

resource management. Preference was expressed for direct assistance, rather than for aid channeled through such organizations as the UNDP as a means of maintaining focus and enhancing impact.

■ **Continue Canada's long involvement in education.**

Several speakers and other participants were of the view that a focus on Canada's 'competitive advantage' and long experience in the education sector would represent a more productive deployment of limited Canada's aid budget in Indonesia.

In this context as well as in the context of broadening existing relationships, it was recommended that Canada should give special emphasis to the Islamic school system, building on its long and unique relationship with the Muslim educational community through the McGill project and that Project's current emphasis on social equity, to help bring Islamic schools into the mainstream of national education.

Other participants, citing the Fulbright Fellowship model, recommended that investment in the re-building of a cadre of Indonesians with intimate knowledge of Canada acquired through education in Canada as a means of developing a strong and lasting foundation for enhanced bilateral relationships.

## PRIVATE SECTOR COOPERATION AND INVESTMENT

■ **Identify and advocate regulatory and policy changes that would attract new**

investment and facilitate business growth in Indonesia and consider negotiating a bilateral investment agreement.

In order to facilitate more domestic and international investment, Indonesia should address the current lack of clarity and certainty in the Indonesian regulatory environment and judicial system, as well as the need for simplification and streamlining of the complex investment approval, licensing, manpower and operational regulations for all business sectors including mining, services, manufacturing, energy, and infrastructure.

It is recommended that the Indonesian Government give detailed consideration to the October 2004 CGI Investment Working Group submission on improving Indonesia's investment