



United Nations Economic Commission for Europe
United Nations Centre for Trade Facilitation and Electronic Business
UN/CEFACT

Briefing for Geneva Missions

Introduction to UN/CEFACT Standards & Recommendations

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AGENDA

- Trade Facilitation Recommendations
- eBusiness Standards
- UN/CEFACT, WTO & International Organisations



UN/CEFACT Forums take place bi-annually in different regions of the world where experts can interact face-to-face in Trade Facilitation and eBusiness standards development. The host countries can benefit from special capacity building events focused on their priorities. Some recent meetings have been held in:

- 2005 - Seoul (Korea) & Lyon (France)
- 2006 - Vancouver (Canada) & New Delhi (India)
- 2007 - Dublin (Ireland) & Stockholm (Sweden)
- 2008 - Mexico City (Mexico) & Saly (Senegal)
- 2009 - Rome (Italy) & Sapporo (Japan)
- 2010 - Geneva
- 2011 - ??

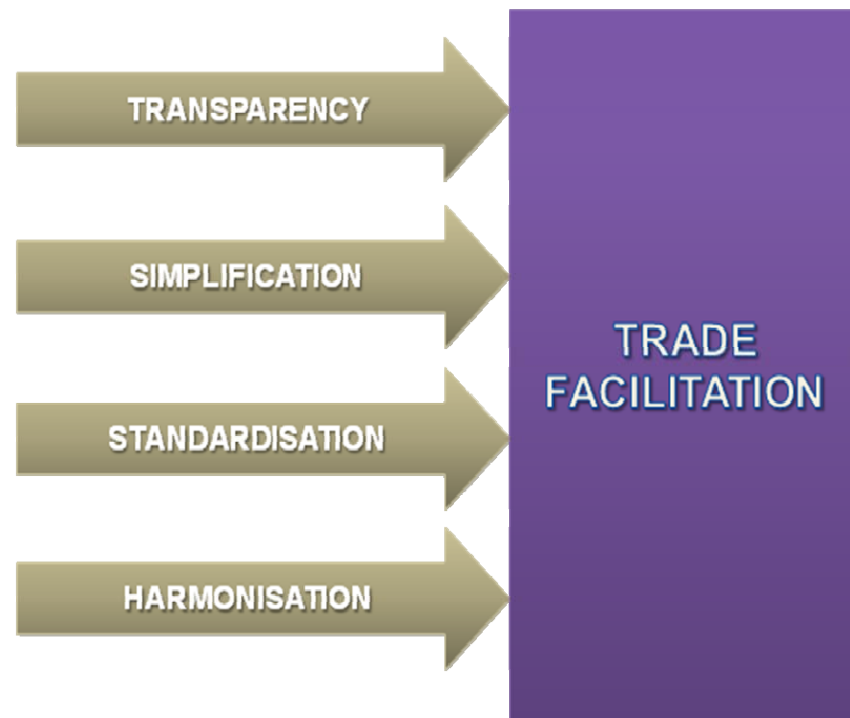


- UN/CEFACT takes a holistic approach to the International Trade Transaction Process
- Identifies ways to identify & eliminate regulatory & procedural barriers to trade through international best practices that cut red tape and reduce delays within and between countries & enhances predictability
- Develops Trade Facilitation Recommendations & eBusiness Standards
- Develops Capacity Building Programmes on trade facilitation implementation



Trade bottlenecks :

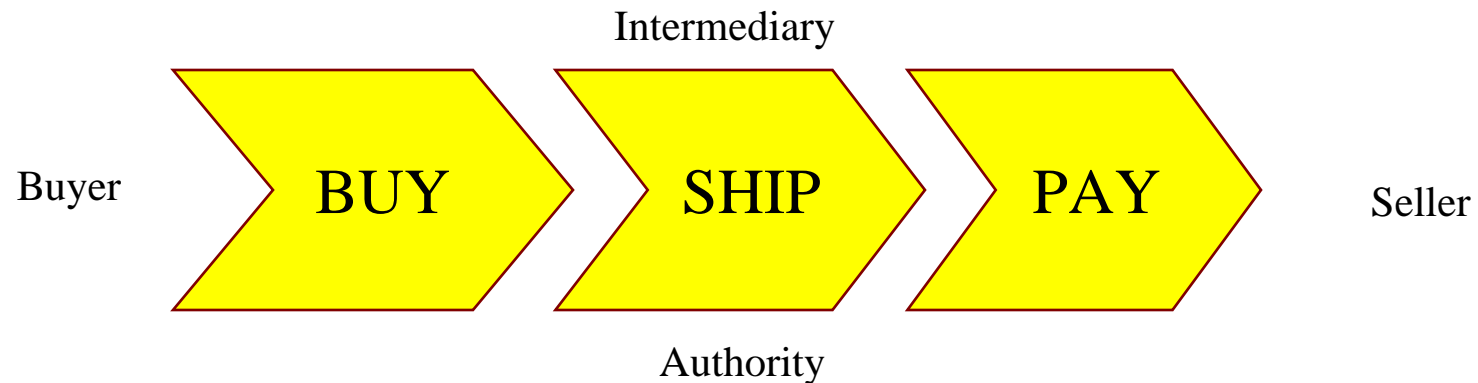
- High transaction costs in trade
 - Many documents and signatures
 - Cumbersome procedures
- Need for reform and modernization of border agencies
- Lack of transparency
- Difficult to meet requirement of international standards
- Lack of trust between public and private sector
- Ports and border-crossings are bottlenecks
- Rent-seeking and corruption



Source: National Board of Trade (2009) Trade facilitation and maritime transport



International Trade Transaction Process

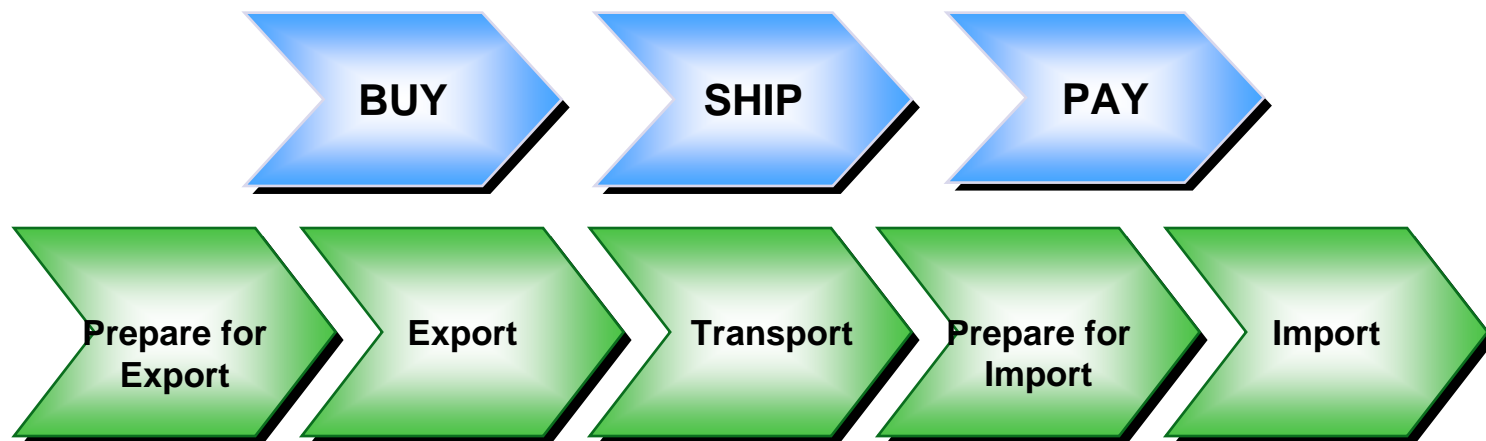


The International Trade Transaction Process consists of integrated & coordinated flows of information, goods & payments

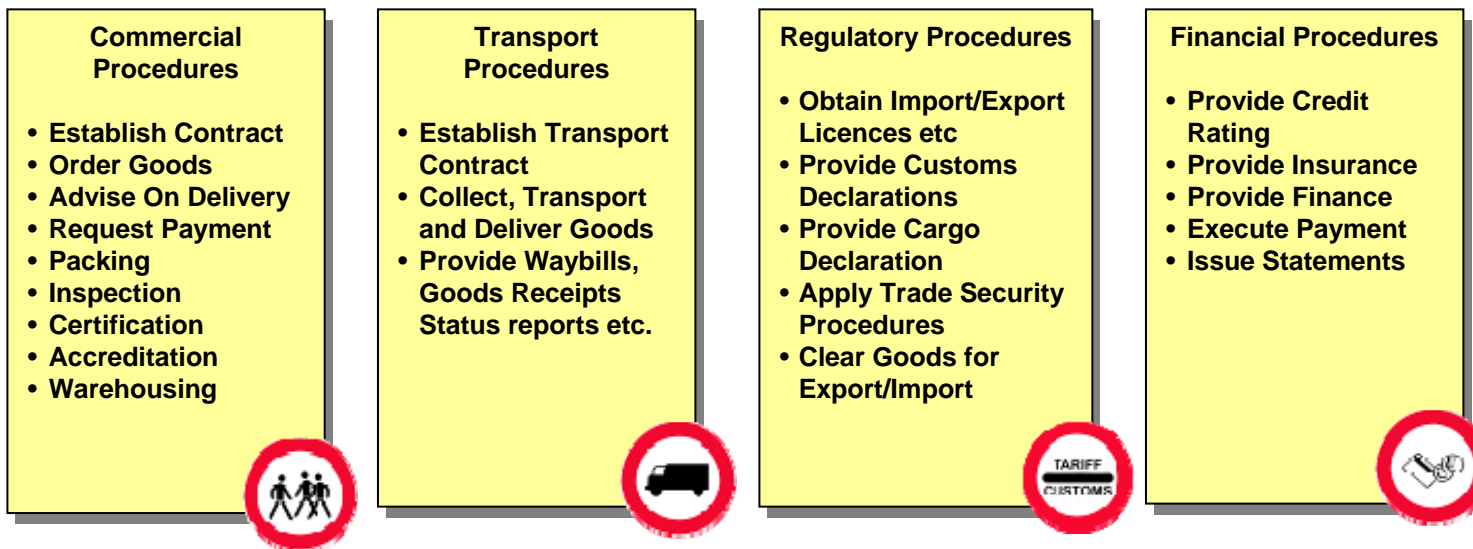
Source: UN/CEFACT International Supply Chain Reference Model



International Trade Transaction Process



INVOLVES





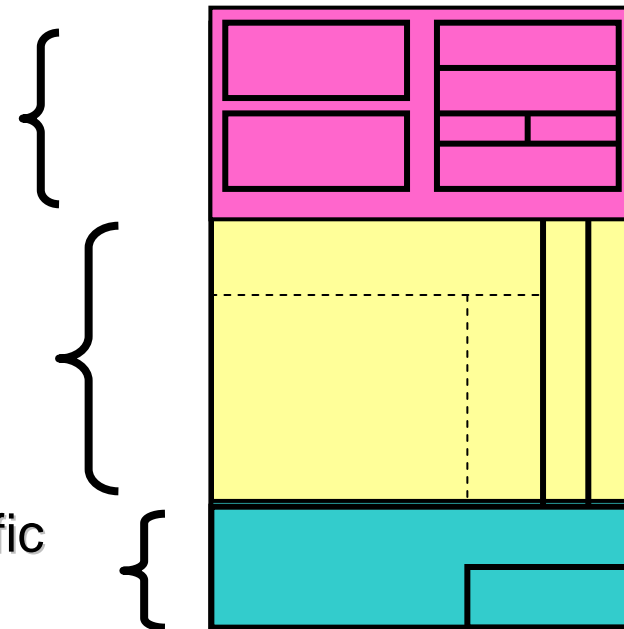
UN Layout Key (UNLK)

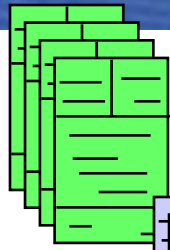
A standard and template for aligning international trade documents

Cross-Sector Transaction Data
(mainly business driven)

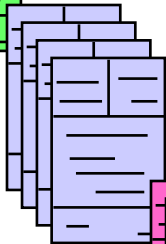
Sector Specific Detail
goods items, order line items ...

Document Function Specific
(Free Text Area)

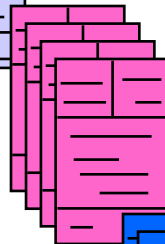




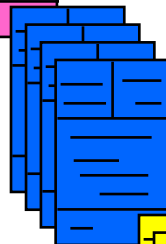
Trade Documents – Quotation, Order, Invoice etc.



Materials Management Documents – Despatch Advice, Pick List, Packing List etc.



Transport Documents – Bill of Lading, Shipping Instructions etc.



Customs Documents – Export, Import, Transit Declarations, Cargo Reports etc.



Other Regulatory Documents – Cert of Origin, DGN etc.



UN/CEFACT Compendium of Trade Facilitation Recommendations (34 published Recommendations)

- Recommendation 1 - UN Layout Key for Trade Documents (ISO 6422)
- Recommendation 4 - National Trade Facilitation Bodies
- Recommendation 16 - UN/LOCODE: Code for Trade & Transport Locations
- Recommendation 18 - Facilitation Measures Related to International Trade Procedures
- Recommendation 25 -Use of UN/EDIFACT (ISO 9735)
- Recommendation 33 - Recommendation & Guidelines Establishing a Single Window
- Recommendation 35 - Legal Framework for Single Windows

Rec:19
Mode of Transport

Rec:16
UN/Locode

ISO Country
Code

Rec: 17
Payment
Terms

Rec:9
Currency Code

Commodity
Code

Rec: 28
Means of
Transport

Rec: 21
Package Codes

Rec:20 Units of
Measurement

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UNECS EUROPEAN COMMUNITY
EXPORT CUSTOMS DECLARATION

1 Declaration

1 Consignor / Exporter

3 Forms 4 Loading lists

5 Items 6 Total packages 7 Reference number

9 Person responsible for financial settlement No

10 Country first 11 Trading 13 CAP
destn countr

14 Consignee / Representative No

15 Country of despatch / export 17 Country destin.Code
a b a b

16 Country of origin 17 Country of final destination

18 Identity and nationality of means of transport departure 19 Ctr. 20 Delivery terms

21 Identity and nationality of active means of transport crossing the border 22 Currency and total amount invoiced

25 Mode of transport 26 Inland mode 27 Place of loading 28 Financial and banking data

29 Office of exit 30 Location of goods

31 Marks and numbers - Container No(s) - Numbers and kind

32 Article No. 33 Commodity code

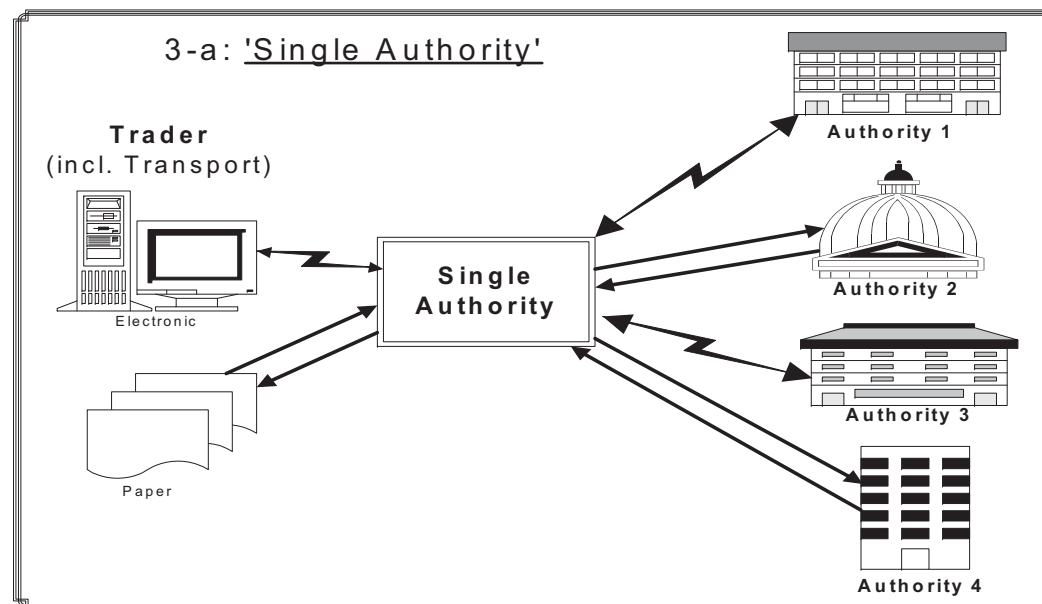
34 Country origin code 35 Gross mass (kg)
a h a h

1 of 1

eva Missions



- Several models for Single Window: Single authority, Single Automated System, Automated information transaction system
- Single Window is a Process not a Machine!





- UN/CEFACT Recommendation & Guidelines on Establishing a Single Window (Recommendation No 33)
- Draft UN/CEFACT Recommendation 34 - Data Simplification & Standardization for International Trade
- UN/CEFACT Recommendation 35 - Establishing a Legal Framework for an International Single Window
- UN/CEFACT Recommendation 36 Single Window Interoperability Project Proposal
- UN/CEFACT Repository of Single Window applications

http://www.unece.org/cefact/single_window/welcome.ht



Based on:

- Cross-**sectoral** analysis (to promote interoperability & supply chain synchronicity)
- Business process and information modeling (to capture **user** requirements, independent of any specific technology)
- New technologies as they emerge (e.g., eXtensible Markup language (XML), webServices,...)
- International standards for enabling e-business development
- Disseminating results in an efficient way



- Business Process Models
- Business Requirements Specifications-BRS
- Requirements Specification Mapping-RSM
- Core Component Technical Specifications
- Core Component Libraries
- Core Component Harmonisation
- Naming & Design Rules
- Schema Generation



United Nations Trade Data Elements Directory International Standards Organisation ISO 7372

- Developed to provide a Directory to facilitate open interchange of data in international trade
- Standard data element names with description of meaning (data value) and a specification of character representation
- Supports and is fully consistent with Recommendation 1 – UN Layout Key for Trade Documents
- Fully consistent with UN/EDIFACT
- Multimodal & multisectoral
- Technology & syntax independent
- ebXML Core Components Technical Specification compliant



Recommendation 4 (details in Chapter 6):

The **EG** recommends that all actors within both the private and public sector adopt a common invoice content standard and data model – the **UNCEFACT Cross-Industry Invoice (CII) v.2**

For the purpose of the following recommendations, the Expert Group defines e-Invoice content standards as being 'the actual data set that constitutes the e-Invoice message and business header'. The long-term e-Invoice landscape needs to contain e-Invoice content standards, but in fewer formats and expressions than exist today as this is a barrier for mass adoption.

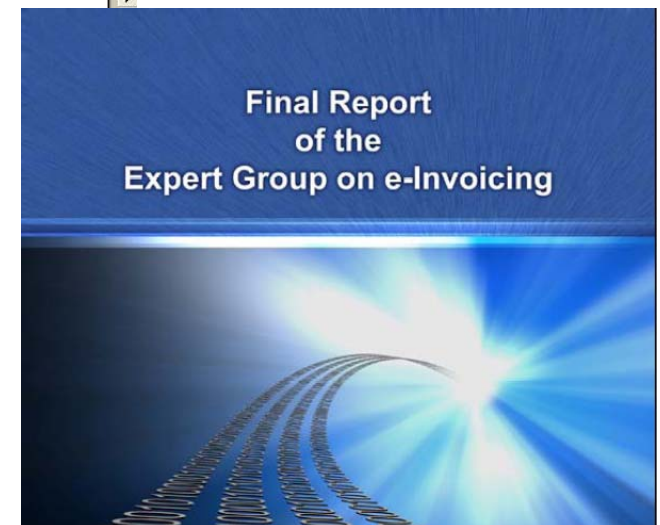
In this context, the makes the following recommendations:

R4.1: The EG recommends that the UN/CEFACT Cross-Industry Invoice (CII) v.2 is adopted by all actors within both the private and public sector, as the common reference semantic data model upon which future e-invoice content standard solutions are based. CII v.2 is currently the only international data model that covers the requirements of different industries and sectors. It provides the required connection between the various supply chain messages and is integrated with financial services requirements. UN/CEFACT products and standards are recognised and accepted globally.

R4.2: The EG recommends that structured invoices comply with this data model provided that the data elements required by the user are present in CII v.2.

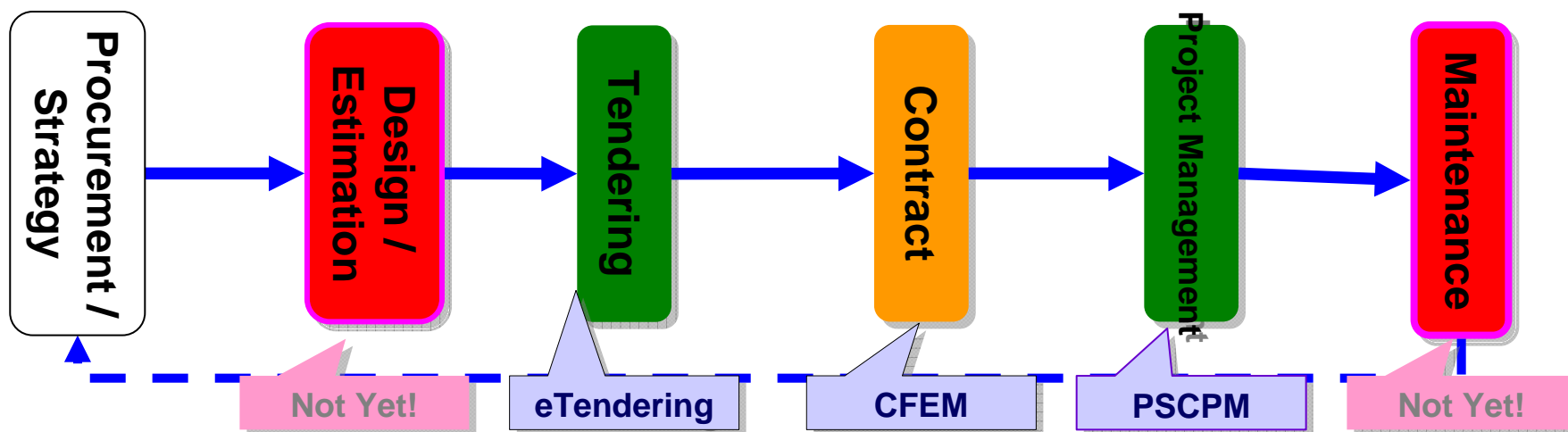
R4.3: The EG recommends that trading parties, service and solution providers and especially ERP & application providers begin migration using the CII v.2 data model either within existing solutions or by converging on new ones.

R4.4: The EG recommends convergence in the area of syntax and methodology expression. This convergence will avoid standards fragmentation and unnecessary cost burdens. Whilst the ultimate goal should be the single syntactical format, it is clearly recognised that in the





Life Cycle of Public Procurement



Design and Estimation	• • • Not Yet.
Tendering	• • • e-Tendering ebXML Standards for BoQs/Princing doc exchanges
Contract and Finance	• • • Contract Financial Execution Management: Initial Contract documents and Invoices
Project Mgt	• • • Project Schedule and Cost Performance Management Project
Maintenance	• • • Not Yet.



UN/EDIFACT (ISO 9735)

- **Customs** (Source: EU-TAXUD):
 - 175 Million Customs Declarations per year
 - 480'000 per day
 - 333 per minute
 - 5.5 per second
- **Fiscal Declarations** (Source EDIFICAS, France):
 - 1987 - 100 companies
 - 2004 - 1 million companies
 - 92% of VAT collected using EDIFACT
 - 45% of revenues collected by the French Government
- **Benefit to the State** (Source EDIFICAS, France):
 - Euros 100M per year

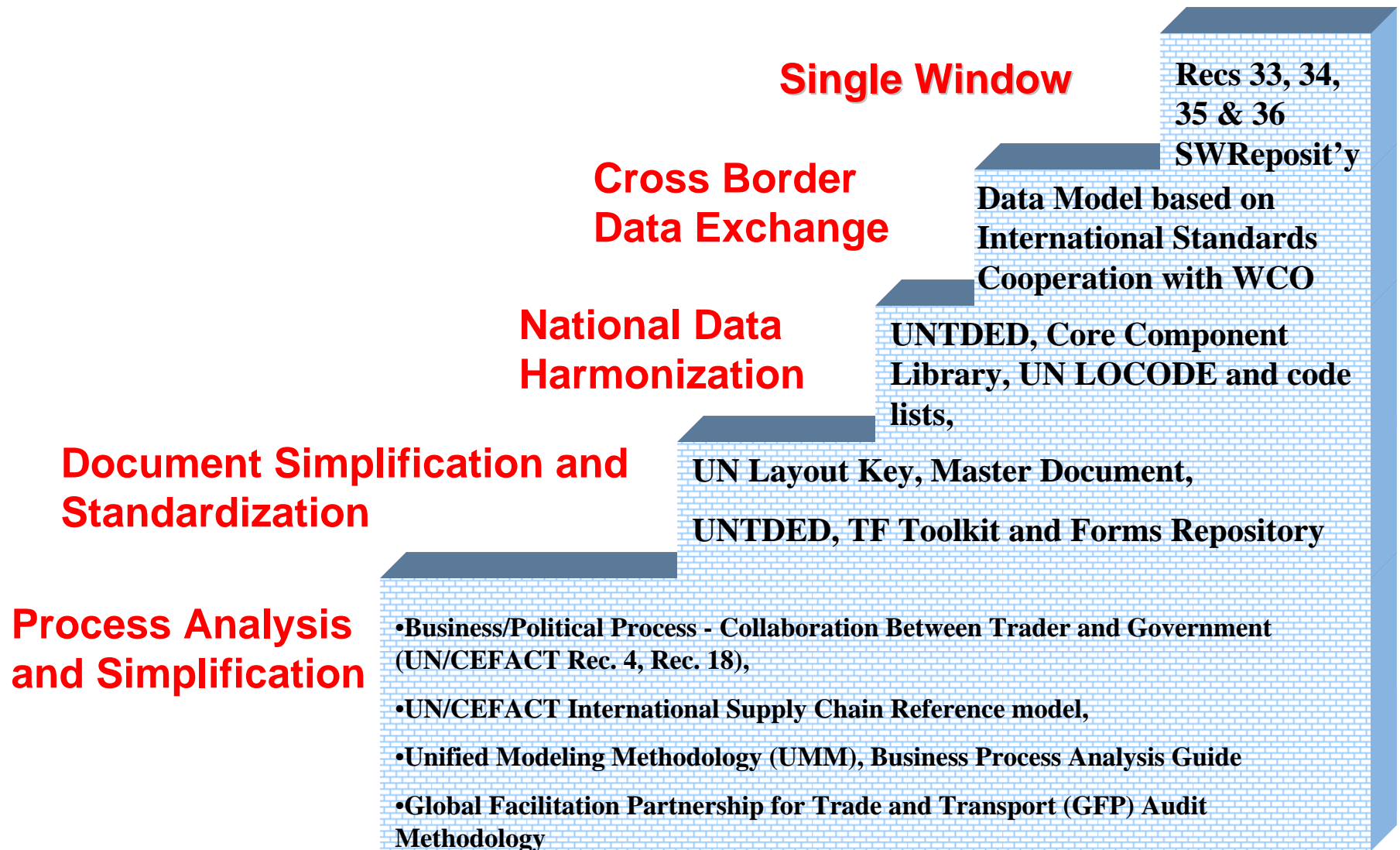


UN/EDIFACT

- **International Maritime Transport**
 - **Bayplan Loading Message**
 - 200 Million Messages per year
 - **Container Movements**
 - 100 Million container movements per year
 - **Dangerous Goods**
 - 80%by volume shipped using EDIFACT

(Source: UN/CEFACT Transport Working Group - TBG3)

Implementing UN/CEFACT Standards & Recommendations





Formal Memorandum of Understanding (MoU)

Commits participants to:

- Avoid divergent and conflicting approaches to standardization
- Eliminate duplication of effort
- Provide a clear roadmap for users
- Ensure intersectoral coherence in the field of electronic business





At-the-border measures

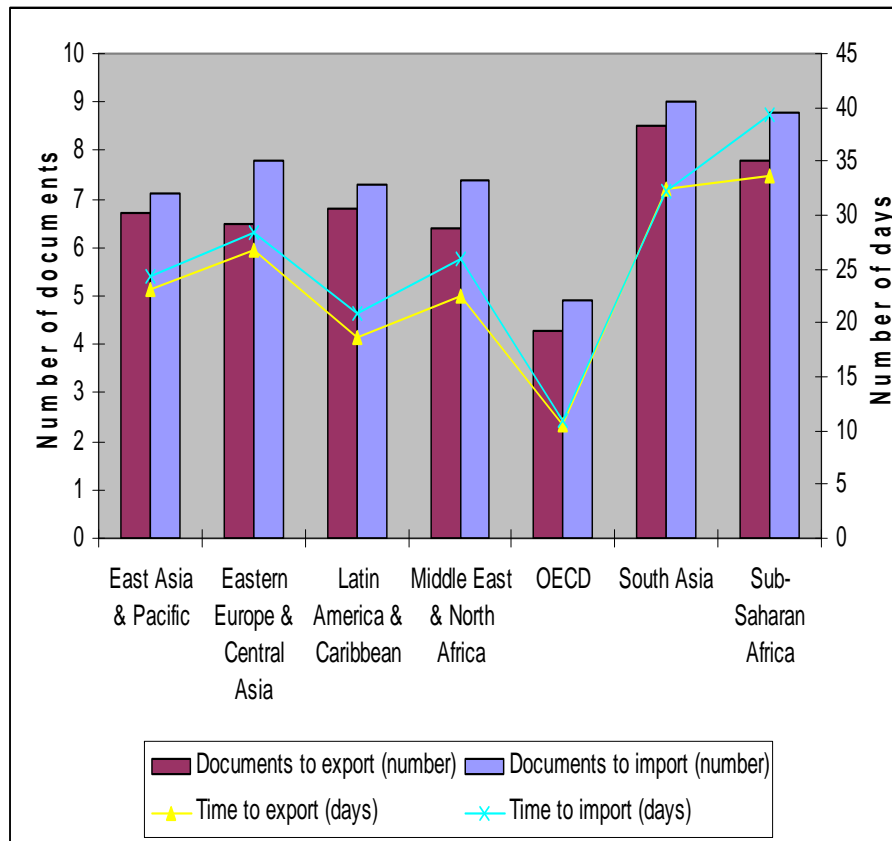
- Simplified and harmonized customs and trade procedures, documents and controls

Behind-the-border measures

- Transport corridors
- Supply chain management
- Business process facilitation
- E-commerce



Prevailing gaps in the level of Trade Facilitation reforms



- Leaders vs. laggards
- Great demand for traditional trade facilitation standards and instruments
- IT should be an enabler of TF reforms, rather than a driver



- **Convention on International Trade in Endangered Species - CITES**
- **European Commission - EC**
- **International Air Transport Association - IATA**
- **International Chamber of Commerce - ICC**
- **International Maritime Organisation - IMO**
- **International Standards Organisation - ISO**
- **Organisation for Cooperation & Economic Development - OECD**
- **UN Conference on Trade & Development - UNCTAD**
- **World Customs Organisation - WCO**
- **World Bank**
- **World Trade Organisation - WTO**
- **NGOs - ACORD, GS1, SWIFT & many others**



UN/CEFACT Recommendations cited in WTO Trade Facilitation Negotiations

- **Recommendation Number 1 - UN Layout Key for Trade Documents**
- **Recommendation Number 4 - National Trade Facilitation Bodies**
- **Recommendation Number 18 - Facilitation Measures Related to International Trade Procedures**
- **Recommendation Number 25 - Use of UN/EDIFACT**



WCO represented on UN/CEFACT Bureau

- **UNEDIFACT - WCO First major adoption**
 - **Customs goods declaration - CUSDEC**
 - **Cargo report - CUSCAR**
- **WCO Data Model v3.0**
 - **UN/CEFACT participated in Project Team**
 - **Government Cross Border Regulatory Message - GOVCBR**

Largest single submission to UN/CEFACT - helps customs administrations implement, for example, Single Windows
- **UN/CEFACT TBG 4 -Customs Working Group**



- Compelling demand from stakeholders (governments, businesses, standards development organizations) for bringing together an end-to-end global core of recommendations & standards for:
 - Trade Facilitation implementation
 - e-business, e-government and e-trade
- Standards that are open, interoperable and freely available. Robust, scalable, and maintained over time. Available in both paper & electronic formats, avoids re-working & implementable by SMEs in developing, transition & developed economies alike.
- UN/CEFACT aims at reducing complexity and costs whilst increasing predictability in national & international trade processes & procedures.