

**Report of the Chair of the CEFACT Steering Group (CSG)
to the CEFACT Plenary**

SOURCE: CHAIR OF THE CSG: Mr. R. Walker (UK)
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Report of the Chair of the CEFACT Steering Group (CSG) to the CEFACT Plenary

I. Introduction

1. As indicated in TRADE/R.650, the Chair of the 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 first report details progress on the development of mandates for the groups and includes a number of items which require Plenary action or approval. These items are **highlighted** in the following text. The Chair of the CSG is aware that most delegations would have wished to receive this document a little earlier but requests their understanding, given that the only date available for the second substantive meeting of the CSG was 18-21 August 1997. However, in the future, it is expected that the report from the CSG will be available further in advance of the Plenary meeting.

2. The CSG has met three times since its establishment at the inaugural session of CEFACT in March 1997. The reports for the first two meetings have been published and are being made available in all three official languages (TRADE/CEFACT/1997/3 and TRADE/CEFACT/1997/4). Because the third meeting was in mid-August, the official report will not be published until later this year, but will be available at the Plenary as TRADE/CEFACT/1997/CRP.13. The Chair would like to sincerely thank the members of the CSG, who have participated in the meetings, both for the high level of their contributions and their ability to appreciate the need to reach consensus.

II. Vision and Mandates

3. At both its May and August 1997 meetings, the CSG devoted considerable time to discussing, in detail, how they saw CEFACT, its empowered groups, their relationships and mandates developing. The first decision that the CSG made with regard to mandates was that there should be a small number of high-level mandates as opposed to a large number of low-level mandates. Once the level of mandates was agreed, a number of different options and models, corresponding to the core activities of CEFACT, were considered. The CSG has decided that the blueprint shown in the graphic in Annex A, best reflects its view about current and future activities. However, as activities develop this may change and, consequently, the blueprint should be considered as a working document.

4. The blueprint is based on a dynamic input and output process. The core of the input process is the analysis of Business Practices. This analysis is then further developed by specific working groups within their area of expertise: UN/EDIFACT, Trade Facilitation, Codes, Legal and, perhaps, Others to be developed. Each of these working groups are also key contributors to the broad output process: Policy Development and CEFACT Recommendations, with the CSG coordinating the working groups' input to the Plenary for approval. The entire process will be supported by two broad, horizontal groups covering issues across the spectrum of CEFACT activities: Promotion & Awareness, and Techniques & Methodologies.

5. With the blueprint as a reference point, the following mandates for permanent working groups have been given preliminary approval. However, it is recommended that these mandates be reviewed every two years. The mandates are contained in Annex B and, in alphabetical order, are:

Business Practices Working Group (BPWG)
Codes Working Group (CDWG)
Legal Working Group (LWG)
Techniques and Methodologies Working Group (TMWG)
Trade Facilitation Working Group (TFWG)

Plenary action: to approve the mandates of the above groups as contained in Annex B.

6. The UN/EDIFACT mandate is awaiting approval by the JRT and it is expected that it will be approved at their next meeting to be held in Anaheim at the end of September 1997. If so, the CSG would be able to give preliminary approval to the mandate before the end of 1997. The latest draft of this mandate has been reviewed by the CSG and minor changes were made to bring it in line with the other mandates (i.e. it is slightly different from the mandate in annex to TRADE/CEFACT/GE.1/1997/3). A copy of this draft mandate, with the CSG's consistency changes included, can be found in Annex C.

Plenary action: to note this draft mandate contained in Annex C.

7. In addition to the mandates for the permanent groups outlined above, the CSG has approved the formation of two ad hoc groups, one covering the UN/LOCODE convened by Mr. T. Reardon of the ICS and the other on Electronic Commerce convened by Mr. C. Chiaramonti of France (and a CSG member).

Plenary action: to note the mandates contained in Annex D.

(NB a preliminary report from the UN/LOCODE group will be available to the Plenary as a Conference Room Paper (CRP)).

8. The CSG have also spent some time discussing the issue of promotion and awareness and at its May 1997 meeting considered a very useful paper prepared by Ms. B. Curry, CEFACT Vice Chair. The CSG are conscious that within WP.4 and, to some extent within UN/EDIFACT, the opportunities to increase the external impact and awareness of the value of the results of its work have not been fully developed. As a result, the CSG would wish to support the need for promotion and awareness to be given a high priority within CEFACT. There is, however, a question of how this work should be organized; for example, should there be an empowered group with a specific responsibility for this activity, and this needs to be discussed further.

III. Resources

9. The CSG has recognized that until all the mandates have been completed it is very difficult to make any recommendations to the Plenary regarding resources. Therefore, groups have been asked to continue with their existing resource level, subject to an overall review of resource allocation within one year of their formal approval by the Plenary. This is dynamic area and, ultimately, should be linked to the priorities within the work programme. However, it should be pointed out that, implicit within TRADE/R.650, is the limited nature of secretariat resources and the fact that empowered groups may not automatically receive additional

resources. Thus, the CSG wish to strongly encourage all groups to solicit contributions-in-kind and has placed the issue of resources on its December 1997 meeting agenda.

IV. Migration

10. If the Plenary gives final approval to the above mandates for permanent working groups at its September 1997 session, it is expected that the September 1997 GE.2 session will be its final session, the outstanding work items being transferred to a number of empowered groups. Annex E contains a detailed proposal for this migration.

11. The migration of the work being undertaken in GE.1 does, however, require the approval of the UN/EDIFACT Working Group mandate (Annex C). Therefore, it is anticipated that the final meeting of GE.1 will take place in March 1998.

12. Some empowered groups are being formed from existing groups and as a result, when approved, their establishment and the development of their management structure and terms of reference should be able to be speedily finalized. However, others that are being formed from the merger of existing groups into a single group, for example, Techniques and Methodologies; or are completely new groups, such as Business Practices and Codes, may find it harder to speedily establish themselves. The CSG will monitor this situation closely and, if necessary, take action to stimulate their formation through, for example, the appointment of a provisional coordinator.

13. However, in all cases, for these working groups to be established and function effectively, they require the clear and committed support of heads of delegation, particularly in the important task of nominating experts to the groups. This is a key responsibility, for if working groups are not populated with experts with the right level of knowledge, experience and resources, they will fail.

Plenary action: Heads of Delegation are requested to note and take action on this point.

V. Work Programme

14. The high level, rolling three year work programme for CEFACT has been approved by the Committee for Trade, Industry and Enterprise Development, (formerly the Committee for the Development of Trade) as documented in the report of the Committee and reproduced in TRADE/WP.4/R.1281 as well as in TRADE/CEFACT/1997/CRP.12. However, it has always been the expectation of delegations that this work programme would be expanded into a more structured programme that would also provide details of the working group responsible for programme delivery and the agreed time scales.

15. Clearly, it would also be of great benefit to CEFACT and its working groups to maintain the programme on a database where information on specific items could be queried and output could be prepared according to different criteria (for example an area of international trade, such as payments). The last time WP.4 had a draft programme of sufficient precision for inclusion in a database was TRADE/WP.4/R.800 (July 1992), but this document was never approved. Therefore, the CSG has formed a subgroup to look at an approach and methodology that would allow for this development. Their initial report is contained in TRADE/CEFACT/1997/CRP.12 (Work Programme, and A Proposed Methodology for its

Development and Continuous Updating). This is the first element in the development of a detailed work programme for Plenary approval. Whilst developing a methodology for such an approach is important, delivering a programme of work in sufficient detail for it to be managed by the Plenary is the ultimate goal and this depends not only on the empowered groups and the secretariat, but also on the CSG and Heads of delegations. There is considerable work to be undertaken on this project and more detail will be presented at the next Plenary in March 1998.

Plenary action: To review and comment to the secretariat on TRADE/CEFACT/1997/CRP.12 by 21 November 1997.

VI. External Relations

16. In order to support the global role of CEFACT, the secretariat, with the active support of the Executive Secretary, Mr. Y. Berthelot, has sought to establish partnerships with the other UN Regional Commissions. In discussing with the CSG how to formally recognize these partnerships, the secretariat has proposed the establishment of the role of special representative for each Regional Commission and the development of framework agreements. An example of a framework agreement is contained in TRADE/CEFACT/1997/CRP.14 which was developed during a very positive meeting held between the secretariats of ECE and ESCWA; the Chair of the CSG was also able to attend this meeting and contribute to its successful outcome. The CSG endorses the secretariat's proposal for special representatives and framework agreements.

Plenary action: appoint special representatives for the Regional Commissions, initially for UN/ESCAP, UN/ESCWA and UN/ECLAC.

17. In July 1997, the Secretariat of the World Trade Organization (WTO) convened a high level informal meeting between themselves and the World Customs Organization (WCO), the International Chamber of Commerce (ICC), UNCTAD and the ECE. The ECE was represented by the Director of the Trade Division, Ms. C. Cosgrove-Sacks; Ms. C. Wallen-Rahlen (Sweden, CSG member) and the Chair of the CSG. There was a productive exchange of views and it appeared, to the ECE representatives, that the WTO secretariat, while not yet clear on their overall standpoint with regard to trade facilitation, certainly had no intention of duplicating work being undertaken elsewhere. They also welcomed the inauguration of CEFACT and encouraged the continued development of a substantive trade facilitation work programme by CEFACT.

18. The Memorandum of Understanding (MoU) between the ECE, the International Organization for Standardisation (ISO) and the International Electrotechnical Commission (IEC) is an important agreement for all parties. Since its establishment, CEFACT has striven to improve the channels of coordination supporting the MoU, particularly between the ECE and the ISO Central Secretariat. In this regard, the CSG has appointed an MoU management team (see TRADE/CEFACT/1997/3, para. 7) and there have been a number of informal meetings between representatives from this team and the ISO Central Secretariat which have been most helpful in clarifying specific issues and requesting amendments to certain ISO procedures. There will be a full MoU Coordinating Committee meeting between the interested ISO committees and the ECE team on 19 September 1997.

19. The development of the concept of CALS (Continuous Acquisition Life cycle Support) is of particular interest to CEFACT. To assist with both the understanding and the detail of this wide-ranging initiative, the CSG have appointed two special advisors: Mr. M. Conroy (France) and Mr. T. Wheel (USA). In addition, as the May 1997 meeting of the CSG coincided with the final meeting of the ISO's High Level Steering Group on CALS (HLSGC), the Chair, Mr. Henri Martre (who, of course, is the Chair of CEFACT) invited the CSG to nominate two experts to

attend the meeting. Subsequently, Mr. R. Power (Ireland) and Mr. T. Wheel attended and, as a result of their input, the final report of HLSGC now reinforces the relevance of UN/EDIFACT to CALS. The report also encourages the further development of activities under the ECE/ISO/IEC MoU and the framework agreed under the Inter-agency Agreement signed by the ECE, ISO, IEC and ITU. The CALS issues have been included on the agenda of the forthcoming Coordinating Committee meeting mentioned above.

VII. Procedures

20. A number of questions for clarification on the precise meaning of certain parts of TRADE/R.650 have been raised with the CSG. TRADE/R.650 is effectively our "constitution" as it authorized the establishment of CEFACT and was approved by our parent body, the Committee for Trade, Industry and Enterprise Development. Under the circumstances, it is not surprising that, as TRADE/R.650 is implemented, and our organization develops, questions for clarification have arisen. Such questions are likely to continue for some time and it follows that certain of these questions may eventually result in amendments to TRADE/R.650, whilst others may require clarification from the Plenary, or where appropriate, from the CSG.

21. The main issue which requires immediate clarification by the Plenary relates to the word, "recommendation" which is used for UN Recommendations as well as in a more general context within TRADE/R.650. The key question to the Plenary is as follows: Does it wish UN/ECE (CEFACT) Recommendations to governments to be approved only by the CEFACT Plenary and not by working groups? The CSG believes that this is the intent of TRADE/R.650, but wishes the Plenary to confirm and officially record this.

Plenary action: confirm that UN/ECE (CEFACT) Recommendations to governments cannot be approved by working groups but only by the CEFACT Plenary.

22. An outline of the CSG procedures is contained in document TRADE/R.650. The CSG has developed this outline further and their initial proposals for CSG procedures are attached as Annex F.

23. A particular issue which has been raised with the CSG is whether or not an empowered group can appeal to the Plenary, in the case where a draft mandate has been significantly modified by the CSG prior to its preliminary approval. The CSG believes that there is a valid case for an appeal procedure to cover this situation and, therefore, as an interim measure, have included such a procedure in their proposed procedures. As the CSG considers their procedures to be open to future revision in the light of experience, they would normally recommend to CEFACT that the CSG procedures should only be noted. However, because of the inclusion of the appeals procedures they believe that the Plenary should give their approval in this particular case.

Plenary action: approve the CSG procedures in Annex F.

24. With regard to an eventual revision to TRADE/R.650, given that any revision would have to be approved by both CEFACT and the Committee for Trade, Industry and Enterprise Development, the CSG would suggest that an amendment file be officially opened by the secretariat. Then it is proposed that, eventual amendments as submitted by the Plenary or the CSG, be consolidated every two years into a formal proposal for the revision of TRADE/R.650. For example, if the Plenary confirms the action above regarding UN/ECE (CEFACT) Recommendations, this clarification and the need for a subsequent revision to TRADE/R.650 would be placed in the amendment file.

Plenary action: request the secretariat to open an amendment file for TRADE/R.650.

VIII. Other CSG Matters

25. At its inaugural meeting the Plenary elected 15 members to the CSG. Unfortunately, one of those members, Mr. A. Kent (USA) had to resign almost immediately. In these circumstances, the Chair of the CSG needed to take action and consider a procedure for such occurrences as no procedure currently exists in TRADE/R.650 for this purpose. The action that was taken was to contact the Head of delegation who made the original nomination and ascertain whether or not they could make another nomination. In this case, the head of the US delegation was able to nominate Ms. I. Navarro and Ms. Navarro has attended subsequent meetings of the CSG as an interim member. Ms. Navarro's formal election now needs to be confirmed by the Plenary.

Plenary action: to confirm the election of Ms. I Navarro (US) to the CSG.

26. The Chair of the CSG would now wish to propose that the following procedure be adopted by the Plenary and, if approved, transferred to the TRADE/R.650 amendment file:

"Where a CSG member has to resign before their term of office has expired, the Chair of the CSG shall contact the Head of Delegation (HoD) who made the original nomination of the resigning CSG member and invite the nomination of a replacement member. The replacement shall be expected to complete the term of office of the member originally nominated and shall act in an interim capacity until their nomination has been confirmed at the next meeting of the Plenary. In the absence of a nomination from the HoD within a 4 weeks, the details of the vacancy shall be circulated to all Heads of delegation with a request for a nomination to the CSG. If only one nomination is received, then that person shall serve in an interim capacity until confirmation by the next Plenary. If more than one is received, then the matter shall be referred to the Chair of CEFACT for decision. In taking his decision, the Chair shall consult with the CEFACT vice-chairs and the secretariat. Subsequently, the Chair's appointment shall serve in an interim capacity and be confirmed by the Plenary at its next meeting."

Plenary action: to approve the above procedure and request that it be placed in the amendment file for TRADE/R.650.

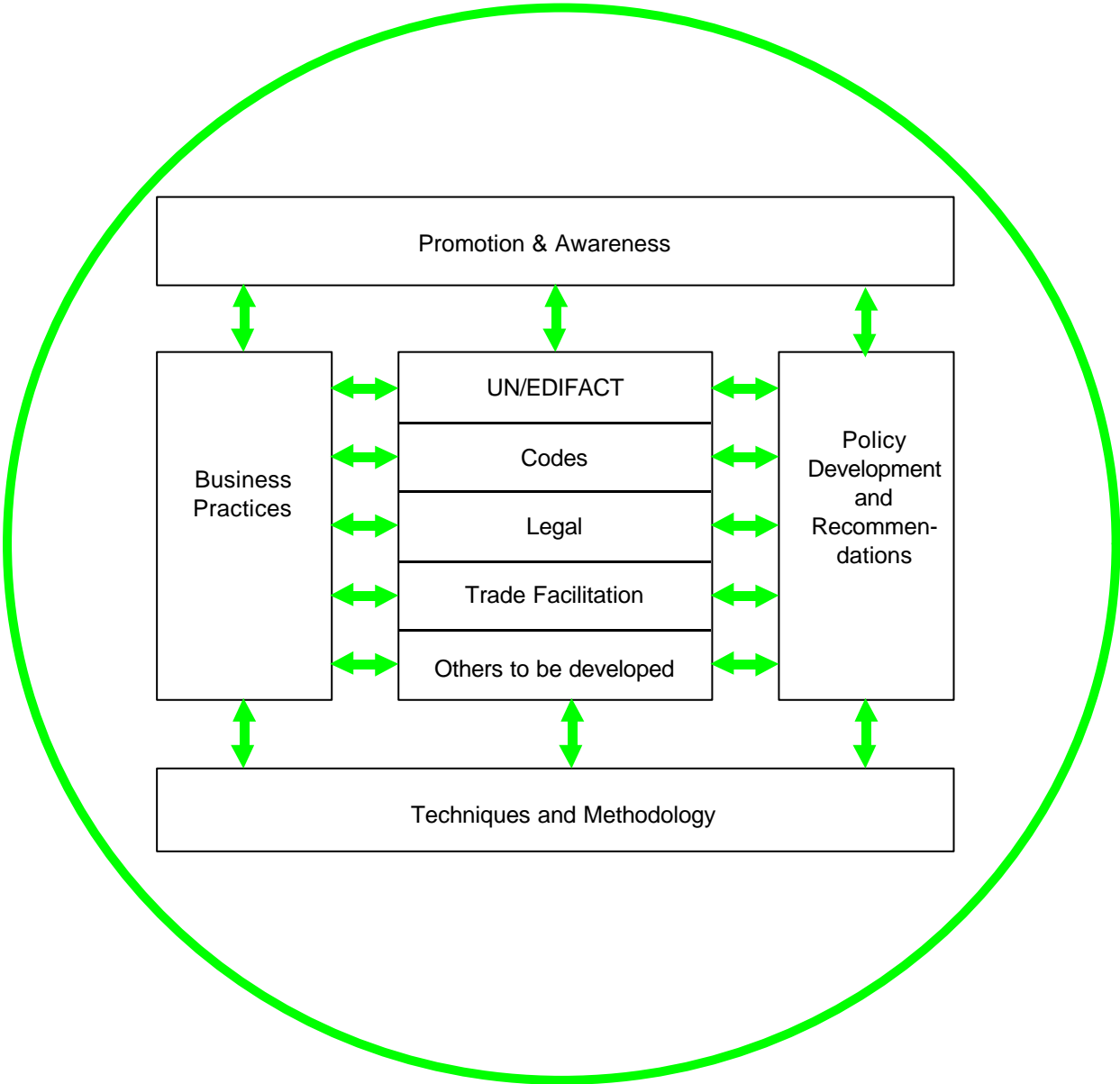
27. The majority of CSG members have attended all three meetings, and nearly all have attended at least one meeting. However, unfortunately, two members have been unable to attend any of the meetings. The CSG has a requirement for a quorum of two thirds (10 members) and depends fundamentally upon the full participation of its members both to ensure a wide spectrum of contributions and to maintain a balance among various interests. Therefore, as indicated in the proposed CSG procedures, the issue of non-attendance by two CSG members for three meetings will be raised by the Chair of the CSG with the relevant nominating Heads of delegation.

28. The CSG's meeting dates for the next 18 months are:

1997	December 1-4, Geneva
1998	January 26-29, Concord, USA
1998	June 15-18, Geneva
1998	October 26-29 Geneva
1999	January 25-28 Location to be confirmed

ANNEX A

CEFACT
A Blue Print for Development



ANNEX B

(pages 9-19)

Mandates for Permanent Working Groups

(For Approval at the September 1997 CEFACT Plenary)

- Business Practices Working Group
- Codes Working Group
- Legal Working Group
- Techniques and Methodologies Working Group
- Trade Facilitation Working Group

Mandate Business Analysis Working Group (BAWG)

1. Objectives

1.1 Purpose

The purpose of the Business Analysis Working Group (BAWG) is to analyse current business processes, to identify constraints that adversely impact on the mission and objectives of CEFACT, and to propose appropriate changes to those business processes.

1.2 Scope

Business processes within the mission and objectives of CEFACT and its working groups.

2. Key Deliverables

The key deliverables of the BAWG are:

- analyses of business processes relevant to the mission and objectives of CEFACT using the common descriptive techniques and methodology agreed within the Centre;
- identification of constraints to more effective business processes;
- proposals, including draft Recommendations, for more effective business processes;
- assistance to other working groups in understanding approved proposals in order to enable them to develop solutions, based on these proposals, for the migration from existing to new business processes.

3. Functional Expertise of Membership

The BAWG is a group of experts with the broad knowledge in the areas of business processes relevant to CEFACT and/or in the tools necessary for implementing the common descriptive techniques and methodology agreed within the Centre. Each CEFACT head of delegation may designate one or more experts to the BAWG group. In doing so, they may delegate this task to one or more organisations, which may be national, regional or international. Experts, once designated, are expected to contribute to the work based solely on their expertise.

4. Geographical Focus

The focus is global.

5. Delegated Responsibilities

The BAWG is empowered in accordance with agreed procedures to:

- establish sub-groups and supporting teams as required;
- issue, publish and present: a) analyses of existing business processes, b) reports on constraints to more effective business processes, and c) proposals, to CEFACT and other organisations, for more effective business processes;
- develop and propose new draft Recommendations as appropriate;
- publish guidelines for better business processes;
- co-operate and establish liaisons with other groups and organisations as required.

Statement of Resource Requirements

Additional secretariat resources are not required. BAWG will supply the required resources via its membership.

Mandate Codes Working Group (CDWG)

1. Objectives

1.1 Purpose

The purpose of the Codes Working Group (CDWG) is to secure the quality, relevance and availability of code sets and code structures to support the objectives of CEFACT, including managing the maintenance of UN/ECE Recommendations related to codes.

1.2 Scope

Code sets and code structures within the mission and objectives of CEFACT and its working groups.

2. Key Deliverables

The key deliverables of CDWG are:

- proposals on procedures for the effective maintenance and publication of CEFACT code sets;
- proposals on procedures for the quality control of CEFACT code sets, including procedures for the periodic review of CEFACT code sets to ensure the relevance and consistency of these code sets;
- proposals, including draft Recommendations, for new code sets and code structures to support business processes and procedures.

3. Functional Expertise of Membership

The CDWG is a group of experts with broad knowledge in the areas of business processes and in the application of coding techniques and coding structures. Each CEFACT head of delegation may designate one or more experts to the CDWG group. In doing so, they may delegate this task to one or more organisations, which may be national, regional or international. Experts, once designated, are expected to contribute to the work based solely on their expertise.

4. Geographical Focus

The focus is global.

5. Delegated Responsibilities

The CDWG is empowered in accordance with agreed procedures to:

- establish sub-groups and supporting teams as required;
- maintain procedures for the maintenance and publication of code sets and code structures; including UN Recommendations;
- develop draft UN/ECE Recommendations related to code sets and code structures;
- publish guidelines for better business practice in the area of the mandate;
- co-operate and establish liaisons with other groups and organisations as required;
- co-ordinate with other relevant code maintenance agencies.

Statement on Resource Requirements

The CDWG will require active participation of the UN Secretariat in the meetings of the group. This is expected to cover 4 meetings per year for a period of not less than 3 days and not more than 5 days per meeting.

Mandate

Legal Working Group (LWG)

1. Objectives

1.1. Purpose

The purpose of the Legal Working Group (LWG) is to analyse current legal processes and issues within the mission and objectives of CEFACT, to identify legal constraints that adversely impact the mission and objectives, and to propose practical improvements to these legal processes and issues.

1.2. Scope

The legal processes and issues within the mission and the objectives of CEFACT and its working groups.

2. Key Deliverables

The key deliverables of the LWG are:

- analysis, research and review of legal processes and issues;
- identification of constraints to more effective legal processes and procedures;
- practical proposals for the removal of such constraints;
- draft UN/ECE Recommendations;
- development, publication, and promotion, of guidelines supporting best legal practice;
- contributions to and, where appropriate, efforts to influence related work in other organisations such as UNCITRAL and ICC;
- provision, as required, of practical legal advice and assistance to the work being undertaken by other CEFACT permanent and ad hoc working groups and contributions to the formation of the legal aspects of policy.

3. Functional Expertise for Membership

The LWG is a group of experts with the collective functional expertise to address legal issues arising within the work programme of CEFACT. Each CEFACT head of delegation may designate one or more experts to the LWG. In doing so, they may delegate this task to one or more organisations, which may be national, regional or international. Experts are expected to contribute to the work based solely on their expertise.

4. Geographical focus

The focus is global.

5. Delegated Responsibilities

The LWG is empowered in accordance with agreed procedures to:

- establish sub-groups and supporting teams as required;
- issue, publish and present, a) analyses of existing legal processes and procedures, b) reports on constraints to more effective legal processes, and c) proposals, to CEFACT and other organisations, for more effective legal processes and procedures;
- propose amendments to ensure the maintenance of existing UN/ECE Recommendations;
- develop and propose new draft Recommendations as appropriate;
- publish guidelines for better business practice within the area of the mandate;
- co-operate and establish liaisons with other groups and organisations as required.

Statement of Resource Requirements

Recognising that the work of the LRT has, as far as possible, been without recourse to CEFACT, or indeed WP.4, and that the demands on the LWG will be considerable, the following resources are requested:

- Requirement for Centre resources

The same level of resources as those presently available to the LRT will be made available to LWG, subject to a review of this requirement every twelve months. This resource will be required to ensure the appropriate secretariat support for LWG and the implementation and achievement of the Terms of Reference, including support for co-ordination with other organisations.

Additional financial resources will be required to set up and maintain a web site and the linkages with other web sites. Further extra-budgetary resources might prove necessary to address specific areas of concern or work items through research or consultancy.

- Requirement for LWG resources

The members of LWG will make voluntary contributions to augment the resources of the group and to permit the achievement of the agreed work programme.

Mandate

Techniques & Methodologies Working Group (TMWG)

1. Objectives

1.1 Purpose

The purpose of the Techniques & Methodologies Working Group (TMWG) is to research and identify techniques and methodologies which could be utilised by CEFACT and its working groups to enhance the process by which its deliverables are produced and integrated.

1.2 Scope

Techniques and methodologies to support the mission and objectives of CEFACT and its working groups.

2. Key Deliverables

The key deliverables of the TMWG are:

- Proposals, including draft Recommendations, on how specific techniques and methodologies could be implemented to allow CEFACT to achieve its goals;
- Proof of concept, by feasibility studies and pilots, of the above proposals;
- Implementation and migration plan for any approved new technique and/or methodology.

3. Functional Expertise of Membership

The TMWG is a group of experts with broad based knowledge of existing techniques and methodologies used within CEFACT, technological developments, and the functions of CEFACT and its sub groups. Each CEFACT head of delegation may designate one or more experts to the TMWG. In doing so, they may delegate this task to one or more organisations, which may be national, regional or international. Experts are expected to contribute to the work based solely on their expertise.

4. Geographical Focus

The focus is global.

5. Delegated Responsibilities

The TMWG is empowered in accordance with agreed procedures to:

- establish sub-groups and supporting teams as required;
- issue, publish and present proposals for specific techniques and methodologies for use by CEFACT groups as well as feasibility studies and reports on the results of pilots on the use of these techniques and methodologies;
- issue, publish and present implementation and migration plans for new techniques and methodologies approved by CEFACT for use by its groups;
- co-operate and establish liaisons with other groups and organisations as required.

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Statement of Resource Requirements

Additional secretariat resources are not required. TMWG will supply the required resources via its membership.

Mandate

International Trade Procedures Working Group (ITPWG)

1. Objectives

1.1. Purpose

The purpose of the International Trade Procedures Working Group (ITPWG) is to identify best practices in public and private sector international trade procedures and, as far as is possible, make them analogous to and as simple as domestic trade arrangements.

1.2. Scope

Within the mission and objectives of CEFACT and its working groups, the procedures and information flows covering the international trade transaction both in goods and relevant services, including alignment to domestic trade where relevant;

2. Key Deliverables

The key deliverables of the ITPWG are:

- draft trade facilitation Recommendations;
- proposals for amendments to existing Recommendations, based on a systematic review and monitoring of their implementation;
- registration, maintenance and, where applicable, development of country specific international trade scenarios;
- contributions to and, where appropriate, efforts to influence related work in other organisations such as WCO and WTO;
- relevant educational and promotional material.

3. Functional Expertise for Membership

The ITPWG is a group of experts whose knowledge collectively provides a detailed and proven expertise in:

- international trade procedures;
- trade facilitation;
- United Nations Layout Key (UNLK) document design;
- awareness of Information and Communication Technology (ICT) and associated developments.

Each CEFACT head of delegation may designate one or more experts to the ITPWG. In doing so, they may delegate this task to one or more organisations, which may be national, regional or international. Experts are expected to contribute to the work based solely on their expertise.

4. Geographical Focus

The focus is global.

5. Delegated Responsibilities

The ITPWG is empowered in accordance with agreed procedures to:

- establish sub-groups and supporting teams as required;
- issue, publish and present, in the area of procedures and information flows within the international trade transaction: a) analyses b) reports on constraints and c) proposals, to CEFACT and other organisations, for more effective procedures and information flows;
- propose amendments to ensure the maintenance of existing UN/ECE Recommendations as identified in the work programme;
- develop and propose new draft Recommendations as appropriate;
- publish guidelines for better business practice in the area of the mandate;
- co-operate and establish liaisons with other groups and organisations as required.

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Statement of Resource Requirements

The ITPWG will require the same level of resources as those presently available for the equivalent GE.2 activities (approximately 2.5 staff per year and support for 4 one-week meetings) subject to review of this requirement every 12 months. This resource will be required to ensure the appropriate secretariat support for the ITPWG and the implementation and achievement of the Terms of Reference, including support for co-ordination with other organisations. As soon as possible, resources need to include support for at least two of the 4 one-week meetings to be held outside Geneva.

Additional extra-budgetary resources will be required to supply the software to support the work. In addition, the use of a full-time seconded consultant will be needed as soon as possible.

ANNEX C
(pages 20-22)

Draft Mandates for Permanent Working Groups
At an Advanced Stage of Development

UN/EDIFACT Working Group

(expected to have preliminary approval from the CSG before the next CEFACT plenary)

DRAFT MANDATE UN/EDIFACT Working Group (EWG)

1. Objectives

1.1 Purpose

The purpose of the UN/EDIFACT Working Group (EWG) is to:

- develop and maintain UN/EDIFACT;
- provide the tools and administrative support necessary for the development of UN/EDIFACT;
- develop and maintain guidelines and proposals that support harmonised UN/EDIFACT implementations;
- develop and maintain guidelines and proposals that support the use of multi-lingual terminology;
- promote the global use of UN/EDIFACT.

1.2 Scope

UN/EDIFACT as defined under the mission and objectives of CEFACT and its working groups

2. Key Deliverables

The key deliverables of the EWG are:

- UN/EDIFACT messages and their supporting directories for publication after audit and confirmation by the CEFACT Steering Group;
- the EDIFACT syntax and UN/EDIFACT message design rules;
- guidelines and proposals to support harmonised UN/EDIFACT implementations;
- guidelines and proposals to support the use of multi-lingual terminology;
- promotion and awareness of UN/EDIFACT.

3. Functional Expertise of Membership

The EWG is a group of experts in the areas of: UN/EDIFACT, business processes and associated tools. Each CEFACT Head of delegation may designate one or more experts to the EWG. In doing so, they may delegate this task to one or more organisations, which may be national, regional or international. Experts are expected to contribute to the work based on their knowledge and experience.

4. Geographical Focus

The focus is global.

5. Delegated Responsibilities

The EWG is empowered in accordance with agreed procedures to:

- establish sub-groups and supporting teams;
- produce and forward for publication by the UN/ECE, after confirmation by the CEFACT Steering Group, the UN/EDIFACT directories;
- produce:
 - the EDIFACT Syntax (ISO 9735),
 - the UN/EDIFACT message design rules,
 - guidelines to support harmonised UN/EDIFACT implementations,
 - guidelines to support the use of multi-lingual terminology.
- develop proposals for **draft** Recommendations for consideration by CEFACT.

ANNEX D

(pages 23-25)

Mandates for Ad hoc Working Groups

- UN/LOCODE Ad hoc Working Group
(approved May 1997 CSG meeting)
- Electronic Commerce Ad hoc Working Group
(approved August 1997 CSG meeting)

Mandate

Ad hoc Working Group On UN/LOCODE

Overall objective

The overall objective of the working group shall be to propose amendments to UN/ECE Recommendation 16 so that the UN/LOCODE will be able to meet the requirements of its users.

Key deliverables

The working group shall deliver:

- An interim report to the September 1997 session of CEFACT - analysing the problems which users are experiencing with the UN/LOCODE and identifying areas where changes may be required to meet the needs identified by users;
- A final report to the March 1998 session of CEFACT - proposing a revised version of Recommendation 16 for adoption by CEFACT.
- To make proposals for long term maintenance and proper dissemination of codes

Geographical focus

The focus is global.

Functional expertise for membership

Membership of the working group shall be open to all users of the UN/LOCODE and their representatives. The following initial core members have been identified:

- Information System Agreement (ISA), USA
- International Air Transport Association (IATA)
- International Chamber of Shipping (ICS)
- P&O Nedlloyd, UK / Netherlands
- Tradegate Australia
- World Customs Organisation (WCO)
- The UN LOCODE Consultant

ICS is prepared to undertake the task of chairing the ad hoc group.

Request for delegated responsibilities

The working group shall be empowered to:

- undertake a comprehensive analysis of the problems areas presently associated with the UN/LOCODE as identified by users of the code;
- propose amendments to UN/ECE Recommendation 16 to CEFACT.

Statement of resource requirements

Participants in the working group shall provide resources for their own participation. The existence and functioning of the working group shall not require any additional resources from the UN/ECE secretariat.

Mandate

Electronic Commerce Ad hoc Working Group (ECAWG)

1. Objectives

1.1 Purpose

The purpose of the Electronic Commerce Ad hoc Working Group (ECAWG) is to analyse the applicability of the CEFACT work programme to the emerging Electronic Commerce environment and to identify the areas in which CEFACT is contributing to Electronic Commerce now and could contribute in the future.

1.2 Scope

Electronic commerce activities within the mission and objectives of CEFACT and its working groups.

2. Key Deliverables

The key deliverables of the ECAWG are:

- A working definition of Electronic Commerce for use within CEFACT;
- A report within six months presenting an analysis of the applicability of the CEFACT work programme to the Electronic Commerce environment and identifying the areas of CEFACT contributions;
- Draft proposals for areas of additional contributions by CEFACT.

3. Functional Expertise of Membership

The ECAWG is a group of experts with broad knowledge in the area of Electronic Commerce, the functions of CEFACT, and its working groups. Each CEFACT head of delegation may designate one or more experts to the ECAWG. Experts are expected to contribute to the work based solely on their expertise.

4. Geographical Focus

The focus is global.

5. Delegated Responsibilities

The ECAWG is empowered in accordance with agreed procedures to:

- present draft proposals to the CSG for CEFACT contributions to Electronic Commerce;
- co-operate with other groups and organizations as required.

Statement of Resource Requirements

Secretariat participation in the ad hoc working group is required.

ANNEX E

(pages 26-28)

MIGRATION OF GE.2 TO NEW CEFACT STRUCTURE

INTRODUCTION

Following discussions by the CEFACT Steering Group (CSG) (May 21-23, 1997) it was agreed that further work was needed to undertake a coherent migration of GE.2's work to the new CEFACT structure.

The existing GE.2 agenda was to be analysed together with the potential work programme. GE.2 work items and related matters, not covered by the Trade Facilitation Working Group, which was expected to account for approximately 70% of the work programme, would need to be allocated to existing and potential groups.

The CEFACT objective is for full GE.2 migration by September 1997. If this is to be achieved, then GE.2's work items, related issues and their ownership need to be fully covered by mandated groups. Proposals to this end follow:

The following UN/ECE Recommendations should be covered by the Trade Facilitation Working Group:

REC 1 - United Nations Layout Key for trade Documents - 03/81

REC 2 - Location Codes in Trade Documents - 03/81

REC 4 - National Trade Facilitation Organisations - 10/74

REC 6 - Aligned Invoice Layout Key - 09/83

REC 8 - Unique Identification code Methodology (UNIC) - 03/92

REC 11 - Documentary aspects of transport of dangerous goods - 09/95

REC 12 - Measures to Facilitate Maritime Transport Documents Procedures (in conjunction with the Legal Working Group) - 03/93

REC 15 - Simpler Shipping Marks - 03/92

REC 18 - Facilitation Measures Related to International Trade - 09/82

REC 22 - Layout Key for Standard Consignment Instructions - 03/89

The following UN/ECE Recommendations should be covered in the interim by the Ad-hoc LOCODE Working Group, who will make a recommendation in March 1998 as to how the UN/LOCODE should be managed:

REC 16 - LOCODE, Code for ports and other locations

The following UN/ECE Recommendations should be covered by the Codes Working Group:

REC 3 - ISO Code for Country names - 10/74

REC 5 - Abbreviations of INCOTERMS (in conjunction with the ICC) - 03/90

REC 7 - Numerical representation of dates, time and periods of time - 09/88

REC 9 - Alphabetic Code for representation of currencies - 02/78

REC 10 - Ships' codes - 09/96

REC 17 - PAYTERMS, Abbreviations for Terms of Payment - 03/82

REC 19 - Codes for modes of transport - 03/81

REC 20 - Codes for units of measurement used in international trade - 09/95

REC 21 - Codes for passengers, types of cargo, packages and packaging material - 03/86

REC 23 - Freight Cost code (FCC) - 03/90

REC 24 - Transport Status Codes - 09/95

The following UN/ECE Recommendations should be covered by the Legal Working Group:

REC 13 - Facilitation of legal problems in import clearance procedures - 03/79

REC 14 - Authentication of trade documents by means other than signature - 03/79

MIGRATION OF OTHER GE.2 WORK

In addition to the UN/ECE Recommendations, GE.2 has been involved in:

A) The revision of the Kyoto Convention

This item should be covered by the Trade Facilitation Working Group or a sub-group therein.

B) Trade documents, names and functions

This item should be covered by the Codes Working Group.

C) Aligned forms

This shall be covered by the Trade Facilitation Working Group and, in particular, its work related to UN/ECE Recommendation 1.

D) Trade Data Elements Directory (UNTDDED)

A group needs to be established to maintain the UNTDED. They should also ensure consistency between the data elements in the UNTDID and the UNTDED.

E) Commercial Law aspects of trade facilitation

This item is covered by the new Legal Working Group. However, its work programme should now include UN/ECE Recommendations 13 and 14, as indicated above.

ANNEX F

(pages 29-34)

CSG PROCEDURES

1. Introduction

- 1.1 This document comprises the rules of procedures for the CEFACT Steering Group (CSG). These rules are based on document TRADE/R.650 for the establishment of CEFACT. As stated in that document the CSG is responsible for providing the interface between the Plenary and the Working Groups.
- 1.2 The CEFACT Plenary elects the membership as defined in R.650. The CSG shall comprise the Chair and 15 elected members. The members shall be elected for a two-year term of office and shall be eligible for re-election for further terms of office without restriction. Officers of the CEFACT Plenary are ex officio members in a consultative capacity.
- 1.3 The elected members shall reflect a balance between the main areas of the approved work programme:
 - Facilitation of Procedures;
 - EDI and UN/EDIFACT;
 - Areas of Joint Interest.

2. Attendance requirements

Elected members are required to attend scheduled meetings. The chair shall cover attendance issues in the written report to each plenary and shall also report absence from two consecutive CSG meetings to the relevant Head of Delegation of the CEFACT plenary with a request for action.

3. Chair

The position of the Chair is an elected position as defined in R.650.

4. Duties of the Chair

- 4.1 The key responsibility of the Chair of the Steering Group shall be to strive to ensure a consensual and balanced approach to all items in the work programme approved by the Plenary.

4.2 The duties of the Chair include, but are not limited to:

- Calling and presiding over CSG meetings. If the Chair is absent from a meeting, or any part thereof, one of the elected members of the CSG, designated by the Chair, shall preside. In the absence of a designation, the CSG shall decide on who should preside.
- Appointing conveners for all CSG Ad -hoc Groups.
- Assigning duties as necessary to advance the work of the CSG.
- Communicating the official position of the CSG.
- Preparing meeting agendas and organizing meeting programs in accordance with the prepared agenda.
- Liaison with all accredited member bodies as outlined in their respective procedures.
- Submit a written report to each session of the CEFACT Plenary on the Steering Group's activities and on other relevant issues relating to the operation of mandated Working Groups. This report shall include the reasons for the rejection of any request, or amendment to a mandate and shall also identify those Working Groups that have been consistently unable to reach consensus.

5. **Meetings**

5.1 **Dates**

The dates of the CSG meetings shall be agreed 18 months in advance on a rolling basis.

5.2 **Agendas**

5.2.1 At the end of each CSG meeting, draft agendas shall be prepared for the next CSG meeting as a guidance for preparation on work items.

5.2.2 An updated agenda shall be issued at least 1 month prior to the meeting to cover any changes. If no changes are advised then the draft agenda will be considered as the agenda for the meeting.

5.2.3 The draft and updated agenda of each meeting shall be circulated to all CSG members, the Officers of the Plenary and the Chairs of the Permanent Working Groups. It shall also be made available electronically on the UN server.

5.2.4 The agenda shall at least include:

- Identification of necessary work items.
- Identification of documentation required.
- Identification of any CEFACT decisions affecting the CSG and CEFACT empowered group.
- The status of resolutions made by the CSG at the previous meeting.

5.3 Meeting Minutes

5.3.1 All meetings shall be minuted by the Centre's Secretariat. To ensure as much transparency as possible, it is recommended that a summary of the minutes of the Steering Group be published in a report in the 3 official languages of the ECE and made available electronically on the UN server.

5.3.2 Minutes of meetings shall include the following:

- List of participants with name and contact details including E-mail addresses.
- Actions taken in relation to assigned work items.
- Identification of issues.
- Target dates for estimated completion of work items and updates.
- Resolutions.

5.3.3 The CSG meeting minutes shall be prepared in draft form at the meeting for initial comments and issued to the members within 2 weeks of the meeting.

5.4 Frequency

The CSG shall meet up to 4 times a year for not less than 3 days. Wherever possible, to facilitate preparation of the Plenary, the meetings shall be held back-to-back with inter-session meetings of the Officers of the Plenary. If required, emergency meetings may also be scheduled.

5.5 Quorum for Meetings

In order for the CSG to draft resolutions and take formal decisions, a quorum must at all times be present. A quorum shall consist of at least 2/3 of the voting members being present.

5.6 **Voting**

5.6.1 The preferred way of reaching decisions shall be consensus . However, the Chair shall have the authority to call for a vote, if in his view, consensus can not be reached on a particular issue at more than 2 consecutive CSG meetings. Under these circumstances, the Chair shall give 4 weeks notice of the intention to call for a vote and notify all the other officers of the Plenary and the Secretariat. All elected Steering Group members shall be entitled to vote, by written proxy if necessary. For a decision to be approved, 75% of the votes cast shall be required. A minimum of 8 votes cast shall constitute a valid vote and abstentions shall not count as votes.

5.6.2 The Chair and Ex-officio members shall not have a vote.

6. **Work Items**

The CSG will update its work items during its meetings and will maintain a Topics and Issues list.

7. **Appeals**

7.1 **Appeal Request**

7.1.1 Matters under appeal may be either technical or administrative in nature.

7.1.2 Any participant in CEFACT has the right to appeal:

- to CEFACT on a decision of the CSG
- to the CSG on a decision of any empowered working group

7.1.3 Any appeal shall be made within two months after availability to the participant in CEFACT of the report of the CSG or any empowered working group on the relevant meeting.

7.1.4 A participant in CEFACT may appeal against any action or inaction on the part of CSG or empowered working group when the member considers that such action or inaction is:

- not in accordance with this document; or,
- not in the best interest of the business community.

7.1.5 Appeals on decisions concerning any component of UNTDID are eligible for consideration only if:

- questions of principle or procedures are involved;
- the point giving rise to objection was not known to CEFACT, the CSG or any empowered working group during earlier discussion.

7.1.6 All appeals shall be fully documented to support the concern of the participant in CEFACT.

7.2 **Response**

7.2.1 **Appeal against a CSG decision**

The following identifies the response to an appeal to a CSG decision:

- the documented appeal shall be submitted to the UN/ECE Secretariat with a copy to the CSG Chairman;
- the UN/ECE Secretariat shall refer the appeal together with any relevant documentation and any relevant comments to the CEFACT Chair within one month after receipt of appeal and put it on the agenda for the next CEFACT meeting;
- CEFACT shall decide whether an appeal shall be further processed or not. If the decision is in favour of proceeding, the Chairman of CEFACT shall form a conciliation panel.
- the conciliation panel shall hear the appeal and attempt to resolve the difference of opinion as soon as practicable. If the conciliation panel is unsuccessful in its endeavours, it shall so report within three months to the UN/ECE Secretariat, giving it recommendations on how the matter should be settled.
- On receipt of the report of the conciliation panel, the UN/ECE Secretariat shall inform CEFACT which will make its decision.

7.2.2 **Appeal against a decision by an empowered working group**

- The following identifies the response to an appeal to a working group s decision:
- An appeal against a decision by an empowered working group shall be submitted to the UN/ECE Secretariat with full documentation on all stages of the case.
- The UN/ECE Secretariat shall refer the appeal together with its comments to the CSG Chair for consideration by the CSG.
- The CSG will make its decision at its next meeting following the appeal subject to receiving one month s notice of the appeal in question.

7.2.3 **Progress of work during appeal process**

When an appeal is against a decision concerning work in progress, the work shall be continued until the response to the appeal is determined.

7.2.4 **Final decision**

The decision of CEFACT on any appeal is final.

8. **Documentation**

- 8.1 The working documents should be classified by a special serial id. The status of the document should be indicated in the serial id.
- 8.2 Documents for decision should be distributed to participants in CSG at least 2 weeks before the meeting. Working documents shall be in English.

9. **Secretariat**

Secretariat staff and facilities will be supplied pursuant to the provisions of paragraph 13 of TRADE/R.650.

10. **Language**

The working language of CSG is English. Normally, interpretation is not provided at CSG meetings.
