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UNITED NATIONS CENTRE FOR TRADE FACILITATION AND ELECTRONIC BUSINESS (UN/CEFACT)

**RECOMMENDATIONS FOR THE SUPPORT AND FINANCING OF
THE UNECE'S UN/CEFACT PROGRAMME OF WORK**

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Submitted by the Bureau

This document is for information and is presented under agenda item 5 of the provisional agenda.

Previous documentation: Project Proposal for External Support Services (TRADE/CEFACT/2004/26).

I. Introduction

1. The former CEFACT Steering Group (CSG) submitted a “Project Proposal for Support Services to UN/CEFACT” to the 10th UN/CEFACT Plenary in May 2004. In its decision 04-21, “The Plenary noted document TRADE/CEFACT/2004/26. It requested that the Bureau revise it to take into account the decisions of the 10th Plenary and resubmit the revised document (TRADE/CEFACT/2004/26/Rev.1) to the Plenary for approval in an intersessional process”.

2. As this proposal has to be seen together with a revised Intellectual Property Rights (IPR) policy, and a further revision of the Centre’s mandate, terms of reference and procedures (TRADE/R.650/Rev.4), the proposal could not be submitted through an intersessional process and is therefore now resubmitted for approval by the 11th UN/CEFACT Plenary.

3. The initial proposal was based on the assumption that: “Given the scope and complexity of the work required, and related costs, the UNECE secretariat does not have adequate resources within the regular budget to provide the support infrastructure necessary to achieve this vision. To remedy this situation, the UN/CEFACT Plenary authorized the CEFACT Steering Group (CSG) to take the steps necessary to obtain extra budgetary resources through a professional support service provider (SSP). The SSP would be expected to act as a de facto “business manager”, responsible for coordinating a variety of activities undertaken by the UN/CEFACT Groups, either independently or collectively at the bi-annual UN/CEFACT Forum”.

4. The Bureau, after having reviewed the proposals contained in TRADE/CEFACT/2004/26, is of the opinion that whilst the original proposal sought in effect to outsource much of the UNECE secretariat’s activities, due to lack of resources, the organizational and financial implications did not appear to be realistic. A more modest and practical approach is therefore suggested.

II. Overview

5. Businesses, governments, non-governmental organizations and individual experts worldwide have traditionally supported the work of UN/CEFACT by dedicating the necessary resources to develop trade facilitation recommendations and open standards for e-Business. However, the resources required have grown steadily over the years as the range of deliverables has widened to encompass the needs of international trade and the impact of modern and emerging technologies in ICTs. For these reasons the subject of additional funding has been on the agenda of the Plenary over the past few years. Unfortunately, little extra budgetary funding has been secured to date. Also, several attempts to obtain a Service Provider have not been successful. The CSG proposal in 2004 estimated that some USD 3.6 million would be needed per annum to provide a full range of services through as shown in Annex I. The Bureau proposes to seek initially additional funding by Member states of around USD 1 million annually over and above what the UNECE Regular Budget provides and rising progressively to around USD 2 million annually. Furthermore it proposes to implement it on a step-by-step basis, with annual reporting on progress made to the UN/CEFACT Plenary.

III. Purpose

6. The main objective of UN/CEFACT is to contribute to global trade facilitation, an important part of which is the development of electronic business standards. The success of UN/CEFACT is measured by the adoption of the recommendations, standards and best practice it produces. This requires creating awareness of the work of UN/CEFACT, but most of all increasing the effectiveness of the UN/CEFACT Forum. This can be done by increasing the quality and speed of production of UN/CEFACT

deliverables, increasing the participation by experts, and improving relations with other standard-setting bodies and vertical organizations across the world. In order to achieve these objectives UNECE can currently provide in 2005, out of the Regular Budget of the United Nations, of Professional staff 8 man-years, general service staff, as well as additional support of USD 23,500 (travel, consultancies and external printing) for a budgeted total of USD 1,384,900. Support costs (e.g. ICT, telecommunications, offices and conference services) are provided by the United Nations Office at Geneva and are not included in the above amount.

7. Allocation of Professional staff time per activity for UN/CEFACT is shown below:

#	Work Area Description	# of RB P Posts
1	Management and monitoring of UN/CEFACT programme of work, support to the UN/CEFACT Plenary, the Bureau and the Forum Management Group, reporting and administration activities in support of this programme	.8
2	Development and support of Trade Facilitation and Electronic Business Standards and Recommendations under UN/CEFACT, cooperation and coordination of activities with ISO, ITU and IEC in the field of Electronic Business	2.1
3	Implementation/Capacity Building activities by UN/CEFACT in Trade Facilitation and Electronic Business, Cooperation with the World Bank Global Facilitation Partnership for Trade and Transport Facilitation, cooperation with UNCTAD/WTO ITC and Regional Organizations	2.8
4	Development and research of Trade Facilitation Policy, support of UN/CEFACT Trade Facilitation Policy Working Group, liaison with WCO, WTO, OECD, EUROPRO, UNCTAD, UNIDO	2
5	UN/CEFACT Promotion/Forums	0.3
Total		8.0

IV. Method

8. The receipt and use of funds by the United Nations are strictly controlled. All procedures for fundraising must be open, fair, transparent, and fully auditable. Therefore the Bureau's proposal is for the establishment of a UN Trust Fund, named: "The UN/CEFACT Support Fund". It will be governed by United Nations rules and regulations and managed by the UNECE. The UN/CEFACT Bureau will draft open and transparent procedures for raising extra budgetary contributions and will determine resources for the UN/CEFACT Programme of Work. The trust fund will be administrated in accordance with the UN regulations, rules and procedures including those for auditing. An annual report will be made to the UN/CEFACT Plenary.

V. Support Requirements

9. There are three main areas where support is required: a) the facilitation of the work itself, b) the public infrastructure for the dissemination of UN/CEFACT's work and c) promotion and awareness.

Facilitation of the work

10. There are two Forum meetings per year that are organised between Europe, Asia and America on a rotational basis. Three regional partners assist in organizing the Forum meetings in their part of the

world: the European Committee for Standardization/Information Society Standardization System/The e-business Board for European Standardization (CEN/ISSS/eBES) in Europe, the Asia Pacific Council for Trade Facilitation and Electronic Business (AFACT) for Asia and the Data Interchange Standards Association (DISA) for Northern America. There is usually a local organiser involved as well. There is a need to facilitate their task to secure meeting rooms and facilities in advance.

11. All official United Nations meetings need to be free for all participants. Therefore, it is not possible to charge fees for UN/CEFACT Forum meetings.

12. In order to speed up the creation and the quality of deliverables secretarial and editorial assistance in writing, reviewing, and auditing specifications and other selected, defined work that is critical to ensure sufficient progress are needed. Such personnel would need to be recruited through an open selection process, in accordance with the UN rules and regulations.

13. The Forum also requires a technical infrastructure including websites, list servers, teleconferencing facilities, (software) tools as well as printing, copying and postage services.

Public Infrastructure

14. In line with market requirements and to deliver the next generation of open standards to the market, UN/CEFACT needs a Registry/Repository on the Internet. This should be under the control of the Forum and should be accessible to all. Although the hosting of this Registry/Repository can be outsourced, it must be linked to the UN/CEFACT web site. Funding for the recruitment of a development manager/web master, for content management and for operations will also be required. The selection of the service provider will be made in accordance with the UN rules and procedures for procurement of goods and services, which include an open tendering process.

Awareness & Promotion

15. There are many ways to create awareness and promote the work of UN/CEFACT. Free publicity can be created through press and business analysts, given the kind of role UN/CEFACT plays. It would also be beneficial to make both printed and PDF brochures about UN/CEFACT's work available. Promotional events could be organized by making use of sponsored speakers and exhibitions. Furthermore, Awareness Raising Events should be arranged both for Trade Facilitation as well as e-Business. These activities would require a dedicated (possibly part-time) resource person to coordinate the activities and the sponsor relationships.

VI. Target Sponsors

16. In order to finance these activities the support of the Member states, International Organizations and Non-Governmental Organizations that have delegations to UN/CEFACT will be necessary. UN/CEFACT has now reached the point where funding is urgently required to facilitate its work, to disseminate the resultant deliverables and to create awareness.

17. Additional funding should be sought from outside parties, especially from the EDI Power Users. There are many multinational companies, which have saved significant amounts of money by implementing the standards provided by UN/CEFACT. To ensure ongoing support for these standards and to provide them with a smooth migration to new Internet-based standards, they should be encouraged to provide sponsorship for UN/CEFACT's work.

18. Technology vendors are another category that should be approached, but their sponsorship must be 'neutral' and all sponsors must be treated equally. The involvement of technology vendors is appreciated in the work, but to avoid any conflicts of interest only cash-based contributions to the trust fund should be accepted to secure impartiality and technology neutrality. Tools (e.g. modelling tools) and suppliers need to be procured and selected in an open selection process in accordance with the UN regulations, rules and procedures to secure the best tools and suppliers at the best price.

VII. Sponsorship Arrangements

19. Sponsorship arrangements specifying the levels of fixed cost contributions and the corresponding recognition are being developed in cooperation with the United Nations Office of Legal Affairs. The sponsors would be listed on the UN/CEFACT website by the level of sponsorship and new sponsors would be announced and the sponsorship mentioned in official UN/CEFACT publications.

20. The sponsors that support the Millennium Development Goals (in particular, Goal 8 on equitable world trade) and adhere to the United Nations business ethics and code of conduct (e.g. as specified under the UN Global Compact at www.unglobalcompact.org) would be recognized on the UN/CEFACT website as Sponsors or Supporters depending on the level of contributions made.

21. As has been found before, it is advantageous to acquire local support for individual Forum meetings and awareness events. These local sponsors will be recognized in association with the event itself.

22. Defining sponsorship arrangements offers the advantage that sponsors can have a choice as to the level of contribution they wish to make.

VIII. Participant Recognition

23. Members of the Forum will also need to be recognized. Members either finance themselves as individual experts or their employers finance their participation. Their support should be acknowledged. These people provide the backbone of UN/CEFACT resources and many dedicate much of their spare time as well. Without them no work could be done.

IX. Action Plan

24. The UN/CEFACT Plenary is asked to adopt the principles for fundraising outlined in this document. The UN/CEFACT will then issue a request for extra budgetary contributions from all Member states. The Bureau will setup, in parallel a sponsorship programme. The first contributions are requested for the next UN/CEFACT Forums that will take place in Lyon, France 26 – 30 September 2005 and in Vancouver, Canada, in early 2006. Together with the UNECE secretariat and the UN Office of Legal Affairs, the UN/CEFACT Bureau will draft the procedures for setting up and managing the UN/CEFACT Support Fund.

Annex I – Tasks to be financed from extra budgetary contributions

Beyond the services provided by the UNECE secretariat, there are a number of additional services that need to be provided in order for the UN/CEFACT Groups to be adequately supported. These are services that cannot be covered under the current UN regular budget. Adequate support to the Groups is therefore critical to the work of UN/CEFACT, which relies upon the expertise in the Groups to develop the vast majority of its technical standards and recommendations. These additional services include:

- A. Logistical support for the organization and follow up to Group meetings, particularly in the context of the Forum;
 - B. Developing and maintaining a 24 hour / 7 day a week web service with portal capabilities for the sharing of standards development information and the provision of closed lists. This task would include:
 - a. Developing technical specifications for a dynamic web-based development repository;
 - b. Building and maintaining the development repository for use by the participants in the forum which will come from different business, government and civil society constituencies in the member States;
 - c. Providing the necessary tools for the development and maintenance of the standards;
 - d. Providing List servers.
 - C. Offering technical support to the Groups between meetings, including the provision of specialized expertise in areas such as process modelling, and technical coordination.
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