**Guidance on the Process for Accessing the Supply Chain Connectivity Sub-Fund**

In 2013, APEC Leaders in Bali established the Supply Chain Connectivity Sub-Fund under the APEC Support Fund to advance projects related to improving supply chain performance. This Sub-Fund supports developing economies in overcoming specific obstacles they face in enhancing supply chain performance, in line with the Capacity Building Plan to Improve Supply Chain Performance to be executed as part of advancing Stage 3 of the Systematic Approach to the Supply Chain Connectivity Framework Action Plan (SCFAP). As a sub-fund under the APEC Support Fund, the sub-fund is governed by rules and procedures outlined in the Guidebook on APEC Projects. Any APEC economy may submit a formal APEC Concept Note to apply to access the Sub-Fund’s resources.

At the Ministers Responsible for Trade meeting in Qingdao in May 2014, Trade Ministers welcomed the **Capacity Building Plan to Improve Supply Chain Performance (2014/SOM2/CTI/045**), as a means of executing on the resources in the sub-fund**.** This plan is designed to carry forward Stage 3 of the systematic approach to improving supply chain performance and reflect the past and future outcomes under Stages 1 and 2 of the systematic approach: 1) the inventories of policy recommendations endorsed in November at Bali; and 2) the diagnostic reports for Chokepoints 1‐8 (recognizing that economies are finalizing all eight diagnostic reports for endorsement at the APEC Ministers Meeting in Beijing in November).

The Supply Chain Capacity Building Plan is also designed to give APEC economies and their stakeholders a very clear picture of the specific projects, and help APEC reach its target objective of a ten percent improvement in supply chain performance by 2015 in terms reduction of time, cost, and uncertainty of moving goods and services through the region, as declared by Leaders in 2010 and reaffirmed in subsequent years. It is a living document and open for inclusion of additional projects

**Step 1: Inclusion of Project in Supply Chain Capacity Building Plan**

Before seeking funding from the SCC for supply chain projects, economies must first obtain CTI endorsement of including those projects in the Capacity Building Plan by submitting a 1 page narrative to the CTI. Economies proposing projects for inclusion in this plan should follow four key principles:

1) They should be designed to meet our 2015 objective of a 10% improvement in supply chain performance and yield reductions of time, cost, and uncertainty of moving goods and services through the region, related to that goal;

2) They should concern delivering technical assistance to economies who agree to participate; these projects should not concern additional information sharing exercises, workshops, or seminars;

3) They should help economies implement their WTO Trade Facilitation Agreement commitments; and

4) They should be tailored to meet the recipient economies’ specific needs and directly involve officials in their supply chain agencies. The assistance would be delivered to economies wishing to adopt better practices in each of these areas, create new state‐of‐the art programs, or improve on existing programs.

Each project in the plan should contain ten key pieces of information, which the CTI, working with the APEC Alliance for Supply Chain Connectivity, can help economies to develop:

1. Synopsis

2. Relevant Policy Recommendation(s)

3. Relevant WTO Trade Facilitation Agreement provision(s)

4. Co‐sponsoring Economies

5. Participating Economies

6. Overall Estimated Project Cost and Goals

7. Available Tools and Methodologies for Implementation

8. Available Technical Experts for Delivery of Technical Assistance

9. Available Project Resources

10. Post‐Implementation Measurement Tools and Timelines

While projects should focus on meeting the APEC-wide 10 percent performance improvement goal by the end of 2015, some projects may have longer time horizons or require monitoring and evaluation that will continue past the target year.

**Step 2: Develop and Submit an APEC Concept Note**

Once a project has been endorsed by the CTI for inclusion in the Supply Chain Capacity Building Plan, sponsoring economies may develop and submit an APEC Concept Note for the project to the CTI, following APEC procedures in accordance with the Guidebook on APEC Projects (see http://www.apec.org/Projects/Applying-for-Funds.aspx). It is possible to submit the Concept Note to the CTI concurrently with the request for inclusion of the project in the Supply Chain Capacity Building Plan, if all of the above conditions are met in the submission. Projects emanating from this plan will go through all BMC cycles in 2014 and 2015 and draw from the resources in the APEC Supply Chain Connectivity Sub‐Fund (SCC).