



**Economic and Social
Council**

Distr.
GENERAL

TRADE/CEFACT/2000/27
18 February 2000

ENGLISH ONLY

ECONOMIC COMMISSION FOR EUROPE

COMMITTEE FOR TRADE, INDUSTRY AND ENTERPRISE DEVELOPMENT

Centre for the Facilitation of Procedures and
Practices for Administration, Commerce and Transport
Sixth session, 27-30 March 2000
Item 7 of the provisional agenda

PROPOSED CHANGES TO TRADE/R.650

Submitted by the UN/CEFACT Steering Group (CSG)*

This document is submitted to the Centre for information and approval.

* Apart from minor editorial changes, the document has been reproduced as received by the secretariat.

Introduction

The current text of TRADE/R.650 was approved by UN/CEFACT's predecessor, WP.4, at its last meeting in September 1996 and also approved by the Committee on the Development of Trade in December 1996. Following these approvals, the United Nations Economic Commission for Europe confirmed the establishment of UN/CEFACT at an inter-sessional meeting in February 1997 and the first meeting of the Centre was held in March 1997. TRADE/R.650 has proved to be a good foundation for the operation and development of UN/CEFACT although naturally, as experience has been gained, amendments have been proposed to improve its effectiveness and to take account of developments in technology and in particular, electronic working. These proposed amendments have now been consolidated into this document which details the substantive changes showing both the current text and the proposed text. For ease of understanding, these changes have then been applied to produce document TRADE/R.650/Revision 1. This does not assume that all the proposed changes will be approved by the Plenary but it does allow changes to the final revision document, which will need to be submitted to the Committee for Trade, Industry and Enterprise Development at its June 2000 session, to be made quickly and efficiently.

The Proposed Substantive Changes

The following are the substantive changes being proposed to TRADE/R.650. Changes that are proposed only to remove redundant paragraph, which were directly related to the establishment of the Centre, are not considered to be substantive.

General

1. The title of the document has been changed from Recommendations for the Establishment of UN/CEFACT to *The Mandate, Terms of Reference and Procedures for UN/CEFACT.*
2. The name of the Centre is changed from the Centre for the Facilitation of Procedures and Practices for Administration, Commerce and Transport to *The Centre for Trade Facilitation and Electronic Business.* The acronym UN/CEFACT is unchanged.
3. The references to the Committee on the Development of Trade have been replaced by references to the *Committee for Trade, Industry and Enterprise Development (CTIED).*
4. Because the Centre has been established, all annexes except annex 1, the organigram, have been deleted. The organigram has been revised to show the change of names in the Committee to which the Centre reports and in the proposed name of the Centre.
5. Bullet lists have been replaced with sub-paragraph numbering.

Specific

Where substantive changes relate to particular clauses or paragraphs, the current clause/paragraph is shown first and the proposed clause is shown immediately below with the changes in italics and underlined. Where changes have been proposed to text in bullet lists, only the affected text is shown – not the whole of the list.

Mission Statement

Current

The United Nations, through the UN/ECE, supports activities dedicated to improving the ability of business, trade and administrative organizations, from developed, developing and transitional economies, to exchange products and relevant services effectively. Its principal focus is to facilitate international transactions, through the simplification and harmonisation of procedures and information flows, and so contribute to the growth of global commerce.

Proposed

The United Nations, through UN/CEFACT, supports activities dedicated to improving the ability of business, trade and administrative organizations, from developed, developing and transitional economies, to exchange products and relevant services effectively. Its principal focus is to facilitate international transactions, through the simplification and harmonisation of *processes*, procedures and information flows, and so contribute to the growth of global commerce. (Then the existing bullet list converted into sub-paragraph numbers. However, only the proposed text for the three amended bullets is shown below.)

Current

- analysing and understanding the key elements of international transactions and working for the elimination of constraints;
- developing methods to facilitate transactions, including the relevant use of information technologies;
- securing coherence especially in UN/EDIFACT by co-operating with other interested parties, such as ISO and ITU, in recognition that its work has broad application in the areas beyond global commerce.

Proposed

- analysing and understanding the key elements of international *processes, procedures and* transactions and working for the elimination of constraints;
- developing methods to facilitate *processes, procedures and* transactions, including the relevant use of information technologies;
- securing coherence especially in *electronic business standards* by cooperating with other interested parties, such as ISO and ITU, in recognition that its work has broad application in the areas beyond global commerce *and that interoperability is a key objective.*

Mandate

Current

Trade facilitation is central to the remit of the United Nations Economic Commission for Europe (ECE) and has relevance to the development of world trade. To achieve improved worldwide coordination of trade facilitation, the ECE has decided to establish a Centre for the facilitation of procedures and practices for administration, commerce and transport (CEFACT). The Centre is mandated to develop and undertake a programme of work that meets current and future demands as required by its mission.

Proposed

Trade facilitation and *electronic business* are central to the remit of the United Nations Economic Commission for Europe (UN/ECE), which *acts as the focal point within the United Nations on these matters. Trade facilitation and electronic business are vital factors in the development of world trade.* To achieve improved worldwide coordination *of these areas*, the UN/ECE has *established UN/CEFACT*. The Centre is mandated to develop and undertake a programme of work that meets current and future demands as required by its mission.

Main document

Current and proposed paragraph 4

Current

UN/CEFACT shall provide a forum for the work necessary to achieve its mission. It encompasses the formal meetings of the Plenary, its Steering Group, and those meetings of Working Groups held under delegated authority, i.e. empowered groups.

Proposed

UN/CEFACT shall provide a forum for the work necessary to achieve its mission. It encompasses the formal meetings of the Plenary, its Steering Group, and those meetings of Working Groups held under delegated authority, i.e. empowered groups. *It also includes virtual meetings of the Plenary and its groups, where discussion takes place and consensus is reached through electronic communications.*

Current and proposed paragraph 11

Current

The Centre shall make recommendations directly to governments and report these to the Committee on the Development of Trade.

Proposed

The Centre, acting through the Plenary, shall make recommendations directly to governments and report these to the Committee for Trade, Industry and Enterprise Development.

Current and proposed paragraph 21

Current

All officers shall be elected for a 2 year term of office renewable for one additional 2 year term. After 4 continuous years in office, an Officer shall stand down but would be eligible for re-election after a two year period out of office.

Proposed

All officers shall be elected for a two-year term of office and are eligible for re-election.

Current and proposed paragraph 26

Current

The Plenary shall meet once a year for a period of 5 days according to the schedule established in its procedures. This meeting shall be held prior to the annual session of the Committee on the Development of Trade.

Proposed

The Plenary shall meet once a year for a period of up to 5 days according to the schedule established in its procedures. This meeting shall be held prior to the annual session of the Committee for Trade, Industry and Enterprise Development.

Current paragraph 27

This paragraph, which related to the migratory meeting arrangements, is deleted and paragraphs 28 to 38 re-numbered.

Current paragraph 29, proposed paragraph 28

Current

The Steering Group's mandate and terms of reference shall be approved by the Plenary, and reviewed every two years. Initially the Steering Group's responsibilities shall include:
(Then the existing bullet list. Only the current text for the two proposed changes is shown below.)

- approving the establishment of ad hoc working groups to accomplish specific tasks within a specified time scale where the tasks relate to the requirements of the approved work programme (their establishment to be reported to the Plenary);
- endorsing the terms of reference for Working Groups;

Proposed

The Steering Group's mandate and terms of reference shall be approved by the Plenary, and reviewed every two years. Subject to such review, the Steering Group's responsibilities shall include:
(Then the existing bullet list converted into sub-paragraph numbers. However, only the proposed text for the two amended bullets is shown below.)

- approving the establishment of ad hoc internal and, where considered appropriate, with other organisations, joint external working groups to accomplish specific tasks within a specified time scale where the tasks relate to the requirements of the approved work programme (their establishment to be reported to the Plenary);
- approving the terms of reference for Working Groups.

Current paragraph 30, proposed paragraph 29

Current

A written report shall be made to the Plenary at each of its sessions.

Proposed

A written report on the activities of the CSG shall be made by its Chair to the Plenary at each of its sessions.

Current paragraph, proposed paragraph 30

Current

The Steering Group shall comprise the Chair and 15 elected members. The members shall be elected for a two year term of office and shall be eligible for re-election for further terms of office without restriction. Officers of the Plenary are ex officio members in a consultative capacity.

Proposed

The Steering Group shall comprise the Chair and 15 elected members. The members shall be elected for a two-year term of office and shall be eligible for re-election for further terms of office without restriction. Officers of the Plenary are also full members. Rapporteurs and Chairs of Permanent Working Groups shall have the right to attend in a consultative capacity.

Current paragraph 32, proposed paragraph 31

Current

The elected members shall reflect a balance between the main areas of the approved work programme. Initially, the main areas of the Centre's work programme are:

- Facilitation of Procedures;
- EDI and UN/EDIFACT;

- Areas of Joint Interest.

Accordingly, for the first two years, there shall be five members from each of the above areas. However, following the initial 2 year period, the review of the Steering Group's mandate and terms of reference (see paragraph 29) shall include a review of membership to consider the possible inclusion of representatives from mandated permanent Working Groups on the Steering Group.

Proposed

The elected members shall fairly reflect a balance between the main areas of the approved work programme.

Current paragraph 33, proposed paragraph 32

Current

A nomination process may be established to propose candidates for election to the Steering Group. The candidates shall be nominated by Plenary delegations, with the prime criteria for nomination being management/functional expertise.

Proposed

A nomination process may be established to propose candidates for election to the Steering Group. The candidates shall be nominated by Plenary delegations, with the prime criteria for nomination being management/functional expertise. *If elected, members are expected to use their best endeavours to attend every meeting. Failure to attend two consecutive meetings may lead to a request for the member to resign. The Plenary will authorise appropriate procedures to fill mid-term vacancies in the membership of the Steering Group.*

Current paragraph 37, proposed paragraph 36

Current

The preferred way of reaching decisions shall be by consensus. However, the Chair shall have the authority to call for a vote if, in his view, consensus can not be reached on a particular issue at more than 2 consecutive Steering Group meetings. Under these circumstances, the Chair shall give 4 weeks notice of the intention to call for a vote and notify all other Officers of the Plenary and the Secretariat. All elected Steering Group members shall be entitled to vote, by proxy if necessary. For a decision to be approved, 75% of the votes cast shall be required. A minimum of 8 votes cast shall constitute a valid vote and abstentions shall not count as votes.

Proposed

The preferred way of reaching decisions shall be consensus. *(Consensus is defined as at least a two-thirds majority agreement, characterized by the absence of significant and sustained opposition.)* However, the Chair shall have the authority to call for a vote if, in *the Chair's* view, consensus cannot be reached on a particular issue. *A vote may be called for in a physical meeting or electronically. If in a meeting, the meeting must be quorate and only those members present may vote. For a decision to be approved a majority of 75% of the votes cast is required and*

abstentions shall count as votes. If electronically, the Chair shall give 2 weeks notice of the intention to call for a vote and follow the non-repudiation procedures established by the Steering Group. A minimum of 15 votes cast shall constitute a valid vote. For a decision to be approved, a majority of 75% of the votes is required and abstentions shall count as votes.

Current paragraph 38, proposed paragraph 37

Current

The Chair and ex-officio members shall not have a vote.

Proposed

The Plenary Chair, the CSG Chair, Rapporteurs and Chairs of Permanent Working Groups invited in a consultative capacity, shall not have a vote. Steering Group members and other Plenary officers shall be entitled to vote.

Proposed new paragraph 38

The quorum for physical meetings of the Steering group shall be 12 members.

Current and proposed paragraph 39

Current

The Steering Group shall meet up to 4 times a year for not less than 3 days. Wherever possible, to facilitate preparation of the Plenary, the meetings shall be held back-to-back with inter-session meetings of the Officers of the Plenary. If required, emergency meetings may also be scheduled.

Proposed

Outside the Plenary meeting, the Steering Group shall meet up to 3 times a year for not less than 4 days. If required, emergency meetings may also be scheduled. In lieu of emergency meetings, specified topics or documents may be circulated for comment electronically. In addition, where feasible, virtual meetings may be held where discussions can be conducted using electronic conferencing means, provided that all members are capable of utilising the means chosen.

Current and proposed paragraph 40

Current

The dates of the Steering Group meetings shall be agreed 18 months in advance on a rolling basis. The agenda for each meeting shall be circulated at least 4 weeks in advance of each meeting and, where possible, should be agreed at conclusion of the previous meeting.

Proposed

Normally, the dates of the physical Steering Group meetings shall be agreed 18 months in advance on a rolling basis. A draft agenda for each meeting shall be circulated at least 4 weeks in advance of each

physical meeting and, where possible, should be agreed at the conclusion of the previous meeting. *The agenda for each virtual meeting shall be circulated at least two weeks in advance.*

Current and proposed paragraph 41

Current

The agenda of each meeting shall be circulated to all Steering Group members, the Officers of the Plenary and the Chairs of the Permanent Working Groups. It shall also be made available electronically on the UN server.

Proposed

The *draft* agenda of each meeting shall be circulated to all Steering Group members, the Officers of the Plenary, *Rapporteurs*, and the Chairs of the Permanent Working Groups. It shall also be made available electronically on the UN server.

Current and proposed paragraph 42

Current

All meetings shall be minuted by the Centre's Secretariat. To ensure as much transparency as possible, it is recommended that the minutes of the Steering Group be published in the 3 official languages of the ECE and made available electronically on the UN server.

Proposed

Normally, all meetings shall be held in Geneva and minuted by the Centre's Secretariat. *However, if agreed by the CSG, meetings can be held outside Geneva. If, in such cases, the Secretariat cannot attend, then the Chair must ensure that there is an adequate record of decisions reached. Virtual meetings and official electronic discussions called by the Chair shall also be minuted to establish an official record.* To ensure as much transparency as possible, it is recommended that the *summary report from each Steering Group meeting* be published in the 3 official languages of the UN/ECE and made available electronically on the UN server.

Current and proposed paragraph 60

Current

Within 6 months of approval of its mandate, a Working Group shall submit its terms of reference to the Steering Group for endorsement.

Proposed

Within 6 months of approval of its mandate, a Working Group shall submit its terms of reference to the Steering Group for *review and approval*.

Current and proposed paragraph 61

Current and proposed

Terms of Reference must include a business plan which shall cover the following: (Then, the existing bullet list although converted into sub-paragraph numbers. However, only the text for the one proposed change is shown below. The proposed text for one new responsibility is also shown.)

Current

- the administrative team structure of the Group;

Proposed

- the administrative team structure of the Group, including a mechanism for removal of officers who cannot fulfil their functions;

New

- a mechanism for reporting regularly to the CSG on the progress of the group;

Current paragraph 85 is deleted as it relates to decisions regarding the establishment of UN/CEFACT. It is replaced by the following proposal for a new paragraph:

Amendment procedure

In order to ensure that the provisions of this document accurately reflect relevant developments in global commerce, trade facilitation and electronic business it shall be reviewed periodically. The power to amend this document shall be vested in the Plenary. Proposals for such amendment may be made by:

- Members of the Plenary;
- Officers of the Plenary;
- The CSG;
- Rapporteurs; and,
- Permanent Working Groups.

Proposed new paragraph 86

Amendments approved by the Plenary shall be submitted to the Committee for Trade, Industry and Enterprise Development for noting at its meeting, following such amendments being approved by the Plenary.
