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COMMITTEE FOR TRADE, INDUSTRY AND ENTERPRISE DEVELOPMENT

Centre for Trade Facilitation and Electronic Business (UN/CEFACT)

Eighth session, 27-30 May 2002

Item 4 of the provisional agenda

REPORT OF THE UN/CEFACT STEERING GROUP (CSG) MEETING

Geneva, 14-17 May 2001

(Second meeting 2001)

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Submitted by the UN/CEFACT Steering Group (CSG)

This document has been submitted by the UN/CEFACT Steering Group (CSG) for information as required under the UN/CEFACT procedures outlined in document TRADE/R.650. Items to be decided upon by the UN/CEFACT Plenary will be presented in a separate report from the Chairman to the CSG.

CSG Chairman:

Ray Walker, United Kingdom - UN/CEFACT Vice Chairman

CSG members present:

Harry Featherstone, United States

Pierre Georget, France – EWG Chairman

Peter Guldentops, ICC

Dariush Haghighi-Talab, Islamic Republic of Iran

Dietmar Jost, WCO

Paivi Lehtonen, Finland

Alexander de Lijster, Netherlands – ITPWG Chairman

Onoriu Nan, Romania

Klaus-Dieter Naujok, Canada – TMWG Chairman

Grazyna Rzymkowska, Poland

Christina Wallén-Rahlén, Sweden

Peter Wilson, United Kingdom

Christoph Wolf, Germany

Ex-officio members and Rapporteurs present:

Christian Frühwald, Chairman of UN/CEFACT

Claude Hamon - Standards Liaison Rapporteur

Kenji Itoh, Japan - UN/CEFACT Vice-Chairman

David Marsh, United Kingdom – LWG Chairman and Legal Liaison Rapporteur

Santiago Milà, IAPH/ Spain - UN/CEFACT Vice-Chairman

Johnson Jubulu Olumekun, Nigeria - UN/CEFACT Vice-Chairman

Secretariat present:

Carol Cosgrove-Sacks, Director of the Trade Division

Mario Apostolov

Rocío Cardenas

Hans Hansell

Markus Pikart

Invitees:

Mike Doran – BPAWG Chairman

Maxence Orthlieb - UNCTAD

Apologies:

David Dobbie, Australia - CDWG Chairman

Tahseen Ahmad Khan, India – Rapporteur for Asia

Teresa Sorrenti, United States - UN/CEFACT Vice-Chairperson

Common acronyms:

BPAWG – Business Process Analysis Working Group	BSR - Basic Semantic Register
CDWG – Codes Working Group	BSU - Basic Semantic Unit
EWG – EDIFACT Working Group	DTD – Document Type Definition (in XML)
LWG - Legal Working Group	EBT – Electronic Business Team
TMWG – Techniques and Methodology Working Group	ECLAC – UN Economic Commission for Latin America and the Caribbean
ebXML – Electronic Business XML initiative	ESCAP – UN Economic and Social Commission for Asia and the Pacific
AFACT - Asia Pacific Council for Trade Facilitation and Electronic Business	ESCWA – UN Economic and Social Commission for Western Asia
BAC – Business Advisory Council	OLA – Office of the Legal Adviser
BIO - Business Information Objects	xCBL – Common Business Language
BOS – Business Object Summit	
BPIM – Business Process and Information Modelling	

INTRODUCTORY NOTES

1. The CSG Chairman welcomed the new members of the CSG: Messrs. Dietmar Jost and Johnson Jubulu Olumekun. He announced that the UN/CEFACT Chairman would join the CSG meeting to learn what the working groups were doing and how he could support the development and promotion of UN/CEFACT.
2. The CSG adopted the preliminary agenda and the minutes from previous meeting. It reviewed the old and adopted a new action list.

ELECTRONIC BUSINESS AND THE ebXML INITIATIVE

3. The first two days of the CSG meeting concentrated on items 3 and 4 of the agenda. The CSG members who were members of the ebXML executive reported on the outcome of the final ebXML meeting in Vienna, 7-11 May 2001, and on the latest developments. The ebXML Chairman, Klaus-Dieter Naujok, reported that three types of deliverables had been adopted in Vienna: seven final specifications (including the technical architecture approved earlier); a number of technical reports (including the nine reports of the core component group); and white papers (reports on the on-going work of the project teams). The CSG Chairman thanked the ebXML Chairman for his enormous effort on finalizing the first part of the ebXML initiative.
4. The CSG congratulated the ebXML team on its achievements. It was stressed that it would be necessary to complete the contents part of the initiative, in order for industry to use its products, which would have to be consistent with its current data content requirements. Major remaining issues were the future division of responsibilities within UN/CEFACT and with partner organizations, coordinating and avoiding duplication of activities. The CSG Chairman, Peter Guldentops and Harry Featherstone undertook to prepare a paper clarifying the relations with OASIS and the issue of the Repository. The CSG endorsed: an MoU between UN/CEFACT and OASIS; a public statement on this MoU; and the suggestion to restructure the working groups of UN/CEFACT. The CSG Chairman undertook to inform the HoD in due form.

UN/CEFACT STRATEGY FOR ELECTRONIC BUSINESS/ FORWARD RESOURCES

5. The CSG discussed the first results and plans for the realization of the UN/CEFACT strategy for electronic business. The CSG Chairman noted that during the 18-month period of the ebXML initiative Internet technology had developed further and the EWG included the new opportunities in its revised work programme. The EWG Chairman noted that the three current stages of work in EWG, research of requirements, harmonization and production, should be reflected in the implementation of ebXML in a simple, user-friendly and syntax-neutral structure. The major issue was to identify the expected deliverables, notably a library (of Business Information Objects), which could become the interface among the UN/CEFACT working groups.
6. The ebXML Chairman made a presentation on Business Process and Information Modelling with Business Objects and the link between existing and future standards of electronic business. Several CSG members pointed out that for the presentation of its products UN/CEFACT had to be less technical.
7. Harry Featherstone, Pierre Georget, Hans Hansell and the CSG Chairman stressed that the policy of UN/CEFACT had to combine trade facilitation and electronic business. The CSG Chairman noted that this combination was done through business process modelling and UN/CEFACT's expertise in trade facilitation (which included the UN/CEFACT Modelling Methodology - UMM, models, protocols, EDI, and external contacts, combined through a platform-neutral approach). Alex de Lijster stressed the necessity to bridge UN/EDIFACT and ebXML. Hans Hansell noted that this bridge could be the development of a library of BIO, as suggested by Klaus-Dieter Naujok and developed in the approach to implementing ebXML proposed by Pierre Georget. Claude Hamon noted that the CSG had to decide on the organizational links of UN/CEFACT to other organizations and only then move ahead.
8. The CSG reviewed the activities of the Electronic Business Team (EBT, comprising Messrs. Walker, Naujok, Georget, Dobbing, Guldentops and Featherstone). Harry Featherstone made a presentation on the proposed structure of UN/CEFACT, which included an organigram. The work on business process and information modelling (BPIM) would be split among project teams rather than permanent groups. A new eBusiness working group would take over the activities of the EWG, part of the activities of the BPAWG (the rest going to the ITPWG) and the workload coming from the ebXML initiative. It would maintain and publish EDIFACT directories, code lists, messages, XML DTDs (document type definitions) and schemas. Its structure would depend on the process of production of messages based on EDI and XML. There would be clear production/conversion rules from EDIFACT to XML. All models and the messages developed on their basis would be stored in the Repository. A necessary step would be to gather funds to develop the Repository (BIO library) and guarantee secretariat support. The CSG Chairman felt that the representation of messages would change, but reiterated that UN/CEFACT was not abandoning UN/EDIFACT. Pierre Georget added that the message might be simple: traders needed DTDs to develop messages. With reference to the organigram, some CSG members insisted on changing the box "trade facilitation" to "trade procedures and codes".
9. The EBT then presented a revised organigram and a blueprint for changing the tasks of the working groups. The CSG decided to rephrase the first bullet point (*Support libraries*) to "Harmonize and normalize all business model information to be used across all vertical [industry/business domains]". Concerning the section "*Infrastructure, Implementation and Requirements*", the goal would be to define gaps and overlaps with the work of other organizations. UN/CEFACT should monitor all relevant activities. The Repository, which will help to bring all modelling and contents work together, would be further covered under this title.
10. On the section "*Administrative Services*", Hans Hansell noted that selling products created under the UN umbrella, establishing "membership fees", setting up administrative service structure reminding a private-sector consortium and branding could be incompatible with UN rules and the decisions of the 2001

UN/CEFACT Plenary. The CSG Chairman responded that the intent was to establish an extrabudgetary mechanism providing secretariat and financial resources for the work of the eBusiness group, which would be complementary to the limited UN secretariat resources, yet still under the United Nations umbrella. J.J. Olumekun noted that selling UN/CEFACT products might keep them out of reach for developing countries.

11. The CSG accepted in principle the forward direction proposed by the Electronic Business Team (EBT). It decided to develop a mandate and terms of reference for the eBusiness Working Group (a working group under R650) to be approved at the September 2001 CSG meeting. The EBT would investigate, in close liaison with the UN secretariat, the plan for external funding of the eBusiness Working Group. Pierre Georget, Ray Walker, Christina Wallén-Rahlén, Harry Featherstone and Peter Wilson undertook to draft a short and clear statement to the UN/CEFACT constituencies on the direction taken by the CSG.
12. The CSG nominated Klaus-Dieter Naujok, Pierre Georget and Ray Walker to represent UN/CEFACT in the OASIS board. Two technical experts would be nominated later. The CSG Chairman invited the CSG and the working groups to start preparing the parallel meetings in Rotterdam and the publication of the ebXML specifications. An ad hoc group met on 17 May to discuss support for the restructuring. David Marsh, Santiago Milà and Mike Doran were invited to join the EBT. Klaus-Dieter Naujok noted that the message specification might become a UN/CEFACT document. Hans Hansell suggested preparing a UN Recommendation on the basis of the ebXML technical architecture. Klaus-Dieter Naujok and the CSG Chairman undertook to prepare summaries of the specifications of ebXML, pointing to a CD ROM or to the UN/CEFACT web site, which would contain these specifications. The CSG decided to accept the request of Jon Bosak concerning xCBL (Common Business Language) and invite his group to the Rotterdam meeting.

PROMOTION OF UN/CEFACT'S OBJECTIVES

THE WEB SITE

13. The CSG noted that the web site was useful, but needed a good search function, constant update, e.g. of the latest versions of the Recommendations. The secretariat undertook to ensure, working with the CSG, that only the latest versions of the Recommendations were on the web site. Working with Alex de Lijster, it would review the numbering of the editions and the dates of adoption of each Recommendation, while marking Recommendations under revision. The secretariat would report on the status of all Recommendations. The CSG decided to go ahead with the development of the UN/CEFACT Glossary of Terms.

BUSINESS ADVISORY SUMMIT

14. The CSG Chairman and Peter Wilson discussed the possibility of organizing a Business Advisory Summit with industry representatives. The UN/CEFACT Chairman invited the CSG to identify potential participants from the business world. Harry Featherstone suggested that the BAS could be used as an educational, two-day event before a CSG meeting in 2002. The CSG Chairman and Chris Wolf agreed to prepare a paper to assist the UN/CEFACT Chairman in considering the issues around mounting a Business Advisory Summit.

RELATIONS WITH UNIVERSITIES

15. The CSG initiated a discussion on developing an interface with any institute of advanced learning, including universities worldwide. The CSG established a team (Dariush Haghghi-Talab, Onoriu Nan,

Grazyna Rzymkowska, Harry Featherstone and the CSG Chairman) who reported that UN/CEFACT might cooperate with universities on raising awareness, education, adaptation of trade facilitation recommendations, legal aspects of e-business, ICT/Internet, business modelling and e-business standardisation. The CSG Chairman and Harry Featherstone undertook to help the team, which would report to the next CSG meeting. Following a suggestion by Prof. Ronald Lee from the BPAWG, a university advisory association might be set up.

USE OF THE UN/CEFACT LOGO

16. An ad hoc group on the bgo, consisting of Alex de Lijster, Kenji Itoh, Chris Wolf, Paivi Lehtonen, Christina Wallén-Rahlén and J.J. Olumekun, met on 01-05-17 and reported that: (1) officers of UN/CEFACT, CSG members, Rapporteurs and chairpersons of mandated, permanent working groups could use the logo and UN/CEFACT business cards; (2) the secretariat would provide electronic versions of a letterhead, a fax, a memo and a business card in black and white in unchangeable format; (3) the use of the logo, documents and business cards had to be related ONLY to purely UN/CEFACT activities (not to be used in mixed, business-UN/CEFACT manner); (4) a working group member could use the working group logo only if authorized by the working group chairperson on working group activities; (5) a focal point designated by the CSG and consisting of Santiago Milà, Ray Walker and Rocío Cardenas should monitor the use of the logo; (6) the secretariat should keep record of the authorised use of the logo, any use of the logo by any unauthorised party should first be authorised by the CSG focal point; (7) business cards should contain the web site address of UN/CEFACT and the telephone number, address and e-mail of the person indicated on the business card; (8) business cards should always bear the UN/CEFACT logo and beneath it the name, title, UN/CEFACT position and working group of the person; (9) the use of the logo was authorised for certain events, if agreed in advance and if UN/CEFACT officers participate as key speakers; (10) in order to avoid misuse, a code of conduct may be established for the use of UN/CEFACT business cards. Harry Featherstone invited the CSG to take a decision on branding.

SPECIAL AND SUBSTANTIVE CONFERENCE ON TRADE FACILITATION IN MAY 2002

17. The CSG Chairman confirmed that during the week of 13-17 May 2002 there would be back-to-back sessions of the Committee for Trade, Industry and Enterprise Development (CTIED) and UN/CEFACT and a high-level conference on trade facilitation.
18. The Director of the Trade Division informed the CSG that the Government of the United Kingdom was very interested in holding a meeting, open to all countries, for promoting trade facilitation outside the WTO agenda, but requested a return to the title "high-level meeting" and an agenda addressing three basic issues: the stake of the business community in trade facilitation; practical means of simplifying trade; and the implementation of electronic business. The CSG accepted to come back to the original title "High-Level Meeting" (HLM). The outcome of the HLM should be a clear action plan containing a general direction for trade facilitation. It should aim at a follow-up meeting in 2003. Hans Hansell explained that "peace-building and trade facilitation" were part of the programme. He also stressed that the ITPWG would have an important role to play in the meeting. Dietmar Jost noted that the WCO would be interested in participating, and needed more information. Christina Wallén-Rahlén stressed that the HLM may help UN/CEFACT define trade facilitation in broader terms, beyond customs matters. The CSG Chairman noted that UN/CEFACT could present to the HLM its work on eBusiness standards, and the trade facilitation roadmap document.

REPORTS FROM MANDATED GROUPS

CDWG

19. The LOCODE had been issued in two versions (with and without diacritic signs). The LOCODE had 33,000 entries, and the database list had 55,000 entries. This was one of the most utilised code lists for locations launched at the UN. Hans Hansell explained that Tauno Kangur would take over the maintenance of the LOCODE from Gösta Roos. The CSG Chairman and Hans Hansell would draft letters to the Government of Sweden and Mr. Roos, thanking them for their support. The CSG would consider establishing an honorary award for great contributions in trade facilitation.

ITPWG

20. Alex de Lijster reported on the successful ITPWG workshop in April 2001, which contributed to the development of a new work programme. Much international trade was still done on the basis of paper requirements and the ITPWG still had important tasks to fulfil in this respect. The ITPWG supported the UNexDOC project, and promoted the use of electronic documents based on the UNLK.

EWG

21. The Chairman of the EWG reported on its Washington meeting and other developments. He noted that the unedifact.org and unedifact.com domains were already taken by a commercial entity, and asked the CSG for action in defence of the name. David Marsh noted that there was an ICANN and WIPO dispute resolution mechanism. The UN OLA might be the entity that should make the first steps. Christina Wallén-Rahlén noted that EDIFACT had been registered as a trademark in Sweden. The secretariat would participate in clarifying the issue. Pierre Georget would send more information on the commercial company.
22. The EWG Chairman noted that a large portion of EWG's work had been concentrated on XML issues, so it was ready for the transition. Kenji Itoh suggested that the EBT and CSG members attend the EWG meeting in Rotterdam. Alex de Lijster asked to be constantly updated on the increase of the number of expected attendees to the EWG meeting in Rotterdam. Pierre Georget explained that codes lists would be unofficially published on the web site more frequently than the directories and this would be officially announced.

BPAWG

23. The BPAWG Chairman informed the meeting that the new deliverable, on which the BPAWG was working, was the reference model. The next meeting would take place as a panel at the academic conference in Bled, Slovenia, at the end of June.

TMWG

24. David Marsh would send the Licence Agreement concerning UMM to the TMWG Chairman.

ANNUAL REVIEW OF LWG

25. The LWG Vice-Chairman reported on the work of the group for the past 12 months, and informed the CSG about the leadership of the group. The group had solved the problems of attendance and resources. Experts from South Korea, EU, ITC, ICC, UNCTAD, UNCITRAL had joined. The policy was to build a

global structure starting with Asian and North American sub-groups and expanding in South America and Africa.

26. The LWG had the ambition to produce one Recommendation per year: the latest being Recommendations 31 and 32. The work programme of LWG had to be updated, as Recommendation 32, promoting the use of self-regulatory instruments, had been completed. Among the further working items for the LWG were: draft ToR for certification authorities, criteria for cross-border recognition of signatures; and Alternative Dispute Resolution (ADR). New items were added at this CSG meeting: contribution to the ITPWG roadmap for trade facilitation and a contribution to the e-business work of UN/CEFACT. Although there was enthusiasm for preparing software to support Recommendation 31, no potential partners to develop it were identified. Harry Featherstone promised to help in this respect. The LWG still had to work on publicising its work. The next LWG meetings would take place in Florence (25-26 June 2001) and in Rotterdam in September.
27. The CSG Chairman invited Grazyna Rzymkowska and J.J. Olumekun to identify lawyers from Poland and Nigeria to work with the LWG. Onoriu Nan noted that he had found a potential member from Romania, but unfortunately he had no travel funds. Alex de Lijster noted that such items as UCP 500 of ICC and negotiable documents could be incorporated in the LWG work programme. The CSG Chairman suggested that UN/CEFACT start thinking of preparing a convention on trade facilitation, noting that the General Assembly of the United Nations had delegated the power to draft conventions on e-commerce to UNCITRAL.

DEVELOPMENTS IN STANDARDIZATION

MoU WITH ISO, IEC AND ITU

28. The meeting was informed about the latest developments in the MoU, in particular the preparation for the next meeting of the MoU Management Group on 8-9 November 2001. The meeting scheduled for 5-6 June 2001 in Geneva was postponed. The next chairperson of the MG was expected to represent ISO. The CSG requested broadening the nomination process to include the other three standards organizations. Claude Hamon undertook to discuss the procedure of nomination of an MG chair with ISO. Claude Hamon agreed that annual meetings were not sufficient and suggested to hold quarterly ones electronically or by telephone.
29. Some CSG members discussed and the CSG Chairman raised with the UN/CEFACT Chairman the issue of coordination with TC 154 and the initiative to introduce to national standardization committees a standard for conversion from EDIFACT to XML messages proposed by the delegation of Germany to ISO.

BSR

30. With reference to previous discussions on BSR, Claude Hamon requested Klaus-Dieter Naujok to provide a technical specification for the requirements for the BSR in order to be used in the ebXML environment. The CSG noted that it waited for the BSR team to prepare a version based on the UN/CEFACT Modelling Methodology.

A-LIAISON STATUS WITH JTC-1

31. Hans Hansell finalized and sent a letter to ISO JTC1 requesting an A liaison status.

DEVELOPMENTS IN RECOMMENDATIONS

32. The Meeting looked into areas in which UN/CEFACT could prepare new deliverables: an abridged version of all codes recommendations; a Trade Facilitation Index; a “road map” and assessment document describing what steps a country, especially with a developing or transition economy, might take in order to facilitate trade (a document for which Recommendations 1, 4 and 18 might be used, and which might include contributions from the LWG); a Recommendation on the UN/CEFACT Modelling Methodology and, possibly, Recommendation based on the Single Window approach and the ebXML specifications. The CSG Chairman would draft a paper on trade facilitation on the Internet.
33. The May 2001 CDWG meeting decided to stop all work on Recommendation 30. The CSG considered that attributing numbers to Recommendations before their adoption by the Plenary was inappropriate.

DEVELOPMENTS WITH OTHER INTERNATIONAL ORGANIZATIONS

34. Christina Wallén-Rahlén briefed the meeting about the informal meetings and seminars on trade facilitation at the WTO. They had shown that trade facilitation had to be based on sound political will and a concept of trade facilitation broader than customs matters. She recommended close secretariat contacts to assure that UN/CEFACT instruments were taken into account in the process.
35. The CSG reviewed the relations with WCO in view of the signing of an MoU on 25 April 2001. Dietmar Jost noted that the WCO would wish UN/CEFACT to get more involved in the work of the WCO.
36. The CSG discussed the exchange of work programmes with ICC, OECD and other organizations and the possibilities to sign MoUs with such NGOs as ICC and W3C.

SECRETARIAT RESOURCES

37. The CSG Chairman informed the CSG that the process of recruiting a permanent secretariat member to service the CSG was going ahead.

PLANNING FOR THE SEPTEMBER 2001 CSG MEETING

38. The CSG accepted the offer of the Netherlands to hold the next meeting in the premises of P&ONL in Rotterdam, from 4 to 7 September 2001. On 4 September, there would be breakout meetings of ad hoc groups and the EBT. These would then report to the CSG. Alex de Lijster requested constant updates on the number and names of people that would attend. Non-EWG members participating in the EWG meeting (such as the ebXML experts) would have to pay a fee to participate in the EWG meeting in Rotterdam.

ANY OTHER BUSINESS

39. The UN/CEFACT Chairman made a presentation, in which he stressed his intention to help remove barriers, promote and market the name and products of UN/CEFACT, comment on the strategic

direction of UN/CEFACT and strengthen cooperation with other organizations. On the basis of his impressions from the Plenary he made some suggestions for technical improvements in the secretariat support to the session.

40. Some CSG members pointed to the need to facilitate trade in a paper environment, the need for contacts with senior management in industry for the marketing effort, and the implementation of trade facilitation Recommendations in developing countries as a measure of success for UN/CEFACT. Pierre Georget suggested setting up an observatory for the implementation of the trade facilitation Recommendations.
41. Markus Pikart of the secretariat, presented the UNeXDoc project. The CSG Chairman expressed the CSG's support for the project and asked how the CSG could contribute and help. Peter Wilson noted that the project was exciting, and suggested involving the working groups in it. The CSG requested the secretariat to regularly update the CSG on the progress with the UNeXDoc project.
42. The CSG agreed that the likely schedule for its future meetings would be June - October - February, and noted the following dates:

4-7 September 2001, Rotterdam
19-22 November 2001, Geneva
25-28 February 2002, Geneva
17 May 2002, Geneva (date to be confirmed)
24-27 June 2002, Geneva
October 2002, Berlin
