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

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SOURCE: **Chairman of the UN/CEFACT Steering Group (CSG)**

STATUS: **This report was prepared in accordance with the requirements for the**
UN/CEFACT Steering Group Chair to submit a report to each Plenary, as
outlined in TRADE/R.650/Rev.2.

ACTION: **The Centre is invited to review and note this document.**
Agenda Item 3

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* This document has been published without formal editing

Introduction

1. As indicated in TRADE/R.650/Rev.2. (R.650/Rev.2), the Chair of the UN/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 March 2001 Plenary session. It includes items provide background to the Plenary's deliberations at its May 2002 session but <u>no</u> items for approval. In order to assist delegations, this report is structured according to the order of the plenary agenda.

2. Following the election of Dr C Frühwald as the Chairman of UN/CEFACT, and under his guidance, a review of Plenary working methods has been conducted, to improve the way documents are introduced to delegates and the subsequent discussion and decisions recorded, and will be implemented at the forthcoming session. In summary, all delegates or officers presenting substantive documents will be encouraged to make a brief visual, rather than oral presentation of their points or proposals using the projection facilities. At the end of each agenda point, the Chairman will summarize the views or decisions of the Plenary and this summary will be captured by the secretariat and projected live on to the large screen where, if necessary, it will be open to amendment by delegations. When deemed agreed by the Chairman, this text will form the basis of both the plenary decision list, and the plenary minutes. It will not be subject to further revision within the session, although delegates will still be able to submit revisions to the draft minutes, for up to 4 weeks after the session, in the normal way. It is hoped that by adopting these methods both plenary discussion and the recording of plenary views or decisions will become more effective.

3. Apart from a short review meeting immediately following the last Plenary, the CSG has met four times during the inter-sessional period each time for a period of four days. In addition, they have progressed considerable quantities of work over their email server. This report covers the key issues addressed during these meetings and also includes, in agenda item 3 below, a report on the current developments in the ebXML initiative.

4. More details of specific CSG meetings can be found in document TRADE/CEFACT/2002/3 which covers the March 2001 meeting, documents TRADE/CEFACT/2001/4 to 6, which respectively cover the May, September and November 2001 meetings, and document TRADE/CEFACT/2001/7 which covers the February 2002 meeting. To facilitate the attendance of CSG members at the September 2001 UN/EDIFACT meeting in Rotterdam, Netherlands, the September 2001 CSG meeting was also held in Rotterdam hosted by CSG member Mr. Alex De Lijster of. On behalf of the CSG, the Chair would like to record his warm appreciation of the welcome and facilities offered to the CSG by P&O Nedlloyd and the delegation of the Netherlands. Clearly the CSG could not function efficiently without a committed and effective secretariat and it has received excellent support, sometimes in difficult circumstances, from members of the UN/ECE trade division. In particular, the CSG chair would like to record his thanks to Mr. Mario Apostolov, who has again contributed to the work with commitment and enthusiasm.

Agenda item 3 – The ebXML Initiative

5. The objective of the ebXML initiative is to contribute to the growth of world trade by producing an open, interoperable, industrial strength, framework for eBusiness Web Services which will measurably benefit developed, transition, and developing economies, and their enterprises – irrespective of the size of the enterprise. The initiative is a joint venture between UN/CEFACT and the Organisation for the Advancement of Structured Information Standards. (OASIS) OASIS is a not-for-profit organization dedicated to technical interoperability and the market awareness of structured information standards. Many of its members have also been closely involved with the development of XML. More information on OASIS can be found at Web site <www.oasis-open.org>.

6. The initiative is UN/CEFACT's first venture with an organization representative of the Information and Communication Technologies (ICT), industry having members such as CommerceOne, IBM, IONA, Microsoft, Oracle, SAP, Sun Microsystems, and many other leading companies in the software development and the web services area. The initiative is project based and the first phase was completed on time in Vienna in May 2001 with the approval of 8 publicly available and implementable technical specifications, 14 technical reports, a glossary, and 3 white papers. These are available on the website of the initiative,<www.ebXML.org>.

7. Without doubt, the successful conclusion of the first stage of the project on schedule, which involved 7 international meetings each with at least 250 attendees and over 2500 virtual contributers, is due to the outstanding commitment and effort made by its Chairman, a senior member of the CSG, Mr. Klaus-Dieter Naujok. On behalf of UN/CEFACT, the Chair of the CSG, who was in a support role and therefore saw some of the effort, would like to sincerely thank Mr. Naujok for his major contribution to the Centre's work and would also like to place on record his thanks to the Canadian delegation and Mr. Naujok's company, IONA, for their support of Mr. Naujok and, therefore, of the Centre's work.

8. As forecast in Trade/CEFACT/2001/CRP.1 during the Vienna meeting the arrangements for the continuation of the ebXML initiative into its second phase were finalized and an agreement reached between the Chair of the CSG representing UN/CEFACT, and the Chairman of the Board of OASIS. Basically this agreement divided the work between the two organizations with OASIS being responsible for the message "envelope" aspects of ebXML and UN/CEFACT for the message "content". To ensure overall coordination of the project, it was also agreed to establish a small committee, the joint coordinating committee (JCC).

9. Subsequently the CSG, whose May 2001 meeting was in the week following the Vienna meeting, also approved the agreement but some aspects of the agreement were of concern to the secretariat, and for guidance on these matters, the agreement was referred to the UN Office for Legal Affairs (OLA) in New York. Unfortunately some months passed before guidance was received from the OLA (it was actually received during the CSG's Rotterdam meeting in September 2001), and sadly this delay led to some loss of momentum in the project.

10. A part of the OLA guidance was to suggest that the agreement between UN/CEFACT and OASIS would be best placed within the context of the MoU on eBusiness that operates between the de jure standardization organizations - ISO, IEC, ITU & UN/ECE. (UN/CEFACT is represented on the MoU management group – MoUMG - by its ISO Liaison Rapporteur and his team) At its Rotterdam meeting the CSG agreed to have a high level meeting with OASIS and the UNECE secretariat to clarify and progress the OLA concerns.

11. The subsequent rapid developments which led to OASIS becoming a member of the MoU on eBusiness, and some premature announcements in the press in the USA, did cause some delegations concern, and therefore, the CSG chair feels that a detailed explanation of the events is required.

12. In early November 2001, the then acting Executive Secretary of the ECE, called a meeting in Geneva to discuss the agreement. The meeting was attended by the Director and Deputy Director of the Trade Division, a number of other senior ECE staff, and by the Chair of the CSG and Chief Executive of OASIS Mr. Patrick Gannon (formerly the Chairman of the Board). At the meeting the UN team including the Chair of the CSG, agreed that the best course forward was to facilitate OASIS's membership of the MoU as a participating international user group. For his part Mr. Gannon agreed to send the Technical Director of OASIS to the MoUMG Meeting being held in Fort Lauderdale, USA, being held in the same week. At that meeting which was also attended by Mr. J. Kubler of the ECE secretariat, the CSG Chair and other members of the ISO Liaison's Rapporteurs team, the MoUMG agreed to invite OASIS to become a participating international user group member.

13. The CSG chair regrets that it was not possible to have a consultation with his colleagues during these rapid developments but would point out that all the UN team did was to facilitate that membership, which was already in a clause in the original Vienna agreement. Further, in the view of a number of the members of the MoUMG, OASIS had already met the criteria for membership of the MoU as a participating international user group. Subsequently the invitation was accepted by the Board of OASIS, and OASIS entered into membership of the MoU on 1st January 2002.

14. Another part of the OLA advice referred to the Intellectual Property Rights (IPR) contained within the ebXML work. Originally UN/CEFACT and OASIS had agreed that any IPR that was created within ebXML, would be subject to joint ownership. However the OLA now feels that the UN should own the entire ebXML IPR. This view is not supported by the chair of the CSG, the chair of the ebXML, the UN/CEFACT Legal Rapporteur Mr. Marsh and other Lawyers specializing in IPR working within UN/CEFACT groups. This matter remains unresolved and is probably best dealt with during a face to face meeting with the OLA in New York.

15. However the issue of IPR arising from contributions to UN/CEFACT's work is a very important matter which does, in the light of recent developments, require urgent clarification. Therefore at the request of the CSG chair, Mr. Marsh is making a proposal under Agenda Item 6 which could form the basis of a royalty free IPR policy for UN/CEFACT. Acceptance of this proposal would go a long way to clarify UN/CEFACT's IPR position.

16. Nevertheless, despite the concerns and the outstanding IPR issue there is no doubt that ebXML project has both rooted UN/CEFACT firmly in the XML space, and also delivered the request the Plenary made to the CSG in the March 1999 annual session to become involved in web developments. UN/CEFACT is now clearly a major player in the eBusiness Web services area and this allows us to build an effective platform for developing industrial strength specifications which will benefit developing, transition and developed economies and enterprises of all sizes.

17. Since the turn of the year the JCC between UN/CEFACT and OASIS has been operating effectively under the chairmanship of Mr. Simon Nicholson, a Board Member of OASIS, and there has been regular telephone conferences every two weeks. Further on May 22, in Barcelona, the JCC met face to face for the first time since Vienna and had a productive day. They approved the formation of a joint technical liaison team and mapped out both a development and marketing strategy for the remaining phases of the project. The development strategy includes enhancing current ebXML specifications as well as evaluating

new requirements for specifications. " Profiles" will be created according to a schedule, which will combine selected specifications into implementable sets. Submissions of the ebXML specifications into bodies such as ISO and WC3 are also being considered. Further reports will be made to delegations as phase two develops.

Agenda item 4 – Proposal for Restructuring of UN/CEFACT Plenary and Working Groups.

18. During the March 2001 annual session, the Plenary requested the CSG to review the Centre's organization and to take into account the results of the first phase of ebXML when they where available. Consequently at its May 2001 meeting, the CSG reviewed the issues in great depth and in June published an outlined proposal for a new organization. This proposal created great discussion amongst Working Groups and it quickly became clear that much more detailed consultation was required in order to reach a solution that would cover the very many different activities the Centre now undertakes.

19. In the meantime, in order not to loose too much momentum with regard to the ebXML work allocated to UN/CEFACT under the agreement with OASIS, the CSG established an ad-hoc group, the ebTWG, to progress specific areas of work.

20. In September 2001 at the Rotterdam meeting of EWG, a formal consultation process was started with all and resulted in great deal of very valuable input. However it became clear from comments of Heads of Delegations and others, that it was important to also consider the role of Trade Facilitation within the new structure.

21. Trade Facilitation is the bedrock of UN/CEFACT but recently it has been generally recognized, that because of the very many other activities we are engaged in, it has not progressed as fast or as far as we would have wished. The ITPWG is doing very valuable work but the range and depth of our Trade Facilitation now needs to be extended. For example we still have to complete our work applying business process information modelling to the trade facilitation area, start work in benchmarking to establish best practice, develop metrics for performance at borders and consider the growing number of policy areas that are now emerging in Trade Facilitation.

22. Consequently at its November 2001 Meeting the CSG not only considered the responses of the established Working Groups regarding the proposal for a new structure, they also looked in depth at the Trade Facilitation issues. Following that meeting a new organizational proposal was circulated to all groups for comment and again much valuable input was received.

23. Consideration of this input was undertaken at the February 2000 CSG meeting and as a result of that, document TRADE/CEFACT/2002/8 was finalized. The CSG chair would like to sincerely thank the editor of the document Mr. David Dobbing, for his excellent work, which he accomplished under difficult circumstances.

24. Since its establishment UN/CEFACT has been considering policy matters, but often they have been shrouded in technical detail. Given the nature of the Centre's work in Trade Facilitation and electronic Business, increasingly it is critical to be able to develop policy contributions and express them succinctly. To this aim, the UN/CEFACT chairman feels that it would be highly useful to have a small group gathered from Plenary Delegations to assist at developing UN/CEFACT policy contributions, and these proposals are contained in TRADE/CEFACT/2002/31.

25. The CSG chair and the CSG are most supportive of this and believe that, if approved, this Policy Group can only advance UN/CEFACT goals.

26. In addition it is clear, that UN/CEFACT and its predecessor WP.4, have not focused sufficiently on the promotional and awareness aspects of our work. In today's world, if an organization is unable to explain its purpose and goals clearly and simply, it often gets ignored. The Plenary therefore has a responsibility to all those contributing to our work, to ensure that our promotional and awareness activities are of the highest order. Further we need to consult our users and regularly measure the impact and benefit of our work. These considerations have led to a proposal for a promotional and awareness group which are also detailed in document TRADE/CEFACT/2002/31.

Agenda item 4 – Support Service Provider

27. A very important part of the proposals is the concept of a Support Service Provider (SSP). As the Centre moves into the Web services, and as the number of activities we are engaged in expands, a heavy and increasing burden is placed on our secretariat. It is obvious that we are not able to substantially increase the size of our secretariat, and it is also clear, that by placing more and more operational tasks on them, we divert them from the fundamental task of carrying out research and looking after the Centre's interests within the UN and with other International Organizations.

28. The CSG feels that this is an unfair and untenable situation. Therefore, in parallel with the proposal for the new organization the issue of the SSP needs to be addressed. One of the concepts within the organizational proposal is that of the forum - a meeting of all our working groups twice a year. The organization of such a forum is a detailed and time consuming task and an even more demanding task is making the results of the work publicly available to the world. This is particularly so in the new areas of work related to ebXML, where storage of model and profiles in repositories accessible via the web is technologically complex, and resource demanding.

29. Therefore under the chairmanship of Mr. Harry Featherstone, the CSG has been considering how to address these issues in a way which delivers long-term support to our work and also allows our secretariat to focus on the very important research areas that they are unable to do so at the moment. Mr. Featherstone's team have worked closely with the secretariat to produce a document which might provide the basis of inviting contributors to offer services to UN/CEFACT. The UN procurement office has reviewed the document, but for rather surprising reasons decided that it cannot progress the document within the frame of UN procurement. The OLA have also been asked on their view on the document and in order for delegates to express their views The document has also been circulated on the Head of Delegations List server.

30. The CSG chair unequivocally supports the concept of a Support Service Provider and believes that this issue demands very serious attention from delegations at this pivotal moment.

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