

**“Enhancing Trade in Indonesia:  
Efforts to Build Capacity at Indonesia’s Ministry of Trade”**

*An Open Forum With*

**William Garrison**

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**William Garrison**, the Chief of Party for Chemonics – Indonesia, discussed program details and the success of the recently completed USAID-funded *Indonesia Trade Assistance Project* (ITAP), which provided technical assistance to the Indonesian Ministry of Trade. The project addressed needs identified by the Ministry of Trade when Minister Mari Pangestu took office in 2004. These needs focused primarily on capacity building and professional skills development within the Ministry. An off-the-record question and answer session was held at the end of his presentation.

In Mr. Garrison’s view, with the successful conclusion of ITAP, the Ministry of Trade now stands on the threshold of a new era as a reformed and restructured Ministry, capable of pursuing its mission in keeping with recognized best practices in public sector management and public policy implementation.

Details of the ITAP program and results were discussed in depth by Mr. Garrison, with the following highlights:

ITAP had five formal components: (1) Improving human resources management practices and supporting bureaucratic reform; (2) strengthening negotiating skills and trade policy coordination; (3) enhancing legal services within the Ministry; (4) expanding public outreach; and (5) upgrading IT within the Ministry. Under this framework, Chemonics staff and consultants worked with senior Ministry of Trade officials, with explicit guidance from the Minister, to carry out a work plan that supported fundamental and innovative reforms within each of these five components.

Mr. Garrison outlined the most significant activities and accomplishments from each component:

Regarding human resources development, the project provided trainings on trade law, trade dispute resolution, economic research and

analysis, trade remedies, and antidumping and countervailing duties. Overall, the workshops and training programs were attended by more than 7,000 trainees, the majority of whom were Ministry of Trade employees.

To promote bureaucratic reform, with intensive support from ITAP the Ministry of Trade adopted a plan to reform the delivery of legal services that effectively expanded the Legal Bureau to the equivalent of a General Counsel's office. The Ministry is also creating the equivalent of an executive secretariat through which document tracking and control, as well as case management, will be centralized.

On building negotiating skills and trade policy coordination, Mr. Garrison noted that everything was done in the context of multilateral, regional, and bilateral negotiations. ITAP provided training in the negotiating processes, procedures, and techniques, with an emphasis on providing accurate economic and legal support to the negotiators. The ITAP legal team provided support and training to Ministry of Trade lawyers, in the procedures and filings in the WTO rules negotiations over trade in fisheries – a major interest in Indonesia. As a result, for the first time as a WTO member Indonesia actively participated in a rules negotiation.

On enhancing legal services within the Ministry of Trade, ITAP provided extensive mentoring for the Legal Bureau staff on all aspects of trade and commercial law, litigation techniques, and legal training. ITAP also supported recommendations for bureaucratic reform made by the Legal Bureau, and

the creation of a Executive Secretariat/Case Management Office.

ITAP also helped to design the functions of the Ministry of Trade's public outreach and public information needs. The focus was on staff capacity development in creating public information materials, outreach activities, and public engagement programs, with a major emphasis on stakeholder exchanges and an expansion of resources available on the website. USAID invested over \$3 million in upgrading the Ministry's IT network, and as a result it has state-of-the-art capabilities in information technology.

ITAP and the Ministry also recognized the need for employees with post-graduate levels of training. To meet this need, ITAP worked with Economic and Law faculties at the University of Indonesia to develop a Masters in International Trade Policy and Masters in International Trade Law programs, which will soon graduate more than 100 students. The University of Indonesia is going to offer the degree programs as part of the permanent graduate curricula, and has recently reached an agreement for a PhD level program at the University of Washington, Seattle, in International Trade Law.

Finally, at the direction of the USAID Mission, ITAP added two additional components in its final year, looking at export and investment policies as well as public information programs on trade in products resulting from illegal logging. ITAP offered a comparative analysis of options for export promotion and evaluated investment programs, and the opportunities and risks in Indonesia for foreign direction investment (FDI). At

the request of the United States Trade Representative, ITAP supported a Ministry of Trade program of regional workshops on the legal and trade-related provisions of the agreement between the United States and Indonesia to jointly prosecute trade of products produced from illegal logging.