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**ECONOMIC COMMISSION FOR EUROPE  
COMMITTEE FOR TRADE, INDUSTRY AND  
ENTERPRISE DEVELOPMENT**

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

Tenth session, 17 – 19 May 2004

**REPORT OF THE 10<sup>TH</sup> SESSION**

1. The United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT) held its tenth session in Geneva on 17 and 19 May 2004 under the chairmanship of Mr. Christian Frühwald.

Participants and observers

2. Participants in the meeting included representatives of the following countries: Australia, Belgium, Canada, Czech Republic, Denmark, Finland, France, Germany, India, Iran (Islamic Republic of), Italy, Japan, the Netherlands, Republic of Korea, Slovakia, Spain, Sweden, Switzerland, Turkey, United Kingdom of Great Britain and Northern Ireland and United States of America.

3. The following intergovernmental organizations participated: Bank for International Settlements (BIS), European Organization for Nuclear Research (CERN), and World Trade Organization (WTO).

4. The following non-governmental organizations participated: International Article Numbering Association (EAN International), International Association of Ports and Harbours (IAPH) and International Organization for Standardization (ISO), Society for Worldwide Interbank Financial Telecommunication (S.W.I.F.T).

5. Observers at the invitation of the secretariat included representatives of: the Asia Pacific Council for Trade Facilitation and Electronic Business (AFACT), EAN Iran, eCommerce Innovation Centre, Federal Swiss Laboratories (EMPA), Global eBusiness Advisory Council, Microsoft Corporation, Organisation for the Advancement of Structured Information Standards (OASIS), SAP, SUN Microsystems, TIE Holding N.V., U.S. National Institute of Standards and Technology and Web Services Inter-operability Organization.

### Opening

6. The Chairman opened the session by introducing two presentations. The secretariat introduced some current trends in trade facilitation related to the implementation project in the Mediterranean region and the work undertaken on security issues. The Chairman of the UN/CEFACT Steering Group (CSG) commented on the proposed UN/CEFACT approach to electronic business standards, i.e. the “Business Collaboration Framework”.
7. The Chairman of the Committee for Trade, Industry and Enterprise Development suggested that UN/CEFACT should define how the work on e-business standards could support trade facilitation. He also recommended that UN/CEFACT actively encourage the establishment of national trade facilitation bodies as a platform for promoting and coordinating UN/CEFACT work in all member States.
8. The Director of the Trade Development and Timber Division welcomed delegations on behalf of the Executive Secretary and the secretariat, and highlighted some of the most important events of the past year. The Committee for Trade, Industry and Enterprise Development (CTIED) had held its 8th session the previous week, as well as an “Executive Forum on Competing in a Changing Europe”, which had analysed the impact of the enlargement of the European Union.
9. The Director presented the results of the most important trade facilitation implementation projects and programmes. Particular focus was being given to Central and Eastern European countries and the Mediterranean region to help them integrate into the regional and global trade chains.

*Note: Decisions taken during this meeting are shown in boldface type.*

### Item 1 Adoption of the agenda

10. The Plenary adopted the agenda (TRADE/CEFACT/2004/1), with changes in the schedule of the meeting.

### **Decision 04-01**

**The Agenda was approved with an adjusted schedule for the meeting.**

### Item 2 Confirmation of the report of the 9th UN/CEFACT Plenary

11. The Plenary confirmed the report of the 9th session of UN/CEFACT (TRADE/CEFACT/2003/21), held on 12 and 13 May 2003. The report had been approved intersessionally after the Plenary.
12. The Chairman of the Committee made a short presentation on the discussions held and decisions taken at the Committee’s 8th session.
13. The Chairman pointed out that the Committee wished to be better involved in the budget planning for 2006–2007 and requested UN/CEFACT to forward its inputs to the secretariat by July 2004. He also invited UN/CEFACT to support the external evaluation of UNECE that was to take place in the course of 2004. If requested to do so, the Committee would be able to endorse the report of the 10<sup>th</sup> UN/CEFACT through its new intersessional approval process, thus expediting the decisions required for the external support services.
14. The CSG Chairman had made a verbal report to the Committee, which had been approved. However, the Committee had requested UN/CEFACT to consider how to:

- restore the balance between non-electronic trade facilitation and electronic business standards;

- stabilize its organizational structure as defined in 2002;
- best ensure the implementation of the rules and procedures of the United Nations; and
- ensure good governance and transparency at all levels of work of UN/CEFACT.

15. He also suggested to the Heads of Delegation that the services of the UNECE Regional Adviser on Trade Facilitation should be better used for promotion and implementation.

16. The CSG Chairman stated that the International Forum, held the previous week, had been interesting and well-received. The Committee had requested its subsidiary bodies to take into account its report calling for particular attention to implementation and fundraising. The 3<sup>rd</sup> International Forum on Trade Facilitation that was planned in conjunction with the 11<sup>th</sup> session of UN/CEFACT 20 – 24 June 2005 would focus on supply chains and security.

#### **Decision 04-02**

**The Plenary endorsed the report of the 9th session, approved by the Heads of Delegation through the intersessional approval process.**

#### **Decision 04-03**

**The Plenary noted the report of the Chairman of the UNECE Committee for Trade, Industry and Enterprise Development and decided to take into account the four points raised in paragraph 14 on the future work of UN/CEFACT.**

#### Item 3 Reports of the Steering Group

17. The CSG Chairman presented the CSG reports. Four meetings had taken place in the past year:

- 15 May 2003 (Geneva);
- 22 – 25 July 2003 (Geneva);
- 21 – 24 October 2003 (Washington, D.C.); and
- 19 – 22 January 2004 (Geneva).

18. The CSG Chairman thanked the Delegation of the United States and the Logistics Management Institute for their hospitality.

#### Electronic Business Standards

19. The Plenary had earlier encouraged and authorized an approach based on a technology neutral and implementation neutral standardization of information content. Thus UN/CEFACT was giving equal treatment to UN/EDIFACT, ebXML, as well as new emerging standards, such as web services, based on the ISO reference model, which separates the information structure from the information content.

20. For further advancement of the work, additional services to the meetings were required: financing for the repositories, and a functional intellectual property rights (IPR) policy. A project budget of USD 12 million over the next three years had been prepared, mainly in the form of contributions in kind.

21. The establishment of a modern IPR policy for the Centre was raised. The existing United Nations policy could be summed up as an unconditional handover of the IPR to the United Nations. As this had been found inappropriate in the area of standards development, UN/CEFACT had prepared a detailed and effective new policy based on an irrevocable royalty-free licence. The United Nations Office of Legal Affairs (OLA) had

fully recognized the value of the policy but wanted to see each participant indemnify the United Nations against any third-party claims.

22. The issue of the relevance of the Business Collaboration Framework (BCF) was raised. According to the CSG Chair, the BCF was a rebranding of the UN/CEFACT modelling methodology, entirely based on the earlier Unified Modelling Methodology (UMM) and Unified Modelling Language (UML) guidelines, which were entirely technology neutral. A number of user organizations had adopted a similar approach, which should help harmonize UN/CEFACT process work. The Techniques and Methodologies Group (TMG) had adopted the BCF earlier, as reported to the 9th Plenary in 2003.

23. The press announcement in August 2003 regarding the successful completion of the technical specifications of ebXML had been largely interpreted as a cessation of cooperation with the Organization for the Advancement of Structured Information Standards (OASIS). The CSG had taken corrective action, notably in the context of the MoU, but a lot of uncertainty had remained. Following a UN/CEFACT – OASIS meeting in April 2004, a press release had been released to correct the situation [please see Annex 1].

24. The Centre's focus on electronic business issues had reduced its visibility in trade facilitation. Nevertheless, much trade facilitation work was taking place in the Forum. The Plenary would need to discuss whether or not to upgrade the International Trade Procedures Working Group (TBG15) into a Group in its own right.

#### **Decision 04-04**

#### **The Plenary noted the Reports of the Steering Group and of the Chairman of the Steering Group.**

#### Item 4 Reports of UN/CEFACT Forum and groups

25. The TMG Chairman presented the report of the third UN/CEFACT Forum (Seoul, 15-19 September 2003) and the fourth UN/CEFACT Forum (Bonn, 8 – 12 March 2004) as presented in document TRADE/CEFACT/2004/8. Eleven new projects had been approved in March 2003. The FCT had approved three others during the Forum in September 2003. Four projects were approved during a conference call in December 2003 and one during the Forum in March 2004. The following Forum would be organized in McLean, Virginia, United States, in September 2004 and thereafter in Kuala Lumpur, in March 2005. The Forum Coordination Team (FCT) had also adopted a project approval process and internal operating procedures for the Forums.

26. The document TRADE/CEFACT/2004/11 with Addenda 1 – 5 had been prepared to consolidate the mandates and terms of reference of all UN/CEFACT Groups in one UN referenced document. The mandates of the Applied Technologies Group (ATG), the Legal Group (LG), the International Trade and Business Processes Group (TBG) and the Techniques and Methodologies Group (TMG) had been adopted by the Plenary in 2003 and were presented for information only. The terms of reference of the Information Content Management Group (ICG, in Add.2) were submitted for approval.

27. The ongoing ATG projects included the Standard Business Document Header, the Harmonization of Representation Terms, UML to UN/EDIFACT Transformation Rules and the XML Naming and Design Rules (TRADE/CEFACT/2004/12). Ten new projects had been adopted:

- Library Content Management
- Unified Modelling Language (UML) Profile for the eXtensible Markup Language (XML)
- UML to XML Transformation Rules
- XML Schema for the Business Process Specification Schema (BPSS)

- UN/CEFACT guide for the ebXML Collaboration Protocol Profiles/Collaboration Protocol Agreements (CPP/CPA)
- Implementers Guide to the ebXML Technical Architecture
- Representation of Core Component Technical Specification (CCTS) components in XML
- XML expression of CCTS context constraint language
- UN/EDIFACT to UML transformation rules
- Context application rules for UN Standard Message rules

28. The Information Content Management Group (ICG, TRADE/CEFACT/2004/13) had adopted a new project to define the UMM profile for class diagrams and core components. The Group presented recommendations 16 and 23, UN/EDIFACT versions 03A and 03 B as well as the TBG/ATG/ICG workflow process for information.

29. The Legal Rapporteur presented a joint report of the Legal Group (LG) and the Rapporteur (TRADE/CEFACT/2004/14). Focus was placed on Recommendation 26 on the Commercial Use of Interchange Agreements for EDI, Recommendation 31 on Electronic Commerce Agreements, and Recommendation 32 on E-Commerce Self-Regulatory Instruments (Codes of Conduct). The Group was also working on online dispute resolution and was organizing a symposium on the topic with UNCITRAL in June 2004. The Legal Group would also initiate work on the legal aspects of ebXML. The possibility of entering a Memorandum of Understanding with UNCITRAL would be explored.

30. The TBG (TRADE/CEFACT/2003/15) had 17 working groups with over 200 members working on 37 projects. Many members also participated in other groups which made the TBG a hub covering all parts of UN/CEFACT. TBG business domain groups (TBG 1 – 13) were modelling industry-specific business processes using facilitators and modellers who were either trained in-house or provided by interested parties, such as S.W.I.F.T. and EAN. All TBG domain working groups were also defining core components and working on their harmonization with other sectors.

31. TBG had submitted a document regarding the CSG proposal on the new structure (TRADE/CEFACT/2004/35/Rev.1). The Group welcomed the Bonn ratification of the first set of cross-group project procedures between TBG, ICG and ATG and invited the TMG to join. The TGB also called for the Plenary to act upon the resolutions of the Management Group of the Memorandum of Understanding between the International Electrotechnical Commission (IEC), the International Organization for Standardization (ISO), the International Telecommunication Union (ITU) and the United Nations Economic Commission for Europe. The Government of Canada had developed a data library of 350 elements, which would be submitted to TBG17 to further progress the work.

32. The Chairman of the TMG reported on the work of the group (TRADE/CEFACT/2004/16). The User Guide had been completed in November 2003 and translated into Korean and Japanese. Five new projects were awaiting a decision on intellectual property rights. The TMG made a proposal regarding membership levels in the Group and its working groups. Full membership would be achieved through physical participation in the Group's meetings. Members not physically participating in the meetings would have observer status without voting rights.

33. The TMG submitted two items for approval by the Plenary: the business process schema specification and the core components technical specification 2.01 for submission to ISO for fast track approval [see agenda item 5 for further discussion on this issue].

34. The United States enquired why participants were withdrawing intellectual property. The CSG Chairman explained that, under the United Nations rules, it was not possible for a person, company or country to

withdraw their intellectual property. The United Nations Office of Legal Affairs had sent this explicit instruction.

35. The Government of Sweden requested that press releases be issued regularly on achievements and outputs. The Government of France expressed concern that the Business Collaboration Framework (BCF) was presented as an adopted item in the programme of work and requested indications on how BCF would be dealt with in the future. The TMG Chairman noted that rebranding the output might create confusion.

**Decision 04-05**

**The Plenary endorsed the reports of the five UN/CEFACT Groups and the Forum Coordination Team (FCT).**

**Decision 04-06**

**The Plenary approved the Terms of Reference and Mandate of the Information Content Group (ICG) and noted document TRADE/CEFACT/2004/11 and its addenda containing the Terms of Reference and the Mandates for all Groups.**

**Decision 04-07**

**The Plenary requested the Forum Management Group to develop joint procedures for all Groups and the Bureau should agree on a deadline for the procedures. Documents TRADE/CEFACT/2004/17 – 21 should be aligned into one programme of work for UN/CEFACT.**

Item 5 Recommendations, specifications and associated documents

36. The secretariat presented a summary document (TRADE/CEFACT/2004/6) highlighting work items that had been submitted to the UN/CEFACT Open Development Process (ODP). These included:

- Specification Part 8 of the ebXML Framework Version 2.01 Core Component Technical Specification (CCTS);
- Proposal for Submission of CCTS to ISO TC154;
- ebXML Business Process Schema Specification (BPSS) V1.1;
- UN/CEFACT Modelling Methodology (UMM) User Guide;
- UN/LOCODE 2003-2 and 2004-1;
- UN/EDIFACT directories D.03.A and D.03B;
- Single Window recommendation and guidelines.

37. The representative of ISO explained the ISO fast-track approval process. An identified liaison body can submit the outcome of its work, such as a specification, to ISO for adoption as a technical specification in the ISO TS 15000 series. The process had been concluded for the four parts of the ebXML specifications under OASIS' responsibility. The remaining two parts under UN/CEFACT responsibility should also be dealt with. The document would need to be officially submitted by an international organization, which would decide itself what internal status it would wish to give it. The fast track process takes two years, after which ISO requests the submitter to withdraw the specification or ISO upgrades the specifications to a standard.

38. The Government of Sweden felt that if version 2 of the Core Components Technical Specification was already underway, there was no need to submit version 1.0. The United States supported the submission of the Core Components Technical Specification but felt the one on Business Processes required more work before submission. The secretariat explained that a member of the working group had withdrawn his intellectual property from the document; the secretariat had clarified the issue with the United Nations Office of Legal Affairs, after which the BPSS 1.1 had been issued.

39. The Government of Canada enquired whether the two independent implementations had been verified as a requirement for concluding the Open Development Process (ODP). The TMG Chairman responded that neither TCSS nor BPSS had gone through the verification as they were both technical specifications and as such could not go through the implementation phase at this stage. The ODP was therefore problematic. However, both documents had been submitted to public review with appropriate announcements to Heads of Delegation. Comments had been incorporated and the documents approved. The Government of France agreed that the quality of output needed to be assured. The Government of Korea pointed out that BPSS was already being implemented in private companies in the Republic of Korea.

40. TBG15 had prepared a framework for a “single window” recommendation, based on 15 country implementations and complemented by guidelines on best practices by countries, the World Customs Organization, SITPRO and industry groups (TRADE/CEFACT/2004/MISC.7). The text had been finished after an open review and the draft had been well received by the industry sector. The World Bank was expecting to implement the guidelines in their projects. The actual recommendation should be ready before the end of 2004.

**Decision 04-08**

**The Plenary endorsed the outputs of UN/CEFACT.**

**Decision 04-09**

**The Plenary decided to forward the CCTS specification to the International Organization for Standardization (ISO) for fast-track approval. The Plenary noted the BPSS specification and requested the TMG, through its Chair, to circulate the full specification and the scope of BPSS 1.1 Specification so as to review the comments received from Heads of Delegation by 19 August 2004 and to inform the Plenary of the outcome of the review.**

Item 6 UN/CEFACT Programme of work

41. The Plenary discussed the programmes of work under agenda item 4.

**Decision 04-10**

**The Plenary adopted the programmes of work of the groups but decided that a unified UN/CEFACT Programme of Work should be prepared each year for the Plenary’s approval. The Plenary requested the Forum Management Group, in cooperation with the secretariat, to issue documents TRADE/CEFACT/2004/17 – 21 in a single UN/CEFACT Programme of Work by the end of 2004.**

**Decision 04-11**

**The Plenary requested the Forum Coordination Team (FCT), in cooperation with the Bureau and the secretariat, to summarize this Programme of Work for the update of the UNECE Strategic Action Plan for Trade Development (ECE/TRADE/320) by July 2004.**

Item 7 Report of the Policy Group

42. The Chairman presented the documents and noted that the scope of the documentation under the agenda item was broader than the work of the policy group and this documentation should be seen as an introduction to the important decisions laid out under agenda items 8 and 9.

43. The Policy Group had met once and had held two conference calls. Future directions would need to be discussed after the delivery of the reports on trade facilitation in documents TRADE/CEFACT/2004/30 and TRADE/CEFACT/2004/34.

44. The secretariat presented a report on the importance of trade facilitation, emphasizing the correlation between the work on trade facilitation undertaken by UN/CEFACT and the secretariat and the United Nations Millennium Development Goals. It highlighted some of the current trends in trade facilitation and in particular:

- the need for trade facilitation in SMEs;
- initiatives arising from the WTO Doha Round of Negotiations; and
- the changes that threats to security had raised in certain trade procedures.

45. UN/CEFACT's challenge would be to make use of its good tools and understanding of the issues to engage in the political debate and take into account political considerations in its work.

46. The document prepared by TBG15 (TRADE/CEFACT/2004/34) on the role of trade facilitation in UN/CEFACT suggested increasing the visibility of trade facilitation by setting up a new group on trade facilitation at the level of the five existing Groups. The Chairman pointed out that trade facilitation was more than processes and codes: policy, cooperation and liaison aspects with other groups and organizations, which TBG15 was not addressing also had to be taken into account. Thus, before deciding on an organizational structure, an ad hoc group, or the policy group, should look into the best set-up for such work bearing in mind that possibly further Memoranda of Understanding (MoU) and other liaison instruments might be needed. The Governments of the United States and Sweden stressed that the whole purpose of UN/CEFACT was trade facilitation, and, consequently this should be addressed in all groups. The Government of the Czech Republic called for more emphasis on trade facilitation in the existing groups, while the Governments of Switzerland and Belgium called for more focus on the outputs of the work on trade facilitation.

47. The document had been submitted to the CSG and the policy group but never properly discussed. The TBG fully supported raising the profile of trade facilitation in UN/CEFACT; and this had been agreed in Bonn. There was a unanimous decision in the TBG Steering Group to this end.

48. The Government of Japan, as well as the representatives of IMMTA and the ICC, supported the creation of a separate trade facilitation group. The WCO also supported greater focus on trade facilitation.

49. As a summary of the discussion, the Chairman grouped the concerns under three topics: managing the programme of work; avoiding duplication, and communications. He suggested creating an ad hoc team to make proposals on how to strengthen trade facilitation, taking into account the views and papers presented at the Plenary. The results should be presented before the end of 2004, and at the latest at the 11th Plenary.

50. The Chairman then invited Ray Walker to become Adviser to the UN/CEFACT Chair on trade facilitation.

51. The TMG Chairman introduced the draft UN/CEFACT electronic business vision based on the overall goal of simple, transparent and effective standards for global commerce (TRADE/CEFACT/2004/9). The ultimate goal would be to implement the results in various technologies. The United States, Sweden and IAPH felt that the draft was more a technical foundation than a vision strongly focusing on the implementation. The final vision should be more "business requirement driven" and should explain the benefits of trade facilitation (including those of electronic business standards). The representative of ISO



suggested placing the draft vision in the context of the MoU and submitting it to the signatories for comments.

**Decision 04-12**

**The Plenary noted the report of the policy group.**

**Decision 04-13**

**The Plenary established an ad hoc task force to make proposals, in cooperation with the leadership of TBG and TBG15, on how to strengthen UN/CEFACT work on trade facilitation taking into account documents TRADE/CEFACT/2004/30 and 34. The Plenary wished to see the results presented intersessionally at the latest by the end of 2004. The Plenary assigned the lead for this work to the Chairman's Policy Group. The Chairman invited the former CSG Chairman, Mr Ray Walker, to assist him in this matter as the Chairman's Adviser.**

**Decision 04-14**

**The Plenary decided to request the Forum Coordination Team (FCT) to complement the text of the vision (TRADE/CEFACT/2004/9) with sections on trade facilitation and business focus by the end of July 2004, after which the vision would be forwarded to the Bureau for any additional comments. After a subsequent intersessional approval process, the vision would be submitted to the signatories to the Memorandum of Understanding between the International Electro-technical Commission (IEC), the International Organization for Standardization (ISO), the International Telecommunication Union (ITU) and the United Nations Economic Commission for Europe, for their comments and alignment.**

Item 8 UN/CEFACT Intellectual Property Rights policy

52. The CSG had conducted a survey where HODs and participating organizations had been asked to indicate how the different IPR policies would affect further participation. Despite the limited number of responses, the result was convincing. All but one respondent stated that the current United Nations IPR policy with all rights being transferred to the UN would lead to a drastic reduction in participation.

53. The Legal Rapporteur made a short presentation on various aspects of patents, registered and unregistered trademarks, copyright and confidential information. An IPR policy would need to address all these issues. The products of UN/CEFACT work needed to be made freely available to the end users. Under the United Nations rules in force, all IPR was being transferred to the United Nations, which was increasingly preventing experts from participating. One popular policy, the "reasonable and non-discriminatory licensing" (RAND) terms, had overcome the problem of transfer. Vague terms such as "reasonable" and "license", however, were risky to end-users. Consequently, the UN/CEFACT drafting team had developed a whole new approach, an irrevocable royalty-free licence, specific and free to all users and contributors.

54. The OLA had requested in its comments that all participants should grant full indemnity to the United Nations for any third party claims. This was not acceptable, as no participant in UN/CEFACT work could accept an unqualified open-ended indemnity, which would turn into a total barrier to contributions to UN/CEFACT.

55. The United States had submitted a paper (Trade/CEFACT/2004/MISC.4) highlighting its concerns that intellectual property rights remained a serious problem that needed a fast resolution. The Government of Germany requested that the UN/CEFACT management seek advice from other parts of the United Nations, such as the United Nations Committee on International Trade Law (UNCITRAL), working closely with and receiving contributions from the private sector. The Chairman indicated that the secretariat had already received an additional letter from the World Intellectual Property Organization (WIPO) supporting their earlier advice to adopt the suggested UN/CEFACT policy. The Government of France reminded the meeting

that various aspects of intellectual property needed to be dealt with in various ways. Many international standardization organizations, such as ITU and ISO had dealt with the problem separating author's rights from other types of rights. The Rapporteur pointed out that an irrevocable royalty-free licence would cover all these aspects.

56. The Head of Delegation of Germany stressed the importance of an acceptable functional IPR policy and requested the Chairman and the secretariat to expeditiously seek a solution.

57. The Head of Delegation of Switzerland opposed development of a separate UN/CEFACT IPR policy, reminding the delegations that UN/CEFACT operated in a United Nations framework. It was therefore not acceptable for Switzerland to agree to any modifications that would apply to UN/CEFACT only, as this would lead to a situation where each subsidiary body could develop a policy of its own. Switzerland could therefore not agree to any modifications of the United Nations rules that would only apply to the UNECE. Belgium supported this position. The Chairman of the Committee recalled that the issue concerned the UNECE as a whole and thus, the Office of the Executive Secretary should be involved.

58. The representative of IAPH requested that the use of the United Nations logo in UN/CEFACT communications be clarified.

#### **Decision 04-15**

**The Plenary recognized the critical importance of having an effective IPR policy in place as soon as possible to respond to user requirements and supported the principles contained in the draft IPR policy of the CSG. It requested the support of the senior management of the UNECE in resolving the matters related to IPR efficiently, also seeking advice from other parts of the United Nations system.**

**The Plenary further requested the legal Rapporteur and the secretariat to urgently discuss the matter further with the OLA in order to make more effective and improve the current wording regarding indemnity in the version suggested by the OLA and to report to the Heads of Delegation in September so as to reassure the users as soon as possible.**

**The Plenary requested the secretariat to publish the existing United Nations IPR policy on the UN/CEFACT website.**

#### **Decision 04-16**

**The Plenary also requested the secretariat to clarify the use of logos for UN/CEFACT communications.**

#### Item 9 Management Structure

59. The Chairman introduced the management structure recommendations paper of the CSG (TRADE/CEFACT/2004/27). In the new structure, the plenary officers include the new vice chairs that would be elected at the end of the session. The Group chairs that would be elected at the Forum in September 2004 would then be confirmed as Rapporteurs to the Plenary in an intersessional process.

60. Transitional arrangements would be necessary until the Forum in September 2004, when the elections for the new Forum Management Group (FMG) would be held. In the interim, coordination would be carried out by the interim structure, a bureau with the FCT members as interim members. The CSG Chairman asked the Plenary to focus on the fundamentals of the proposal, and to make sure that the management of the Forum would be conducted at the closest possible level to the Forum. The OLA had requested the establishment of a direct link between the groups and the Plenary, leading to the nomination of the Rapporteurs. The secretariat paper TRADE/CEFACT/2004/37 should form the basis for the final structure.

61. The Standard Liaison Rapporteur would be nominated by the FMG and confirmed by the Plenary. The Chairman had prepared paper TRADE/CEFACT/2004/MISC.10 on the new structure, with four figures highlighting the suggested new structure as agreed at the Plenary.
62. The revised R.650/Rev.3 would be sent to the Heads of Delegation for intersessional approval – for 30 days only, however – so as to expedite the approval before the Forum in September 2004.
63. The secretariat introduced a document highlighting issues related to the requirements of the United Nations system in the new structure, including issues such as United Nations principles of neutrality, concerns of the OLA, as well as general meeting and reporting practices (TRADE/CEFACT/2004/10 and 37). The secretariat had been concerned by the insufficient suggested linkage between the policy level and the Plenary vis-à-vis the work in the groups. Consequently, it had proposed the establishment of a Bureau to assist the Chairman, acting as a direct link between the groups and the decision-making in the Plenary. The Chairman agreed that it was necessary to evenly share the workload. Working procedures needed streamlining and transparency.
64. The Head of Delegation of France introduced document TRADE/CEFACT/2004/7 with several items of concern related to the management, the decision-making and the functioning of UN/CEFACT and its groups.
65. The TBG also submitted a document (TRADE/CEFACT/2004/35/Rev.1) based on consultations held at the UN/CEFACT Forum in Bonn in March 2004. One of the core problems was the absence of authority of the FCT since the CSG exercised management functions between the Plenary sessions. Each Group had developed its own internal procedures without any harmonized approaches. There was no evidence of any reviews of the procedures and decision-making of the groups whose communications with the Plenary had been limited to yearly reports on work undertaken. The groups should remain empowered but R.650 should contain all the necessary instruments for proper management and the way in which it should be properly carried out.
66. The Government of Australia strongly supported the TBG approach and suggested limiting the number of vice-chairs to one. The Chairman responded that with just one vice-chairperson, the workload of the management would be a burden. The five vice chairs should all have a clear portfolio. The parent body, the Committee for Trade, Industry and Enterprise Development, could serve as a model in which the bureau structure functioned well. The United States recommended adding criteria, such as expertise, willingness to work, leadership to the requirements for management positions, in addition to availability.
67. The Chairman summarized the discussion with the sequence of the interim arrangements. At the Forum in September 2004, the groups would elect their chairpersons, and the Forum Plenary would elect the FMG Chair and vice chair. These chair nominations would be sent to HODs for confirmation as Rapporteurs to the Plenary in October. The other Rapporteurs – regional and legal – would be elected by the Plenary. The Standards Liaison Rapporteur would be elected by the Forum, and confirmed by the Plenary in October in the intersessional process. Additional regional Rapporteurs would be sought for Africa and Latin America.

#### **Decision 04-17**

**The Plenary approved the structure presented in the Chairman's paper TRADE/CEFACT/-2004/MISC.10 for the new structure of UN/ CEFACT comprised of a Plenary, a Bureau, a Forum Management Group and five permanent groups. The Plenary directed the Bureau to finish R.650/Rev.3 accordingly - as soon as possible but not later than the end of June 2004 - so that the constitutional document could be submitted for approval to the Heads of Delegation in an intersessional process before the September 2004 Forum. The Plenary decided to limit the review time for the Heads of Delegation to 30 days.**

**Decision 04-18**

**The Bureau would develop and publish a transition plan as soon as possible with the secretariat, will communicate the plan to the Forum by the end of June 2004.**

**Decision 04-19**

**The Plenary decided that R.650/Rev.3 would be the basis for the elections at the Forum in September 2004.**

**Decision 04-20**

**After the elections at the Forum in September 2004, the secretariat would send the list of Group Chairpersons to the Heads of Delegation for ratification as Rapporteurs using an intersessional process.**

Item 10 External Support Services Project Proposal

68. The Chairman noted that the related document (TRADE/CEFACT/2004/26) was a finished and translated version of document TRADE/CEFACT/2003/MISC.4 that had been initially discussed at the 9th UN/CEFACT Plenary. The document would not be officially approved as revision would be required to reflect the final structures and distribution of functions, to take place expeditiously for a final intersessional approval during autumn 2004. OLA had approved the original draft. The core part of the document was included in paragraphs 20 through 24 where the functions of the different parties – the secretariat, the Bureau, the PMG and the SSP were defined.

69. Once the structure, R.650 and IPR would be clarified, this document would be revised for an intersessional approval after a Bureau approval, with a final budget. When approved, the package also including R.650, the IPR policy and the programme of work would be processed through intersessional approval by the HODs, the Committee, the UNECE and the United Nations Controller.

70. The final approval process was estimated at about 9 months, after which United Nations contracting agencies, such as the United Nations Office for Project Services (UNOPS) would be used to acquire and channel the services required. These would include voluntary contributions from member States or large companies and contributions in kind and will be managed through a Trust Fund under the United Nations rules. The tentative budget totalled almost USD 12 million, although the CSG had anticipated that a large portion would come as contributions in kind.

**Decision 04-21**

**The Plenary noted document TRADE/CEFACT/2004/26. It requested that the Bureau revise it to take into account the decisions of the 10th plenary and resubmit the revised document (TRADE/CEFACT/2004/26/Rev.1) to the Plenary for approval in an intersessional process.**

**Decision 04-22**

**The Plenary requested the revision of the SSP document to be made available to the Forum in September.**

Item 11 Reports from UN/CEFACT Rapporteurs and related matters

Regional Rapporteur (TRADE/CEFACT/2004/22)

71. The 21st AFACT Plenary had been held in Karachi, Pakistan with some 100 participants from throughout the Asian region. An eAsia Award had been created to reinforce the AFACT mission in trade facilitation and

progress e-business in the region. The Award would be granted annually. Mr. Kenji Itoh of Japan, Vice-Chairman of UN/CEFACT, was especially rewarded for his outstanding long career in promoting trade facilitation in the region and his significant role in establishing AFACT. An ebXML Asia committee was established and was also a member of AFACT.

72. The 3rd UN/CEFACT Forum took place on 15 – 17 September 2003 in Seoul. Prior to the Forum, a sub-group of the CSG had visited 6 countries in Asia to promote the Business Collaboration Framework.

73. New implementation work was being initiated in Mongolia and Vietnam.

#### Legal Rapporteur

74. The Legal Rapporteur reported on his work under agenda item 4 (TRADE/CEFACT/2004/14).

75. The Standards Liaison Rapporteur reported on liaison under the Memorandum of Understanding (MoU) between the IEC, ISO, ITU and UN/ECE (TRADE/CEFACT/2004/23). Two MoU meetings had taken place, one in Detroit, United States, in November 2003 and another one in Geneva in April 2004. Discussions were under way regarding any changes needed to strengthen coordination efforts between the MoU signatories. In the MoU, special attention was being paid to avoid duplication in the programmes of work.

76. The UN/CEFACT Core Component technical specification and the business modelling methodology were well received by a number of MoU delegations and positive developments were reported by a number of organizations using UN/CEFACT Core Components, such as the Open Applications Group (OAG) and EAN International.

77. The Rapporteur had been in contact with a number of standards development organizations and had concluded that a new liaison policy for UN/CEFACT was needed. However, the IPR needed to be cleared first. The Rapporteur presented a draft discussion paper on the issue for information.

78. The representative of ISO pointed out a small mistake in document 23 to be corrected before circulation to the Forum.

#### **Decision 04-23**

**The Plenary noted the reports of the Rapporteur for Asia, the Legal Rapporteur and the Standards Liaison Rapporteur and requested the full report of the Standards Liaison Rapporteur be circulated among the Forum delegations, amended as requested by ISO.**

#### **Decision 04-24**

**The Plenary noted the secretariat's reports on technical assistance.**

#### Item 12 Results of secretariat studies

79. The Plenary noted the reports on the Czech Technical Assistance Project (TRADE/CEFACT/2004/24) and the implementation work undertaken by the secretariat (TRADE/2004/19). Trade facilitation promotion seminars were planned for October 2004. Essential supply-chain work was under way in the Russian Federation, financed by the World Bank. The secretariat, through the biomass project, supported this work directly. UNECE played an important part in the World Bank Trade and Transport Facilitation Programme in Southeast Europe (TTFSEE) in the harmonization of legislation and the simplification of procedures.

80. As the implementation of trade facilitation tools and instruments is growing steadily, the secretariat carried out a baseline study on the implementation of the UNECE trade facilitation recommendations (TRADE/CEFACT/2004/31). Responses were received from Bulgaria, Czech Republic, Denmark, Finland, France, Georgia, Kyrgyzstan, Latvia, Lichtenstein, Lithuania, Republic of Moldova, Netherlands, Norway, Poland, Russian Federation, Slovakia, Sweden, Switzerland, Turkey, Ukraine, United Kingdom and United States.

81. The Director of the Trade Development and Timber Division reminded the delegations of the importance of implementing the UNECE standards and recommendations. The following phase of the study should receive a better level of response. One way of improving the implementation levels was technical assistance. For instance, the Czech project had achieved remarkable levels of implementation, awareness and activity in some Central and Eastern European transition economies. The secretariat was also interested in developing similar projects with other delegations.

82. The secretariat presented the results of the reviews of UN/EDIFACT and UN/LOCODE (TRADE/CEFACT/2004/32 and 33). The numbers of Data Maintenance Requests (DMRs) had been diminishing over the past few years. UN/EDIFACT contained 207 messages (192 batch and 15 interactive messages) with a total of 30,191 components. The UN/EDIFACT website had been visited 51,000 times a month. The 4,500 monthly downloads totalled 2 % of all UNECE downloads.

83. The number of UN/LOCODE DMRs had increased significantly, with a level of around 10,000 per year. UN/LOCODE had 42,000 locations, with a total of 74,000 items in the database with the IATA, UPU etc. data included. The website had some 33,000 visitors per month with 1,900 downloads of the code list.

84. The Chairman noted that the visitor and download numbers clearly showed that UN/CEFACT products were very appreciated by Governments and the business community with UN/EDIFACT receiving 10 % and UN/LOCODE 2.37 % of the total of hits on the UNECE website.

#### **Decision 04-25**

**The Plenary noted the secretariat reports on the baseline study, UN/EDIFACT and UN/LOCODE.**

#### Item 13 Cooperation with other organizations

85. The Standards Liaison Rapporteur distributed a draft paper for discussion on UN/CEFACT liaison policy. He emphasized that a standards body should understand well its liaison role. Cooperation and communications might take place with partners and constituencies with various needs. The Rapporteur's paper contained best practice and experience gained from international bodies, both formal and informal. On this basis, UN/CEFACT should create a liaison development policy and liaison procedures supported by the necessary legal services to manage the UN/CEFACT portfolio of liaison relationships. Furthermore, the groups should be encouraged to employ formal liaison practices to accelerate development and avoid duplication of work.

86. In a meeting hosted by the secretariat, representatives of OASIS and UN/CEFACT had reaffirmed their willingness to continue cooperating on ebXML (the joint UN/CEFACT – Oasis statement in Annex 1). It was their intention to develop an agreement by the end of August 2004, following procedures to ensure that each party has full clarity in their work programmes in order to avoid duplication of effort and to comply with the rules of both organizations.

**Decision 04-26**

**The Plenary noted and welcomed the Standards Liaison Rapporteur's paper. It requested the Bureau to create a UN/CEFACT liaison policy taking into account the report of the Standards Liaison Rapporteur by the end of 2004, provided that an effective IPR policy would be in place.**

Item 14 Election of the vice-chairpersons and other officers and appointment of Rapporteurs

87. Some delegations enquired whether geographical consideration had been given in the new documentation, as had previously been the case. The Chairman replied that in order to create more flexibility, R.650/Rev.3 ruled that geographical balance should be taken into account but it was no longer a requirement.

88. The Government of Switzerland requested the secretariat to remind the Plenary delegations of voting rights, especially under rules 11 and 12, including non-UNECE member States and NGOs. The Chairman indicated that under UN/CEFACT rules, all UN/CEFACT members were allowed to vote.

**Decision 04-27**

**The Plenary elected Mr. Mike Doran (CERN), Mr. T A Khan (India), Mr. Duane Nickull (Canada), Mr. Mark Palmer (USA) and Ms. Christina Rahlen (Sweden) as vice-chairpersons of UN/CEFACT for a minimum of two years.**

**Decision 04-28**

**The Plenary re-elected Mr. David Marsh (UK) as the Legal Rapporteur for a new two-year term.**

**Decision 04-29**

**The Plenary elected Mr. Sangwon Lim (Republic of Korea) as its new Rapporteur for Asia for a three-year term.**

**Decision 04-30**

**The term of the Standards Liaison Rapporteur was extended till September 2004, when the Forum will nominate a Rapporteur for ratification by the Plenary.**

89. The Chairman congratulated the new vice-chairpersons and Rapporteurs and thanked the CSG for their invaluable work that was coming to an end with the closure of the Plenary. A lot of experience had been gained and it was hoped that UN/CEFACT could continue to benefit from it in the future. The Chairman extended his special thanks to the CSG Chairman, Mr Ray Walker, who had contributed to the work for 21 years and had highly contributed to making UN/CEFACT a success.

90. The Head of Delegation of Japan thanked Mr. Khan for his valuable contribution to AFACT. Mr. Lim thanked the Plenary for the confidence placed in him and promised to contribute actively to the work of UN/CEFACT.

Item 15 Review of decisions made

91. The Plenary adopted the decisions made at the 10th UN/CEFACT Plenary and requested the secretariat to prepare the full report of the session for intersessional approval.

**Decision 04-31**

**The Plenary requested the secretariat to make the presentations made at the Plenary available on the UN/CEFACT website.**

**Decision 04-32**

**The Plenary decided that when presenting and promoting UN/CEFACT work, delegations and Forum members should reflect the overall concept and context of the Centre's programme of work.**

**Decision 04-33**

**The Plenary adopted the decisions made at the 10th UN/CEFACT Plenary and requested the secretariat to prepare the full report for intersessional approval by the Heads of Delegation.**

**Decision 04-34**

**The Plenary decided to organize the 11th UN/CEFACT Plenary in Geneva from 20 to 24 June 2005.**

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Annex I



**NATIONS UNIES**  
COMMISSION ÉCONOMIQUE  
POUR L'EUROPE

**ОБЪЕДИНЕННЫЕ НАЦИИ**  
ЭКОНОМИЧЕСКАЯ КОМИССИЯ  
ДЛЯ ЕВРОПЫ

**UNITED NATIONS**  
ECONOMIC COMMISSION  
FOR EUROPE



**Statement by OASIS and UN/CEFACT Representatives**

21 April 2004

At a constructive meeting hosted by UNECE, representatives of OASIS and UN/CEFACT had a full exchange of views and have reaffirmed their willingness to continue their cooperation on ebXML. Their intent is to develop an agreement within a four-month period at both the strategic and tactical levels, which will contain procedures to ensure that each party uses their best endeavours to have clarity in their work programmes and effective communication, with a view to avoiding duplication of effort, subject to the rules of each organization and consistent with the objectives of the Memorandum of Understanding between ISO, IEC, ITU and UNECE on electronic business. The proposed cooperation agreement is aimed at improving understanding and clarifying the public perception of how the organizations will work together. Both parties intend by these actions to demonstrate their commitment to ebXML and its communities of developers and users.

It is intended that a joint press release will be published before the UN/CEFACT Plenary on 17-19 May and the cooperation agreement will be approved by both parties by the time of the September 2004 UN/CEFACT Forum meeting.