

deepening Canada's involvement in the regions of Indonesia, particularly eastern Indonesia; continuing to help build capacity for regional development and governance; helping to reduce the isolation of eastern Indonesia from the rest of the world (including from Jakarta).

1 Canada and Canadians have had an involvement in rural Indonesia going back to the 1970s. In some regions this has given Canada a special status, and often a special welcome for most Canadians. This is true in a number of regions of eastern Indonesia, including Irian/Papua. If Canadian understanding of Indonesia has declined, it has not disappeared. But it needs to be reinforced. Through special gatherings in Canada and dialogue in Indonesia we can sustain the value of this relationship in which so much has been invested.

2 In the delivery of ODA, programme not project approaches are needed. Donors should step back from immediate problems and focus on longer term systemic issues like decentralization. Universities, local government, and NGOs and small businesses provide viable entry points. At the same time the excellent Canadian understanding of issues at the centre should be maintained. The relationship of the regions with the centre will become more important, and institutional arrangements will need to adjust to the new realities.

3 Capacity strengthening for administration and governance in the regions should be given more attention. This could also include such systemic reform as legal and judicial reform, and improving the police. Building capacity for communication (and reducing the digital divide) in eastern Indonesia would be an objective very familiar to Canadians. This would help this region further to 'internationalize'.

4 Canada should make available its experience on regional resource issues,