MEMORANDUM OF UNDERSTANDING

BETWEEN

THE AUSTRIAN FEDERAL MINISTRY OF FINANCE

AND

THE INDONESIAN MINISTRY OF FINANCE

ON

FINANCIAL CO-OPERATION

The Austrian Federal Ministry of Finance (AT MOF) in close cooperation with Oesterreichische Kontrollbank AG (OeKB), hereunder referred to as "the Austrian side" and the Indonesian Ministry of Finance (ID MOF) together with the Indonesian National Development Planning Agency/Bappenas, hereunder referred to as "the Indonesian side" collectively referred to as "the Parties"

- building upon the close and friendly relations existing between their two countries,

- desiring to further deepen and extend their previous successful financial co- operation and the variety of instruments in areas of common interest for their mutual advantage,

- recognising that a comprehensive financial co-operation may match prospective future developments in Indonesia and contribute to achieving economic, social, environmental, climate protection, health resilience, as well as development goals thereby contributing to sustainable economic growth,

- acknowledging the previous cooperation under the Memorandum of Understanding between the Austrian Federal Ministry of Finance and the Indonesian Ministry of Finance on Financial Cooperation, signed in Jakarta 9 July 2021 and Vienna 18 August 2021, which has expired on 18 August 2024,

have reached the following common understanding:

GENERAL PROVISIONS

Paragraph 1

Objective

The objective of this Memorandum of Understanding (MoU) is to establish a framework for a comprehensive financial co-operation between the Parties in support of sectors/projects in Indonesia which are critical to national economic, social, environmental, climate protection, health resilience and development

strategies or the promotion of sustainable economic growth. This MoU is meant to assure a long-term financial cooperation between the Parties. Therefore, it contains a variety of financing instruments in order to make sure that the appropriate instrument may be chosen depending on specific circumstances and requirements which might evolve in the future.

Financial co-operation between the Parties will be conducted in accordance with their respective laws, regulations, relevant policies and mandates as well as their international obligations unless otherwise regulated in this MoU or supplementing or implementing arrangements between the Parties.

Paragraph2

Scope

An overall indicative financial framework amount of EUR 500 million (Euro five hundred million) is envisaged for the financing of public sector projects in Indonesia as well as for the procurement of goods, related services and costs from potential suppliers.

Financial co-operation is carried out on a bilateral basis under the promotional schemes of the AT MOF and Financing Scheme of OeKB operated via the banking sector through the provision of the following instruments of support:

a) Soft Loans, offered as untied concessional financing
which covers up to an aggregate amount of EUR 100 million

b) Only those Soft Loans, offered as tied concessional financing
that already have been notified according to the "OECD-Arrangement on Officially Supported Export Credits," and the respective terms and conditions as well as according to national rules (aggregate amount not included in the overall indicative financial framework amount)

c) Preferential Financing
This instrument covers up to an aggregate amount of EUR 400 million and covers up to 85% of the contract amount of the individual project

For project identifying or preparatory measures grants may also be provided as Technical Assistance under the Project Preparation Programme (PPP) of the AT MOF operated by OeKB in respect of concessional financing.

The Parties may, where appropriate, conclude supplementary arrangements pertaining to the aforementioned instruments of support.

Other instruments of support offered under the promotional schemes of the AT MOF not covered under a), b) or c), in particular for Bank-to-Bank Commercial Credit Lines for goods including spare parts and services, conventional commercial activities between private Austrian and Indonesian corporates and Austrian FDI into Indonesia do not fall within the scope of the present MoU.

Paragraph 3
Entities involved in Financing Operations

Austrian Government-supported loans and financing instruments under Paragraph 2 refinanced by OeKB are negotiated and concluded directly between lending banks as lenders and the ID MOF as borrower under separate loan agreements.

Paragraph 4
Use of Proceeds

Unless specified otherwise, the proceeds of any loan provided with reference to Paragraph 2 will only be used for the purpose referred to under the scope of the present MoU.

Paragraph 5
Eligibility and Financial Conditions

The eligibility for support/financing under the promotional schemes of the Austrian side and the appropriate type of financing instrument listed under Paragraph 2 will be appraised on a case by case basis taking into consideration - where relevant - applicable laws, regulations, sound underwriting principles and

national policies/criteria as well as international rules in particular those under the auspices of the OECD.

The financial terms and conditions will differ by type of support/financing and be set in accordance with the policies established and - where applicable - international obligations.

Paragraph 6
Safeguards

Lending operations executed under the present MoU will be guided by the observance of sound underwriting/lending principles including effective risk management and through the application of environmental, social and other relevant safeguard/compliance policies in a manner consistent with international standards and best practice. Lending operations further seek to achieve a reasonable spread among eligible sectors/areas and avoid sectoral focusing.

Paragraph 7
Undertaking

The ID MOF acting as sole borrower pursuant to Paragraph 3 for the financing instruments/type of loans listed under Paragraph 2 shall guarantee by this function the fulfilment of all payment obligations resulting from loan or financing agreements.

Paragraph 8
Procedure Communication

The Parties may at an early stage agree upon the appropriate type of instrument to be applied for the financing of a specific project idea.

The Parties will set forth the different procedures and communication channels to be followed for submitted project proposals/projects conceived to be financed in the Annexes.

Except as stated otherwise, the Austrian Embassy in Jakarta and the ID MOF will each act for their side as general communication channel for MoU relevant issues. The Commercial Counsellor at the Austrian Embassy in Jakarta and the Ministry of National Development Planning/National Development Planning Agency of Indonesia (BAPPENAS) will each specifically act for their side as central contact point for the channeling of project ideas/proposals and other project-related correspondence.

Paragraph 9
Procurement

Projects conceived to be financed under this MoU will in principle follow agreed procedures in the Annexes.

Paragraph 10
Project Execution and Permits

The executing agency supports the Austrian side in obtaining all necessary permits in order to comply with Indonesian regulations for project execution.

Paragraph 11
Project Inclusion

The formal inclusion of supported transactions under the respective financing instrument cap pursuant to Paragraph 2 will be agreed upon through exchange of letters between the AT MOF and the ID MOF once all transaction-related contracts have entered into force.

Transactions initiated/under preparation prior to the entry into effect of the present MoU are eligible for inclusion under the MoU in the same way as transactions initiated after its entry into effect.

This also applies to possible tied aid projects that already have been notified to the OECD as mentioned in Paragraph 2.

Paragraph 12

Taxes and Duties

The Indonesian Side shall exempt taxes and other public charges levied in the Republic of Indonesia for all projects financed under this MoU. This tax exemption shall be effected in accordance with procedures stipulated under Indonesian tax laws and regulations

Paragraph 13

Confidentiality

To the extent consistent with their respective national laws and international obligations, each Party intends to maintain as non-public all information received and declared as confidential by the other Party until all transaction-related contracts have entered into force.

Paragraph 14

Consultation, Review of progress and Monitoring

The Parties will, on an annual basis or whenever deemed necessary, review progress and effectiveness of the financial co-operation, consult on specific projects or on any measures or amendments to the MoU including to the referenced aggregate framework amount to be mutually decided to ensure its most proper and effective implementation.

The Indonesian side, under its applicable laws and regulations, will ensure the possibility of site visits by representatives of the Austrian side to projects financed under the present MoU for evaluation, auditing and monitoring purposes and in that context provide or make accessible all data and relevant documents in English language.

FINAL PROVISIONS

Paragraph 15

Dispute settlement

Any disputes arising from the implementation or interpretation of this MoU will be settled amicably by negotiations between the Parties.

Paragraph 16

Effect and Termination

This MoU will come into effect on the date of the last signature. It will continue to have effect for a period of three years, with the possibility to be extended thereafter for a further three years period upon mutual written consent.

Neither the denouncement nor the expiration of the MoU shall affect the pursuit, approval, execution of projects or the performance of contracts initiated prior to its denouncement or expiration.

Done in duplicate, English, German, and Indonesian languages. In case of divergence, the Parties have convened that the English version shall prevail.

Vienna: 2.9.2026

For the Austrian
Federal Minister of Finance

Mr. Harald Waiglein
Director General of Economic
Policy and Financial Markets

Jakarta: August 20, 2026

For the Indonesian
Minister of Finance

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Mr. Suminto
Director General of Budget
Financing
and Risk Management

Annex 1

Procedure for Project Ideas/Projects financed through Tied Concessional Loans and G2G Preferential Loans

For the purpose of implementing the Financial Cooperation entered into by the Parties to the MoU the procedure for projects already notified at the OECD financed through tied concessional loans and for project ideas/projects under G2G Preferential Loans comprises the following steps:

STEP 1 (Project idea submission, Consultation and Preliminary Support/Financing Indication)

Potential project ideas selected from the List of Medium Term Planned External Loans (Blue Book) will be presented by the Ministry of National Development Planning/ National Development Planning Agency of Indonesia (BAPPENAS) and the Line Ministry/Agency to the Austrian side for getting a preliminary AT indication regarding favoured project ideas/their principle support (expression of principle eligibility and readiness for support/financing) as well as a mutual understanding about the appropriate type of financing instrument to be applied for each.

STEP 2 (Project Proposal/Development and Financing Request/Preliminary Financing Commitment)

Subject to the preliminary positive indication by the AT contact point for supporting/financing selected project ideas under the Austrian Financing Scheme and common understanding of the Parties to further pursue these project ideas, the ID Line Ministry(ies) as Project Executing Agency(ies) develop(s) Project Proposals and send(s) them to BAPPENAS for evaluation (check regarding fulfilment of eligibility/readiness criteria for foreign loan financing) and - conditioned to the positive evaluation outcome - for a listing as priority project(s) for foreign financing.

After the project gets the positive evaluation outcome, Bappenas will address a pre-request letter for the respective financing option to the AT side complemented

by relevant documents. Once the AT preliminary financing commitment (issuance of a promise as a result of OeKB's positive project assessment and the AT Government's project approval(s) by the relevant committee(s)) is communicated to the Indonesian side in reply, BAPPENAS will notify/instruct the Line Ministry(ies)/Project Executing Agency(ies) to proceed accordingly.

STEP 3 (Project Executor /Project Award)

Upon receipt of the notification from BAPPENAS, the Line Ministry(ies) as Project Executing Agency(ies) will proceed with determining the project executor based on the Austrian notification of preliminary commitments (promise issuance) for project support/financing. The process ends with the final decision by the ID side about the AT project executing company(ies).

STEP 4 (Commercial Contract/Loan Contract Negotiation and Conclusion)

Following the decision about the AT project executing company(ies), the project-related commercial contract between the relevant AT supplier and the Project Executing Agency is signed and the Project Executing Agency will notify Bappenas that the contract has been signed and send the updated Project Proposals (if needed). And after getting a commercial contract notification from Project Executing Agency, Bappenas will send readiness recommendation letter to ID MOF. The loan agreement between the lending bank and the ID MOF as borrower will be negotiated, signed and executed.

The Loan Agreement will become effective upon the fulfilment of conditions precedent set out therein.

Annex 2

Procedure for Project Ideas/Projects financed through Untied Concessional Loans

For the purpose of implementing the Financial Cooperation entered into by the Parties to the MoU the procedure for project ideas/projects financed through untied concessional loans comprises the following steps:

STEP 1 (Project idea submission, Consultation and Preliminary AT Indication)

Potential project ideas selected from the List of Medium Term Planned External Loans (Blue Book) will be presented by the Ministry of National Development Planning/National Development Planning Agency of Indonesia (BAPPENAS) and the Line Ministry/Agency to the Austrian side for getting a preliminary AT indication as to their further pursuance/possible AT governmental support and - if so indicated – for reaching a mutual understanding about the appropriate type of financing instrument to be applied for each. For projects conceived to be financed through untied concessional loans the AT side may offer the financing of a project study under the Austrian Project Preparatory Program (PPP) identifying key project implementation parameters.

STEP 2 (Project Identification Outcome, Project Proposal and Financing Request)

On the basis of the project identification/project study outcome, the AT side will evaluate - and subject to its positive assessment - express its principle readiness for support/financing through untied concessional loans; the ID side (ID Line Ministry(ies) as Project Executing Agency(ies)) will thereupon proceed with the further development of the Project Proposal to be sent to BAPPENAS for evaluation (check re. fulfilment of eligibility/ readiness criteria for foreign loan financing) and - conditioned to the positive evaluation outcome - for a listing as priority project(s) for foreign financing. On this basis, BAPPENAS will address a pre-request letter for untied financing to the AT side complemented by relevant

documents. As outcome of the preceding steps both sides will agree on a "Common Financial Understanding" determining key issues for financing of the respective project including and reconfirming both sides' principle determination to support its implementation. Subsequently, the process of preparing a feasibility study may be started and accompanied by appraisal missions by representatives of both Parties, as appropriate. The result of the appraisal will be a basis of the implementation of the project. In parallel a lending bank in accordance with OeKB's criteria and conditions will get involved. After finalisation of the feasibility study and, if possible, the tender documents respectively, the AT side/lending bank will issue a Letter of
Commitment/LOI and a promise as a result of the necessary approvals by the relevant committees and authorities to the ID side.

STEP 3 (Project Procurement Process)

Once the AT financing commitment (Letter of Commitment and issuance of a promise as a result of OeKB's positive project assessment and the AT Government's project approvals by the relevant committees) is communicated to the ID side, BAPPENAS will notify/instruct the Line Ministry(ies)/Project Executing Agency(ies) to proceed the project procurement process.
The Line Ministry/Project Executing Agency will proceed with the project procurement process guided by AT International Procurement Guidelines for Indonesia. The process ends with the project award/announcement of the winning contractor following commercial contract between the awarded supplier and the Project Executing Agency is signed.

STEP 4 (Loan Contract Negotiation and Conclusion)

The Project Executing Agency will notify Bappenas that the contract has been signed. Subsequently Bappenas will send readiness recommendation letter to ID MOF. The loan agreement between the lending bank and the ID MOF as borrower will be negotiated, signed and executed.
The Loan Agreement will become effective upon the fulfilment of conditions precedent set out therein.