



UN/CEFACT Update Report

August 2007

Volume 3, Number 1

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www.unece.org/cefact

www.cen.eu/uncefactforum/

2007 Plenary session

The United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT) held its 13th Plenary session at the Palais des Nations 14 – 16 May. The Plenary re-elected Mr. Stuart Feder as Chair of UN/CEFACT and Mr. Sangwon Lim as Rapporteur for Asia for two years. The elections of the Forum Management Group, which had been intersessionally approved after the October 2006 Forum in New Delhi, were also confirmed.

Our three-day meeting¹ delivered a number of significant achievements.

- **New deliverables**
 - Cross-Industry Invoice Schemas
 - e-Tendering Schemas
 - Core Component Libraries
 - UNeDocs Business Requirements Specification
 - Various other Business Requirements Specifications
- **New projects**
 - The Trade Facilitation Implementation Guide Project, funded by Sweden
 - The UNeDocs Gap Analysis, funded by Norway
 - The e-Procurement Project
- **New initiatives**
 - UN/CEFACT Registry Implementation
 - The Cross Border Reference Data Model
- **Forum management improvements**
 - Open Development Process (ODP) updated
 - Forum workflow and procedures further refined to improve coordination between the permanent groups
 - Project Portfolio reviewed (over 80 projects), and priorities for 2007/2008 identified
 - Interactive website established.

¹ Presentations made at the 13th Plenary are available at http://www.unece.org/cefact/cf_plenary/plenary07/list_doc_07.htm



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Activities since May 2006

We continue to promote our common semantic framework, which provides a neutral platform for technology-independent convergence. This enables a consistent set of implementable standards for e-Business, e-Government and e-Trade to be developed, resulting in seamless, automatic cooperation among the computer systems used by business and Governments in international trade transactions.

Countries

Countries need intersectoral, interoperable standards to increase efficiency and competitiveness and protect investments in data. Among countries' top priorities are e-invoicing standards. To respond to countries' needs, we have issued:

- Cross-industry invoice and e-tendering candidate release XML schemas²
- Core Components Library (two releases)
- Business Requirements Specifications (11)³
- UN/EDIFACT directories (three releases)
- UN/LOCODE Directory (two releases)
- Revised code recommendations (four).

We have also launched the Common e-Government Data Model and e-Procurement projects.

² Extensible Markup Language (XML) Schemas provide the means for defining the structure of a document. One purpose is to define the difference between a valid document and an invalid one.

³ A format where business processes are documented, analyzed, generalized, and presented as the basis for developing the requirements specification mappings to the core components.

Capacity-building for countries

We continue to support the capacity of Member States to use our products and services in the form of:

- **Guidelines, models, case studies and best practices:** trade facilitation implementation guidelines; published Single Window case studies; and a trade facilitation toolkit
- **Better online access to the standards:** publication of the Registry Implementation Requirements Specification and proposed implementation plan, and improved website for the activities of the permanent groups
- **Promotion and awareness:** seminars and workshops in India, Ireland, and Russia, presentations to Asia-Pacific Economic Cooperation (APEC), the Society for Worldwide Interbank Financial Telecommunication (SWIFT) and the EU Single Window meetings.

Sectors

Business-sector stakeholders are encouraging us to continue working with other organizations, including through cross-sectoral collaboration.

We take a holistic approach to stakeholder requirements, using the international supply chain ("Buy-Ship-Pay") model. The model allows mapping public and private sector requirements for supply chain management. Business stakeholders that relate to the "Buy" part of the model come from a variety of industries, e.g. automotive, chemical, insurance and retail. The "Ship" element is represented by airfreight, customs, forwarders and ports. "Pay" stakeholders include international payments organizations, national banking organizations and bankers' associations.



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New sectors are entering the e-business arena - such as agriculture, for the tracking and tracing of food products, and Government, for new e-government services to the private sector. Other sectors are renewing their engagement with UN/CEFACT: the finance industry is working on developing end-to-end electronic payment, and the airfreight industry is involved in an e-freight programme with UNEDocs.

Cross-Border Reference Data Model - Joint project with WCO

We progressed the setting up of a joint project with the World Customs Organization (WCO) to address the "Ship" part of the international supply chain. The project will harmonize, simplify and automate the data exchange required for cross-border trade by developing a single data model - the international Cross-Border Reference Data Model (CBRDM).

Even with efficient Customs operations in place, numerous opportunities remain for improving the trade process, enhancing the flow of electronic information and delivering other benefits to companies and customers. This data model will allow for better information exchange and coordination between Customs and other border agencies such as ministries of agriculture, health, finance and transport.

Today, average clearance times vary between 2 days (EU and US) and 8 days (EEMEA⁴). It is estimated that, even a modest 10% increase in the efficiency of the clearance processes would reduce costs for a company by €380m⁵ annually. Companies see CBRDM as a strategic instrument for achieving these benefits.

The public e-procurement project will review government and public requirements for e-procurement documents and transactions. These include semantic interoperability within

the public sector and between the public and private sectors.

Standards development organizations

The stakeholders, too, are encouraging us to reinforce cooperation and coordination with other standards development organizations (SDOs). The approved Open Development Process will help secure greater participation of external organizations. We have mapped our existing relationship with SDOs in a coordination matrix. The matrix describes current cooperation agreements, work relevant to e-business standards, and UN/CEFACT projects and relevant deliverables. We actively participate in the Memorandum of Understanding on Electronic Business⁶ and in the Global Facilitation Partnership for Transportation and Trade⁷ (GFP). We promote the recognition of the value of our common semantic framework in various forums, such as the CEN/ISSS workshop on "Business Interoperability Interfaces for public procurement in Europe (WS/BII)".

Going forward

For our stakeholders, one of the key challenges for the future is achieving high-value global priorities. Most importantly, this needs to take place within a challenging UN/CEFACT business model, which involves a global remit and a public-private partnership, aimed at providing freely available products and services.

As our resources are very limited, our ability to address priority deliverables needs careful management. In particular, as an intergovernmental body, steps going forward require continuing efforts in good governance. Indeed, due diligence itself becomes a priority - through continuous oversight, transparency, open processes, accountability, controls, and a code of conduct.

In this light, the Plenary mandated the Bureau to further progress the proposed **electronic**

⁴ Eastern Europe, Middle East and Africa

⁵ 360 * €10.5 m

⁶ <http://www.itu.int/ITU-T/e-business/mou/index.html>

⁷ <http://www.gfptt.org/>



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Business, Government and Trade (eBGT) initiative. This initiative aims to accelerate the delivery of the critical mass of next generation electronic standards for end-to-end interoperability among business, government, and trade organizations.

Unless a critical mass of UN standards for business, government and trade is available soon, there is a clear risk of a costly fragmentation in the use of such standards. The implication for both business and government would be incompatible and costly trade and border-crossing processes; disruption in the delivery of goods; reduced security; and an exponential increase in the cost for the automation of supply chains. Such a setback would take many years to reverse, given the life cycle of 10-15 years for the return on investment for automated systems. The eBGT initiative aims to strengthen our timely delivery of UN/CEFACT core products and services.

10th UN/CEFACT Forum, Dublin - 26 - 20 March 2007

Major Progress Towards Paperless Trade

Summarizing the Forum's results, Mike Doran, Chair of the UN/CEFACT Forum Management Group, detailed an impressive range of new developments and standards delivered during the event. He mentioned in particular the publication of the electronic Cross-Industry Invoice and the Business Requirements Specification of the UN electronic trade documents project, UNeDocs. These products will greatly enhance the exchange of paperless trade information, both nationally and internationally.

Speaking at the official opening session of the Forum, Ireland's Minister for the Information Society, Mr. Tom Kitt, emphasized the opportunities for Ireland presented by trade facilitation. "Paperless trade and single window processes represent a terrific step

forward in achieving the goal of only having to submit all trade-related information and documents once, to a single point electronically. If the information flows can be simplified, this will be of great value. Ireland strongly supports these initiatives, and it is heartening that the UN has devoted such energy and resources to advancing the process."

An initial meeting was also held during the Forum to progress the setting up of a joint project between UN/CEFACT and the World Customs Organization to develop a common international Cross Border Reference Data Model. This groundbreaking initiative will enable trade and Government to standardize the exchange of international trade information between countries and regions.

Other important outputs of the Forum, which was attended by over 250 participants from over 30 countries, include the release of the UN/CEFACT e-Tendering specifications (21 schemas), which will allow the standardized exchange of e-Tendering information, the launch of an e-Procurement initiative to address the needs of public procurement, and the revision of a series of code lists to standardize the definition of key business terms. Further information on these and other outputs from the Forum can be obtained at: <http://www.uncefactforum.org/>

The "UN/CEFACT Forum" made simple

The UN/CEFACT Forum consists of five groups:

- International Trade and Business and Processes Group (TBG)
- Applied Technologies Group (ATG)
- Information Content Management Group (ICG)
- Legal Group (LG)
- Techniques and Methodologies Group (TMG)



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International Trade and Business and Processes Group (TBG)

The TBG seeks to simplify and automate international trade procedures. This starts with the analysis of business and governmental processes and best practices in each of the 16 trade and business domains⁸. Its work falls into three areas: the processes covered by the "Buy-Ship-Pay" (BSP) model, processes for independent domains, and cross-domains.

The TBG/BSP working groups, such as supply chain or transport, develop core work that contributes to trade facilitation deliverables; business process models covering procurement through payment; contributions to the Core Component Library used to build syntax-neutral deliverables; and deliverables for the UN/CEFACT registry.

Independent domain working groups, such as travel, tourism and leisure, develop industry-centric information that incorporates reusable BSP content, and contribute specific content to the core component library.

Cross-domain working groups, such as electronic trade documents, harmonize business process models developed by the BSP working groups and independent domains using syntax-neutral core components from the UN/CEFACT Core Component Library.

TBG's working groups review UN/EDIFACT data maintenance requests before they are approved and published.

Applying UN/CEFACT standards in a step-by-step approach means starting with process analysis and simplification, document and transaction simplification, followed by national (and possibly even regional) data harmonization and cross-border data

⁸ Supply Chain; Electronic Trade Documents; Transport; Customs; Finance; Architecture & Construction; Insurance; Travel, Tourism and Leisure; Healthcare; Social Services; Accounting & Audit; Environmental Management; Business Process Analysis; International Trade Procedures; Harmonization; Agriculture; eGovernment.

exchange, to finally achieve a single window for data. The single window approach offers a common layout and structures combining official control with trade facilitation. UN/CEFACT's Recommendations 33 (Single Window Recommendation and Guidelines), 34 (on Data Harmonization; currently under development) support the establishment of a single window.

Applied Technologies Group (ATG)

The Applied Technologies Group creates and maintains trade, business and administration document structures based on a specific technology or standard, and designs, assembles and produces syntax-specific solutions based on identified business and/or technical requirements from UN/CEFACT's working groups.

ATG ensures consistency in multi-syntax design and use through XML Naming and Design Rules for schema development, EDI transformation rules, UML⁹ to XML and UML to EDIFACT transformation rules. ATG has made significant progress in achieving a common understanding and alignment of XML specifications.

The ATG produces:

- Technical assessments and maintenance of syntax-specific solutions through the application of Data Maintenance Requests (DMR)
- A series of coherent, consistent, and normalized syntax solutions aligned with domain reference models for publication in a designated UN/CEFACT information registry: EDIFACT messages and their support directories, XML schemas, and UNeDocs
- Procedures and mechanisms for the maintenance and quality of the syntax solutions
- Appropriate technical specifications detailing the design and production rules, guidelines and checklists.

⁹ Unified Modeling Language (<http://www.uml.org/>)



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It is also in charge of the maintenance of recommendations and technical specifications in coordination with the ISO Technical Committee TC154¹⁰: technical aspects of the UN Layout Key (Recommendation 1) and UN/EDIFACT syntax (ISO 9735).

The Group comprises two working groups:
ATG1 EDIFACT Syntax and ATG2 XML Syntax.

- ATG1 processes the UN/EDIFACT DMRs. It is also developing the UML to EDIFACT Transformation Rules Project, which defines the methodology for transforming UML-conformant models into the EDIFACT syntax.
- ATG2 develops and maintains the UN/CEFACT XML schemas generation. It is also developing several technical specifications: the XML Naming and Design Rules, the data type library, the XML representation of Core Components, and the Standard Business Document Header. It contributes to the development of an XML schema user guide template, schema generation and testing guidelines, and tools to help automate the process.

Information Content Management Group (ICG)

The purpose of the Information Content Management Group (ICG) is to ensure the release of quality technical specifications for trade facilitation and electronic business. This Group:

- Manages the UN/CEFACT information repositories and libraries for electronic business and Recommendations that fall within its scope
- Ensures technical conformance and registration of the UN/CEFACT business requirements specifications

- Normalizes and maintains the base syntax-neutral information components that are the building blocks for developing standards for implementation
- Verifies the technical conformity and registration of the syntax-specific objects and components

The Group delivers a series of coherent, consistent and normalized reference libraries comprising the business requirements, information objects and code lists aligned with the domain reference models. These serve as the building blocks for developing standards for implementation. The ICG also validates the conformance of technical specifications with the corresponding publication guidelines for the release of approved syntax-specific information objects and components. It develops processes and procedures for the maintenance of the libraries, mechanisms to ensure the quality of the library contents, and proposals (including draft Recommendations) for review and approval by the UN/CEFACT Plenary. Finally the ICG maintains the UN Recommendations related to codes.

On a regular basis, the ICG manages UNECE Recommendations and generic UN code lists; audits UN/EDIFACT updates, the Core Component Library, XML Schemas; verifies Business Requirements Specifications content; and manages the core component content of the Requirements Specification Mapping.

Legal Group (LG)

The Legal Group ensures that the legal aspects of electronic business and international trade facilitation are considered in UN/CEFACT's work. To this end, the Group analyses current legal processes and issues related to UN/CEFACT's mission and objectives, identifies any relevant legal constraints, and proposes practical improvements to these legal processes and issues.

Its current activities include the development of the Unified Business Agreements and Contract (UBAC) project and of a new

¹⁰ ISO/TC154: Processes, data elements and documents in commerce, industry and administration.



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Recommendation 35 on the Single Window Legal Framework, reviewing current recommendations, and strengthening ties with the United Nations Commission on International Trade Law (UNCITRAL).

The UBAC project seeks to automate the process of contract formation. It is being carried out in cooperation with the TMG's Business Process working group. It is currently at Open Development Process stage 2 – Requirements gathering.

The new Recommendation 35 will be a checklist for Governments and businesses trying to establish a single window. The Legal Group has met with several single window operators to discuss legal issues and has completed the draft text of the Recommendation.

Techniques and Methodologies Group (TMG)

The Techniques and Methodologies Group (TMG) provides all UN/CEFACT groups with Meta (base) Business Process, Information and Communications Technology specifications, methodologies, recommendations, and education. It also functions as a research group, evaluating new information and communication technologies, as well as techniques and methodologies that may assist UN/CEFACT.

The Group provides the required key methodologies that are necessary for highly dynamic and context-driven next generation Business-to-Business standards. These standards are based on common and unambiguous understanding on the semantic level, collaborative business processes that consider the aspects of contracts/agreements, and reusable and flexible building blocks of business information.

These methodologies are essential for effective collaborative business processes and for the next generation e-business environment (Enterprise Service-Oriented Architecture).

TMG comprises three working groups:

- Business Process Working Group (BPWG) — providing techniques and methodologies for the description of inter-organizational business processes and the resulting information exchanges
- Core Components Working Group (CCWG) — offering required techniques and methodologies for the development and reuse of business information
- e-Business Architecture Working Group (EBAWG), — setting the framework for the different modeling and infrastructure concepts.

News to use

Trade Facilitation Implementation Guide

UN/CEFACT is developing a Trade Facilitation Implementation Guide, funded by the Swedish International Development Agency (Sida). The Guide will assist developing and transition economies in elaborating and implementing national and regional trade facilitation strategies based on international standards and recommendations. It will also assist countries with trade facilitation implementation issues related to discussions at the World Trade Organization (WTO). It is novel in that it will show how a country can assess its stage of implementation and what path it should take to achieve a stated goal.

The Guide will comprise a comprehensive, modular, Guide to Trade Facilitation Implementation; case studies on trade facilitation implementation (two case studies for each region); training material for both trainers and participants; a website; and a CD-ROM version of the Guide and related material. A pilot workshop will be held to test the effectiveness of the Guide



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The project will establish an institutional reference group consisting of the Global Facilitation Partnership¹¹ (GFP) core members (World Customs Organization (WCO), United Nations Conference on Trade and Development (UNCTAD), United Nations Industrial Development Organization (UNIDO), International Chamber of Commerce (ICC), and the World Bank) as well as a country reference group consisting of representatives from target countries. The institutional reference group will ensure that the main tools and techniques for trade facilitation implementation are included in the Guide. The country reference group will ensure that the Guide meets the needs of a range of countries.

New website for standards development

The new website of the TMG makes the Group's daily standardization work more efficient and effective, while guaranteeing a consistent and clear representation of required information. The website takes an enterprise Wiki approach, allowing every registered user to read, update and generate web pages, write news and submit comments, and upload and download attachments.

UN/CEFACT Registry

UN/CEFACT has completed the first release of the UN/CEFACT Registry Specification and prepared the initial draft of the UN/CEFACT Registry implementation plan. The findings of the Proof-of-Concept of the UN/CEFACT Registry have shown that the overall Registry metamodel is capable of handling current UN/CEFACT requirements.

The federation of Registries is at an early stage of development as the level of granularity for the management of discrete Registry artefacts can increase the complexity of implementation.

Registry artefacts can be suitably governed by a classification scheme, and several

concurrent classification schemes can be applied. In addition, the discovery process of Registry content is adequately defined, and the Registry user interface/connector approach was satisfactory.

ICG updated three code lists in Dublin

The ICG updated the code lists in recommendations 23, 24 and 28 at the Forum in Dublin.

UN/LOCODE 2006-2 now available

This year marks the 25th anniversary of the "United Nations Code for Trade and Transport Locations" known as "UN/LOCODE". UN/LOCODE 2006-2 includes over 54,705 locations in 243 countries and installations in international waters.

Topics for intersessional actions

Submitted for public review

UNeDocs Data Model 2.0

After being approved by TBG2, the UNeDocs Data Model was submitted for public review (ODP Step 5) on 2 April. A link to the Data Model can be found at the UN/CEFACT news site at <http://www.unece.org/cefact/>

Two Business Requirements Specifications

- The Cross-Border Supply Chain and the Crop Data Sheet Process BRS were submitted for ODP 5 on 3 April.
- The Core Component Technical Specification (CCTS) version 3 was submitted for public review under the Open Development Process on 9 May

¹¹ <http://www.gfptt.org/>



Future events

Schedules and objectives of upcoming meetings

11 – 21 September 2007: Joint Meeting of the International Carriage of Dangerous Goods by Rail (RID) Safety Committee and the ECE Working Party on the Transport of Dangerous Goods

24 - 28 September 2007: 11th UN/CEFACT Forum, Stockholm, Sweden

22 - 26 October 2007: 2nd Session of the Committee on Trade

26 October 2007: Executive Committee

UNECE Publications

Forthcoming Publications

- First report on 'eDocument Standards state-of-the-art watch' of the Information Technology for Adoption and Intelligent Design for E-Government (ITAIDE)
- Paperless Trade in International Supply Chains: Enhancing Efficiency and Security
- Guide to Trade Facilitation Benchmarking



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Communications with Heads of Delegation

Messages from the Bureau to the Heads of Delegation List server		
Date	Sender	Topic
5 March	Jean Kubler	[UNCEFACT-HOD - 70] For your information: Call for expression of interest regarding the UN/CEFACT Trade Facilitation Implementation Guide
8 March	Jean Kubler	[UNCEFACT-HOD - 71] For your information Public review of Recommendation 11 (ODP5)
9 March	Jean Kubler	[UNCEFACT-HOD - 73] 13th UN/CEFACT Plenary, 14-16 May 2007 and Draft Agenda
3 April	Mika Vepsäläinen	[UNCEFACT-HOD - 74] UN/CEFACT releases International e-Invoice
27 April	Mika Vepsäläinen	[UNCEFACT-HOD - 78] TMG announces that CCTS version. 3 is for public review under ODP step 5
2 May	Mika Vepsäläinen	[UNCEFACT-HOD - 80] 13th plenary session of UN/CEFACT 14 - 16 May
24 May	Jean Kubler	[UNCEFACT-HOD - 82] Decisions taken at the 13th CEFACT plenary
6 July	Jean Kubler	UN/CEFACT IPR and related issues
27 July	Mika Vepsäläinen	[UNCEFACT-HOD - 96] Intersessional approval of Mandates & Terms of Reference of Permanent Groups of UN/CEFACT

Recent UNECE press releases¹²

3 April	UN/CEFACT releases international e-Invoice
26 April	United Arab Emirates joins the TIR Convention
26 April	Declaration for the Sixtieth Anniversary Session of the UNECE, adopted on 26 April 2007
1 May	1 May Major progress towards paperless trade at United Nations Forum in Dublin
21 May	United Nations Regional Commissions Promote the Information Society - From Declaration to Implementation
22 May	Malta acceded to the European Agreement on the International Carriage of Dangerous Goods by Road (ADR)

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¹² Copies are available at www.unece.org/press/current_press_h.htm