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CANADA SUSPENDS APPROVAL OF NEW AID PROJECTS TO INDONESIA

The Secretary of State for External Affairs, the Honourable Barbara McDougall, and the Minister for External Relations and International Development, the Honourable Monique Landry, today announced that Canada has suspended the approval of development projects that provide direct assistance to the Government of Indonesia. Proposed projects worth \$30 million will be affected.

"Canadians were outraged at the recent killings in East Timor. This decision reflects our concern about the human rights situation in Indonesia," stated Mrs. McDougall.

The Ministers said that Canada is giving an immediate grant of \$150,000 to the International Committee of the Red Cross for humanitarian assistance in East Timor. They said that Canada will also support international efforts, especially in the United Nations, to ensure that the findings of the Indonesian Commission of Inquiry into events in East Timor will be objective and independent.

"Canada's aid to Indonesia concentrates on human resource development and environmental co-operation. The projects that are already under way will be allowed to continue," said Mrs. Landry.

Mrs. McDougall indicated that the work of the Commission of Inquiry and the actions of the Indonesian government will be taken into account during the government's upcoming aid allocations review. In this review, which is done annually and covers Canada's global aid budget, the government will continue to give increased emphasis to human rights concerns around the world.

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For further information, media representatives may contact:

Media Relations Office
External Affairs and International Trade Canada
(613) 995-1874

or

Media Relations Office
Canadian International Development Agency
(819) 953-6060

CIDA'S BILATERAL DEVELOPMENT ASSISTANCE PROGRAM IN INDONESIA

The goal of the Canadian International Development Agency's (CIDA's) Bilateral Development Assistance Program is to promote sustainable development in Indonesia. This includes initiatives to address social, environmental and economic concerns. Canada is working with many Canadian and Indonesian individuals and organizations to accomplish this goal. CIDA's Bilateral Development Assistance Program for the current year is \$46 million. (Bilateral assistance does not mean direct transfer of money to the recipient government, but involves discussion and agreement between governments on projects to be implemented.) The Canadian program represents less than 1 per cent of the total amount contributed to Indonesia by aid donors internationally.

Over the past decade, Canada's program in Indonesia has steadily moved away from traditional, government-sponsored infrastructure projects, to concentrate on more socially oriented areas such as the environment, human resource development, water supply, regional development and women in development.

Program Themes and Related Ongoing Projects

NOTE: The project values listed are for disbursement over a number of years.

1) Participatory Development:

Canada promotes participatory development, both as a human rights principle and as an element of sound sustainable development.

Projects:

Indonesia-Canada Non-governmental Organization (NGO) Forum: \$5.0 M.
This project links Canadian and Indonesian NGOs to improve the delivery of "grassroots" development programs at the village level. The Canadian Council for International Co-operation (CCIC) is working in partnership with other Canadian and Indonesian NGOs.

Indonesia Co-operative Development (INCODAP): \$3.5 M.
The Canadian Co-operative Association (CCA) works with Indonesian co-operatives and the Indonesian Co-operative Council. This project has a direct impact on Indonesia's poor and aims to increase their participation in development.

Women's Support Project: \$5.0 M.
This project assists the integration of women into Indonesia's economic and social development process, as active participants and beneficiaries. The Canadian executing agency, 23rd Century International Corp., in consortium with Graybridge International and Human Systems Ltd., is working with the Indonesian Ministry for the Role of Women.

Canada Fund for Local Initiatives: \$500,000

The Canada Fund finances small projects providing technical, economic, educational or social development assistance to local communities.

2) Environment:

CIDA has had a significant impact on environmental policy, regulations and programs in Indonesia.

Projects:**Environmental Management in Indonesia (EMDI): \$34 M.**

This project is implemented by Dalhousie University, in association with York University, Waterloo University, Indonesian universities and the ministry responsible for the environment. The project is designed to formulate environmental impact assessment, water and air quality standards, waste storage and disposal measures, training and institutional strengthening.

Environmental Programming Support Services (EPSS): \$4.9M.

This project assists in marine and coastal protection and addresses the need to incorporate environmental concerns in development assistance projects. The project is implemented by Intera Kenting, in association with executing agencies for other projects, the Canadian Embassy, and the National Planning Agency.

3) Human Resource Development:

CIDA's human resource development programs help Indonesia to build a more qualified workforce. CIDA is involved on two fronts: strengthening educational institutions and providing scholarships and training in Canada.

Projects:**Eastern Islands University Development Project: \$22 M.**

This project links Simon Fraser University with universities in the eastern islands of Indonesia, the least developed area of the country, to build basic science capacity.

Open University Support: \$4.8 M.

This project is an institutional linkage program between the Open Learning Agency and Universitas Terbuka to provide training and professional support.

Islamic Education Institute Development: \$9.4 M.

This project is a linkage arrangement between McGill University and the Indonesia Institute of Islamic Studies designed to strengthen teaching and research capacities.

Professional Development Water Resources Training: \$5.0 M.

This project provides graduate fellowships at the University of Manitoba and other Canadian universities.

The General Training Program: \$13.5 M.

This project provides scholarship and training in Canada. The Canadian executing agency is Cogesult Ltd.

World University Service of Canada (WUSC) Graduate Fellowships: \$5.2 M.

This project, through WUSC, arranges study opportunities in Canada under the World Bank and Asian Development Bank loan projects and involves the provision of English-language training.

Yogyakarta Disease Investigation Centre: \$12.0 M.

This project improves the availability and delivery of veterinary services in Java with the goal of achieving food self-sufficiency. The executing agency is the Ontario Ministry of Agriculture and Food.

4) Regional Institutional Development

At the provincial level, CIDA's projects contribute to improving the conditions of poor communities through provision of water, community development, improvement of local government agencies, and promotion of farmer and village associations.

Projects:**CARE Canada Sulawesi Rural Community Development II: \$9.9 M.**

This project builds small-scale potable water systems, sanitation and latrines. The project is implemented by CARE Canada and CARE Indonesia in association with local communities.

Sulawesi Regional Development Phase II: \$35.2 M.

This project strengthens planning and implementing institutions, area development and sectoral activities in four provinces of Sulawesi. The University of Guelph is the Canadian executing agency.

The following projects focus on water resource development to increase agricultural production in Nusa Tenggara Timur (NTT) province and four provinces in Sulawesi. The Canadian executing agencies help to strengthen regional planning capabilities.

NTT Water Resources Development: \$16.3 M.

The Canadian executing agency is Crippen Consultants, a division of H.A. Simmons Ltd.

Dolago-Torue Irrigation: \$10.0 M.

Agriteam Canada is the Canadian executing agency.

North Sulawesi Water Resources Development Services: \$14.9M

The Canadian executing agency is SNC LAVALIN.

Water Sector Technical Co-operation Fund: \$14.9 M.

This project provides technical assistance for long-term development of the water sector. AFH International is working in association with the Canadian Embassy and the ministry responsible for public works.