UN/CEFACT

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

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

SOURCE: CSG Chair

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 approve this document

Agenda Item 4
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 2000 Plenary session and includes a number of items which require Plenary consideration. These items are highlighted in italics in the following text. In order to assist delegations, where relevant, this report is structured according to the order of the Plenary agenda.

2. The Chair of the CSG regrets the lateness of this report. There have been a number of extenuating circumstances both personal and professional but, even so, the Chair recognizes that delegations have not been as well provided with overview information as he would have normally wished and sincerely apologizes. However, all of the major papers for the session have been published on time and, therefore, the Plenary can take substantive decisions.

3. Apart from a short review meeting immediately following the last Plenary, the CSG has met three 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 e-mail server. This report covers the key issues addressed during these meetings and also includes, in section 4 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/2001/3 which covers the March 2000 meeting, documents TRADE/CEFACT/2001/4 and TRADE/CEFACT/2001/5 which respectively cover the May and August 2000 meetings held in Geneva, and document TRADE/CEFACT/2001/6 which covers the November 2000 meeting which was hosted by the Port of Barcelona. On behalf of the CSG, the Chair would like to record his warm appreciation of the welcome and facilities offered to the CSG by the Port. However, the CSG could not function efficiently without a committed and effective secretariat and it has again received excellent support from members of the UN/ECE trade division. In particular, the CSG chair would like to record his thanks to Ms. Vlasta Macku, who has now returned to work in UNCTAD, and to Mr. Mario Apostolov, who at short notice took over from Ms. Macku, and has contributed to the work with great energy and enthusiasm.

Agenda item 3 - Election of Steering Group Members

5. The current CSG was elected in March 1999 and therefore under the procedures set out in R.650/Rev.2, has completed its term of office. The CSG Chair would like to thank all the members of the CSG for their dedication and input to the work of UN/CEFACT, which in many cases has been outstanding. The majority of the CSG have indicated that they are candidates for re-election and given the quality of their contribution, such stability can only be to the advantage of the Centre. However, at the time of writing, it is clear that two of the current members, Mr. Emile Peeters and Mr. Rob van Kuik, who have both served on the CSG with distinction since its formation in March 1997, will be standing down. The CSG Chair would like to record his deep appreciation of their significant contribution to the Centre’s vision, objectives and work.
6. The objective of the ebXML initiative is to develop a single technical framework that will support the interoperability of XML based electronic business. 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 organisation 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>.

7. The initiative is UN/CEFACT’s first venture with an organization representative of the Information and Communication Technologies (ICT), industry having members such as IBM, Microsoft, Sun Microsystems, Ariba, CommerceOne, NetFish, SAP, and many other leading companies in the software development and the web services area. The initiative is project based and was launched in September 1999 with the goal of completing the initial set of specifications within 18 months of the first meeting. That was held in November 1999 in San Jose, California. The Terms of Reference of the project were circulated to Heads of Delegations at the March 2000 Plenary.

8. A senior member of the CSG, Mr. Klaus-Dieter Naujok, is chairing the initiative with the Vice Chair - Dr. Robert Sutor, Director of e-business Standards Strategy for IBM - coming from OASIS. In addition, to give overall guidance, UN/CEFACT and OASIS have established an executive committee consisting of the ebXML Chair and Vice–Chair, the President of OASIS, Dr. Bill Smith, Director, Technology Development for Sun Microsystems, and the Chair of the CSG.

9. Membership of ebXML can either be virtual (there are now nearly 2000 virtual members) or through attendance at the meetings. To encourage global participation, meetings have been held in Orlando, Brussels, San Jose (the second meeting there), Tokyo and Vancouver. Attendance at the meetings has been averaging 250 and last month there were over 350 at the Vancouver meeting. The final meeting of the first stage of the project will be held in Vienna from May 7-10, 2001. Further information on the arrangements for that meeting can be found at the web site <www.ebXML.at>.

10. In addition to the physical meetings to coordinate and progress the work on the specifications, the Steering Committee of ebXML (which is made up of the ebXML Chair and Vice–Chair, the leaders of the individual project groups, with the President of OASIS and the Chair of the CSG having observer status) has held a regular tele-conference every two weeks. Leading a project of this size, which is both at the forefront of standardization and organizationally complex, is intellectually demanding and very time consuming. On behalf of UN/CEFACT, the Chair of the CSG wishes to place on record his thanks to Mr. Naujok for his exceptional contribution; it has been all the more remarkable because of his changing professional circumstances.

11. The deliverables of ebXML can be divided into two parts: infrastructure and content. Infrastructure consists of the technical architecture to allow the interoperable exchange of XML messages and includes messaging services, registry and repository services, and trading partner protocols. Content or payload can be derived either from the rigorous use of an agreed business process and information modelling (BPIM) methodology, supported by a modelling technique, or through the development and assembly of core components.

12. ebXML’s Business Process activity is based upon the modelling methodology that has been
developed by UN/CEFACT’s Techniques and Methodology Group (TMWG) and which is being presented to the Plenary for approval under item 9 of this agenda. ebXML Core components can be considered as individual pieces of business information or as a natural “go–together” family of business information objects. They have the potential to be a bridge from today’s EDI world, which would be of significant value, but the underlying concepts are still evolving and require further definition and development before they become widely implementable in automatic exchanges.

13. At the Vancouver meeting, the specification covering ebXML’s technical architecture was agreed, and the publication of the remaining infrastructure specifications, the BPIM methodology and, at least, advanced drafts of the specifications for core components and core library functionality will take place in the same week as UN/CEFACT’s plenary. These specifications should have completed their public review process in time for approval at the May 2001 meeting in Vienna.

14. Vancouver also saw an important development when the plenary agreed with the recommendation of the messaging group to integrate into their specifications the Simple Object Access Protocol (SOAP). This followed an offer from the companies that had developed SOAP (which include Hewlett Packard, IBM, and Microsoft) to make available the SOAP intellectual property rights (IPR) on the same basis as the owners of the IPR had made to the World Wide Web Consortium - W3C (the SOAP protocol has also been submitted to W3C). There is no question that this will improve the marketability of ebXML because it will streamline acceptance and reduce the cost of product implementation for all companies, regardless of their size. Given the significance of the companies that developed SOAP this is a major step forward.

15. So ebXML stands on the verge of completing its first set of goals on schedule and detailed information on all aspects of its development can be found on the ebXML web site <www.ebXML.org>. Accompanying the development of the specifications has been a series of proof-of-concept demonstrations, involving a growing number of software houses, which have shown the interoperability of the infrastructure.

16. The press and ICT analysts have received the quality and scope of these demonstrations with enthusiasm. Press coverage of ebXML continues to grow and could accelerate following its public launch, which takes place in London at the XMLONE event during the week beginning 19 March 2001. UN/CEFACT has gained significantly from this coverage and it has brought it to the attention of many influential players who previously had been unaware of its work.

17. UN/CEFACT and OASIS are already committed to jointly publish the final specifications, but as the initial stage moves to completion on time, they need to consider what type of organization is needed: to guard - for the common good - the IPR that has been created; to continue the development work where that is required; to consider whether further standardization is appropriate, be that de facto, for example with W3C, or de jure, for example, with ISO; to promote the results of the work; to encourage the rapid implementation of open, interoperable products; and, to consider the issues of conformance.

18. Apart from the views of UN/CEFACT and OASIS this also involves detailed consultation with the membership of ebXML who have put considerable effort into its development, and this process will not be complete until the Vienna meeting. However, it is already evident that to meet the above requirements ebXML does need to continue, at least as a virtual organization, to coordinate the various aspects of development, maintenance, promotion, implementation, conformance and to
secure the ebXML IPR.

19. The ebXML executive group is currently considering the most appropriate way of establishing such an organization, but it is clear that it should be light in structure. It could be developed from the current executive committee (but probably not with the same personnel) but, to ensure openness, it should include representatives from the ebXML plenary. Given the skills and strengths of ebXML’s parent bodies, it also seems natural that OASIS should take responsibility for progressing and maintaining the infrastructure aspects (possibly, for specific elements, in association with W3C) and UN/CEFACT should take responsibility for all of the content aspects. (If the E-Business strategy paper being discussed under item 9 of the agenda is approved, then UN/CEFACT will establish a group to develop, and make available in a public registry and repository, Business Process Information Models) Finally to encourage rapid adoption consideration is being given to continuing ebXML meetings, perhaps for a period of, say, two years, but at a reduced frequency - perhaps twice a year.

20. The transition to the next stage of ebXML will occur between UN/CEFACT Plenary sessions and, therefore, to progress all of these matters, the Chair of the CSG is requesting that the CSG be given full responsibility to agree with OASIS the detail of these steps.

**Plenary Action:** To note this report, to approve the direction of the project and to delegate to the CSG responsibility for the detail of the next steps for ebXML and with OASIS.

**Agenda item 5 - The Memorandum of Understanding (MoU) with the World Customs Organization (WCO), the MoU with the other international standardization organizations, and cooperation with WTO and UNCTAD**

**WCO**

21. UN/CEFACT has always had a close and productive relationship with the World Customs Organisation, (WCO) which has also been recognized by the WCO nominating a member to the CSG. Last year the Plenary approved the development of a Memorandum of Understanding (MoU) between the two organisations covering their various joint interests and, subsequently, a draft MoU has been developed. This draft continues to be improved and is now at an advanced stage. It will be signed in the near future by the Secretary General of the WCO, Mr. Michel Danet, and the Executive Secretary of the ECE, Mrs. Danuta Hübner.

The MoU on Electronic Business with the International Organization for Standardization (ISO), International Electrotechnical Commission (IEC) and the International Telecommunications Union (ITU)

22. The original Memorandum of Understanding (MoU) on Electronic Business between the UN/ECE, ISO and the IEC has now been formally expanded to include the ITU, and the CSG Chair very much welcomes this development. The expanded MoU continues to give opportunities to align the work programmes of each organisation and to avoid duplication in standardisation activities, whilst allowing the objectives and work of each organization to be better understood by the others. In November 2000 the Management Group of the MoU, which includes the ISO Liaison Rapporteur, the CSG Chair, and a number of CSG members, held a very useful two day Business Object “Summit” at which the Chair of the TMWG, made an important contribution. The summary of the results of the meeting can be obtained from the Secretariat (Mr. Jean Kubler) and
many of the presentations are also available on the Web at <www.itu.int/ITU-T/e_business/bos.html>. The next MoU Management Group Meeting will be held in November 2001.

WTO
23. Any developments in WTO relating to trade facilitation and electronic commerce are of fundamental importance to UN/CEFACT. Consequently, the Centre should continue to maintain a close working relationship with the WTO secretariat and be prepared to make a significant contribution to any new initiatives in these areas. However UN/CEFACT’s work is not directly dependent on developments in WTO, and the Centre should aim to accelerate its important work to develop and assist in the implementation of practical trade facilitation measures. In that respect its relationship with UNCTAD, particularly considering the advantages to developing countries and economies in transition of effective trade facilitation policies, is very beneficial. UNCTAD also continues to make a significant contribution to the work of the ITPWG.

Plenary action: Under agenda item 5, to authorize the CSG, working with the Secretariat, to conclude the discussions with the WCO regarding a MoU between the two organizations.

Agenda item 6 - Matters arising from the Committee for Trade, Industry and Enterprise Development (CTIED)
24. In response to the rapidly changing conditions in economies in transition, and the potential beneficial impact of the Internet and ICT, UN/CEFACT’s parent body, CTIED, has been reviewing its role and priorities. Innovations, such as the very successful Conference in June 2000, have been introduced, and the enlarged bureau of the CTIED is considering others. There are good grounds for a new and even closer relationship between UN/CEFACT and the CTIED, and the Chair of UN/CEFACT and the Chair of the CSG are both members of the enlarged bureau. The bureau next meets on 23 March 2001 and the CSG Chair will attend this meeting. A verbal report of the Bureau’s discussions will be made to the Plenary.

Plenary action; under agenda item 6, to note the developments in CTIED

Agenda item 7 – The Programme of Work and progress reports from mandated groups
UN/CEFACT has the following 6 permanent working groups:

- BPAWG Business Process Analysis Working Group
- CDWG Codes Working Group
- EWG UN/EDIFACT Working Group
- ITPWG International Trade Procedures Working Group
- LGW Legal Working Group
- TMWG Techniques and Methodologies Working Group

25. All of these groups are now established, operating in accordance with the work programme, and are generating significant results. The Chairman, or Vice Chairman, of each group, will be making individual reports to the Plenary on their latest progress and on any issues. In addition, the secretariat will be providing delegations with a summary of the most important items under
development by each group along with contact and meeting information. Following the resignation of Mr. Roger Black, Chairman of the ITPWG, the Group is expected to elect a new Chairman. The CSG would like to thank Mr. Black for his Chairmanship, under which the ITPWG produced some very high quality work during the last year.

26. However, the Chair of the CSG is still concerned about the number of active participants in some of the groups and wishes to strongly encourage Heads of Delegations to nominate experts to those groups where they have no representation. If numbers do fall to very low levels, then despite the importance of the work, the CSG may have to consider merging groups or reducing the work programme. If this were to be a consideration, the CSG would obviously consult closely with the Chair of any group affected and with Heads of Delegations.

Ad hoc Working Groups

27. UN/CEFACT has currently only one ad hoc working group - the Promotion Advisory Group - which is led by a UN/CEFACT Vice Chair, Santiago Mila. During the year some substantive work on UN/CEFACT’s new logo and identity has been completed and this is further discussed under item 9 of the agenda.

Plenary Action: To note the progress in delivering the work programme

Agenda item 8 - Reports from UN/CEFACT Rapporteurs and related matters

28. UN/CEFACT has appointed Rapporteurs - recognised experts with a special mandate from the Plenary to carry out an agreed role - in three areas of its activities: Asia, International Standards and Legal Aspects. As their reports demonstrate, the Plenary is extremely well served by all its Rapporteurs, who bring to the role a unique blend of expertise, experience and commitment. Therefore, it is a significant loss when a Rapporteur steps down as in the case of Mr. Kenji Itoh (Japan), the Rapporteur for Asia and formerly a UN/EDIFACT Rapporteur. Mr Itoh has now served UN/CEFACT and its predecessor body, W.P.4, as a Rapporteur for 14 years and has made a very substantial contribution to its work and to its global recognition. On behalf of UN/CEFACT, the CSG Chair would like to sincerely thank Mr. Itoh for his outstanding commitment to UN/CEFACT over so many years. The good news is that if elected, Kenji will continue as a UN/CEFACT Vice Chair and therefore the Plenary should be able to continue to benefit from his knowledge, wisdom and experience. Mr. Itoh’s resignation means that a new Rapporteur will need to be appointed and the CSG chair understands that Mr. Khan of India, who is a CSG member and who has served as the Vice – Rapporteur for Asia, will be nominated.

Plenary Action: Under agenda item 8 to note the reports of the Rapporteurs and to appoint a new Rapporteur for Asia (the Mandate of this Rapporteurship, which has been approved by the Plenary, is unchanged)

Agenda Item 9 - Strategies for the Promotion and Implementation of UN/CEFACT objectives.

29. Under this item there are three important items for the Plenary to consider. The first is to receive from the Chair of the Promotion Advisory group the new logo and its accompanying identity
manual, the second is to consider and adopt a major work item from TMWG, the UN/CEFACT Unified Modelling Methodology, and the third is to discuss and approve a substantive paper covering the realization of UN/CEFACT’s vision from an E-Business standards Strategy viewpoint.

30. Under the leadership of Vice Chair Mr. Santiago Mila, (IAPH) the new identity, based on the UN logo approved at the March 2000 Plenary, has been professionally developed to cover all aspects of the Centre’s activities and is a major step forward. It provides the cornerstone for the implementation of an awareness and communication strategy. Consistently applied and disseminated, it will provide UN/CEFACT with a unique and easily recognisable identity. On behalf of UN/CEFACT, the CSG Chair would like to thank Mr. Mila for his leadership of this project and to express the Centre’s gratitude to the Port of Barcelona for providing, as a contribution-in-kind, the resources required to professionally develop the logo and manual.

31. In March 1997, at the first Plenary meeting of UN/CEFACT, the Plenary approved an approach to all aspects of its work programme, which was strategic and based on a uniform, structured analytical approach to both the issues of rationalising trade procedures and of standardising information exchanges in electronic business. This became known as “the top down rather than bottom up approach” and for this approach to be successful, a cohesive methodology needed to be developed. That task was allocated to TMWG.

32. Developing such an all encompassing methodology, especially one that can be used to develop precise, comprehensive, syntax neutral, information models is not an easy task and has taken longer than anticipated, mainly because the CSG has also asked the TMWG to consider and report on other matters such as the emergence of XML. However, the work has now developed to a very advanced stage and the CSG now feels that the work should be placed in the public domain so that it can be reviewed, and based on experience, refined. The TMWG report, N.90, is over 200 pages long and written for modelling experts. To relieve the Plenary from the task of reading and absorbing this very detailed and technical document, the CSG has asked the TMWG to produce a summary document containing the key concepts and this is the document, TRADE/CEFACT/2001/7 - the UN/CEFACT Unified Modelling Methodology. Effectively it is a “pointer” to N.90, which in due course will be published in a CD ROM and will be available from the Secretariat. On behalf of the CSG, its Chair commends this document to the Plenary and recommends its approval. He would also like to thank all members of TMWG for accepting the intellectual challenge of this work item and for their technical skill and their dedication in delivering it.

33. Applying N.90 and its recommended modelling tool, UML, (Unified Modelling Language) in a consistent manner will allow a related set of processes within a natural and definable boundary - a domain - (such as international trade or healthcare), to be decomposed into individual processes (such as customs clearance or purchasing) and their underlying procedures and information flows. Using the same methodology and the same tool, these information flows can then be subsequently decomposed into Business Process Information models, which are precise, comprehensive, syntax neutral models of a part of a business process (such as import declaration or purchase order). These are very valuable computer programmable representations of business transactions, which can be registered, stored, and accessed (using the Internet), in a special, advanced, database known as a repository.
34. Such a repository (or repositories) would be very beneficial to industry, commerce, governments, and software developers alike and, not least, to trade facilitators. The problem is that although they contain very valuable information they are very expensive to build. For some time the CSG has been considering the challenges and opportunities associated with developing such a repository and have come to the conclusion that the only feasible way that this can be done is through a partnership with industry and the potential users of such a repository. In their view this requires UN/CEFACT to take an innovative approach to these issues and that approach is outlined in TRADE/CEFACT/2001/7 - The realization of UN/CEFACT’s vision from an E-Business standards Strategy.

35. This is a substantive paper and the CSG Chair is grateful to the CSG members that have produced it and particularly to Mr Harry Featherstone and Mr Peter Wilson. The Chair of the CSG recognises that the paper raises many issues - not least the one of “pay to play” - and that these issues need to be approached and resolved in an open, thoughtful, equitable, manner based on the very best of public and commercial practices. However, he also believes that if UN/CEFACT wants to deliver its vision of simple, transparent, processes for global commerce and accelerate world trade this is a logical and necessary development and he recommends its approval.

Plenary action: to receive the new logo and the identity manual, and to approve documents Trade/CEFACT/2001/7 and 2001/26.

Agenda Item 10 - UN/CEFACT Recommendations

36. UN/CEFACT Recommendations are made to Governments and constitute the highest level of Plenary action, and as a result of the momentum being developed by the working groups, there are a large number of proposals for Recommendations to be considered for approval at this Plenary. There are two new ones, a proposal from the Legal Working Group for a Recommendation on E-Commerce Self-Regulatory Instruments (Codes of Conduct) - TRADE/CEFACT/2001/14 - and proposal from the Codes Working Group for a Recommendation on Codes for Types of Means of Transport - TRADE/CEFACT/2001/23.

37. There are five proposals for revisions or additions to existing Recommendations they are:
   • an addendum to Recommendation 1: the UN Layout Key for Trade Documents (TRADE/CEFACT/2001/15). The UN Layout Key itself has not been changed; the addendum explicitly formulates the measure recommended in Recommendation 1;
   • an Informative Annex (TRADE/CEFACT/2001/16) to Recommendation 1 and an addendum to it; (TRADE/CEFACT/2001/16/Add.1)
   • the revised Recommendation 18: Facilitation Measures related to International Trade Procedures (TRADE/CEFACT/2001/18), which is the umbrella Recommendation for all other UN/CEFACT Recommendations on trade facilitation and is key Recommendation;
   • A revision to Recommendation 19: Codes for Modes of Transport (TRADE/CEFACT/2001/19);
   • A revision to Recommendation 20: Codes for Units of Measure Used in International Trade (TRADE/CEFACT/2001/20)
In addition, there are three recommendations which are for information and/or a noting (These involve minor changes such as a change in the code list).

38. The Chairman or Vice Chairman of each working group making a proposal for a new or revised
Recommendation or a Recommendation for noting, will introduce the documents. The Chair of the CSG believes that these proposals are the result of thorough, high quality work, by the Permanent Groups and, therefore, they should be approved, but he notes that approval of UN/CEFACT Recommendations requires unanimity from Plenary delegations.

*Plenary action: Under agenda item 10, to approve the proposals of the various Working Groups for new or revised Recommendations.*

**Agenda Item 11 - Reports from regional bodies and regional advisers**

39. Apart from supporting and encouraging the successful regional initiatives that are being undertaken by UN/ECE’s regional advisers such as the establishment of SECIPRO, the Centre working through its secretariat, maintains excellent relationships with the other UN regional commissions and especially those for Asia Pacific (ESCAP) and Western Asia (ESCWA). In addition, in Asia, the UN/CEFACT Rapporteur (Mr. Kenji Itoh) has been instrumental in the establishment of the regional body, AFACT. The CSG chair has also had the privilege of attending and contributing to AFACT management and plenary meetings and feels that the flexible organisational structure developed by AFACT, which now has 13 members, could be used as a role model to extend cooperation with other regions such as Latin America or Africa. In particular, the ideas developed in the Legal Working Group, of having sub-groups for specific regions such as AFACT or North America could be a very effective way of encouraging greater participation in, and knowledge about, UN/CEFACT’s work.

**FUTURE CSG MEETING DATES**

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