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Centre for the Facilitation of Procedures and Practices
for Administration, Commerce and Transport (CEFACT)

Third session, 16-20 March 1998

Item 2 of the provisional agenda

**REPORT OF THE CEFACT STEERING GROUP (CSG) CHAIR
TO THE CEFACT PLENARY**

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Submitted by the Chair of the CEFACT Steering Group (CSG)*

This report was prepared in accordance with the requirements for the
CEFCAT Steering Group Chair to submit a report to each Plenary, as
outlined in TRADE/R.650.

The Centre is invited to: review and approve this document.

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the secretariat.

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Introduction

1. As indicated in TRADE/R.650, the Chair of the CEFACT Steering Group (CSG) is required to submit a written report to each session of the Plenary on the Steering Group's activities, and on other relevant issues related to the operation of the mandated working groups. Accordingly, this report covers the work of the CSG since the last session and includes a number of items which require Plenary action or approval. These items are highlighted in the following text.

2. The CSG has met two times since the September 1997 session of CEFACT. This report covers all of the key issues discussed during those two meetings. However, more details can be found in document TRADE/CEFACT/1998/8 which covers the December 1997 and TRADE/CEFACT/1998/CRP.2 which covers the January 1997 meeting.

Mandates and Migration to New Structures

3. As foreseen in the previous report to the Plenary, the UN/EDIFACT Working Group (EWG) mandate was submitted by the JRT to the December CSG meeting where it received preliminary approval. The mandate has been published as TRADE/CEFACT/1998/2. If the Plenary approves the EWG mandate, then the final meeting under the UN/EDIFACT Rapporteurs' structure and the first meeting of the EWG will take place in April 1998 in Miami. At that point, the migration to the new CEFACT structures will have been completed on schedule and, as a result, there will no longer be a need for GE.1 to meet.

4. However, the CSG is concerned that there should be an orderly transition between the JRT and the EWG. Accordingly, it has appointed two of its members as "champions" to facilitate this process: D. Dobbing and, subject to confirmation, A. de Lijster. Issues that are still outstanding include the final EWG management structure.

Plenary action: **under CEFACT agenda item 3, to approve the EWG mandate as contained in document TRADE/CEFACT/1998/2.**

Working Group Activities

Permanent Working Groups

5. Of the five Permanent Working Groups mandated at the last CEFACT session, three groups have successfully held their inaugural meetings. In November 1997 the International Trade Procedures Working Group (ITPWG) and the Techniques and Methodologies Working Group (TMWG) met with good participation from experts and both groups agreed their initial work plans and terms of reference. The Legal Working Group (LWG) held its first meeting in February 1998 with additional experts from new countries and also agreed its work plan. For information, written reports from these groups can be found in documents TRADE/CEFACT/1998/5, TRADE/CEFACT/1998/6 and TRADE/CEFACT/1998/CRP.10

Plenary action: **under CEFACT agenda item 4, to note for information the Working Group reports found in documents TRADE/CEFACT/1998/5, TRADE/CEFACT/1998/6, TRADE/CEFACT/1998/CRP.10**

6. The Code Working Group (CDWG) is scheduled to hold its inaugural meeting the 19-20 March 1998 in Geneva and the Business Analysis Working Group (BAWG) is scheduled to meet for the first time during the Miami JRT/EWG in April 1998. To assist them in the designation of experts to these groups, a number of heads of delegation have sought clarification on the scope of their work. The champions for the CDWG and BAWG have drafted guidance on these issues which can be found in Annex A to this report.

7. Some heads of delegations have also sought clarification on the options open to them in the designation of experts to Working groups. In mandating the Working groups, the rules adopted by the Plenary for the designation of experts are broad and very flexible. Annex B contains some guidance on the possibilities open to heads of delegation.

Ad hoc Working Groups

8. The Ad hoc Group on the UN/LOCODE has now completed its work. Its recommendations can be found in document TRADE/CEFACT/1998/7, which is for approval, and the CSG would like to thank the participants to this group for their efforts and the quality of their contributions.

Plenary action: **under CEFACT agenda item 4, to approve the Recommendations contained in document TRADE/CEFACT/1998/7.**

9. The Ad hoc Group on electronic commerce will not submit its final report until the next CEFACT session in September 1998, however, the group has received some very interesting papers as input. The report from their December 1997 meeting can be found in document TRADE/CEFACT/1998/CRP.11 and contains a good working definition of electronic commerce.

Plenary action: under CEFACT agenda item 4, to note for information the report found in document TRADE/CEFACT/1998/CRP.11.

CSG Resolutions

10. As a management method for communicating decisions, the CSG has adopted the concept of numbered and dated resolutions. Resolutions will be recorded both in the reports for each meeting and the reports from the CSG Chair to the Plenary.

11. In the report of the TMWG to the December 1997 CSG meeting, a request was made to the CSG to give guidance on the subject of business information modelling to the UN/EDIFACT Group (EWG). The CSG considers the implementation of business information modelling to be extremely important for all aspects of CEFACT's work and recognizes its particular relevance to the work being undertaken in UN/EDIFACT. Accordingly, the CSG passed a resolution at its December meeting on this matter the text of which is contained both in the report from the December meeting (TRADE/CEFACT/1998/8) and Annex C.

12. In response to a concern from heads of delegation regarding the ability of experts to participate in groups electronically, the CSG passed a resolution on this matter which can also be found in Annex C.

Plenary action: under agenda item 4, to note the above CSG resolutions.

Rapporteurs

13. During the first CEFACT Plenary the idea was raised of using Rapporteurs to promote CEFACT's objectives in countries that are not ECE Member states and to stimulate participation from those countries in all aspects of CEFACT's work programme. Encouraging the participation of such countries and their experts in CEFACT's work programme is important to the Centre both to ensure that its work has global relevance and to accelerate the

implementation of its Recommendations. The most effective way of ensuring this participation is by working closely with the other UN regional commissions - combined with the appointment of CEFACT Rapporteurs.

14. The CEFACT Steering Group (CSG) has been considering in which geographical areas the appointment of a CEFACT Rapporteur would be advantageous. Currently three areas have been identified: Asia, South America and Africa. In South America and Africa further work needs to be undertaken in order to establish the right conditions for a CEFACT Rapporteur, but there is an important opportunity to make an appointment in Asia. Therefore, as a first step in the appointment of CEFACT Rapporteurs for areas outside the ECE, the CSG recommends the establishment of a CEFACT Rapporteur for Asia. Document TRADE/CEFACT/1998/9 details this recommendation and includes a draft mandate.

Plenary action: **under CEFACT agenda item 5, to approve document TRADE/CEFACT/1998/9 and appoint a CEFACT Rapporteur for Asia**

Work Programme

15. Following the comments made at the last CEFACT Plenary, the CSG has developed a uniform, practical approach to the work programme approved by the Committee for Trade, Industry and Enterprise Development (ECE/TRADE/210). This approach is based on activity planning sheets that break down the approved work programme into high level activities and then indicate the required supporting tasks with descriptions, priorities, dates, resources and status. All permanent mandated groups have been requested to indicate their forward work programme using these activity planning sheets and these have been consolidated into a new document TRADE/CEFACT/1998/CRP.3. This document is for information and comment, so that a revised version can be published for the September session. It is the intention of the CSG to ensure that these activity planning sheets are updated and published on a regular basis.

Plenary action: **under CEFACT agenda item 6, to note for information document TRADE/CEFACT/1998/CRP.3.**

Work Programme Strategy

16. CEFACT heads of delegations have pointed out on a number of occasions the need for the work programme to be related to an overall strategy. In response, the CSG has discussed this issue in-depth at its December 1997 and January 1998 meetings. A number of issues have been identified. For example, would it be advantageous to the implementation of trade facilitation recommendations for them to be embedded into guidelines associated with, for example, an existing WTO legal framework or to develop, in conjunction with others, a separate trade facilitation convention?

17. It is also important to relate overall strategy to individual programme elements and to express the strategy to a wider audience. In this context, the CSG has discussed the scope of CEFACT's work, its common basis (improving processes) and how this common basis relates to individual programme elements. For example, the approach to removing barriers within an international trade area and within, say, healthcare are very similar. Both require analysis of the process and then a series of steps involving simplification, harmonization and standardization.

18. Communicating the key benefits of this approach to a wider audience is vital. To that end, the following draft statement was developed, as an introduction to the strategy document, and the CSG would welcome comments on it.

"Everyone is talking about global commerce, but making it happen is a real challenge. It requires open and effective business and administrative processes which are the goal of CEFACT. Such processes combined with information technology provide substantial benefits to enterprises and governments alike. Some of these benefits are:

- *simplified procedures;*
- *integrated supply chains;*
- *effective trading communities;*
- *reduced cycle times;*
- *streamlined business; and*
- *lower costs."*

19. The work on developing a strategy is continuing and a CRP (TRADE/CEFACT/1998/CRP.12) will be available at the March 1998 CEFACT session. It is hoped to finalize this document for approval at the September 1998 session.

Promotion

20. The CSG continues to believe that it is vital for CEFACT to have a pro-active promotion and awareness programme. In today's environment it is not sufficient to do good, expert job - i.e to be worthy - if government and industry are not aware of the work CEFACT is doing, then they will not participate - or use the results of that work. Further, as other organizations become interested in trade facilitation and electronic commerce it is important that they be aware of CEFACT's mission and objectives, both to avoid duplication and to optimise co-operation.

21. The secretariat's recent publication of the CEFACT brochure is a step in the right direction and the CSG is strongly encouraging the secretariat to develop the CEFACT WWW site. However, these initiatives now need to be built into an overall programme. The CSG recognizes that, for a number of reasons, the Plenary has not been able to progress this issue, but now believe that this has become a matter of urgency.

Plenary action: under CEFACT agenda item 7, to review and take action on a promotion and awareness programme

Cooperation with other International Organizations

WTO

22. At the time this report was prepared, plans were well advanced for a 9-10 March 1998 WTO seminar on trade facilitation at which CEFACT will have an important role to play. This may lead to a more focussed interest by the WTO in trade facilitation and, increase co-operation between the WTO and CEFACT secretariats. The secretariat will report to the Plenary on the outcome of this seminar in TRADE/CEFACT/1998/CRP.4.

Liaison with Standards Organizations

23. Under CEFACT's new structures mandated groups have the responsibility for establishing their own external liaisons and a number of group may wish to establish such liaison with formal or informal standards organizations. For example, with the International Organization for Standardization (ISO), the International Electrotechnical Commission (IEC), the International Telecommunications Union (ITU) or Continuous Acquisition and Lifecycle Support (CALs) groups and the Internet Task Force (ITF). However, it is clearly important that such liaisons are coordinated in an effective manner and, for this purpose, that the organizations involved have one contact point within CEFACT. To accomplish this, the CSG

have, as reported in document TRADE/CEFACT/1998/8, appointed Mr. K-D Naujok as standards liaison coordinator for the CSG.

Plenary action: **to note the appointment of a standards liaison coordinator for the CSG**

ISO

24. At the time of writing, a new draft MoU is under development with the ISO and the IEC for eventual approval by the heads of each organization (in our case the Executive Secretary of the ECE). The UN/ECE would like to extend this MoU to include the ITU and their is general agreement to extend its scope to electronic business. ISO wishes to reflect the recommendations from their High level steering group on CALS and invite participation in the MoU by CALS and NATO/CALS, these being recognized by the ISO as groups with defined standardization requirements. The CSG wishes to ensure open relationships with CALS and other, equivalent industry groups, but it is important that they are all treated in an equal manner. Further, the MoU should reflect a clear distinction between standardization organizations and participating industry groups. Therefore, the CSG is working with the ISO to ensure that these concerns are met.

25. At the January 1997 meeting of the Joint ISO UN/ECE Syntax Development Group (JSDG), in response to industry concerns on year 2000 compliance (i.e. 4, rather than 2 digits for year representation) and to another technical issue known as segment collision, the JSDG unanimously agreed on solutions to these two issues. In order to include these solutions as part of the current fast-track process (for version 4 of the syntax), the CSG have authorized, on behalf of CEFACT, the ISO Central Secretariat to include the new solutions in the final draft international standard. It was necessary for the CSG to take this step because of an end of January deadline. The alternative was to wait several years for the next revision of the syntax standard and the CSG judged this not to be in users' best interests.

Plenary action: **to note the ongoing work on the MoU and the above mentioned decision regarding version 4 of the Syntax**

Resources

26. The last year has been a formative period for CEFACT, but if it is now to fulfill its promise, the work programme needs to be developed and implemented and the permanent mandated groups fully supported by heads of delegation. If this does not happen, then CEFACT will not achieve its objectives and a significant opportunity to improve global commerce will have been lost. The Chair of the CSG is concerned that all heads of delegation

actively support working groups by the designation of appropriate experts and strongly encourages them to do so.

27. As mentioned in the last report, all groups have been asked to continue with their existing resource levels, subject to a review one year after formal approval of their mandates by the Plenary, i.e. for most groups, September 1998. However, the Chair of the CSG has had discussions with the secretariat to confirm that secretariat resources are being allocated as agreed.

Procedures

28. Other than the above mentioned decisions on CSG resolutions and the establishment of an R.650 amendment file by the secretariat (as requested during the September 1997 CEFACT meeting) there is nothing to report under this item.

Other Matters

Single Entry Processing Points (SEPPs)

29. One of the consequences of the empowerment of the JRT with its replacement of the UN/EDIFACT Rapporteurs' structure, is the possibility for single countries or international organizations to submit Data Maintenance Requests (DMRs) into the UN/EDIFACT process (known as Single Entry Processing Points: SEPPs).

30. Whilst this change has been agreed in principle, before it can be implemented a number of requirements need to be met in the form of changes to the current DMR system. These include: automation of the DMR submissions to the UN (i.e. replacing the current paper-based system), the development of criteria to qualify as a SEPP (including the ability to undertake a preliminary technical assessment of DMRs) and the establishment of a single international technical assessment process. Currently there are four processing points: Alexandria (US), Brussels, Tokyo, and Sydney. Without the above requirements being met, managing input from any additional SEPPs would place an impossible burden on the CEFACT secretariat. This is because the workload, under the current system, increases substantially with the addition of any new processing points.

31. In view of this, and because of its responsibility for ensuring the effective use of UN resources, the CSG has decided that there should be no new entry points for submitting DMRs until the above requirements have been fulfilled.

Plenary action: **to note the above CSG decision.**

Steering Group Attendance

32. The majority of CSG members have attended all, or almost all of the meetings. However, two members have been unable to attend any of the meetings and it now appears that another member may have to resign. The CSG has a requirement for a quorum of two thirds (10 members) and depends fundamentally upon the full participation of its members both to ensure a wide spectrum of contributions and to maintain a balance among various interests. Therefore, as indicated in the CSG procedures, the issue of non-attendance by two CSG members for five meetings has been raised by the Chair of the CSG with the relevant nominating Heads of delegation and it may be necessary at the March 1998 session to elect up to three new members to the CEFACT Steering Group. If this is the case, the secretariat will confirm the situation by fax to Heads of Delegation no later than 2 March 1998 and request nominations.

Plenary action: **if appropriate, under agenda item 10, to nominate and elect up to three new members to the CSG**

Future meeting dates

33. The following meeting dates for the next 18 months have been agreed.

1998	June 15-18, Geneva
1998	September 16-18, Geneva
1999	January 25-28, Location to be confirmed
1999	June 21-25, Location to be confirmed

ANNEX A

Guidance on the roles of the Business Analysis Working Group (BAWG) and Codes Working Group (CDWG)

Business Analysis Working Group (BAWG)

The objective of the Business Analysis Working Group (BAWG) is to analyse current business processes and to propose appropriate changes to those business processes.

The role of the BAWG includes the following:

To identify business domains;

a business domain is defined as an area of “business” activity such as manufacturing, healthcare, social administration, etc.

To identify a domain’s interfaces with other domains;

for example; manufacturing will have an interface with logistics and sales, while healthcare will have an interface with medical insurance and, often, with social administration.

To identify the processes within a domain;

for example; within manufacturing there is a procurement process, a materials management process, a quality control process, etc. while within healthcare, there is a procurement process, a referral process (e.g. referral from a doctor to a specialist or hospital), etc. Within a process there will be a combination of functions and activities which are supported by procedures and information flows.

To provide high level domain models to the appropriate empowered group(s),

using an agreed technique, the domain models will allow identification by the empowered group of the functions, activities and procedures as well as the details of the information parcels, within a process, required to achieve its business goal.

To receive from empowered groups (such as EWG's Joint Message Design Groups) their detailed models

and analyse them to determine if the most effective process, procedures and interfaces have been used and match the domain model(s).

To recommend simplification and rationalization of the procedures and information flows within a process;

for example, within procurement, the elimination of invoicing.

Where appropriate, suggest standardized or harmonized processes;

for example, the procurement process in manufacturing and healthcare may be capable of harmonization.

Codes Working Group (CDWG)

The objective of the Code Working Group (CDWG) is to oversee the development, maintenance and use of a coherent set of procedures and underlying processes to govern the production, quality control and publication of CEFACT code sets and code structures. Its role is one of management and co-ordination in order to secure the quality, relevance and availability of appropriate code sets and code structures. This will cover both UN/EDIFACT Code Directories and UN Recommendations related to codes.

The CDWG tasks **do not** cover the regular maintenance, quality assurance and production of the individual code sets. This activity remains the responsibility of the established Working Groups and maintenance agencies. The CDWG however, will review and develop proposals and recommendations on procedures to improve, streamline and integrate the availability of CEFACT published codes. The CDWG will ensure that the requisite administrative processes and Maintenance Agency functions are consistent and integrated, and minimise any areas of overlap.

The CDWG will act as the focal point for all new UN Recommendations related to codes and code structures revisions to existing Recommendations. The CDWG, in conjunction with the UN Secretariat will establish sub-groups to act as the maintenance agencies for the relevant UN Recommendations and will monitor the progress of their work. As part of this process, CDWG will evaluate requests for new UN Recommendations related to codes and will make recommendations to the CSG accordingly.

The key deliverables of CDWG are:

Proposals on procedures for the effective maintenance and publication of CEFACT code sets;

This will be achieved by reviewing and evaluating the current maintenance procedures for the UN Recommendations related to codes and for the UN/EDIFACT code sets. Based on this analysis and where appropriate, proposals will be prepared for improvements in the maintenance and publication of these code sets.

Proposals on procedures for the quality control of CEFACT code sets, including procedures for the periodic review of CEFACT code sets to ensure the relevance and consistency of these code sets;

This will be accomplished through actions by the CDWG to develop and prepare proposals on procedures that ensure the quality of the CEFACT code sets, including where appropriate the means and instruments to effect close cooperation and coordination across the various maintenance agencies. The CDWG will monitor the relevance of the code sets to the CEFACT community and will develop and prepare proposals to ensure that a high level of consistency and coherency is attained across the numerous code sets.

Proposals, including draft Recommendations, for new code sets and code structures to support business processes and procedures.

The CDWG will evaluate all requests for new code sets and code structures and where appropriate will submit proposals to the CSG for new draft UN Recommendations in accordance with the required business function. Furthermore, subject to the CSG's approval of a new draft Recommendation, the CDWG will assign the maintenance activity to an existing maintenance agency or will establish a new maintenance agency and will advise on the maintenance procedures and quality control aspects.

ANNEX B

Guidance on some of the options open to a CEFACT Head of delegation in designating experts to empowered groups

CEFACT has now approved most of the mandates for empowered groups and the mandates encourage Head of Delegations to designate appropriate experts to the groups.

Within each mandate, the following wording has been used:

“Each CEFACT Head of Delegation may designate one or more experts to the mandated group. In doing so, they may delegate this task to one or more organisations which may be national, regional or international. Experts, once designated, are expected to contribute to the work based solely on their expertise.”

This wording is deliberately broad and flexible because Head of Delegation will have very different national situations to take into account and, in some cases, there will also be regional or international issues to consider.

Because of its broad and flexible nature, a number of delegations have sought clarification on how this designation (and its delegation) should be interpreted. The purpose of this paper is to detail some of the options available to a Head of Delegation who can be from a UN member state, an inter-governmental organization, or a non-governmental organisation accredited by ECOSOC.

The basic rule is that all experts participating in a mandated group need to be designated, directly or indirectly, by a Head of Delegation and, whatever method is used, the Head of Delegation retains accountability for the designation. This means that the Head of Delegation always has the option to personally designate experts from their country or, in the case of an inter-governmental or non-governmental organisation, from their organization. Further, the Head of Delegation may change the method they use for designating experts at any time.

Options include:

- 1) **The Head of Delegation personally designates experts from their country or organization but, in addition, formally delegates to bodies in their country or organization, the opportunity to designate experts.**

Example: The Head of Delegation names an expert from the national EAN organization to the Codes Working Group, but delegates to the national trade facilitation organization the designation of experts to the International Trade Procedures Working Group and to the national EDI organization the designation of experts to other groups.

- 2) **The Head of Delegation personally designates experts from their country or organisation but also delegates to a regional or international body active in CEFACT's work, (which may or may not be accredited) the opportunity to designate experts.**

Example: The Head of Delegation names a number of national experts to all the mandated groups but, in addition, delegates the opportunity to name experts to the UN/EDIFACT Working Group to a regional body, such as the Asia EDIFACT Board.

- 3) **The Head of Delegation delegates to a regional or international body active in CEFACT's work, (which may or may not be accredited) their powers of designation.**

Example: The Head of Delegation does not name any experts themselves, but delegates to a regional trade facilitation body, such as the EUROPROS, the opportunity to name experts to the ITPWG and the naming of experts to the EWG to a separate regional body such as EBES.

The above options are only a few of the scenarios that could be envisaged. In addition, the Head of Delegation may decide to use different options for different mandated groups.

ANNEX C

CEFACT Steering Group Resolutions

Resolution CSG/1997/1

RESOLUTION ON THE USE OF BUSINESS AND INFORMATION MODELLING

The UN/CEFACT Steering Group (CSG) resolves that business and information modelling is an essential requirement to the future of UN/EDIFACT and that the implementation of business and information modelling is a critical objective of the CEFACT strategy and its attendant work programme. Accordingly, the CSG further resolves that all new United Nations Standard Messages (UNSMs) submitted as a Message in Development (MiD) shall utilise modelling as a condition of submission and approval commencing at a date to be jointly agreed by the CSG and the UN/EDIFACT Working Group (EWG).

In support of this resolution, the CSG requests that the EWG, after considering an analysis and impact study provided by the Techniques & Methodologies Working Group (TMWG), submit their comments, and in consultation with TMWG, a proposed target commencement date to the CSG not later than 1 June 1998.

Resolution CSG/1997/2

RESOLUTION ON ELECTRONIC PARTICIPATION IN WORKING GROUPS

The UN/CEFACT Steering Group (CSG) strongly encourages all working groups to expand participation in their work programme through the use of electronic means to progress their work.
