Minutes of the Electronic Commerce Ad hoc Working Group (ECAWG) meeting

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MINUTES OF THE
ELECTRONIC COMMERCE AD HOC WORKING GROUP (ECAWG)
MEETING

Geneva, 5 December 1997

Participants:
Chairman: C. Chiaramonti (France)

K. Gharbi (Tunisia)
K. Itoh (Japan)
A. de Lijster (Netherlands)
S. Mila (Spain)
K.D. Naujok (USA)
J. Oriol (Spain)
D. Perpignan (Brazil)
R. Walker (United Kingdom)
T. Wheel (USA)
P. Wilson (United Kingdom)

UN/ECE

D. Choi
V. Cram-Martos
H. Hansell

Secretary: J. Kubler

Apologies: E. Peeters (Belgium)

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1. Approval of the agenda
1. The agenda was approved.

2. Opening of the meeting

2.1 Welcoming address by C. Chiaramonti

2. Mr. C. Chiaramonti introduced the three deliverables which were expected by the group, namely:
- A working definition of electronic commerce (EC in this document) for use within CEFACT;
- A report presenting an analysis of the applicability of the CEFACT work programme to EC;
- Draft proposals for areas of additional contributions by CEFACT.

3. He then listed a number of questions: UN/EDIFACT is the computer to computer exchange of information, but what about human to computer exchange? Should this information be aligned with UN/EDIFACT? Could we express the UN/EDIFACT directories using, for example, Java classes? He considered it to be a challenge for CEFACT, as a standard setting body, to provide neutral (i.e. software independent) data specifications which covered the total transaction chain, from buyer to seller, and which would allow open communications using all new technologies, from integrated EDI to electronic forms (e-forms) on Internet.

4. He mentioned that EDI was seen as the tool for large companies and services while the new Information and Communication Technologies such as Internet and the World Wide Web (WEB) could easily be used by SMEs. Any business transaction is initiated by an economic operator to meet supply or demand (and automated exchange of business data from computer to computer satisfied such an economic operation) and SMEs therefore had to be able to link to the transaction chain by using a toolbox for electronic commerce.

5. As a consequence, CEFACT should be able to deliver the neutral data specifications for these toolboxes. For example, the layout key developed by CEFACT could be applied to electronic forms. CEFACT has long experience on legal, facilitation and simplification issues which is essential for effective global electronic commerce.

6. He stressed that for electronic commerce, the automation of the global value chain requires specifications starting from scenario, transactions, data and ending with codes. Within this chain, CEFACT has to consider electronic forms (e-forms) and make sure that its products can be embedded in these tools.

7. As the only body in the world which merges trade facilitation, recommendations for implementation and neutral data specifications, CEFACT has a unique role to play. In that context, CEFACT has to pay special attention to countries in transition and countries in development and ensure that our products can be used by the SMEs in these countries.

8. He encouraged the new experts from Tunisia, Spain and Brazil to provide us with another view on this issue.

2.2 Review of new needs and new opportunities as seen by the participants

9. Mr. T. Wheel introduced a diagram of his view of electronic commerce and the role of EDI. He emphasized that computer to computer exchange of information is defined by UN/EDIFACT and that it is critical for the effective automated exchange of data. The WEB is seen as a graphical interface enabling consumers to be linked to business. CEFACT therefore has to try to promote its achievements and expertise and secure an effective and transparent exchange of information, starting at consumer level.

10. Concerning the role of policy makers and business experts, he thinks that CEFACT's expertise relates to the content and structuring of business information and that this expertise could be made available through WTO and other forums. Governments, WTO and other such forums have the responsibility of policy decisions related to electronic commerce such as the current procurement policy discussions in WTO; it is CEFACT's responsibility to secure the business information flow.
11. Mr. A. de Lijster informed the group that the Government of the Netherlands is highly interested in the discussions about electronic commerce and that CEFACT has to investigate how these tools could facilitate trade.

12. Mr. K. Gharbi said that EDI is seen as the tool for high volumes of information exchange and that the day-to-day business for SMEs such as the search for information or products is done via the WEB and e-mail. In that context, Mr. C. Chiaramonti mentioned that Internet and the Web are tools which easily allow SMEs to access and exchange information. Once automated exchange is required, it is important for trade facilitation and simplification to promote the use of structured data for effective and open exchange of information among the participants.

13. Mr. D. Perpignan informed the group that industry in Brazil is well aware of EDI and UN/EDIFACT. But as the cost of access is very high, the WEB and Internet help to connect the companies and at a lower cost. Users on the WEB develop proprietary solutions as they are not aware of UN/EDIFACT. As a result, the lack of standardization for the exchange of information between consumers and business is costly. He quoted as an example the UN Layout Key which has the possibility of being promoted as a facilitation and standardizing tool through e-forms on the WEB.

14. Mr. J. Oriol informed the group that the port of Barcelona had been using EDI and UN/EDIFACT since 1993, receiving and sending information to/from customs, shipping agents (95% of the information). SMEs are trying to use e-mail instead of UN/EDIFACT and the port authority is developing an infrastructure to allow the integration of this type of information within the automated exchange of data. The promotion of CEFACT’s work is seen as an important matter and therefore ought to be more proactive.

15. Mr. P. Wilson expressed the view that, unless CEFACT identifies its role in electronic commerce, its work as well as its trade facilitation tools would be marginalized. CEFACT has to:
   • Identify its area of expertise in electronic commerce
   • Define how to sell its products and coordinate with other parties to achieve a global solution (e.g. TMWG identified a closer cooperation with software providers),
   • Recognize that the six-month period for this group was too short to achieve its objectives.

16. The group clearly identified the importance of active promotion and education for achieving CEFACT’s objectives within electronic commerce and pointed out that time is a critical factor.

2.3 Working definition of electronic commerce

17. The following working definition for electronic commerce within CEFACT was approved:

**Electronic commerce** - For use within CEFACT activities, Electronic Commerce is defined as doing business electronically. This includes the sharing of unstructured or structured business information by any electronic means (such as electronic mail or messaging, World Wide Web technology, electronic bulletin boards, smart cards, electronic funds transfers, and electronic data interchange) among suppliers, customers, governmental bodies and other partners in order to conduct and execute transactions in business, administrative and consumer activities.
3. Key Topics

3.1 Review of topic list

18. The topic list (document N006) was reviewed and updated as follows:

- **Topic 1: Definition of electronic commerce**
  - Done
- **Topic 2: Role of Governments**
  - This is not a topic relevant to CEFACT but a consideration
- **Topic 3: Comparison of President Clinton’s July 97 Memorandum on electronic commerce with CEFACT programme of work**
  - Done
- **Topic 4: Customs and taxation**
  - Not relevant to CEFACT
- **Topic 5: Electronic payments and finance**
  - This was included in the business information level
- **Topic 6: Business models**
  - CEFACT could claim for a primacy
- **Topic 7: Standardization**
  - Done
- **Topic 8: EDI – What does it mean to electronic commerce?**
  - Done
- **Topic 9: What happens to countries not on the information highways or to SMEs? Text had to be provided**
- **Topic 10: Legal issues**
  - Not relevant to CEFACT
- **Topic 11: Security issues**
  - Text had to be provided

3.2 Review of contributions

Not addressed owing to lack of time.

3.3 Review of the goals and problems for CEFACT

Addressed under 2.2.

4. Identification of topics relevant to CEFACT and areas of contributions

4.1 Relevance of electronic commerce for CEFACT WGs and their possible role

Addressed under item 5.

4.2 Relevance of electronic commerce for CEFACT programme of work

19. Concerning the discussion on areas of additional contributions, Mr. R. Walker underlined that we first needed to get the results from the wider survey of CEFACT’s programme of work before we could address the third deliverable.

4.3 Definition of priorities

Addressed under item 5.
5. Action Plan for progressing the issue

20. The group addressed the general issue of CEFACT's area of expertise within electronic commerce.

21. Mr. T. Wheel underlined that CEFACT does not deal with "technical standards" such as algorithms, transport mechanisms and that UN/EDIFACT is the specification of business information, e.g. contents of information flows going over electronic means, scenarios and structuring of data and codes.

22. Mr. P. Wilson stressed that CEFACT defines the business information required for electronic commerce and ways to simplify and facilitate it. CEFACT provides definitions, business analysis and made recommendations about structured data to be processed and recommendations about the harmonization of data.

23. Mr. R. Walker said that CEFACT's area of expertise could be summarized as process analysis and semantic content of structured information.

24. Concerning the approach on how to present the areas of contribution by CEFACT, it was agreed that the framework approach as presented in document N004 “Comparison of President Clinton's July 97 Memorandum on Electronic Commerce to CEFACT's programme of work” is the best suited to present our deliverables. It also has the merit of being a promotional approach.

25. As electronic commerce and facilitation needs to be linked in a wider form, it was agreed that the group would develop a CEFACT framework for identifying it's areas of primacy and use the same way of presenting the deliverables.

26. Mr. R. Walker underlined that, once amended, these areas of primacy should be circulated to policy makers widely.

5.1 Identification of areas of contribution by CEFACT
Addressed under item 5.3

5.2 TOC of the reporting document to CEFACT
Addressed under item 5.3

5.3 Action steps, responsibilities and schedules

27. **Action 1:** Mr. T. Wheel is to convert document N008 “CEFACT programme of work” into a matrix and revise President Clinton's memorandum accordingly. The proposal will be circulated via the list server for comments and finalization.

28. In order to review the programme of work of other organizations involved in electronic commerce and identifying linkages, use is to be made of the list of organizations as provided in N020.

29. **Action 2:** The following experts would be the champions for reviewing the programme of work of other organizations.
   - Mr. C. Chiaramonti for ICC (via A. De La Presle)
   - Ms. V. Cram-Martos for UNCTAD
   - Mr. K. Itoh for APEC
   - Mr. J. Kubler for the MoU on Generic domain names - ITU
   - Mr. K. Naujok for IETF
   - Mr. F. Vuilleumier for WTO (to be confirmed)
   - Mr. R. Walker for UNCITRAL
   - Mr. R. Walker for OECD
   - Mr. P. Wilson for the MoU on EU and G7

30. **Action 3:** It is agreed to provide the March session of CEFACT with a progress report. As the third deliverable would be delayed because of the high quality required, the group agrees to prepare a final report for the September Session.

### 6. Recommendations by the group at this stage

32. The group discussed on the follow-up of its work. Mr. T. Wheel suggested that there was a requirement for a continuous review and monitoring.

33. The group agreed that there was no need for a permanent group. As the report showed, a core/task group within the CSG might be sufficient to provide the coordination function.

34. Mr. R. Walker introduced the idea of an information paper that should be produced and would be part of the recommendation. The production of an INF document was added to the deliverables of the group.

### 7. Closing of the meeting

35. The meeting was closed. All further work will be carried out electronically using the list server.

The Chair expressed his thanks to the participants, in particular to those who had travelled especially for this meeting.
Annex A: Recommendations

<table>
<thead>
<tr>
<th>RecNumber</th>
<th>Recommendation</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>ECAWG identified that there is a requirement for a continuous review and monitoring of this issue but that there is no need for a permanent group. ECAWG recommends that a core/task group within the CSG should be established to provide the coordination function.</td>
<td></td>
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</tbody>
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Annex B: List of deliverables

<table>
<thead>
<tr>
<th>DelNumber</th>
<th>Delivery Title and statement</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>A working definition of electronic commerce (EC in this document) for use within CEFACT</td>
<td>Done</td>
</tr>
<tr>
<td>2.</td>
<td>A report presenting an analysis of the applicability of the CEFACT work programme to EC</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Draft proposals for areas of additional contributions by CEFACT</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Production of an INF document</td>
<td></td>
</tr>
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</table>
Annex C: List of documents

<table>
<thead>
<tr>
<th>DocNumber</th>
<th>Doc__Title</th>
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<tbody>
<tr>
<td>eca97001.doc</td>
<td>ECAWG Provisional Agenda</td>
</tr>
<tr>
<td>eca97002.doc</td>
<td>Comparison of Presidents Clinton's July 1997 Memorandum on Electronic Commerce to UN/ECE/TRADE 210 - Annex- Work Programme Activities</td>
</tr>
<tr>
<td>eca97003.doc</td>
<td>Electronic Commerce: Need For A Global Facilitation Approach</td>
</tr>
<tr>
<td>eca97004.doc</td>
<td>Comparison of Presidents Clinton's July 1997 Memorandum on Electronic Commerce to UN/ECE/TRADE 210 Annex, Work Programme Activities</td>
</tr>
<tr>
<td>eca97005.doc</td>
<td>European Commission Rejects Us Plans On Cryptography</td>
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<tr>
<td>eca97006.doc</td>
<td>Electronic Commerce Adhoc Working Group</td>
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<tr>
<td>eca97007.doc</td>
<td>Definition of electronic commerce</td>
</tr>
<tr>
<td>eca97008.doc</td>
<td>ANNEX, Programme Of Work For 1997-2000</td>
</tr>
<tr>
<td>eca97009.pdf</td>
<td>Memorandum for the Heads of Executive Departments and Agencies : Electronic Commerce</td>
</tr>
<tr>
<td>eca97010.ppt</td>
<td>Electronic Commerce at Boeing</td>
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<tr>
<td>eca97012.doc</td>
<td>Electronic Commerce Working Group report</td>
</tr>
<tr>
<td>eca97013.doc</td>
<td>Under the &quot;for what it's worth category&quot;, thought those of you participating in the UN's ECAWG should have visibility of these tidbits from Defense.</td>
</tr>
<tr>
<td>eca97014.doc</td>
<td>ISO decision on Java</td>
</tr>
<tr>
<td>eca97015.doc</td>
<td>Report on GII Security for JTC1 and the SWG-GII 9th July 1997, BSI, Bonn, Germany</td>
</tr>
<tr>
<td>eca97016.doc</td>
<td>Closing speech of Dr. Stefano Micossi, Director General for Industry, European Commission</td>
</tr>
<tr>
<td>eca97017.doc</td>
<td>United Nation's Economic Commission for Europe Joint Rapporteurs Team Meeting, Los Angeles, California, September 29, 1997</td>
</tr>
<tr>
<td>eca97018.doc</td>
<td>Dismantling the barriers to global electronic commerce</td>
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<tr>
<td>eca97019.doc</td>
<td>Framework for Electronic commerce</td>
</tr>
<tr>
<td>eca97020.doc</td>
<td>Proposal For Work Programme Of Ecpwg/Cefact On The Compilation Of A List Of International Organizations And Activities In Relation To Electronic Commerce</td>
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