



**Asia-Pacific
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Annex 8: APEC Alliance for Supply Chain Connectivity (A2C2)

Purpose: Consideration
Submitted by: CTI Chair
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**Second Senior Officials' Meeting
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Proposal on Establishing the APEC ALLIANCE FOR SUPPLY CHAIN CONNECTIVITY (A2C2)

Committee on Trade and Investment

May 2014

Submitted by the United States and China

Background

In carrying forward its capacity building work on improving supply chain performance and enhancing supply chain connectivity, APEC will require resources and expertise from a number of sources. As we move from a capacity building model focused on information-sharing and establishing best practices, to one focused on technical assistance projects in individual economies, receiving regular input on those projects from supply chain experts in the private sector, multilateral institutions, and non-governmental organizations will be critical. Companies and associations trading in the Asia-Pacific have valuable experience in moving goods and services seamlessly, quickly, and inexpensively through the region. To that end, building off proposals made at CTI 3 in Medan in 2013 and CTI 1 in Ningbo in 2014, we propose the establishment of the APEC Alliance for Supply Chain Connectivity (A2C2) this year to build on the existing supply chain tools we have already created (SCFAP, inventories of policy recommendations for Chokepoints 1-8; diagnostic reports for Chokepoints 1-8, the Supply Chain Connectivity Sub-Fund, and the Supply Chain Performance Capacity Building Plan), as well as support future APEC activities on supply chain connectivity.

Purpose and Objectives of A2C2

The A2C2 would be a flexible group of interested experts from individual economies, multilateral institutions, and companies, including ABAC representatives, and associations interested in APEC's long-term work on supply chain connectivity and performance improvements. A2C2 will serve as a generator of ideas and information; it will not propose projects for inclusion in the APEC Supply Chain Performance Capacity Building Plan, which will remain the responsibility of APEC member economies. Chokepoint Leads and other economies could work with the members of the A2C2 on several specific tasks:

1. Developing the projects in the capacity building plan, including terms of reference documents regarding technical assistance for economies who volunteer for such assistance;
2. Identifying the readily available tools and methodologies for implementation;
3. Identifying and contributing to the related activities to address the 8 SCFAP chokepoints;
4. Identifying the available experts to deliver the technical assistance; and
5. Identifying the resources required for effective implementation of the projects (e.g. software, model regulations or procedures, provision of in-kind expertise, funding).

The A2C2 will also discuss private sector, voluntary efforts to make supply chains greener and more environmentally friendly and offer recommendations to the CTI or other relevant APEC fora for further APEC work in this area.

Structure

A2C2 membership should be open to participation from all interested stakeholders, experts from APEC economies, companies, industry associations, multilateral institutions and non-governmental organizations. After the MRT, CTI members and APEC Business Advisory Council (ABAC) Members should voluntarily inform stakeholders of the opportunity to participate in the A2C2. CTI will have an opportunity to review any nominations to the A2C2 intersessionally, at CTI 3 in August in Beijing, and whenever CTI members nominate A2C2 representatives in the future.

Four (4) conveners – one (1) CTI representative (1) member of the business sector, (1) representative of Host economy, and (1) ABAC Member will be charged with guiding the work of the A2C2.

A2C2 Members will nominate and agree upon these convenors during the first A2C2 meeting in Beijing in August. These convenors will:

- Convene virtually to oversee the core tasks of the A2C2 (as outlined above under “Purpose and Objectives”). In addition, the group will meet in person “as needed” whenever there is agreement on this.
- Communicate regularly, via email, efforts/proposals to the members of the A2C2, soliciting input/feedback, as appropriate.
- Maintain oversight over the A2C2 work plan, which will reflect the CTI’s work on the projects in the supply chain performance capacity building plan, updating the work plan as appropriate.
- The APEC Secretariat will be responsible for capturing and reporting the results and outcomes of the group at official CTI meetings.
- Report to the CTI any developments achieved in the course of performing A2C2 functions or any other relevant information.

As necessary, the A2C2 may also wish to identify sherpas/project leaders for specific work items.

Meeting Arrangements/Institutional Set-up

The A2C2 would first convene prior to CTI 3 in Beijing in August 2014. CTI delegates by the beginning of July should send to the CTI their initial nominations for participants (as outlined in Structure) in the first meeting.

At the first meeting participants will agree on the convenors; discuss the projects in the capacity building plan, and as appropriate discuss the technical assistance terms of reference documents for volunteer economies. The A2C2 would draft a report on outcomes achieved for discussion at the Friends of the Chair Group, with a view to reporting on these contributions at the CTI, SOM and AMM. In intersessional periods A2C2 members can exchange thoughts on the capacity building projects virtually, with a view to enhancing the contribution of participants to the development or delivery of the technical assistance. APEC sub-fora working on supply chain connectivity issues, such as the SCCP, SCSC, and the

TPTWG are welcome to participate in A2C2 discussions. Chokepoint Leads may approach the relevant members of the A2C2 for advice and assistance on capacity building projects and technical assistance work related to their respective chokepoints.

The A2C2 will meet in advance of CTI 1 and CTI 3 in 2015 and in subsequent years will meet as necessary. The A2C2 will operate along the same lines as above for its first meeting. Upon invitation by the relevant Project Proponent Economies, A2C2 participants can join discussion of the capacity building projects at the Friends of the CTI Chair Group and CTI meetings in 2014 and 2015.

A2C2 working groups may also wish to arrange workshops intersessionally with relevant stakeholders to maintain momentum on issues between CTI meetings.

Coordination with Existing APEC For a

The A2C2 will coordinate directly with existing APEC fora, such as the public-private Virtual Working Group (VWG), to leverage expertise and avoid duplicating work streams. Representatives of the SCCP, SCSC, and TPTWG should also be invited to ensure that the A2C2 does not overlap with existing for a and existing work streams.

Review Clause

The A2C2 should remain active through 2015, the target dates of the SCCF, following which the group can conduct an initial review of the working group terms, membership and management to determine whether the A2C2 should continue and if so, whether changes in structure would be appropriate.

Proposal:

That Trade Ministers launch the APEC Alliance for Supply Chain Connectivity (A2C2) at the MRT in May, in order to inform and assist the development and delivery of the capacity building efforts.

Timeline:

1. MRT – endorse the establishment of the A2C2.
2. Beginning of July – seek nominations from economies on initial A2C2 participants and possible convenors.
3. August – A2C2 to convene for the first time on the margins of CTI 3 in Beijing.
4. Leaders Week – welcome contributions of A2C2 to APEC's supply chain performance capacity building work.
5. CTI 1 and CTI 3 2015 – A2C2 to meet again and discuss APEC's supply chain performance capacity building work.