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**Fourth Meeting of the APEC Alliance for Supply
Chain Connectivity, 23 February 2016, Lima, Peru**

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**First Committee on Trade and Investment Meeting
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Fourth Meeting of the APEC Alliance for Supply Chain Connectivity (A2C2)

February 23, 2016, Lima, Peru

Members of the APEC Alliance for Supply Chain Connectivity (A2C2) met in Lima to continue working on supply chain connectivity issues in the context of APEC's ten percent improvement target on time cost and uncertainty of moving goods and services through the region. The main objectives of the meeting were two 1) continue to engage in a public private dialogue and provide key inputs to APEC's supply chain connectivity capacity building projects and 2) focus efforts on shaping APEC's next phase of supply chain connectivity, linking it with the TFA, and formalize inputs for APEC to consider going forward.

The February 23rd meeting was attended by a range of public and private sector stakeholders and international organizations. Initial sessions provided updates on six capacity building projects currently underway, which are: (i) pre-arrival processing; (ii) expedited shipping; (iii) advanced rulings; (iv) release of goods; (v) electronic payments and (vi) application of global data standards. These updates and discussions indicated that many programs are in the thrust of implementation, with many anticipated economy-level activities over the next 6 months. Specifically, a terms of reference has been finalized for work expedited shipments in the Philippines, and the Philippines further updated on changes made and passed in its recent customs law that greatly impact the capacity building work, including specific provisions for raising the de Minimis threshold. The Philippines has also undertaken a gap analysis in preparation for the capacity building program that brings to light specific issues in terms of processing of cargo via air, which will feed in APEC activities this year. A terms of reference was also presented for comment on Chile's upcoming program, which covers advance rulings, release of goods and electronic payments. Conveners reiterated the call for additional volunteer economies for the first five projects, this year.

Peru then presented the outcomes and results of its APEC capacity building programs, which has been implemented over the course of the last 18 months. Specifically, Peru has made a number of reforms in response to the recommendations made by the capacity building program for pre arrival processing. Peru reported to A2C2 members that as a result of this program, reforms included a revised customs code which broadened PAP implementation and the establishment of a number of working groups to streamline minimum requirements for PAP, develop a communications and outreach strategy for PAP and define metrics to measure time incurred in the import process. Participants commended the Peru example as one all economies should strive to replicate in terms of impact and specific actions taken as a result of the technical assistance. Participants also emphasized the hope to have additional reports in line with Peru's results in future meetings.

The meeting then shifted focus from the capacity building programs to discuss global efforts underway to support implementation of the WTO Trade Facilitation Agreement. Peru presented the outline of its 2016 APEC project which will look to identify best practices on critical issues in the Asia-Pacific region for the implementation of WTO Trade Facilitation Agreement. This project will look to identify member economies' regulations and standards on trade facilitation related issues in order to implement WTO Trade Facilitation Agreement commitments in the Asia-Pacific Region and highlight work underway in the region on implementing the TFA in order to work on issues and challenges. Following a survey of

member economies on the status of implementation, Peru will look to hold a two-day workshop at SOM3 which will present the results of the study and provide opportunities to share experiences and lessons learned by both economies and multilateral organizations. Presentations were also given on training programs under the World Customs Organization as well as efforts now underway by the Global Alliance for Trade Facilitation.

The final session brought participants together in smaller break out groups to shape ideas for APEC's post 2015 work on supply chain connectivity. Discussions addressed questions as to whether and how APEC should set another target, what indicators should be taken into consideration as APEC measures progress, and how and whether TFA implementation should continue to play a role in this next phase. Participants suggested a broader metrics framework that could include time release studies, and reflect additional new indices such as the OECD trade facilitation indicators. Participants highlighted additional topics for future capacity building which continue to emphasize the importance of the intersection with TFA. Suggested topics included single window and border coordination (going beyond customs issues) as well as taking a commodity based approach to technical assistance given that issues vary depending on the products involved in the import/export process.

Looking ahead, participants encouraged broader efforts to engage private sector entities including through targeted outreach to associations which could then channel feedback on priorities to A2C2 members. Participants suggested that holding the next meeting in August directly following SCCP but prior to CTI would ensure that both customs and trade officials could attend. The A2C2 will also look to formalize a brief paper to be tabled at CTI2 which will detail further inputs into the next phase of supply chain connectivity work beyond 2016, building on the ideas discussed in the breakout sessions.