MONITORING FRAMEWORK OF
APEC SUPPLY-CHAIN CONNECTIVITY FRAMEWORK ACTION PLAN (SCFAP) II 2017-2020

Overarching goal: to reduce trade costs across supply chains and to improve supply chain reliability in supporting the competitiveness of business in the Asia Pacific region by examining and addressing the chokepoints of supply-chain connectivity.

To achieve the overarching goal, five chokepoints of have been identified, namely:

(i)   **Chokepoint 1: Lack of coordinated border management and underdeveloped border clearance and procedures**
Champion Economy: Australia, Korea
Objective: to improve coordination through modernisation and harmonisation within border agencies.

(ii)   **Chokepoint 2: Inadequate quality and lack of access to transportation infrastructure and services**
Objectives:
- To improve transportation infrastructure quality which will determine the efficiency and reliability of supply chain operations
- To ensure that there are good port facilities and cross-border logistics cooperation in order to enable firms to send their goods at the required time as demanded by business partners and customers
- To ensure short transit times, reliable delivery schedules and secure maritime trade at reasonable costs
- To promote multi-modal transportation to enhance transportation efficiency and reduce congestion
- To encourage private participation and transparency related with the financing of transportation infrastructure projects

(iii)   **Chokepoint 3: Unreliable logistics services and high logistical costs**
Objectives:
- To improve quality and options for logistics service, through innovation and a more competitive market in logistics sector
- To have wider options to develop logistics services

(iv)   **Chokepoint 4: Limited regulatory cooperation and best practices**
Objective: to promote better regulatory coordination and cooperation among trade authorities and with private stakeholders.

(v)   **Chokepoint 5: Underdeveloped policy and regulatory infrastructure for e-commerce**
Champion Economy: United States
Objective: to streamline procedures, improve supply chain visibility and better collaboration in e-commerce.

Based on the five chokepoints above, the following table provides the targets to be achieved, the stakeholders that need to be involved, the indicators, the action plans to achieve the targets, and the challenges faced.

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Chokepoint 1: Lack of coordinated border management and underdeveloped border clearance and procedures

Challenges	Stakeholder	Targets	Measurement of Progress/Indicators
- Narrow border administrative focus in some economies - Incoherent and outdated legislative and regulatory frameworks - Legacy systems reaching capacity - Cost of data harmonisation - Lack of capacity to modernise ICT systems - Duplicative documentation - Lack of information sharing while caring data security - Cost recovery frameworks that could burden the private sector and/ or to hinder modernisation efforts	- Border agencies - Service providers - Industry bodies - Trading partner administrations and industry - National committees on trade facilitation - Importers, exporters, carriers, customs broker, transport operators - SCSC, MAG, SCCP	- Reduce the time and cost affiliated with trade procedures/clearance in APEC, including facilitating cargo transhipment procedures - Alignment of supply chain security, trade facilitation, revenue policy and industry assistance schemes - Modernisation of systems at the border - Streamlining formalities and documentation requirements for import and export - Lower fees - Better facilitation of data exchange and sharing across trade communities - Better consultation and transparency in cost recovery and cost sharing framework - Minimize intervention through joint control and mutual recognition - Building efficient infrastructure to streamline and rationalize the lodgement of information - Better cost sharing framework among stakeholders - Capacity building in certain gap areas	- LPI : declarations submitted and processed electronically and on-line (%); physical inspection (%); multiple inspection (%); and clearance time with/without physical inspection; efficiency of customs clearance process - ETI : efficiency of the clearance process; customs services index - DB: cost and time to import and export (based on documentary and border compliance); DTF scores for TAB - To fulfil commitments in Article 7, 8, & 10 WTO TFA by scheduling these articles as Cat A by end of SCFAP II - Scope of benefits offered through trade compliance/AEO programmes.

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Suggested Action Plans

- Expand the application of TRS (Time Release Survey).
- Strengthen the e-payment system.
- Expand Mutual Recognition Arrangement (MRA) of Authorized Economic Operators (AEO) between APEC economies.
- Harmonise cargo treatment standards to increase biosecurity assurance and facilitate trade.
- Identify all border agencies and their respective forms and documents affecting import and export.
- Leverage Global Data Standards (GDS) in coordinated border management to ensure improved visibility across APEC supply chains
- Maintain an electronic system for clearing goods at the border that can adapt to future technologies regarding online/electronic forms including by adopting state-of-the-art ICT technology and Digital Customs.
- Maintain an open and transparent dispute settlement mechanism with published timelines and procedures for arbitrating disputes between importers and customs agencies in line with respective domestic laws and regulations of members.
- Conduct capacity building for customs officers.
- Promote the establishment of the National Committee on Trade Facilitation in each member economy to implement the Trade Facilitation Agreement.
- Promote greater inter-agency dialogue and interaction among border agencies on trade facilitation and border control, which may be achieved through the establishment of a border coordination unit or authority.
- Share experiences on appeals and reviews including procedures, and transparency.
- Strengthen the implementation of the Single Window by member economies and to work towards international Single Window interoperability.

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Chokepoint 2: Inadequate quality and lack of access to transportation infrastructure and services

Challenges	Stakeholder	Targets	Measurement of Progress/Indicators
- Keeping up with the volume of trade - Limited financing and staffing - Inadequate multi-modal transportation service - Inefficiencies in public infrastructure bidding - Balancing environmental challenges with economic demands	- Department of transportation - Port authorities - Customs, border control agencies - SCCP, TPT-WG - Bureau of integrity - International finance institutions (WB, ADB, AIIB) - e-Port network - Environmental Protection Agencies	- Supply chain integration and collaboration for information sharing and expedite transportation - Enhance access and quality of transportation infrastructure - Integrated multi-modal transportation and increase professional multi-modal transporter - Seeking more funding resources to facilitate effective and efficient public and private partnerships - Provide technical assistance and capacity building - Better transparency and integrity in tender process, as well as better framework for disclosing irregularities	- ETI: availability and quality of transport infrastructure; availability and quality of transport services; availability and use of ICT - LPI: quality of trade and transport infrastructure - RMT : liner shipping connectivity index - TI : corruption perception index - BPP : Procurement Life Cycle - Time Release Survey data provided by economies

Suggested Action Plans

- Study public-private partnership models in exploring new paths for funding future regional infrastructure.
- Examine and analyze ways to reduce corruption, such as through automation of government processes and reducing duplicative approvals in infrastructure investment and implementation processes to ensure high-quality infrastructure projects are developed across APEC economies.
- Establish an electronic data exchange network between ports and port/logistics operators and their collaboration, such as but not limited to the Asia Pacific Model Export Network (APMEN).
- Raising the profile of maritime trade route safety and security within APEC forums.
- Promote capacity building efforts on quality infrastructure.
- Share experiences and best practices in enhancing capacity of multi-modal transportation.

Chokepoint 3: Unreliable logistics services and high logistical costs

Challenges	Stakeholder	Targets	Measurement of Progress/Indicators
- Defining the logistics sector for competition policy purpose - Encouraging innovative behaviour from firms - Insufficient data for assessing the current situation - Competitive environment for MSMEs	- Warehousing - Customs broker - Freight forwarder - Shipping airline agents - Terminal operator - Cargo handlers, airlines and owners - Importers and exporters - Banking - EC, GOS, SCCP	- Reduction in lead time - Improve efficiency, reliability and risk management in logistics (shipping) - Transparency in logistics regulatory framework and business practices - Improve competition - Better code of ethics in the logistics service - Provide technical assistance and capacity building especially for MSMEs	- LPI: overall index; ease of arranging competitively priced shipments; competence and quality of logistics services; ability to track and trace consignments; timeliness of shipments in reaching destinations within the scheduled or expected delivery time; shipments meeting quality criteria; lead time to import/export; costs to import/export - DHL connectedness index

Suggested Action Plans

- Strengthen the use of e-payment systems to provide more flexibility for MSMEs in logistics and combat corruption in the public sector.
- Consider growing MSMEs' awareness and participation in capacity building activities in the logistics sector.
- Consider the role of logistics services in transportation and multimodal infrastructure investment planning.
- Provide specific workforce development programs for transport and logistics skills training.
- Enhance roles of logistics services in multi modal transportation investment.
- Provide capacity building programs for the member economies in logistics and transportation sectors.
- Further APEC Cooperation Network on Green Supply Chain (GSCNET) to improve green efficiency of supply chain in the Asia-Pacific region

Chokepoint 4: Limited regulatory cooperation and best practices

Challenges	Stakeholder	Targets	Measurement of Progress/ Indicators
- Lack of coordination, collaboration and cooperation between trade-related agencies - Changing priorities and administration - Data exchange and automation - Limited public engagement in the development of trade policy - Limited public access of trade-related information	- Border and trade agencies - Traders community - Other stakeholders - SCCP, A2C2, SCSC, CTI, EC, TPT-WG	- Capacity building to improve inter-agency cooperation - Improve strategic coordination among different agencies - Improve information exchange and access both at the local and regional level - Strengthening procedural and regulatory transparency (including public consultations) in the development of trade-related policies - To have sufficient and meaningful interval between final regulation and entry into force so that stakeholders can comply - Provide timely and accurate information on rules and regulations impacting import and export activities both at the local and regional level (including improving the APEC trade repository) - Share best practices for an appeals system that is accessible, transparent, and accountable for all stakeholders. - Strengthen accountability of all border agencies to traders regarding transactions and shipments - Adopt international standards for best practices and make use of international instruments to facilitate regulatory cooperation	- OECD TFI: information availability; involvement of trade community; internal border agency cooperation; external border agency cooperation - Compendium of relevant best practice examples from APEC economies - Information contained in the trade portal and its utilisation rate - Fulfil all commitments in Articles 1.2 and 1.3 of WTO TFA (i.e. for developing APEC members to schedule these articles as Cat A by end of SCFAPII) - Survey for identifying capacity gaps - Identify touchpoints between border agencies, identify business process for each border agency - Identify all border documents, forms and fees within each economy with a view to reducing redundancies, and increasing transparency - Adoption of international standards and application of international instruments

Suggested Action Plans

- Provide timely and accurate information on rules and regulations impacting import and export activities including through the APEC Trade Repository.
- Ensure procedural and regulatory transparency in the development of trade-related policies.
- Share practices of procedures for soliciting, collecting and considering public comments.
- Share practices for an appeals system that is accessible, transparent, and accountable for all stakeholders including foreign stakeholders.
- Create or update practical guides in one of the three languages of the WTO on importing, exporting, and transit for an economy's territory so that traders, especially MSMEs can become familiar with the rules and procedures. This could be uploaded to the APEC Trade Repository.
- Make available suggestion and query mailboxes via the internet, providing answers within an expanded and convenient timeframe thus allowing users from different parts of the region to access and obtain a reply at the earliest.

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Chokepoint 5: Underdeveloped policy and regulatory infrastructure for e-commerce

Challenges	Stakeholder	Targets	Measurement of Progress/Indicators
- Surge of transaction volume in e-commerce - Risk from postal shipment - Education awareness for MSMEs on rules of trade - Visibility/tracking and privacy - Trade complexity for MSMEs - Combatting against IPR infringement, tax evasion and illegal drug and fire arms trafficking, etc.	- Customs - Postal service and/or operators - E-commerce agencies and business - Logistics providers - SCCP, ECSG, IPEG, SCSC	- Consider additional ways to streamline customs procedures procedures e.g. around WCO Immediate Release Guidelines - Consider new models of customs administration - Collaboration between Customs and Post, e.g. data exchange, reporting, MOU - Publish information to enhance awareness – rules of trade, tax rates - Implement capacity building for MSMEs - Explore ways to enhance visibility with all players of the e-Commerce eco-system (e.g. through the adoption of Global Data Standards) - On Release and Clearance of Goods, economies to explore/consider approaches to realise/effect WTO TFA Article 7.4 (Risk Management) - On Release and Clearance of Goods, economies to explore/consider approaches to realise/effect WTO TFA Article 7.8 (Expedited Shipment). - Explore fast and efficient environment for Expedited Shipments. - Explore ways to develop streamlined dispute resolution methods suited for the online environment which are also cost-efficient for MSMEs.	- UPU Integrated Index for Postal Development - UNCTAD Cyberlaw Tracker on availability of legal and regulatory framework for e-commerce - UNCTAD B2C E-Commerce Index - Fulfil all commitments in Article 7.8 WTO TFA ("Expedited Shipments" to schedule these articles as Cat A) - Faster clearance, reduction in number of documents, less cost for e-commerce - Seamless integration with existing host systems/technology - Increase levels of compliance, transparency and safety/security for traders and consumers

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Suggested Action Plans

- Reconcile existing trade regulations with the novel movement of goods via ecommerce.
- Create access to reliable and accessible shipping options for MSMEs by promoting a fast and efficient environment for Expedited Shipments.
- Establish streamlined customs clearance procedures for e-commerce, notably based on accurate and timely advance information provided by the operators, and providing convenient, low-cost, secure, swift, round-the-clock customs clearance.
- Ensure consumer protection, privacy protection, commercial fraud control, IPR infringement elimination, and cyber security.
- Counter against organized criminal activities.
- Promote on-line transactions through improved regulations and market supervision, and secure and convenient payment services.
- Promote MSMEs participation into global e-commerce.
- Promote work on streamlining customs procedures and duties in line with the APEC Boracay Action Agenda to Globalize MSMEs and the Trade Facilitation Agreement
- Promote customs implementation in line with the WCO Immediate Release Guidelines and to apply the similar principles to non-Customs border control.