



**Asia-Pacific  
Economic Cooperation**

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Agenda Item: 10.5

## **Update on Supply Chain Resilience Project - Best Practices in Policies, Regulations and Flexibility for Resilience of Global Value Chains**

Purpose: Information  
Submitted by: United States



**12<sup>th</sup> Emergency Preparedness Working Group  
Meeting  
Ho Chi Minh City, Viet Nam  
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# Best Practices in Policies, Regulations and Flexibility for Resilience of Global Value Chains

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Ho Chi Minh City, Viet Nam



**US-APEC Technical Assistance to Advance Regional Integration (US-ATAARI)**

*A joint project of the U.S. Agency for International Development, the U.S. Department of State, and Asia-Pacific Economic Cooperation*

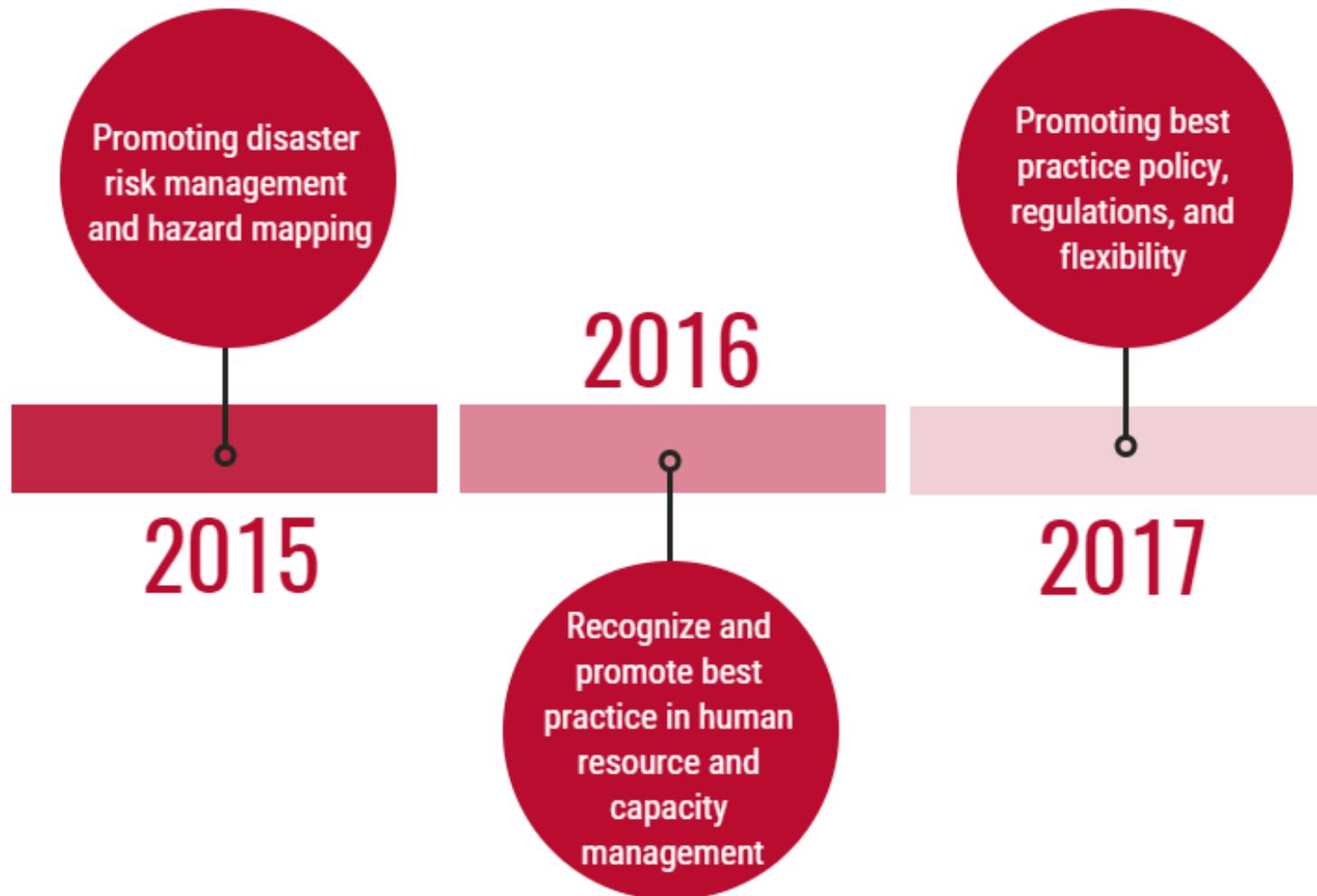
# APEC Seven Principles of Supply Chain Resilience

1. Share information and knowledge to promote supply chain resilience.
2. Promote disaster risk management and hazard mapping to better understand potential risks to supply chain resilience.
3. Support planning and business continuity management to improve global supply chain resilience.
4. Promote best practice policy, regulations, and flexibility to enable global supply chain resilience.
5. Leverage regional cooperation to support the supply chain, including coordination with other multinational organizations working on supply chain resilience inside and outside the APEC region.
6. Promote critical infrastructure protection and inter-modalism as a key component of supply chain resilience.
7. Recognize and promote best practice in human resource and capacity management in the context of supply chain resilience.

# Implementation of the Principles (2013 – 2017)

- Two-pronged approach:
  - APEC-wide workshop focused on one principle
  - Economy-level workshop, covering relevant principles with a sectoral focus
- Aim: improving resilience to effectively manage and mitigate disruptions caused by natural disaster to global supply chains

# Focusing on the Principles



# Focus on One Developing Economy Each Year

- Establish a Steering Committee to guide follow-on activities
- Involve partners (e.g. governments agencies, NGOs, companies)
- Conduct a workshop
- Facilitate discussions
- Jointly develop an Action Plan
- Discuss implementation of the Action Plan with Steering Committee

# 2015: The Philippines



- 100+ participants
- Experts from:
  - Nestlé
  - Microsoft
  - Supply Chain Management Association of the Philippines

## *IMPACTS*

- 82% of survey respondents indicated that they have applied what was learned in the workshop as a regular part of their jobs
- One participant noted that the workshop contributed towards legal/regulatory changes in their economy, sharing that “Best practices from other countries encouraged us to review some policies involving trucking, shipping aviation in times of disasters/constrained situations.”

# 2016: Viet Nam

- 63 participants
- Focus in agriculture
- Action plan items included:
  - Conducting risk and hazard mapping of supply chains
  - Promoting business continuity management, including standards, guidance and training
  - Develop and promote insurance and financing mechanisms



# 2017: Papua New Guinea



- 35 participants
- Focus in the petroleum and agribusiness sectors
- Action Plan focused on reviewing existing policies and improving transport infrastructure

# 2017: Focus on Principle #4

- Workshop held on August 18-19 at SOM 3
- Focused on: “Promoting best practices in policies and regulations and flexibility for supply chain resilience”
- Provided practical approaches that companies and governments can use to strengthen policy frameworks and regulations in an aim to improve resilience to recover following disasters
- Offered perspectives from the private and public sector
- Delivered examples and case studies from Japan, Thailand, the Philippines and more

# Outputs from this Workshop

- Participants discussed successful policies in their economies and current gaps/constraints
- This fed into a concluding session on solutions for improving supply chain resilience moving forward
- Short term solutions included:
  - Promoting awareness and better understanding of current policies, especially for SMEs
  - Developing SOPs to mitigate weak interagency cooperation
  - Exploring other funding sources including APEC funds and seed grants
- Long terms solutions included:
  - Continuing dialogue between government and SMEs
  - Review and improvement or formulation of legislation

# Next Steps

- Stock-take – late 2017
  - Review what has been implemented to date
  - Identify key gaps
  - Collect best practices and lessons learned
  - Highlight impacts