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MATTERS ARISING SINCE THE FOURTEENTH SESSION

**UN/CEFACT integrated strategic capacity-building plan with specific focus
on the needs of transition economies**

Note by the UN/CEFACT Bureau and the secretariat¹

Summary

The Executive Committee (EXCOM) at its 29th meeting on 27 February 2009 adopted recommendations to the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT) (see document ECE/EX/4). One of these recommendations requested the development of an integrated strategic capacity-building plan, in collaboration with the secretariat, on the use and implementation of UN/CEFACT instruments and the initiation of supporting actions, with particular attention to the needs of transition economies. The secretariat is expected to play the key role in implementing this plan and in undertaking relevant capacity-building activities. EXCOM invited UN/CEFACT, with the active participation of the secretariat and interested EXCOM members, to develop this particular strategic action plan no later than June 2009.

During the preparation of the plan, informal meetings took place with various EXCOM members for guidance. In setting the stage for going forward, the framework envisages the use of available resources, which may also be supplemented on an extrabudgetary basis. The original version of this document was reviewed by EXCOM at its meeting of 13 July 2009. The present version reflects comments received and the conclusions of the Chairman.

¹ This document was submitted late for document processing as clearances from relevant parties were received late.

INTRODUCTION AND BACKGROUND

1. The United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT) develops a wide range of recommendations, standards and technical specifications with the goal of simplifying and harmonizing business processes, procedures and information flows in national and international trade.
2. In February 2009, the UNECE Executive Committee (EXCOM) requested UN/CEFACT to develop no later than June 2009, and in collaboration with the secretariat, an “integrated strategic capacity building plan on the use and implementation of UN/CEFACT instruments, and initiate supporting actions, with particular attention to the needs of transition economies. The secretariat should have the key role in implementing this plan and undertaking relevant capacity-building activities²”.
3. UN/CEFACT presented the original version of this report to the EXCOM at their meeting on 13 July.
4. Following an exchange of views, the EXCOM Chairman's conclusions were the following:
 - (a) "The EXCOM thanked the UN/CEFACT Bureau and the secretariat for the reports and statements. It welcomed the progress made in the implementation of the recommendations of EXCOM. It further underlined the importance of UN/CEFACT's cooperation with other relevant organizations and the need to avoid overlap and duplication;
 - (b) The EXCOM expressed its recognition of the distinct roles and responsibilities between UN/CEFACT and the secretariat, the former having the expertise in the development of trade facilitation and electronic business standards and the latter in designing and implementing capacity building programmes. It therefore requested that the secretariat comments be taken into account when revising the two strategic action plans for submission to the UN/CEFACT Plenary in November, including a clear distinction of roles between the ECE secretariat and UN/CEFACT."
5. This current version of the document has been prepared by the secretariat and the Bureau in response to the EXCOM Chairman's conclusions. At the time of its submission to the Plenary, efforts were also continuing between the secretariat and the Bureau regarding operational clarity of their distinct roles and responsibilities.

I. INTEGRATED PLANNING AND DUE DILIGENCE

6. The effective implementation of UN/CEFACT's strategy will involve strong collaboration of activities and expertise among elected officials, the secretariat, national delegations and their experts, as well as others, with a view to achieving a successful plan, with due diligence to a number of factors, but especially to encourage coordination and wherever possible to avoid

² ECE/EX/4.

duplication of effort. In particular, these efforts may benefit, for example, from close coordination with other committees, secretariats and their advisers that support the various divisions of UNECE, other regional commissions of the United Nations, and international organisations (e.g. World Customs Organization, World Bank, United Nations Conference on Trade and Development, World Trade Organization and United Nations Development Programme). Most of all, activities will involve Member States which show interest in learning more about the use of UN/CEFACT trade facilitation instruments as well as Member States that may contribute their knowledge and experiences to assist in capacity-building efforts.

7. Careful planning, management and monitoring of a range of inter-related activities will be critical to the overall success of the proposed strategy. Accordingly, in the envisaged division of labour, the secretariat will closely collaborate with the Bureau and would be expected to have the key role in implementing the plan and in undertaking relevant capacity-building activities. Moreover, in matters involving extra-budgetary funding to support UN/CEFACT-related developments, the secretariat will follow established United Nations rules and procedures and will keep the Bureau informed.

II. BUILDING COMPETENCIES

8. The proposed capacity-building integrated strategic plan is targeted at the delivery of essential competencies in support of trade facilitation instruments of UN/CEFACT by:

- (a) Creating awareness ;
- (b) Developing knowledge ;
- (c) Preparing for next steps.

9. In the first instance, those engaged in national policy issues, decision-makers, key officials, managers, administrators and experts would be introduced to the concepts and benefits of trade facilitation from the vantage point of UN/CEFACT instruments (e.g. recommendations and standards), which reflect good practices and the use of mainstream technology, e.g. for national administrations, commerce and transport. A consolidated reference list of these instruments can be found on the UN/CEFACT website³.

10. Demonstration of examples would be used to help motivate awareness-building. Most importantly, these efforts can take advantage of materials that exist or are envisaged to be put in place as part of a UN/CEFACT communications strategy, which more generally involves the use of the UN/CEFACT website⁴. This will provide easy access to a wide range of information and tools as well as make available non-technical documents and brochures in UNECE languages.

11. The second step involves the actual transfer of detailed knowledge, clearly at the core of capacity-building, with more in-depth information about UN/CEFACT's recommendations and

³ www.uncece.org/cefact/cf_plenary/plenary06/trd_cf_06_10e.pdf.

⁴ www.uncefact.org.

standards. This is to serve the needs of those requiring an introduction to practical and technical principles. More details are provided in section V below.

12. Finally, the critical step, is to become well informed about how to proceed in preparing for engagement in technical assistance, in particular, projects associated with trade facilitation. This would involve making use of the knowledge conveyed about UN/CEFACT trade facilitation instruments and then focusing on ways to work together with partners, within and outside national borders, in order to improve existing procedures and systems. Most steps forward will involve the need to create projects and proposals and identify those national sources, international agencies and donors that might financially support the development and implementation of various aspects of trade facilitation, which would be envisaged to rely on UN/CEFACT instruments.

13. Simply stated, the proposed strategy is based on communication, competency and collaboration, all of which lead to concerted action in the area of trade facilitation. If properly monitored, the capacity-building strategy will also serve to encourage participation by experts in Member States in the ongoing work of UN/CEFACT, with a view to upgrading and strengthening its recommendations and standards for countries and stakeholders not actively involved in such developments, e.g. transition economies.

III. PRECONDITIONS IN PLACE TO GO FORWARD WITH STRATEGY

14. The organizational preconditions for launching the proposed capacity-building strategy follow from the approved UN/CEFACT programme of work for 2010-2011. For the area of capacity-building, UN/CEFACT will work with countries, in particular from the UNECE region, to develop user guidelines for UN/CEFACT standards⁵.

15. In addition, in 2008 the Plenary decided that UN/CEFACT should work with other international organizations to assist countries in implementing UN/CEFACT standards and instruments and, subject to the availability of extrabudgetary resources, should develop training materials, workshops and tools to support the implementation of UN/CEFACT standards and instruments, with special emphasis on countries in transition.

16. The capacity-building plan will support the UN/CEFACT programme of work 2010-2011⁶, in particular Activity 1.4 (Bridge the gap between paper and electronic business documents), Activity 2.1 and 2.2 (Support information dissemination on UN/CEFACT instruments within the WTO framework and for cross-border trade”, Activity 3.1 (Make know-how on UN/CEFACT instruments available to countries in transition, and to developing and least-developed countries) and the development of training materials and tools to support the implementation of UN/CEFACT standards and instruments in countries, as added to the programme of work during the 2008 annual session⁷.

⁵ ECE/TRADE/CEFACT/2008/16.

⁶ ECE/TRADE/C/CEFACT/2008/16.

⁷ ECE/TRADE/C/CEFACT/2008/40 (paragraph 48c).

IV. NATIONAL AND REGIONAL APPROACH TO APPLYING THE STRATEGY

17. Capacity-building should be seen as an integrated, medium to long-term, iterative process. In particular, being able to effectively prepare and provide relevant capacity-building in specific national and regional contexts involves understanding two main dimensions of the challenge:

- (a) Needs assessments ;
- (b) Identification of national/regional trade facilitation strategies.

18. Within the United Nations, needs assessments and implementation projects are undertaken at the request of, and in cooperation with, the recipient country. In the work areas covered by UN/CEFACT, such assessments are currently carried out by the UN Regional Commissions, the World Bank, the United Nations Conference on Trade and Development (UNCTAD), the United Nations Development Programme (UNDP) Aid for Trade Programme, other international and bilateral donors; and, to a lesser extent, through the World Trade Organization's national self-assessments for trade facilitation workshops.

19. The assessments provide input into identifying how selected UN/CEFACT instruments can support specific capacity-building programmes for meeting the national needs of Member States, for example, in the following areas:

- (a) Developing a national (or regional) trade-facilitation strategy;
- (b) Developing a strategy for implementing a set of interrelated trade-facilitation measures;
- (c) Implementing specific trade-facilitation measures.

V. DEVELOPMENT OF CAPACITY-BUILDING MODULES AND PACKAGES

20. At the heart of the capacity-building strategy, which aims to support the national and regional approach outlined above, is the modular design of information and capacity-building packages for key UN/CEFACT instruments. These will help countries understand how UN/CEFACT instruments can be used, and how experts can contribute to their further improvement. Related tools that showcase UN/CEFACT instruments via web methods are also essential in creating a one-stop, "one-voice" framework for capacity-building globally.

21. The core competence of UN/CEFACT lies in developing and delivering specific technical solutions, standards and recommendations to address country needs in the simplification, standardization and harmonization of trade process and procedures and the associated information flow. Moreover, UN/CEFACT standards, recommendations and tools are generic in their use, in that they can be used by businesses, traders and administrations including small and medium-sized enterprises from developed, developing and transition economies.

22. One integrated framework for explaining how UN/CEFACT tools support trade facilitation will be shortly available. It is the UN/CEFACT Trade Facilitation Implementation Guide. In trying to pinpoint national and regional assistance, it is envisaged that the Guide will help countries to develop national trade facilitation strategies, typically following, or as part of, a needs assessment.

23. The Guide covers the most common scenarios for trade-facilitation planning and implementation; and it is also complemented by a series of case studies, by a workshop manual, a DVD, website capabilities and a series of capacity-building events. It is expected to be finalized in early 2010.

24. In addition, capacity-building modules will be developed to cover a wide range of specific topics, to meet the needs of Member States and other stakeholders. In 2008 UN/CEFACT organized a survey on country priorities among the UN/CEFACT heads of delegation⁸. The results showed that stakeholders look for a single set of open, interoperable standards on the national and global level. Countries need a systemic approach to identifying and prioritizing their trade facilitation needs and simplifying and harmonizing the underlying trade processes and procedures. They also need the technical standards that separate trade information content (data) from the syntax (technical) implementation used for its transmission, allowing a choice of different data interchange standards (such as XML⁹ or UN/EDIFACT¹⁰).

25. Accordingly, some of the key technical areas to be covered by capacity building modules will be:

A. UN/EDIFACT

26. Recent studies confirm the lead role of UN/EDIFACT for electronic data exchange¹¹. UN/EDIFACT technology is stable, globally accepted and has a record of successful implementations in developing countries. The modules will focus on identifying existing message implementation guidelines and developing new message implementation guides for core areas of the international supply chain for transition economies, such as Customs, transit, and transport.

B. Core Component Library

27. Core Components are the main UN/CEFACT standard to describe and harmonize data, in particular for use with new Internet technologies. UN/CEFACT currently publishes its Core Component Library (CCL) twice annually as a spreadsheet. Projects are also envisaged to strengthen the library, making it a one-stop-shop dictionary for trade facilitation, e.g. aligning the WCO data model with CCL. Moreover, other envisaged efforts should facilitate easier access to

⁸ ECE/TRADE/C/CEFACT/2008/40, annex I.

⁹ Extensible markup language.

¹⁰ Electronic Data Interchange for Administration, Commerce and Transport.

¹¹ For example GS1 study on « eCom Standards in the GS1 community », http://www.gs1.org/docs/ecom/eCom_Standards_in_the_GS1_Community_2008.pdf show a robust and consistent increase in EANCOM implementation world wide. EANCOM is a subset of UN/EDIFACT.

the library through easy to use web tools via an Online Standards Showcase as well as a way to monitor standards developments that impact the library by means of an Online Standards Registry. The Online Standards facilities will become an important core resource for development of capacity building modules. Opportunities for designing multiple-language support will be given consideration, to better serve the needs of Member States, e.g. in transition economies.

28. Documentation will be developed to provide a concise implementation guide explaining how transition economies and developing countries can use the standard to harmonize data and documents for Single Window and cross-border trade. Indeed, organizations of the United Nations system have received frequent requests from transition and developing economies for training in use of the CCL, e.g. the Asia Pacific Economic Cooperation (APEC) electronic commerce steering group, which is developing a user guide.

C. XML Message Guide

29. A practical user guide to develop XML messages for paper and electronic documents using core components and the UN/CEFACT modelling methodology. Such a training module would be of particular importance for Central Asian countries to assist in implementation of an integrated set of trade, transport and administrative documents in paper and electronic format. Transition economies have frequently requested training and assistance for simplification and automation of paper documents at United Nations events such as those under the Almaty Programme of Action for Landlocked Developing Countries (many transition economies are landlocked).

30. Various modules would then be brought together in packages, to support high-level managerial as well as technical capacity-building as described below.

High-level managerial capacity-building package

Audience: Decision makers from government agencies and private-sector companies

This would provide non-technical information on the purpose and benefits of the UN/CEFACT project deliverables. Depending upon the content of the project, typical deliverables would include concise briefing papers explaining the standard or recommendation, its possible use, case scenarios, benefits, implementation requirements and possible contingencies. They will include links to more detailed information relevant to decision makers, such as implementation verification projects and lessons learned. These papers will be presented to the UN/CEFACT annual session, thus allowing their translation into Russian.

Technical capacity-building package

Audience: Technical and trade facilitation experts that design and implement projects using trade facilitation and eBusiness standards

This would provide implementation-related information on the standard, or recommendation, to subject matter experts. The material leads to a deeper understanding of the standard and enables the technical expert to manage the adaptation and implementation of the standard and to provide feedback to UN/CEFACT. The typical content of such a package could include (depending, in part on funding availability): user implementation guidelines; annotated examples; references to sample implementations, online training.

VI. PRIORITY NEEDS AND ROSTER OF UN/CEFACT EXPERT SUPPORT

31. For existing standards and recommendations, the development of capacity-building modules and packages will need to be prioritized. In particular, the detailed roadmap to implement the proposed strategy will need to address the needs of countries with developing and transition economies.

32. It is envisaged that the packages will be provided free of charge to potential users. Consideration is now being given to the use of a suitable open source licence. National organizations and educational institutions, particularly in transition economies, such as chambers of commerce and business schools and private-sector enterprises will be actively encouraged to further enhance and complement the training material and disseminate the information. The secretariat will make every effort to support alignment of these developments, helping to overcome the restrictions imposed by language and remote access that are frequent in transition economies as well as the lack of funding for capacity-building events in the region that focus on UN/CEFACT instruments.

33. The strength and resource base of UN/CEFACT lies in the volunteer experts who develop the standards and tools. Being the prime source of knowledge on the highly advanced e-business and trade facilitation instruments they develop, these experts are uniquely positioned to provide direct implementation support to transition economies. They could also be good candidates to deliver the capacity-building packages.

34. The secretariat will invite UN/CEFACT to nominate groups of experts to be listed in a roster of individuals who, on a voluntary basis, could provide implementation support for transition economies. The secretariat will establish and maintain the roster and match requests with volunteering experts.

35. In the case of specific modules and packages, these experts could support the contents of these packages, with the secretariat taking responsibility for their delivery by linking interested experts from transition economies, providing Internet-based communication links between experts and implementers, such as free of charge United Nations telephone and video services

and direct computer-to-computer links (WebEx). In addition, UNECE could provide the relevant UN/CEFACT working group with an Open Source eLearning Platform to increase accessibility of the training material.

VII. POSSIBLE AREAS FOR EXTRA-BUDGETARY FINANCED CAPACITY-BUILDING

36. At present, no extrabudgetary resources are available to support this capacity-building strategy through the UN/CEFACT trust fund. If such funding would become available for capacity building, the resources could be used in a variety of ways to develop modules, packages and key underlying envisaged tools. In addition, services of eLearning professional would also be explored. Two important resources in this field are:

- (a) Cooperation with the United Nations Institute for Training and Research (UNITAR). UNITAR is a specialized agency and has expertise in providing capacity-building. It cooperates with UNCTAD and provides an extensive training programme for trade and finance to transition economies. Cooperation with UNITAR would require access to extrabudgetary funds for development of the training programmes that UNITAR could then administer;
- (b) Implementation of an Open Source eLearning Platform to further disseminate the UN/CEFACT modules. This platform could be provided by UNECE in collaboration with an organization in a transition economy. Extrabudgetary resources could be used to adapt the UN/CEFACT modules to the Learning platform, to provide translation into Russian and national languages and to support virtual workshops on the Internet.

VIII. HOW TRANSITION ECONOMIES WILL BENEFIT

37. The UN/CEFACT capacity-building plan should provide a significant improvement to the support of implementation of these standards in transition economies.

38. The proposed roster of experts for transition economies will provide basic, personalized support for implementation. For transition economies, the availability of readily available content and access to experts would already be a major improvement over current arrangements. This content will also be provided in a format that can be further developed and adjusted by local experts for deployment in transition economies.

39. Other, specific measures in support of the delivery of the UN/CEFACT capacity-building modules in transition economies include:

- (a) Translation of capacity-building modules into Russian. This can be done either by UNECE alone or in collaboration with institutes in transition economies;
- (b) Integration of UN/CEFACT capacity-building modules into the technical cooperation projects conducted by the United Nations system as well as other multilateral organizations, bilateral donors and national organizations. This would

provide a major implementation opportunity for UN/CEFACT recommendations and standards in transition economies;

- (c) Additional dissemination through local institutions in transition economies. UNECE could liaise with organizations in transition economies such as chambers of commerce, universities and training institutes. These institutions could provide significant leverage for disseminating information. It would also ensure that capacity-building is delivered where demand is and in a format that is best adapted to local needs.

IX. NEXT STEPS

40. The preconditions for advancing this proposed strategy are in place, The Bureau and the secretariat can now actively take up their respective responsibilities, with the secretariat having the key role in implementing the plan and its relevant capacity-building activities on a step-by-step basis.

41. Specific tasks will include:

- (a) Consultations within and outside UN/CEFACT to establish an understanding of this proposed strategy and opportunities for collaboration and avoidance of duplication of effort;
- (b) Identification of a core group of Member States, especially involving transition economies, who would wish to participate in efforts to implement the strategy;
- (c) Identification of high-priority deliverables, most notably modules, packages and supporting efforts and web facilities associated with UN/CEFACT standards and recommendations and training techniques;
- (d) A resource evaluation and plan, which points to any need for extra-budgetary funding, and related follow up decisions and outreach by the Bureau and the secretariat;
- (e) Reporting on developments during the Plenary in November and to the UNECE Executive Committee in December.
