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Strategic Framework and Programme of Work

A strategic Framework for UN/CEFACT activities

Submitted by the UN/CEFACT Bureau for decision

Summary

This document provides a strategic framework of key activities in support of UN/CEFACT's mandate.

It is consistent with the streamlined project-oriented management approach adopted at the Plenary's eighteenth session in February 2012 and the associated revised foundational document "UN/CEFACT structure, mandate, terms of reference and procedures" (ECE/TRADE/C/CEFACT/2010/15/Rev.5).

The document is submitted by the UN/CEFACT Bureau to the twenty-first Plenary for discussion and approval. It replaces "Towards an integrated strategy for UN/CEFACT" (ECE/TRADE/CEFACT/2006/5).

I. Introduction

1.   This document provides a strategic framework of key activities in support of the mandate of the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT).

2.   It is consistent with the streamlined project-oriented management approach adopted at the Plenary's eighteenth session in February 2012 and the associated revised foundational document "UN/CEFACT structure, mandate, terms of reference and procedures" (ECE/TRADE/C/CEFACT/2010/15/Rev.5).

3.   The document is submitted for approval to the Plenary and replaces "Towards an integrated strategy for UN/CEFACT" (ECE/TRADE/CEFACT/2006/5).

4.   Formulating a strategic framework helps to set the stage for drafting the required biennial Programmes of Work which are submitted for approval to the Plenary and the UNECE Executive Committee.

II. Key elements of UN/CEFACT's vision and mandate

5.   UN/CEFACT's vision is "Simple, Transparent and Effective Processes for Global Commerce".

6.   Within the United Nations framework under the Economic and Social Council, the United Nations Economic Commission for Europe serves as the focal point for trade facilitation recommendations and electronic business standards, covering both commercial and government business processes that can foster growth in international trade and related services. In this context, UN/CEFACT was established, as a subsidiary, inter-governmental body of the UNECE, mandated to develop a programme of work of global relevance to achieve improved worldwide coordination and cooperation in these areas.

7.   UN/CEFACT supports activities dedicated to improving the ability of business, trade and administrative organizations, from developed, developing and transition economies, to exchange products and relevant services effectively. Its principal focus is on facilitating national and international transactions, through the simplification and harmonization of processes, procedures and information flows, and so contributing to the growth of global commerce.

8.   UN/CEFACT provides an opportunity for public and private sector experts to work together under the guidance of its Plenary and Bureau to develop a body of freely available recommendations and standards that can help reduce regulatory and procedural barriers to trade. Its experts conduct projects within Plenary-approved programmes of work, using an open development process, and respecting an intellectual property rights policy and a code of conduct.

III. A strategic Framework

9.   The framework within which progress is made toward achieving the UN/CEFACT vision and fulfilling its mandate is based upon the following strategic activities: identify and analyse constraints; develop and maintain Recommendations and Standards; promote; and cooperate, coordinate and collaborate. Key aspects of UN/CEFACT's approach to the implementation of these activities are outlined below:

A.   Identify and analyse constraints

- The starting point in supporting trade facilitation and electronic business is identifying, analysing and understanding the trade facilitation requirements of member States and stakeholders as well as the key elements of international trade processes, procedures and information flows, with a view to the elimination of constraints through simplification, alignment and standardisation.

- Understanding needs of member States and stakeholders is an essential part of the identification activity. Within UN/CEFACT, a key source of input comes from experts who coordinate their contributions within UN/CEFACT's Programme Development Areas (PDAs) and Domains. PDAs can cover a wide range of fields such as International Trade Procedures, Regulatory Requirements, Supply Chain, Other Sectoral issues, and Methodology and Technology. Domains provide specialised input in fields such as Accounting and Audit, Agriculture, Customs, Environmental Management, Finance and Payments, Government, Insurance, Transport and Logistics, Procurement, Supply Chain Management, Travel and Tourism and Utilities. The Buy-Ship-Pay model developed by UN/CEFACT encourages identification of inputs across Domains and PDAs and helps to bring them together in a systematic approach to support the requirements of trade facilitation and electronic business around the world.

- As part of the identification process it is also important to collect information from both within and outside UN/CEFACT on possible work in progress or existing recommendations and standards that may have relevance in responding to requirements. This is done in order to avoid duplication of effort and to explore how these might be included or referenced in UN/CEFACT deliverables.

B.   Develop and maintain Recommendations and Standards

- Having identified facilitation needs, projects are launched to develop and maintain UN recommendations and global standards to facilitate the relevant processes, procedures and transactions, including the relevant use of information and communication technologies (ICT).

- Given its end-to-end focus on the full set of supply chain steps involved in cross-border trade, efforts will be made to ensure that UN/CEFACT standards are interoperable throughout all domains and, where possible, with other organisations' standards. All levels of interoperability will be given consideration, with the emphasis on semantics and business processes.

- As the mandate of UN/CEFACT to develop recommendations and standards is global and wide-ranging in the field of trade facilitation and electronic business, the Plenary provides guidance to and approves the Programme of Work. This guidance is particularly important with respect to setting priorities and collaboration with the international standards community. Between Plenary sessions, the UN/CEFACT Bureau supports the implementation of UN/CEFACT decisions.

- The recent Agreement on Trade Facilitation adopted at the World Trade Organization's 9th Ministerial Conference in Bali, Indonesia, in December 2013 encourages member States to follow best practices in the form of international standards and to participate in the review and development of international standards. UN/CEFACT's development activities can serve to support these principles, particularly as part of a coherent approach involving international, intergovernmental and non-governmental organizations.

- The development and maintenance of recommendations (such as the Single Window recommendations or Recommendation 4 on National Trade Facilitation Bodies), are among the principal UN/CEFACT activities in support of trade facilitation. They constitute significant opportunities for providing guidance on reducing barriers to trade, especially for the benefit of small and medium enterprises and for developing and transition economies.

- Development and maintenance of standards is another essential part of what contributing experts do. For example, this includes efforts associated with UN/EDIFACT (the international standard for Electronic Data Interchange for Administration, Commerce and Transport), the Core Component Library and Extensible Mark-up Language (XML) schema.

C.   Promote

- The use of UN/CEFACT's recommendations and standards and associated best practices in the field of trade facilitation and electronic business, will be promoted, especially through channels such as government, industry and service associations.

- Timely communication is essential within as well as outside of UN/CEFACT, particularly with regard to future plans and the progress being made in existing projects that can serve to enhance the body of recommendations and standards made available to member States and stakeholders around the world.

- Based upon the identification of needs – see activity "A" above - UN/CEFACT will develop guidelines to assist users with the implementation of its recommendations, standards and best practices.

- All recommendations and standards can be downloaded free of charge from the UN/CEFACT website (www.uncefact.org).

D.   Cooperate, coordinate and collaborate

- UN/CEFACT works closely with the secretariat to enhance cooperation with international organizations involved in trade facilitation, such as the World Trade Organization (WTO), the World Customs Organization (WCO), the United Nations Conference on Trade and Development (UNCTAD), the International Trade Centre (ITC), the Organisation for Economic Co-operation and Development (OECD), the United Nations Commission on International Trade Law (UNCITRAL) and other relevant United Nations organisations.

- UN/CEFACT also works closely with the secretariat to engage with other organisations in order to foster a coherent set of relevant globally-oriented freely available recommendations and standards. In particular, this involves coordinating its work - and, where appropriate, collaborating - with other international, intergovernmental, non-governmental bodies, standards development organisations, fora and consortia. This includes the International Organization for Standardization (ISO), the International Electrotechnical Commission (IEC), the International Telecommunication Union (ITU) and relevant non-governmental organizations (NGOs), especially in the context of the ISO/IEC/ITU/UNECE Memorandum of Understanding on electronic business. These relationships have been established and maintained in recognition of the broad application that UN/CEFACT's work has in areas beyond global commerce and the key objectives of interoperability between applications and the ability to support multilingual environments.

IV. Key definitions and concepts

10.   Some of the key definitions and concepts that underpin and unify the framework of UN/CEFACT activities are provided below:
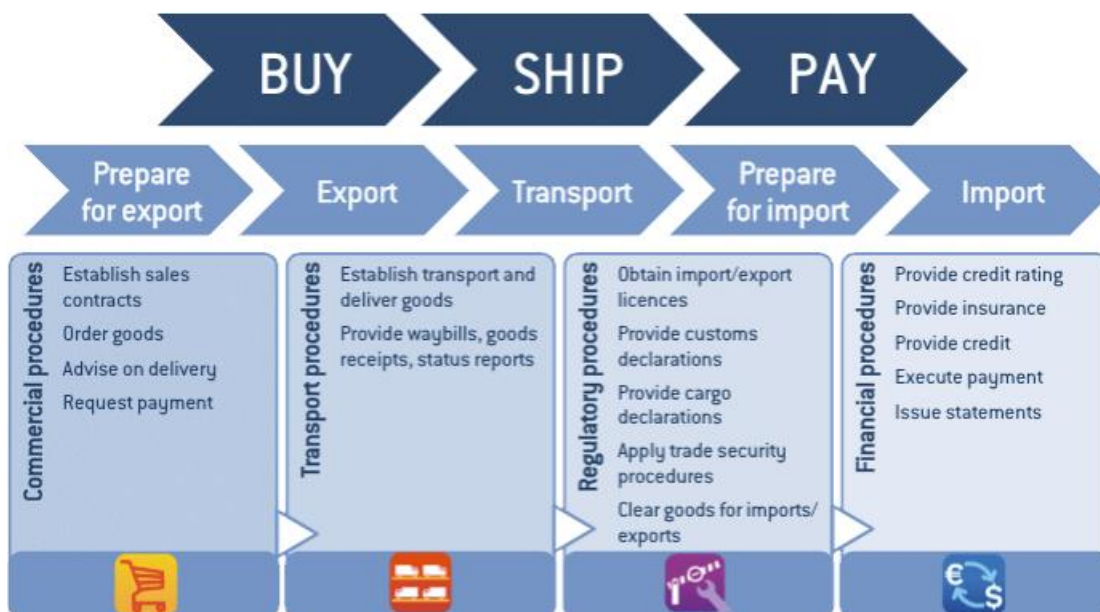
A.   Trade facilitation

- Trade facilitation is defined as the simplification, standardization and harmonization of procedures and associated information flows required to move goods and provide related services from seller to buyer and to make payments. (Trade Facilitation Strategy and Action plan for 2005-2007, TRADE/CEFACT/2005/6).

- The fundamental purpose of trade facilitation is to simplify the trading process whether domestic or international. To achieve this objective trade facilitation aims at transparency on all commercial and regulatory rules concerning trade procedures in order to allow the trading community to prepare and comply. UN/CEFACT aims to contribute to a comprehensive set of efficient and effective business processes, as well as optimizing the level of government control and oversight so that these are consistent with the costs and risks involved.

- Trade facilitation activities (especially in relation to the application of electronic business) can be broadly divided into three categories; simplification, harmonization and standardization:

    - **Simplification** is the streamlining trade procedures by removing redundant requirements and activities, and reducing the cost and burdens in administering the trade transaction.

    - **Harmonization** is the means of aligning or rationalizing the information flows that accompany the movement of goods or services in the domestic marketplace, or in international transit especially at national borders.

    - **Standardization** is the means for ensuring required information is described, understood and applied in a consistent manner[1]. Many international standards development organizations, consortia and communities have developed standards concerning the description, definition, use and transfer of information related to international trade.

B.   The International Supply Chain

- The International Supply Chain encompasses the entire series of both domestic and international processes involved in trading goods and services. Any supply chain relies on the efficient execution of a series of processes extending from the seller to the buyer.

- The supply chain ensures that goods are ordered, shipped and paid for while complying with regulatory requirements and supporting trade security. The model described in Figure 1 identifies the key commercial, logistical, regulatory and payment procedures involved in the international supply chain, and provides an overview of the information exchanged between the parties throughout its successive steps.

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[1] A feature often referred to as "interoperability".

Figure 1: UN/CEFACT model of an international supply chain.

C. Aligning Business Processes

- **Electronic business** is a generic term covering digital information definition and data exchange, particularly focused on enterprises, customers (which sometimes are also enterprises), and trade organizations (including relevant government agencies).

- Trade can be facilitated by the application of electronic business tools that enable the effective management of supply chains. Electronic business requires **aligning processes and related digital information** (in the form of electronic messages) exchanged between the parties involved.

  Business Requirement Specifications articulate relevant business processes and supporting transactional requirements. Business knowledge (semantics and business processes) can be captured in standardized models describing trade processes and their transactional requirements. Semantic interoperability implies that the precise meaning of the exchanged information is preserved and well understood in an unambiguous manner, independently of the way in which it is physically represented or transmitted. Separating the model from the technology allows for the alignment of business processes while still supporting variations in both business practices and information technology. This is fundamental to the concept of technological neutrality. Particular implementations, however, do require models to be expressed into technology-specific syntaxes and, for UN/CEFACT, this can involve UN/EDIFACT (ISO 9735) and UN/CEFACT's Naming and Design Rules for the XML.