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Centre for Trade Facilitation and Electronic Business

Twentieth session

Geneva, 10-11 April 2014

Report of the Centre for Trade Facilitation and Electronic Business (UN/CEFACT) on its twentieth session

I. Attendance

1. The United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT) held its twentieth session in Geneva from 10 to 11 April 2014.
2. The following countries were represented: Australia, Austria, Belarus, Canada, Croatia, Finland, France, Greece, Germany, India, Italy, Japan, Kyrgyzstan, Mexico, The Netherlands, Nigeria, Norway, Republic of Korea, Romania, Russian Federation, Senegal, Spain, Sweden, Switzerland, Thailand, Turkey, United Kingdom, Ukraine and United States of America.
3. Representatives of the European Union (EU) were also present.
4. The following intergovernmental organization participated in the meeting: Eurasian Economic Commission, World Customs Organization (WCO), World Trade Organization (WTO), as well as the following non-governmental organizations: International Federation of Freight Forwarders Associations (FIATA), Global Standards 1 (GS1) and the International Organization for Standardization (ISO).
5. The Chair opened the meeting. The Director of the Economic Cooperation, Trade and Land Management (ECTLM) Division of the United Nations Economic Commission for Europe (UNECE) welcomed delegates and underlined the key role of UN/CEFACT in supporting economic integration through the development of Trade Facilitation instruments.

II Adoption of the agenda (agenda item 1)

6. The Chair reviewed the draft agenda ECE/TRADE/C/CEFACT/2014/1 and proposed to Delegates that there be a preliminary discussion on the election.

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7. The Plenary adopted the amended agenda (**Decision 14-01**).

III. Matters arising since the nineteenth session (agenda item 2)

8. The Deputy Director of the ECTLM Division, presented document ECE/TRADE/C/FEFACT/2014/3, "Matters Arising since the nineteenth session". He recalled that UN/CEFACT now reported directly to the UNECE Executive Committee (EXCOM) and that this had raised the profile of UN/CEFACT at the political level. It had also brought UN/CEFACT under the closer scrutiny of EXCOM. He reported that EXCOM had requested the secretariat to prepare a note, and had asked the UN/CEFACT Chair to prepare a report, on recent matters arising in the UN/CEFACT Bureau. He informed the meeting that the concept of forming a UN/CEFACT "Contact Group" within EXCOM had been discussed and subsequently agreed by EXCOM. This Group would provide liaison with the UN/CEFACT Chair on strategic matters.

9. The Deputy Director also provided an overview of the World Trade Organization (WTO) Trade Facilitation Agreement (TFA) reached in Bali in December 2013. He reported that the secretariat had undertaken a series of actions subsequent to the agreement to facilitate UNECE and UN/CEFACT being well-positioned to actively support its implementation. The actions undertaken included:

- Press Release on UNECE support for the Agreement on 12 December 2013;
- UNECE Executive Secretary meeting with Chair of the WTO TFA Preparatory Committee Ambassador Conejos in February 2014;
- UNECE Executive Secretary meeting with WTO Director General Azevedo in April 2014;
- UNECE Trade Facilitation Implementation Guide Executive Workshop at WTO in February 2014;
- Meetings with "Annex D" Organizations at the World Bank and WTO;
- Agreement to co-organise with UNCTAD the Global Facilitation Partnership (GFP) meeting on 30 June 2014 in Geneva;
- Strengthening of the Joint UN Regional Commission Approach to Trade Facilitation.

10. He said that the WTO Trade Facilitation Agreement presented a major opportunity to further promote the work of UN/CEFACT and that the secretariat would work in the coming months to follow up on all of the above mentioned activities.

11. The Deputy Director reported, in particular, on the success of two capacity building projects, the UNECE Trade Facilitation Implementation Guide and the Greek Trade Facilitation Project. Both demonstrated the effectiveness of UNECE and UN/CEFACT in the trade facilitation area.

12. He advised the Plenary that, unfortunately, it would be difficult to maintain this level of success, due to the lack of secretariat staff resources for outreach, training and capacity building. Basically, all of the above work now fell to one staff member following the ECE's decision to transfer two posts from the Global Trade Solutions Section to the UNECE Transport Division in 2013. Thus, without additional extra-budgetary staff resources, the secretariat would find it difficult to respond to requests from Member States and other international organizations to assist in trade facilitation implementation and, in particular, to support the implementation of the WTO TFA. This would be a significant missed opportunity for UNECE and UN/CEFACT.

13. On behalf of EXCOM, the Dutch Permanent Mission Representative to the UN in Geneva, confirmed to the Plenary the decision that EXCOM had taken at its 67th session to establish a Contact Group. During its first meeting held on 27 March, attended by 10

member States and by the EU, the Contact Group established its scope and procedures: the delegations agreed (in line with the Chairman's conclusion under item 7 of the EXCOM 67th session) that the Contact Group would liaise between the UNECE Executive Committee (EXCOM), which provides overall guidance to UN/CEFACT, the UN/CEFACT Chair, the Bureau and possibly other UN/CEFACT Groups, which have their respective roles to play in accordance with the UN/CEFACT Rules of Procedure. The Contact Group would report to EXCOM and would convey messages to the Chair of the UN/CEFACT Bureau, while respecting the existing governance structure of UN/CEFACT. The Contact Group was open to all EXCOM delegations and will invite, on an ad hoc basis, the Chair of UN/CEFACT, members of UNECE Secretariat and UN/CEFACT delegations not represented in EXCOM.

14. The Contact Group also discussed the upcoming UN/CEFACT Bureau elections and provided guidance to the UN/CEFACT Bureau on election procedures.

15. The Plenary took note of the report on matters arising and requested that the secretariat report on matters arising again at the 21st session in 2015 (**Decision 14-02**).

IV. Bureau overview of recent developments (agenda item 3)

16. The Chair and the Vice-Chairs briefed the delegations on recent developments in the Programme Development Areas (PDAs) and in Bureau Programme Support; they also gave a brief overview of on-going projects and of projects completed since the nineteenth session.

17. The Chair reported on the progress that was taking place, concurrent to the Plenary session, at the 23rd UN/CEFACT Forum (7-11 April 2014) in Geneva, which involved 150 experts from 40 countries from around the world and where many UN/CEFACT Heads of Delegation and members of the UNECE Executive Committee were also participating.

18. The Plenary was informed that planning currently envisaged the 24th Forum to be held in New Delhi, India in October 2014 and the 25th Forum in Geneva in April 2015. Moreover, an invitation to hold the 26th Forum in Marseille, France in September 2015 had been received by the secretariat.

19. UN/CEFACT's transition to a more project-oriented organisational structure was noted, with the Bureau reviewing lessons learned and opportunities for improvement.

V. Reports of Rapporteurs (agenda item 4)

20. The Rapporteur for Africa presented his report on activities since the last session (ECE/TRADE/C/CEFACT/2014/4) and the Rapporteur for Asia and the Pacific also presented his report (ECE/TRADE/C/CEFACT/2014/5).

21. The Plenary commended the Rapporteurs for their continued support to expand the outreach of UN/CEFACT through the promotion of its work and outputs in the African and the Asian and Pacific regions and invited them to further develop synergies and cooperation among the regions.

22. The Plenary took note of the reports of the Rapporteurs for Africa and for Asia and the Pacific and requested them to provide reports again at the 21st session (**Decision 14-03**).

VI. UN/CEFACT recommendations and standards (agenda item 5)

23. The UNECE secretariat presented Revised Recommendation 14 on Authentication of Trade Documents by means other than a Signature (ECE/TRADE/C/CEFACT/2014/6) for discussion and approval by the Plenary. Given the changes in technology since the original version of this recommendation (1979) and changes in the use of vocabulary in the International Trade Procedures Domain, the secretariat proposed that the title be modified from the original “Authentication of Trade Documents By Means Other Than Signature” to the currently proposed title, “Authentication of Trade Documents”

24. The Plenary approved Revised Recommendation 14 on Authentication of Trade Documents and its annexes (**Decision 14-04**).

25. The secretariat also presented a summary report on updated recommendations and standards as detailed in document ECE/TRADE/C/CEFACT/2014/1; it further announced that, since the last Plenary, and according to agreed procedures, it had issued versions D13.A, D13.B and D14.A of UN/EDIFACT, versions 2013-1 and 2013-2 of the UN/LOCODE standard and versions D.12B, D.13A and D.13B of the UN/CEFACT Core Component Libraries (CCL) and Schemas.

26. The Plenary took note of the revised and updated recommendations and standards presented by the secretariat (**Decision 14-05**).

VII. UN/CEFACT structure, mandate, terms of reference, and procedures (agenda item 6)

27. The Chair informed the Plenary Delegations that the foundation document, “UN/CEFACT structure, mandate, terms of reference, and procedures” (ECE/TRADE/C/CEFACT/2010/15/Rev.5), reviewed during the nineteenth Plenary session had been approved by UNECE Executive Committee (EXCOM) at its sixty-second session.

28. The Plenary took note of the revised, “UN/CEFACT structure, mandate, terms of reference, and procedures” (ECE/TRADE/C/CEFACT/2010/15/Rev.5) (**Decision 14-06**).

29. The Plenary agreed that the, “UN/CEFACT structure, mandate, terms of reference, and procedures” would be updated intersessionally to strengthen and clarify the Bureau election procedure (**Decision 14-07**).

VIII. Challenges for trade facilitation and electronic business (agenda item 7)

30. A series of presentations was made by international, governmental and business organizations. This had been organized by the UN/CEFACT Bureau and the UNECE secretariat in order to provide the perspectives of these organizations and, in particular, government authorities and the private sector on developments and emerging requirements, including those arising from the WTO trade facilitation agreement. Presentations included:

- The WTO on Trade Facilitation Agreement (WTO TFA): World Trade Organisation (WTO);
- Implementation of the WTO TFA: World Customs Organisation (WCO) Head of Delegation;
- Solutions for trade facilitation and electronic business: Chair of the Management Group of the Memorandum of Understanding on Electronic Business (MoU/MG);

- Cooperation in e-Business standards - working together for our global community: Organisation for the Advancement of Structured Information Standards (OASIS);
- New EU directives on public procurement and e-invoicing: Swedish Association of Local Authorities and Regions

31. The presentations emphasised the importance of UN/CEFACT having its own niche, to be a foundation as a technology-neutral semantics provider, to be an open forum for the harmonization and standardization of regulatory processes and to concentrate on those activities where it excelled. The speakers looked forward to seeing more Recommendations on Trade Facilitations and eBusiness from UNECE and UN/CEFACT. They gave high priority to the issue of semantic interoperability and recommended that the natural evolution of standards, syntaxes and protocols to be used in the future in eBusiness be mindful of the significant investments that users have already made.

32. The representative of OASIS stated that collaboration with UN/CEFACT offers a significant advantage to all its stakeholders and emphasised the value of UN/CEFACT recommendations and model agreements to the eBusiness community. They stated that public administrations across the world expect eInvoicing to advance rapidly and pointed to the need to define, and help implement, true semantic interoperability of eBusiness data.

33. The representative of the Swedish Association of Local Authorities and Regions reported that the new EU directive on eInvoicing clearly stated the importance of the European semantic standard for the core section of an e-invoice. These semantics should be based on current initiatives and international standards. She emphasised that the semantic content should be familiar to lawyers, auditors and end users. Both the Parliament and the Committee of Regions were very clear on the importance of the use of international standards even if the legal framework is European. She noted that this point was also included in the proposal from the European Commission. The semantic data model will be mapped to a short list of syntaxes. Regarding international standards, she reported that cross industry invoice is specifically mentioned and will be taken into account.

34. Commenting on the implementation of the WTO TFA, the representative of WCO noted that the overall vision was one of a paper-free, obstacle-free processing of goods at borders. He suggested that UN/CEFACT had an important and unique responsibility in supporting this vision. He noted that WCO was a strong participant in the work of UN/CEFACT, and added that the transport, trade and sectoral programme development areas should take up projects that help reach that goal. He mentioned the example of the work of WCO with regard to CITES, which reflects the full cooperation among all involved agencies.

35. The secretariat further emphasised the unique opportunity presented to UN/CEFACT by the WTO TFA and, in particular, the level of political will that had been engendered by the Agreement. Of particular importance in this regard was the UN/CEFACT total trade transaction approach to trade facilitation and the potential to build on the WTO TFA in order to help countries implement broader trade facilitation strategies for economic development. This is a core ambition of the UN in Trade.

36. The representative of the European Union (EU) expressed strong appreciation for the good work of UN/CEFACT in producing concrete and practical standards that affect the lives of millions of people. They expressed confidence in the new structure of UN/CEFACT and its important role in supporting the implementation of the WTO TFA. The EU encouraged UN/CEFACT to enhance its communication and awareness raising activities.

37. The Delegation of The Netherlands noted the importance of cooperation among standard-setting Organizations and welcomed the work of the MoU/MG to avoid overlapping and duplications.

38. The Chair thanked presenters and noted that this discussion had raised several issues that would be taken up in agenda item 8.

IX. Strategic directions (agenda item 8)

39. Delegations discussed the document prepared by the Bureau on an integrated strategic framework for UN/CEFACT, ECE/TRADE/C/CEFACT/2014/7.

40. Several Delegations thanked the Bureau and the secretariat for their effort in collecting and compiling all comments in order to prepare a base for developing the Integrated Strategic Framework for UN/CEFACT.

41. The Delegation of The Netherlands informed the Plenary that they had prepared a paper (ECE/TRADE/C/CEFACT/2014/Misc.2), available in the meeting room with their view on how UN/CEFACT could provide clear added value while remaining connected to the latest developments.

42. The Australian Delegation expressed its support to the paper prepared by the Dutch delegation and on the ideas put forwards in terms of the way UN/CEFACT should follow for the future.

43. Commenting on the paper prepared by the Delegation of The Netherlands, the Austrian HoD highlighted that business semantics cannot be expressed without syntax. Syntax to express business semantics differs from syntax used to transfer business data between two Organizations. He emphasised the importance of not mixing up these two different kinds of syntaxes, when looking at the future work of UN/CEFACT. He further emphasised the importance of recognising the different needs of different domains. In some domains, there are no well-established business document standards (i.e. transfer syntax solutions such as XML schemas), therefore, in those domains, the development of XML schemas within UN/CEFACT was needed and there was no duplication of work. In other domains, other well-established business document standards exist, in these areas it is recommended to collaborate with the relevant other standard-setting organizations.

44. The acting United States HoD thanked the Dutch Delegation for its paper and welcomed it as the start of discussions on the topic. He underlined the added value of providing freely-available syntax solutions in a "one stop shop". Though he agreed with the desirable goal of coordination with other standards organizations, he emphasized the long-term uncertainty of outsourcing syntax solution production.

45. The representative of WCO emphasised the issue of standards governance and the importance of the community of developers of standards ensuring their implementation and maintenance. They also emphasised the importance of engaging the community of users in this process. The availability of the set of core standards maintained by UN/CEFACT is a fundamental reason for the participation of WCO in the work. A serious effort is required to support the proper implementation of these standards by the community of users.

46. The Australian HoD thanked the Bureau and the secretariat for the work done in the preparation of the UN/CEFACT Plenary and the preceding Forum. He indicated that he was pleased to see that UN/CEFACT was making incremental progress across its programme development areas. The Delegation emphasised that UN/CEFACT had an opportunity to leverage its substantial potential in order to play an important role in the implementation of the WTO TFA.

47. The Plenary agreed that the UN/CEFACT Integrated Strategy (ECE/TRADE/C/CEFACT/2014/7) required further work and should be a priority for the new Bureau (**Decision 14-08**).

48. The Plenary also felt that further development of the Programme of Work was needed for the 2015-2016 period. The Chair indicated that the issues raised during this Plenary session would be reflected in the Programme of Work for 2015-2016, which would be prepared as soon as possible by the new Bureau.

49. The Plenary approved the UN/CEFACT Programme of Work for 2014 (ECE/TRADE/C/CEFACT/2014/8) and agreed that this would be further developed to reflect emerging priorities in 2015-2016 (**Decision 14-09**).

X. Elections (agenda item 9)

50. The Bureau presented two possible alternatives for the election of Vice Chairs:

- To vote to elect 6 Vice Chairs from the 9 candidates, to match the existing structure of 5 programme development areas and the Bureau Programme Support area (guidance on procedures for such an election had been prepared by the secretariat in consultation with the UN legal adviser); or;
- Accept by acclamation all 9 nominations (in this case no vote would be necessary).

51. After considerable debate on the matter, the Plenary decided to proceed with the election of 6 Vice Chairs from among the 9 nominations.

52. Following a secret ballot with the nine candidates, the Plenary elected the following Vice Chairs for the period 2014-2017: Mr. Harm Jan van Burg (The Netherlands), Mr. Raffaele Fantetti (Italy), Mr. Anders Grangård (Sweden), Ms. Estelle Igwe (Nigeria), Mr. Tahseen Khan (India) and Lance Thompson (United States of America). (**Decision 14-10**).

XI. Other business (agenda item 10)

53. The secretariat provided a brief overview of the work involved in maintaining the UN/LOCODE. Currently, there are approximately 80,000 unique location codes from over 230 Countries. Maintenance is a major undertaking which requires one full time staff member. Considering the scarce resources available in the secretariat, the secretariat is reviewing the level of utilization of and demand for UN/LOCODE and also the current production mechanisms. At the moment, very few countries have appointed Country Focal Points for UN/LOCODE.

54. The secretariat informed the Plenary that it would organize a UN/LOCODE Conference in 2015 to explore the above-mentioned issues and would invite all member States and other UN/LOCODE stakeholders. The secretariat encouraged all countries to nominate UN/LOCODE Focal Points.

55. The Japanese delegation briefed the Plenary on the procedures followed by the Japanese UN/LOCODE focal point and emphasized the importance and effectiveness of having a focal point for each country in order to maintain the quality of UN/LOCODE.

56. The Delegations of the Netherlands, Sweden and FIATA expressed the view that UN/LOCODE was a very important output that supported the entire document simplification process, supply chain and logistics. They also indicated a willingness to contribute to its maintenance through their membership, if a suitable mechanism and resources could be found.

XII. Adoption of decisions and the provisional draft report of the twentieth session (agenda item 11)

57. The Plenary adopted the decisions made during the twentieth session (**Decision 14-11**).

58. The Plenary requested the secretariat to prepare the report of the twentieth session in the three official languages as soon as possible (**Decision 14-12**).
