authentic texts: English, French and Indonesian.*

*Registered by Canada on 27 February 1996.*

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**CANADA  
et  
INDONÉSIE**

**Accord général sur la coopération au développement (avec annexes). Signé à Ottawa le 21 mai 1991**

*Textes authentiques : anglais, français et indonésien.*

*Enregistré par le Canada le 27 février 1996.*

GENERAL AGREEMENT<sup>1</sup> ON DEVELOPMENT CO-OPERATION  
BETWEEN THE GOVERNMENT OF CANADA AND THE GOVERNMENT OF THE REPUBLIC OF INDONESIA

The Government of Canada and the Government of the Republic of Indonesia,

Wishing to strengthen the existing cordial relations between the two countries and their peoples, and

Desiring to foster development co-operation between the two countries in conformity with the objectives of economic and social development of the Government of the Republic of Indonesia,

HAVE AGREED AS FOLLOWS:

ARTICLE I

The Government of Canada and the Government of the Republic of Indonesia shall under this Agreement promote a programme of development co-operation, between their two countries, consisting of the following components:

- (a) the sending of technical, appraisal, evaluation and other missions to the Republic of Indonesia in respect of development projects;
- (b) the granting of fellowships to nationals of the Republic of Indonesia for studies and professional training in Canada, the Republic of Indonesia or third countries;
- (c) the sending of technical missions of nationals of the Republic of Indonesia to Canada and other countries;
- (d) the assignment of Canadian experts, advisers and other specialists to the Republic of Indonesia;

<sup>1</sup> Came into force on 28 June 1993, the date on which the Parties notified each other of the completion of the required legal procedures in accordance with article XV.

- (e) the provision of equipment, materials, goods and services required for the successful execution of development projects in the Republic of Indonesia;
- (f) the development and carrying out of studies and projects designed to contribute to the attainment of the objectives of this Agreement;
- (g) the encouragement and promotion of relations between firms, organizations, institutions and persons of the two countries; and
- (h) any other form of assistance which may be mutually agreed upon.

#### ARTICLE II

1. In support of the objectives of this Agreement, the Government of the Republic of Indonesia and the Government of Canada may conclude subsidiary arrangements in respect of specific projects involving one or several components of the programme described in Article I.
2. Unless stated otherwise, subsidiary arrangements concerning contributions of both governments shall be considered as administrative arrangements.
3. Subsidiary arrangements shall make specific reference to this Agreement and the terms of this Agreement shall, unless stated otherwise, apply to such subsidiary arrangements.

#### ARTICLE III

Unless otherwise indicated in the subsidiary arrangements, the Government of Canada shall assume the responsibilities described in Annex "A" and the Government of the Republic of Indonesia shall assume the responsibilities described in Annex "B" in respect of any specific project established under a subsidiary arrangement. Annexes "A" and "B" shall be integral parts of this Agreement.

**ARTICLE IV**

For the purposes of this Agreement:

- (a) "Canadian firm" means Canadian or other non-Indonesian firms, organizations, institutions, or executing agencies engaged in any project established under a subsidiary arrangement;
- (b) "Canadian personnel" means Canadians or non-Indonesians who are residing in the Republic of Indonesia for the purpose of working on any project established under a subsidiary arrangement; and
- (c) "dependant" means the spouse of a member of the Canadian personnel and the child of a member of the Canadian personnel and/or of his/her spouse who is:
  - (i) under twenty-one years of age, or
  - (ii) twenty-one years of age or older dependant on the member of the Canadian personnel for support by reason of mental or physical incapability.

Dependant referred to above shall be certified as such by the Canadian Embassy in the Republic of Indonesia.

**ARTICLE V**

The Government of the Republic of Indonesia shall ensure that Canadian development co-operation funds are not used to pay any taxes, customs duties or any other levies imposed by the Government of the Republic of Indonesia, on any goods, materials, equipment, vehicles and services purchased or acquired for, or related to, the execution of any project being carried out in the Republic of Indonesia pursuant to a subsidiary arrangement.

**ARTICLE VI**

The Government of the Republic of Indonesia shall indemnify and save harmless the Government of Canada, Canadian firms and

Canadian personnel from civil liability for acts or omissions occurring in the course of the performance of their duties in the execution of any project established under any subsidiary arrangement except for acts arising from reckless and wanton conduct or wilful misconduct of Canadian firms or Canadian personnel.

#### ARTICLE VII

The income tax of Canadian firms and Canadian personnel directly engaged in any project established under a subsidiary arrangement and financed by the Government of Canada shall be borne by the Government of the Republic of Indonesia in accordance with its regulations.

#### ARTICLE VIII

The Government of the Republic of Indonesia shall, in accordance with its regulations:

- (a) exempt Canadian firms and Canadian personnel from, or bear the costs of, import duties, Value Added Tax on goods and services, and sales tax on Luxury Goods imposed by the Government of the Republic of Indonesia on taxable goods and services or import of taxable goods for, or related to the execution of projects established under any subsidiary arrangement.
- (b) exempt Canadian personnel from the payment of customs duties, excise duties and Value Added Tax on goods and services and sales tax on Luxury Goods in respect of bona fide personal effects and essential basic household equipment brought into the Republic of Indonesia within six months of his/her first arrival in the Republic of Indonesia for their own use or the use of their dependants. In the event of theft, fire or other destruction, the exemptions under this paragraph may be re-exercised at any time during the assignment of the Canadian personnel. Canadian personnel may purchase duty free items provided that such purchases shall be made from duty free stores.

**ARTICLE IX**

The Government of the Republic of Indonesia shall, in accordance with its regulations, exempt from, or bear the cost of, customs duties, Value Added Tax and sales tax for Luxury Goods in respect of one locally assembled motor vehicle purchased for his/her personal use provided that:

- (a) the Canadian personnel is assigned in Indonesia for at least twelve (12) months consecutively;
- (b) such motor vehicle is purchased locally within the period of six (6) months from the date of his/her first arrival in the Republic of Indonesia; and
- (c) upon the completion of his/her assignment, the motor vehicle may be disposed of in Indonesia either to a person who has the same privileges or to the agent authorized by the Government of the Republic of Indonesia.

In the event of fire, theft, damage or destruction, the exemptions under this Article may be re-exercised provided the remaining assignment of the Canadian personnel is for at least eight (8) months.

**ARTICLE X**

The Government of the Republic of Indonesia shall upon request inform Canadian firms and Canadian personnel of local laws and regulations which may concern them in the performance of their duties. The Government of the Republic of Indonesia shall notify the Government of Canada of any changes in its laws and regulations and shall inform the Government of Canada of the application of such changes. If the Government of Canada considers the application of such changes unacceptable, the Government of Canada and the Government of the Republic of Indonesia shall consult to find any mutually acceptable solution concerning the matter. Any solution reached by the Government of Canada and the Government of the Republic of Indonesia with respect to the application of such changes to this Agreement shall be set out in an exchange of letters which shall form part of this Agreement.

**ARTICLE XI**

Canadian firms, Canadian personnel and their dependants shall be accorded no lesser benefits, privileges and exemptions than those accorded to other non-Indonesian firms or nationals under any other bilateral arrangement for development co-operation.

**ARTICLE XII**

The Government of the Republic of Indonesia shall facilitate the repatriation of Canadian personnel and their dependants in cases where, in the opinion of the Government of the Republic of Indonesia or of the Government of Canada, the lives or safety of the Canadian personnel and/or their dependants are endangered.

**ARTICLE XIII**

The Government of Canada and the Government of the Republic of Indonesia will consult each other in respect of any matter that may from time to time arise from or in connection with this Agreement.

**ARTICLE XIV**

Differences which may arise relating to the interpretation and/or application of the provisions of this Agreement or of any subsidiary arrangement shall be settled by means of negotiations between the Government of the Republic of Indonesia and the Government of Canada or in any other manner mutually agreed upon.

**ARTICLE XV**

This Agreement shall enter into force on the date of an exchange of notes by which the Parties notify each other of the completion of the procedure required by their national laws for giving effect to this Agreement, and shall remain in force until termination by either Party on six (6) months' notice in writing to the other Party.

The responsibilities of the Government of the Republic of Indonesia and of the Government of Canada with regard to projects

being carried out by virtue of subsidiary arrangements and begun prior to the receipt of the termination notice referred to above shall continue until completion of such projects as if this Agreement remained in force in respect of and for the whole duration of such projects.

**IN WITNESS WHEREOF**, the undersigned, duly authorized by their respective Governments, have signed this Agreement.

*[For the testimonium and signatures, see p. 112 of this volume.]*

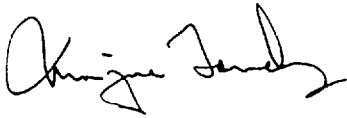


DONE in duplicate, at Ottawa, on the 21st day of May 1991, in the English, French and Indonesian languages, all text being equally authentic.

FAIT en deux exemplaires à Ottawa, ce 21<sup>e</sup> jour de mai 1991, en langues anglaise, française et indonésienne, les trois textes faisant également foi.

For and on behalf of the Government  
of Canada:

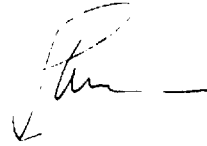
Pour le Gouvernement  
du Canada :



MONIQUE LANDRY  
Minister for External Relations  
Ministre des Relations extérieures

For and on behalf of the Government  
of the Republic of Indonesia:

Pour le Gouvernement  
de la République d'Indonésie :



POERWANTO SUDALTO  
Ambassador Extraordinary  
and Plenipotentiary  
Ambassadeur extraordinaire  
et plénipotentiaire

## ANNEX "A"

## RESPONSIBILITIES OF THE GOVERNMENT OF CANADA

- I. Unless otherwise indicated in any subsidiary arrangement, the Government of Canada shall finance the following expenditures based on the rates authorized in its regulations:
- (A) Expenditures related to Indonesian fellowship holders and members of technical missions:
- (1) registration and tuition fees, books, supplies or materials required;
  - (2) a living allowance;
  - (3) medical and hospital expenses;
  - (4) economy-class fares for travel by air or any other approved means of transportation, in compliance with the requirements of the programme but excluding any departure taxes or fees imposed by the Republic of Indonesia;
  - (5) other expenditures as appropriate.
- (B) Expenditures related to Canadian personnel:
- (1) their salaries, fees, allowances and other benefits;
  - (2) their travel expenses and those of their dependants between their normal place of residence and their place of assignment in the Republic of Indonesia;
  - (3) the cost of shipping, between their normal place of residence and their place of assignment in the Republic of Indonesia, their personal and household effects, those of their dependants and the professional and technical materials required by the said personnel for the execution of their duties;
  - (4) the costs of accommodation;
  - (5) other expenditures as appropriate.

(C) Expenditures related to certain projects:

- (1) the cost of professional services, technical services and other services required for the execution of projects;
- (2) the cost of providing equipment, materials, supplies and other goods and of the transportation of same from their point of departure to the project site or to the port of entry nearest to the project site as agreed on a case by case basis;
- (3) other expenditures as appropriate.

II. Contracts for the purchase of goods or commissioning of services financed by the Government of Canada and required for the execution of projects shall be signed by the Government of Canada or one of its agencies. However, it may be provided in any subsidiary arrangement that such contracts may be signed by the Government of the Republic of Indonesia or one of its agencies in accordance with the terms and conditions specified in such subsidiary arrangement.

III. The Government of Canada shall provide the Government of the Republic of Indonesia in a timely manner with the names of the Canadian firms, the Canadian personnel and their dependants entitled to the right, exemption and privileges set forth in this Agreement engaged in a project established under a subsidiary arrangement.

## ANNEX "B"

## RESPONSIBILITIES OF THE GOVERNMENT OF THE REPUBLIC OF INDONESIA

- I. Unless otherwise indicated in any subsidiary arrangement, the Government of the Republic of Indonesia shall, in accordance with its regulations, provide, and/or pay for:
- (1) furnished premises and office services in compliance with the standards of the Government of the Republic of Indonesia, including adequate facilities and materials, support staff, professional and technical material, telephone, mail and any other services which the Canadian personnel would need in order to carry out their official duties;
  - (2) the recruitment, selection, and secondment of suitable counterparts when required for the projects;
  - (3) any official assistance which may be required for the purpose of facilitating the travel of Canadian personnel and the transportation of professional and technical material required in the performance of their official duties in the Republic of Indonesia;
  - (4) any official assistance which may be required for the purpose of expediting the clearance through customs of equipment, products, materials, supplies and other goods required for the execution of projects and the personal and household effects of Canadian personnel and their dependants;
  - (5) demurrage, storage and payment of any related charges for articles mentioned in paragraph (4) above during the period when they are held at the port of entry after a thirty day period;
  - (6) any measures required to protect articles mentioned in paragraph (4) against natural elements, loss, fire and any other danger;

- (7) all permits, and other documents including costs related thereto, if any, for equipment, materials, supplies or goods required for the execution of projects and to enable Canadian firms and Canadian personnel to carry out their functions in the Republic of Indonesia;
- (8) all necessary visas, exit permits, and all import or export permits, as the case may be, for the Canadian personnel and their dependants and for the personal effects of such Canadian personnel and their dependants;
- (9) facilities for prompt inland transportation of all equipment, products, materials, supplies and other imported goods required for the execution of projects, to the project site, as the case may be required, including where necessary, the obtaining of priority by the Indonesian forwarding and transportation agents;
- (10) assistance in obtaining permission from the relevant Ministry or Ministries to use all means of communication, depending on the needs of a specific project;
- (11) reports, records, maps, statistics and other information related to projects and likely to assist Canadian personnel in carrying out their duties, provided that they are not classified and have no relation to national security;
- (12) permission for Canadian personnel to open personal external bank accounts and for Canadian executing agencies to open project external bank accounts; and permission to repatriate, free from foreign currency exchange restrictions, revenues transferred from abroad; and
- (13) other measures within its jurisdiction which may facilitate the execution of projects.

- II. The Government of the Republic of Indonesia shall ensure that employment shall be guaranteed for a period at least equivalent to the period of training, to fellowship holders from the Indonesian Public Service, upon their return to Indonesia following completion of their programme of study.
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