

**5 May 2004**

**ENGLISH ONLY**

**UNITED NATIONS CENTRE FOR TRADE FACILITATION AND ELECTRONIC BUSINESS (UN/CEFACT)**  
**TBG'S COMMENTS & PROPOSALS CONCERNING THE UN/CEFACT STEERING GROUP'S**  
**CEFACT MANAGEMENT STRUCTURE RECOMMENDATIONS**

Submitted by the Chairman of the Trade and Business Processes Group (TBG) \*

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This document replaces document TRADE/CEFACT/2004/35 and is submitted by the Chairman of the Trade and Business Processes Group (TBG) for discussion by the UN/CEFACT Plenary during the May 2004 Plenary meeting under agenda item 9.

The International Trade & Business Processes Group (TBG), is an empowered group of the UN/CEFACT Forum. It consists of 17 Working Groups, with some 200 members, coming largely from the business community, governments and trade associations.

The TBG meeting at the 4<sup>th</sup> UN/CEFACT Forum in Bonn from 8 to 12 March 2004, reviewed the proposal of the CSG, UN/CEFACT Management Structure Recommendations, document CEFACT/2004/CS001, 21 January 2004.

Contrary to the process which was employed at the time of the setting up of the UN/CEFACT Forum, in which ongoing consultation had taken place between the CSG and the then permanent groups, on this occasion the UN/CEFACT Forum was not consulted formally on the proposed recommendations. Documents were circulated to the FCT and the FCT Chairs were invited to attend the CSG. The CSG's meetings however are confidential, consequently, the members of the many Forum Working Groups only became aware of the CSG's submission to the UN/CEFACT Plenary when the Chair of the CSG gave a presentation to the Forum plenary on 8 March 2004.

The TBG had provided input to the CSG during the preparatory phase and gave verbal comments at the CSG meeting in January. Some fundamental issues required further discussion. Following its review, the TBG, at its final plenary meeting on 12 March 2004, unanimously agreed to submit its comments and proposals to the UN/CEFACT Plenary for its consideration.

## **1. Management of the Forum since 2002**

The original proposal at the time of the creation of the UN/CEFACT Forum, was to set up a:

*“Management Team”*

*Overall the operational management of the UN/CEFACT Forum will be achieved by a Forum Management Team (FMT) comprising the Chair and Vice-chair of each of the five Groups....”* (Proposal for Future Structure and Organisation of the UN/CEFACT Permanent Working Groups v10, 03.03.2002)

This, however, put into question the role of the CSG, consequently the FMT was changed to the Forum Coordination Team (FCT), whose role was only to coordinate the Forum's activities. The FCT has no authority, its plenaries cannot approve any resolutions, nor does it have any responsibility for resolving any differences that may arise either in, or between the different empowered groups. The FCT has no resources whatsoever and relies almost entirely on the goodwill of its members, who are all volunteers. This is a far cry from the structure, which supported the EWG and other permanent WGs in the past.

TBG considers that after almost two years of operation, the FCT is an anomaly and should be replaced by a properly empowered management group.

Furthermore, one of the major weaknesses of the current organisation and the cause of much of the perception that UN/CEFACT risks now becoming irrelevant, is mainly the result of empowerment. Yet, the whole new structure proposed is based on the principles of empowerment.

## **2. Empowered Groups**

TRADE/R.650/Rev.3 - draft, 1 March 2004 defines empowerment as follows:

- “VI. Empowerment of Groups
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- Groups shall be established with a mandate to undertake a long-term work programme. “
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#### Principles of empowerment

4. *The mandate is the agreement between the Plenary and the Group on overall objectives (scope and purpose), key deliverables and delegated responsibilities.”*

Whilst TBG does not disagree with the above principles, it wishes to point out to the UN/CEFACT Plenary how empowerment works in practice.

Empowered Groups:

- Write their own internal procedures with no coordination or harmonisation between groups. The FCT turned down a proposal of TBG to adapt the extensive and well proven procedures of the former EWG, to the needs of the Forum;
- Membership and voting rights can similarly differ and can vary from very simple to highly complex. As Forum members attend many different groups there is no guiding principle on voting which is applicable to all groups;
- Activities within a group can remain obscure and the FCT has no power to intervene even when potential conflicts arise;
- There is as a result, little transparency and no accountability;
- There is no evidence to show that the agreement between the Plenary and the Group is reviewed periodically, beyond the Group reports to the Plenary, which suggests that empowered groups are free to do as they please;
- The **leading role** which the Plenary foresaw for the TBG in the UN/CEFACT Forum, has never been effectively implemented because of the negative effects of empowerment.

### **3. The CSG’s Proposal**

In the Introduction to the document CEFACT/2004/CS001, it is stated:

*“...(CSG) have undertaken a thorough review of all relevant issues and offer the proposal herein as a recommendation for the most success-oriented means for continuing the progression of the Centre’s work...”*

It goes on to propose that:

*“Past discussion has highlighted a need to clarify the relationship and roles of the CSG, Policy Group and FCT. After dutiful consideration the CSG believe there is no need for a CSG structure in the future. Rather, many of the current CSG responsibilities should be transitioned to a more involved Plenary, more directly involved set of Plenary officers and a more authoritative FCT structure. Other responsibilities should be eliminated. In summary, the Plenary officers would have a portfolio of responsibilities...”*

Then:

*“The Programme Steering Group is intended to function as a coordination body directly associated with the needs and requirements of the empowered Groups, in the context of the objectives of the Centre. The focus of the PSG is on the proper coordination of the joint programmes of work and not internal empowered Group operations. It is purposefully positioned at the lowest possible point of the organizational structure to emphasize the importance of a clear focus on work programme execution.”*

The word “**management**” does not appear in the text.

The TBG questions the logic, which suggests that many of the current CSG responsibilities should be transitioned to a more involved Plenary and of a more directly involved set of Plenary Officers.

One of the main weaknesses of the current UN/CEFACT structure is the vacuum, which exists between the CSG and the Forum. There has always been a lack of communication between these two entities and the CSG proposal does little to rectify this situation. The notion that the Centre’s strategy can continue to be set in a confidential environment isolated from the Forum, which is seen to have only a tactical role, is, in the opinion of TBG, further proof of the lack of understanding that the CSG has of the work of the Forum, and, conversely, the lack of confidence which now exists between the Forum and the CSG.

#### **4. TBG’s Recommendations**

##### **UN/CEFACT Management Structure Recommendations**

TBG wishes to inform the UN/CEFACT Plenary that its members wish to see UN/CEFACT continue and regain the legitimacy and respect in which it has always been held. To this end it proposes that:

- The new management structure should be “**integrated**”, with only one management layer between the Plenary and the Forum, see figure 1. UN/CEFACT Integrated Management Structure.
- The “**Plenary**” layer would be that at which the activities directly related to the UN/CEFACT Plenary would be managed. We are of the opinion that there should be a Chair and only one Vice Chair of UN/CEFACT. We are not opposed to the election of officers by the Plenary, with specific responsibilities for strategy, communications and promotion, external relations, as well as the Legal and Regional Rapporteurs. TBG is of the opinion however, that the Standards Rapporteur should be elected by the Forum and ratified by the Plenary.

The proposal to have a “**Plenary Bureau**” is based on the need for a mechanism whereby the UN/CEFACT Chairman, Vice Chairman and Plenary officers, and the Forum Management Group (FMG – see below), can progress issues of a political and strategic nature on a day to day basis. The proposed composition of the Plenary Bureau would be: the UN/CEFACT Chair and Vice Chair, the FMG Chair and Vice Chair, the officers elected by the UN/CEFACT Plenary and the Rapporteurs.

The role of the Plenary Bureau would be to manage the UN/CEFACT Plenary, attend the CTIED and maintain the liaison between the Plenary, UNECE and the Forum. The Plenary Bureau would be responsible for dealing with issues of a political and strategic nature involving the UN and other external bodies.

It would report to the UN/CEFACT Plenary.

The “**Management**” layer would manage all activities directly related to the UN/CEFACT Forum. The proposed Programme Steering Group would be replaced by a **Forum Management Group (FMG)** whose role would be to manage the Forum’s programme of activities. The Forum Groups would report to the FMG and the principle of empowerment, as it is practiced today, would be abandoned. Consequently they would revert to being called UN/CEFACT Permanent Groups.

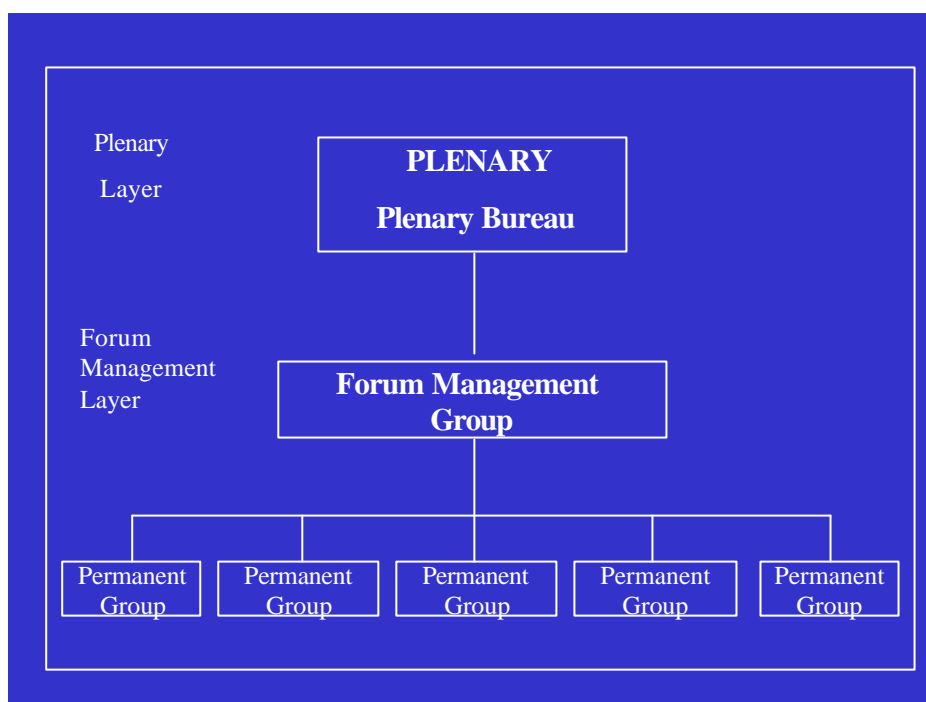
Membership of the FMG should reflect **the diversity** of the Forum Groups, and especially **the leading role of business**, consequently some proportionality should be considered. The proposed composition of the Forum Management Group would include: the FMG Chair and Vice Chair, the Chairs of the Permanent Groups, as well as a number of representatives of specific areas of importance eg Trade

Facilitation, the officers elected by the Plenary with portfolios for, Strategy, External Liaison, Communications & Promotion, as well as the Rapporteurs. The UN/CEFACT Secretariat should be an ex-officio member of the FMG and provide the secretarial support. The final composition of the FMG should be decided by its members.

The FMG would form a management and operations group (similar to the former EWG MOP) to prepare, streamline and harmonise all of the Forum's rules and procedures covering membership, voting rights, and common working procedures.

The FMG would report to the UN/CEFACT Plenary.

Fig. 1 UN/CEFACT Integrated Management Structure



#### Support Service Provider (SSP)

TBG supports the concept of the appointment of a SSP. In the current situation where virtually no support is available and, given the timescale to appoint a SSP, it agrees with the proposal of the UN/CEFACT Secretariat for a phased implementation. This would allow the immediate priority for support for the Forum to be satisfied. Then, in parallel to tender for a SSP, alternatives for the provision of a repository or a network of repositories, as well as other services, should be studied.

Approved for submission to the UN/CEFACT Plenary at its session from 17 to 19 May 2004.

Bonn, 12 March 2004

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