1. The Centre for the Facilitation of Procedures and Practices in Administration, Commerce and Transport (CEFACT) held its first session in Geneva from 17 to 18 March 1997 under the chairmanship of Mr. Henri Martre (France).

2. Participants in the meeting included representatives from:

The following countries:
Austria, Australia, Belgium, Bulgaria, Brazil, Canada, Czech Republic, Denmark, Finland, France, Gabon, Germany, Hungary, Iceland, Islamic Republic of Iran, Ireland, Israel, Japan, Korea, Luxembourg, the Netherlands, Poland, Romania, Russian Federation, Senegal, Slovak Republic, Slovenia, South Africa, Spain, Sweden, Switzerland, Tunisia, Turkey, United Kingdom of Great Britain and Northern Ireland and the United States of America.

The European Union (EU)

The following inter-governmental organizations:
European Free Trade Association (EFTA), World Customs Organization (WCO) and the World Trade Organization (WTO).

GE.97-

The following UN bodies:
United Nations Commission on International Trade Law (UNCITRAL), Conference on Trade and Development (UNCTAD), Economic and Social Commission for Asia and the Pacific (ESCAP), and the Economic and Social Commission for Western Asia (ESCWA).

And the following non-governmental organizations:
Comité International des Transports Ferroviaires (CIT), European Electronic Messaging Association (EEMA), International Air Transport Association (IATA), International Article Numbering Association (EAN), International Association of Ports and Harbours (IAPH), International Chamber of Commerce (ICC), International Chamber of Shipping (ICS), International Organization for Standardization (ISO), Society for Worldwide Interbank Financial Telecommunication (S.W.I.F.T.) and the United Towns Agency for North-South Cooperation.

3. Observers to the meeting, present at the invitation of the secretariat, included representatives from: The European Board for EDI/EC Standardization, the International Federation of Inspection Agencies (IFIA) and the North American Trade Procedures Organization (NATPRO).

Item 1 - Adoption of the agenda

4. The provisional agenda (TRADE/WP.4/198) was adopted without modification.

Statement by the Executive Secretary of the ECE

5. In inaugurating the Centre, the Executive Secretary highlighted opportunities and challenges in the areas of global impact, partnerships and the future.

6. The opportunity for global impact had expanded, due to an increasing realization that, in a world of growing liberalization, trade facilitation had become a critical factor in increasing trade performance. He called delegates' attention to the excellent platform that the Centre could provide for improving even further the global relevance of trade facilitation measures, building upon the foundation of 30 years work by the ECE in this area. Important innovations within the Centre that he noted were increased participation from non-ECE countries and the private sector; the development of informal structures with detailed mandates and terms of reference for accomplishing work; and a clear separation between policy and technical issues.
7. He also informed the Centre of the secretariat's efforts to develop an expanded and improved support structure based on the establishment of focal points within the other Regional Economic Commissions in addition to the ECE's on-going cooperation with UNCTAD and the ITC.

8. Global impact was essential he believed, because it was only by expanding the benefits of what the ECE had learned in trade facilitation to the world that ECE members, themselves, would be able to reap the full benefits of the tools they had developed.

9. Global impact, in turn, depended very much on partnerships. Partnerships were necessary with many other international organizations, of which he named only a few: the WCO, WTO, ISO, EAN, UNCITRAL and S.W.I.F.T. Many of these partnerships had already been established. There was, however, a significant challenge to CEFACT at the national level, where national trade facilitation organizations are the most effective means for local capacity building, but where not all countries had such organizations in place. He thus believed that the creation and support of national forums where relevant private sector and public administration could discuss their trading environment, come to agreements on national input into the international trade facilitation process and find solutions to local implementations was essential to the accomplishment of CEFACT's objectives.

10. Looking toward the future, the Executive Secretary noted the opportunities offered by new technologies and the need of "virtual enterprises" to base their invisible web of communications and relationships on internationally recognized norms in business information and practices. This also implied challenges for the Centre: that of establishing links between established work and these new developments; and that of building bridges to allow participation in the "global virtual economy" by small and medium-sized enterprises as well as companies located in countries with less-developed infrastructures.

11. In concluding, he noted the importance of the Centre's flexibility in coping with an ever-changing environment, expressed his confidence in its future and encouraged delegations to pursue their vision of a world where information and products could be exchanged free of needless procedures and incompatible systems.

**Item 2 - Establishment of CEFACT and dissolution of the Working Party on Facilitation of International Trade Procedures (WP.4)**

Documents:
- TRADE/R.650 Recommendations for the Establishment of CEFACT.

**Statement by the Chair of WP.4**

12. The Chair of the Working Party on Facilitation of International Trade Procedures (WP.4), Mr. T. Blomfeldt (Finland), opened the meeting and welcomed the delegates with the observation that, "Today we are turning a new page in
the history of Trade Facilitation with the establishment of the Centre for Facilitation of Procedures and Practices for Administration, Commerce and Transport (CEFACT) and the dissolution of WP.4." He then expressed his confidence in the UN/ECE and CEFACT which he believed to have all the experience and expertise necessary to remain the "centre of excellence" for Trade Facilitation within the UN system -- while also noting the importance of cooperation with other organizations in order to avoid a duplication of CEFACT's efforts. He then encouraged CEFACT to leave the re-engineering process behind it, to focus on its work programme and to capitalize, in its work programme, on the opportunities offered by electronic commerce.

13. As this was his last session, he closed by thanking the delegates for their support and cooperation in the work of WP.4, and by re-affirming his confidence in the future of CEFACT and the importance of its work for the international community.


15. The Centre then expressed its gratitude to the outgoing WP.4 Chair, who was also retiring, for his personal contributions during two and a half decades to trade facilitation and, in particular, for his contributions as WP.4 chair during the last 4 years as well as his support of the re-engineering process that had resulted in the establishment of CEFACT.

**Item 3 – Election of CEFACT Plenary and Steering Group Officers**

16. In accordance with the migration plan, approved during the September 1996 WP.4 session, detailing the transformation from WP.4 to CEFACT (TRADE/WP.4/CRP.122/Rev.1), a Nominating committee had been established to prepare a list of candidates for CEFACT officers. The Chairman of the Nominating committee, Mr. T. Blomfeldt (Finland), explained the criteria used by the nominating committee and presented their nominations as follows:

**Chair:** Mr. Henri Martre (France)

**Vice-Chairs:**
- Ray Walker (UK),
- Bernadette Curry (US)
- Santiago Mila (IAPH)
- Harvey Bates (Australia)
- Kenji Itoh (Japan)

**STEERING GROUP:**
17. Some delegations expressed concern about the lack of representation from Latin America. The Chair of the Nominating committee shared that concern but noted that the committee had received no nominations from that region. He suggested that efforts be taken to increase participation from Latin America so that this situation could be corrected in future elections.

18. **The Centre then unanimously approved the nominated CEFACT officers.**

19. The Chair elect, Mr. H. Martre, thanked the meeting for the confidence shown in him. Noting that he had already consulted with the other nominated officers, as well as selected national delegations, he nominated, in his capacity as Chair, Mr. R. Walker (United Kingdom) as Chairman of the Steering Group. The Centre also unanimously approved this proposal.

**Statement by the Chair of CEFACT**

20. The Chair began by thanking the nominating committee members, the outgoing chair of WP.4 and the delegations for having elected him as Chair and for having given him such a highly qualified and representative group of Vice-Chairs, forming a team of which he was honoured to be a part.

21. He saw the challenges before CEFACT as being great, both because it was following in the footsteps of the outstanding work accomplished by WP.4 and because of the need to keep pace with the speed at which emerging economies' markets were opening and technology was changing.

22. He then outlined the following key areas that he believed the Centre should concentrate upon:

- The simplification and harmonization of procedures and practices where the internationalization of the world's economy had led to increasing layers of complexity. In this context, he believed that scenarios and models could serve an important role as guides for procedures and
practices, rather than as standards, the latter being undoubtedly too rigid.

- The requirement to address two needs being expressed by users of UN/EDIFACT. The first of these being the need to reconcile the desire of many users for greater stability in the standard with the necessity for regularly updating it. The second being the practical need for users to be able to implement without having an in-depth knowledge of UN/EDIFACT and, consequently, their increasing dependence upon implementation manuals.

- The positioning of CEFACT in relation to its basic objectives, two specific issues coming particularly to mind. The first being that of defining what should be included under the term "electronic commerce" and how CEFACT should position itself in relation to this concept, within its available resources. The second being to know where the Centre was going with EDI whose use had expanded widely into areas far beyond commerce in its strict sense, in particular in the areas of administration and healthcare.

- The special needs of small and medium sized enterprises who, inevitably, would need to insert themselves into electronic supply networks. In this context, it would be particularly useful to study simplified ways for them to participate in these networks that would also meet the needs of their large customers.

- And, finally, one of the fundamental concepts underlying CEFACT, that of ensuring a close correlation between facilitation and the computerization of information exchange. This association being natural given that, in order to implement EDI, a company must also implement organizational changes if it is to obtain the full benefits of modernization.

23. To conclude, the Chair of CEFACT insisted on two of the points highlighted in the opening speech by the Executive Secretary: The first being the Centre's responsibility to maintain close relations with all organizations working in this field, and particularly with the ISO and WTO, in order to avoid duplication or a waste of resources. The second being the need to carry out CEFACT's work with diligence and efficiency given the stakes at hand and the rapid changes in today's environment. He then called upon delegations and the Steering Group to take into account the key areas he had outlined, the documents available, and the orientations provided by the Executive Secretary in order to develop a realistic programme of work.

Other Interventions

24. The representative from ESCAP noted the already existing, in-depth cooperation between the ECE and ESCAP in the area of trade facilitation. ESCAP fully supported CEFACT, as well as the proposal from the ECE to the other Regional Commissions to establish focal points within each Commission for the purposes of cooperation and coordination. She further encouraged CEFACT to
consider the appointment of individual liaison officers or "rapporteurs" within each Regional Commission.

25. The delegation from WTO informed the Centre that, following the ministerial declaration made the 13 December 1996 in Singapore, the WTO's Council for Trade in Goods had been mandated with undertaking an exploratory analysis of the scope for WTO rules in the area of trade facilitation, based on the work of other, relevant international organizations. This report was for completion in May 1997, noting that the direction and level of any further work on the part of WTO would depend upon its members. The WTO also stressed the need and importance of continued collaboration and cooperation in order to avoid a duplication of effort.

26. The delegate from Belgian encouraged this cooperation and emphasized the need to maintain ongoing two-way communications between the ECE and WTO. The delegate from the European Union also gave its full support, noting the importance of the WTO not becoming a substitute for existing trade facilitation organizations, but rather a source of value-added and motivation. He also mentioned the need for the WTO to consult not only with international organizations, but also with sector-specific groups in the elaboration of any future trade facilitation "rules."

27. The delegate from South Africa expressed his country's support for CEFACT as well as its need to implement CEFACT's work in order to make the best possible use of resources in its efforts to provide and improve basic services to all of the country's population. He thanked the delegations for their support in the past and made several recommendations, including closer contact with Internet software providers, to ensure that existing work is not duplicated in that environment. Further, he called upon the countries in Africa to join in an effort to re-establish the African EDIFACT Board.

28. Other delegations expressing their support for CEFACT included the United Kingdom, the United States and the Islamic Republic of Iran which stressed the need for looking at the different requirements in different parts of the world as well as the need to encourage further joint government and private sector participation.

**Item 4 - Adoption of interim CEFACT procedures**

Documents:

29. The Centre adopted interim procedures as found in TRADE/WP.4/R.1280 with the exclusion of the word "normally" in rule 39. These interim procedures are based on the current UN/ECE Rules of Procedures.

**Item 5 - Programme of work**
30. The Steering Group Chair introduced document TRADE/WP.4/R.1281 (an outline of the CEFACT Work Programme). He committed the CEFACT Steering Group to develop proposals for a full and transparent work programme with deliverables and resource requirements. He then requested comments from the delegations to assist them in this task.

31. The delegate from Belgium requested that document TRADE/WP.4/CRP.75, issued in 1995 and containing an outline of a work programme, be taken into consideration. He called delegates' attention to the importance of the International Trade Transaction and UN/LOCODE work items. He then requested that the interaction between modelling and EDI be addressed.

32. In reference to TRADE/WP.4/CRP.75, the delegate from Switzerland informed CEFACT that the document tried to demonstrate those trade facilitation work items which had to be done, independent of the organizational environment. He then noted that the Steering Group should be identifying not only new tasks to be undertaken, but also those tasks which should be eliminated, therefore allowing the Centre and national organizations to better focus their resources.

33. The delegate from the United Kingdom emphasized his delegation's wish to simplify processes. Up until this time, EDI had been developed to support all the different processes used internationally. Now there was an opportunity to facilitate and streamline by developing more cost effective processes and supporting simplified EDI messages. His delegation would shortly publish work undertaken in the UK that was very relevant to these goals and to managing the virtual enterprise. The Centre might then wish to consider this work as a basis for simpler EDI messages.

34. The delegate from Romania informed CEFACT of two programmes (Trade Point and Train-for-Trade) being undertaken in his country by UNCTAD. He encouraged CEFACT to develop its ability to help developing countries and transition economies locate the necessary resources to carry out trade facilitation projects. He believed that taking this approach at the programme level, and within the secretariat, would be helpful in more quickly and effectively promoting and implementing, at the national level, the work of CEFACT.

35. The representative from ESCWA expressed their great interest in promoting EDI and Electronic Commerce within the West Asian region as well as ESCWA's desire to coordinate their work with CEFACT and rely upon CEFACT's experience and already developed trade facilitation tools.

36. The delegate from the Netherlands noted how crucial the work of the ITT group would be in identifying key processes for simplification. However, he emphasized the need to not only analyze these processes, but also to develop solutions to the identified problems. He then suggested that CEFACT, in its work programme, address "solutions" within the context of the revision of Recommendation 18.
37. The delegate from the United Kingdom requested that the Steering Group look carefully at allocated resources and the division of work between the secretariat, CEFACT officers and delegations. Their delegation also asked that the work programme address the issues of: process integration, better electronic commerce standards in support of supply and value chain management and the standardization of key processes as well as promoting the application of WP.4's work to the area of electronic forms.

38. The delegation from France stressed the importance of prioritizing work items and the need to identify the expertise required, such as the need to provide a wider range of experts with modelling expertise to the ITT group.

39. The delegate from Ireland called upon delegations to try to influence their own governments in order to increase the impact of CEFACT's work. He believed that implementation by governments would determine, in large part, the real influence of CEFACT in the medium to long term. In addition, he noted that while WP.4 had produced very good work in the past, it had not promoted it well and that this was an important area for CEFACT to consider. In particular, he recommended the appointment of a vice-chair, with supporting resources, to be responsible for promotion.

40. The delegate from the United States of America noted that the programme of work would evolve over the years as it is a continual process and that her delegation looked forward to working with the Steering Group.

41. The representative of WCO welcomed the proposals in the work programme and was looking for a more dynamic and pro-active approach. This should include a prioritization of work with set objectives, goals and performance measures to be defined by the Steering Group. In particular, he suggested that the ITT group indicate those areas where the most value-added could be obtained. He also believed that more attention should be given to monitoring the adoption and implementation of the work, which the WCO would be pleased to assist with, in its area of expertise.

42. The Steering Group Chair then informed CEFACT that TRADE/WP.4/CRP.135, paragraph 12, made a specific recommendation for a work item on electronic commerce. In addition, TRADE/WP.4/CRP.123 made some radical proposals for the next phase of UN/EDIFACT and addressed the comments made by the UK delegation. The Steering Group would develop the programme of work and make recommendations for the next session of CEFACT. However, it was the responsibility of the Plenary to define work priorities as these were linked to the resources the participants wished to provide. Given the secretariat's restricted resources, work could only be progressed if additional resources were available. Also, the Centre would need to make full use of effective cooperation with other organizations such as the WCO, UNCTAD and the other Regional Commissions and build on existing relationships. He also noted it might be useful for CEFACT to develop a mechanism to identify areas of work which could be addressed by "calls for tender" to do that work.

43. The Chair then requested the Steering Group to take into account, when developing its recommendations, the contents of TRADE/WP.4/R.1281,
TRADE/CEFACT/1997/1

TRADE/WP.4/CRP.75, TRADE/WP.4/CRP.135 and TRADE/WP.4/CRP.123 as well as the issues identified by the delegations and those brought forward by himself and the Executive Secretary in their opening remarks. The work programme is an iterative process developed against the resources available. Its development and management is the Steering Group's mission and hence would establish the coherence of CEFACT's work. The Centre's working methodologies also needed to be addressed with the objective of increasing the speed with which decisions could be taken by methods such as a fast track procedures and the temporary establishment working groups to address new developments, pending approval by the CEFACT plenary.

44. Under the Chair's mandate to assign specific tasks to the Vice-Chairs, and to address the issue of promotion and awareness, the Chair then nominated Mrs. B. Curry (United States) as the Vice Chair responsible for promotion and awareness and requested her to develop terms of reference for the next session.

45. The delegation from IATA emphasized the importance of promotion and awareness in expanding participation in CEFACT's work.

46. The delegate from the United Kingdom noted that governments and administrations are not natural facilitators and suggested developing a trade facilitation convention, linked to the WTO, as a potentially very influential way to promote and implement CEFACT work at the governmental level. The secretariat offered to contribute to any such work based on the ECE's previous experience in the development of conventions as well as its familiarity with other work, such as the WCO's Kyoto convention.

47. The Chair noted that a trade facilitation convention would need to be considered by the Steering Group in its development of the work programme. To address the issue of measuring the current implementation of WP.4's work by participating countries, he requested that the Vice-Chairs, K. Itoh (Japan) and S. Mila (IAPH) be jointly responsible for assessing current implementation and report to the Centre at its next plenary.

48. The delegate from the European Union noted that the work done by CEFACT could be the base for mandatory instruments promoted by WTO. The delegate from Belgium further suggested that a number of countries were still not aware of CEFACT's work and that CEFACT should make the best possible use of organizations at the national or regional level which could promote its work.

49. The delegate from Switzerland requested information from the secretariat on the provision of adequate resources for UN/EDIFACT directory production and assurances that adequate resources would be made available. In response, the secretariat informed CEFACT of the existing recruitment freeze within the UN and the problems this had posed with regard to satisfactorily supporting the work programme. It also indicated that the question of filling allocated posts was largely out of the ECE's domain, given that these decisions were being made at UN headquarters in New York. CEFACT then made a request to the ECE Executive Secretary that he do his very best to fill the posts allocated to
the trade facilitation section in order to ensure that essential work could be continued.

50. The delegation from EEMA informed the Centre of the establishment, last week, of Electronic Commerce Europe, with whom the Centre might wish to establish contact.

Item 6 - Migration to CEFACT structures

Item 6.1 - Matters relating to the Meeting of Experts on Data Elements and Automatic Data Interchange (GE.1)

51. The Chair of GE.1 reported on progress made in the migration of GE.1's activities to new CEFACT structures. Draft mandates for UN/EDIFACT related activities had been created by the EDIFACT Steering Group (ESG) as well as a matrix showing where current activities would potentially be located under CEFACT. These mandates and matrix could be found in TRADE/WP.4/CRP.135, annexes A and C. These draft mandates would be discussed at the April 1997 Joint Rapporteurs Team meeting and, depending upon the outcome of these discussions, it was possible that final mandates might be submitted for the September 1997 meeting of CEFACT.

52. The GE.1 Chair further noted that while the mandates might appear rather general in nature they implied a number of significant changes. Some of these were outlined in the appendixes to the ESG's report to the March 1997 session of GE.1 (TRADE/WP.4/CRP.123). These appendixes were also for discussion during the Singapore JRT. However, he called the delegates' particular attention to the proposal for CEFACT Rapporteurs to promote CEFACT's work and participation in that work within specific regions and/or countries. He believed that this might provide an effective solution to the problem of increasing awareness and participation in regions such as Latin America.

53. In conclusion, he noted that the ESG fully supported the approved migration plan (TRADE/WP.4/CRP.122/Rev.1) and, in particular, the need to maintain existing structures until the migration of an activity has been agreed upon and migration has taken place.

Item 6.2 - Matters relating to the Meeting of Experts on Procedures and Documentation (GE.2)

54. The Chair of GE.2 informed the meeting that he expected the migration to the new CEFACT structure would be carried out by the establishment of two work groups, one comprising the activities of the International Trade Transaction (ITT) and the other UN/LOCODE. He then referred delegations to two documents containing further details: Trade/WP.4/R.1271 (Report from the Steering Group for the International Trade Transaction Model) and Trade/WP.4/R.1275 (Proposal to Establish an Ad Hoc Working Group on Recommendation No.16 "UN/LOCODE - Code for Ports and other Locations"). These two documents would be discussed during
the forthcoming GE.2 session and form the basis for GE.2's recommendations to the CEFACT Steering Group.

**Item 6.3 - Matters relating to the joint session on legal matters of the Meeting of Experts on Data Elements and Automatic Data Interchange and the Meeting of Experts on Procedures and Documentation**

55. Mr. R. Battersby (United Kingdom), reporting on behalf of the Legal Rapporteurs, informed the Centre that a draft mandate and terms of reference for the legal work had been created and would be discussed during the legal session later in the week.

**Item 7 - Other business**

56. The delegation from EAN reported that the UN/EDIFACT user community within EAN had grown to 12000 companies and was expected to reach 20000 by the end of 1997. He further wished it to be clearly noted that EANCOM consisted of implementation manuals for 42 UN/EDIFACT sub-sets, containing no divergences whatsoever from the UN/EDIFACT standard and was, in no way, a separate, or different standard.

57. The delegation from Slovakia announced the establishment of SLOVAKPRO for the promotion of Trade Facilitation measures within their country.

58. The delegation of Belgian informed delegations of the official incorporation of EUROPRO, consisting of an association of European Union and EFTA trade facilitation organizations, which had previously existed only as an informal grouping. He further noted that the current chair was Luxembourg, but that the permanent secretariat was assured by the OBCE (Office Belge de Commerce Extérieur) in Belgium.

59. The secretariat then informed delegates of the following meeting dates and deadlines for document submission:

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<tr>
<th>Delegation</th>
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<tr>
<td></td>
<td>Monday, 15 September 1997</td>
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60. CEFACT noted the following meeting dates:

- **CEFACF Steering Group** - 21-23 May 1997, Geneva
61. Contact information for matters related to CEFACT:

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**Item 8 - Adoption of the report of the first session**

62. The Centre adopted this report of its first session.