

**CENTRE FOR FACILITATION OF PRACTICES AND
PROCEDURES FOR ADMINISTRATION, COMMERCE AND
TRANSPORT (CEFACT)**

**WORK PROGRAMME AND A PROPOSED METHODOLOGY FOR ITS
DEVELOPMENT AND CONTINUOUS UPDATING**

Source: CSG

Status: Steering Group Report

Action: For discussion, September 1997 CEFACT meeting, agenda item 4

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REFERENCES

- TRADE/R.650 Recommendations for the establishment of CEFACT
- TRADE/WP.4/R.800: Programme and organization of work and priorities
- TRADE/WP.4/R.1104: Final re-engineering report
- TRADE/WP.4/R.1234: Recommendations for the establishment of CEFACT
- TRADE/WP.4/R.1281: CEFACT work programme
- TRADE/WP.4/CRP27: Contribution to the updating of the GE.2 work programme
- TRADE/WP.4/R.979: Report of the Inter-Agency Working Group for Coordinated Open edi Standards Development.

This paper sets out the approved work programme for the Centre for Facilitation of Practices and Procedures for Administration, Commerce and Transport (CEFACT) and proposes a methodology for the continuous updating of the programme.

Section 1 contains the framework for the programme of work as approved by the Committee for Trade, Industry and Enterprise Development at its 45th session but also, on the assumption that the mandates for the empowered working groups are approved by the plenary, analyses the work programme to show the relationship between the current programme and the mandated groups.

It analyses the scope of the proposed empowered groups against an activity framework. This framework was developed by the Inter Agency edi Group (IAeG) Agreement and approved by the Working Party 4¹.

Following the request by the Committee for Trade, Industry and Enterprise Development that “in developing this work programme the Centre must consider both the rapid growth in information technology, and the components of Electronic Commerce”, a CEFACT Steering Group (CSG) sub group looked closely at a possible methodology which could support it (section 2).

The proposed methodology is a data-base approach for developing and continuously updating the work programme. This could allow the final programme to be presented in a number of different ways, such as a detailed planning report, a control report, or a performance report.

In order to apply a data base technique, the programme management criteria to be used for recording the work items need to be determined. A set of criteria is proposed for consideration in section 2.4.

Furthermore, in order to show significant aspects relevant to the trade facilitation work and how they relate to business processes and areas of activity, two programme management criteria are proposed for consideration:

- Area of activity,
- Business value chain (process).

They would allow providing a management view of the work items by type of activities and business processes as undertaken by the Centre (section 2.4).

The methodology can also provide for communicating and increasing the external awareness of the work of the Centre.

It should be emphasized that choosing a methodology is only part of the work that is required and whilst it underlies the approach to the work programme, is not in itself the programme. However, unless a methodology is chosen at an early stage in this initiative, it will be much harder to develop a consistent work programme at a later stage.

¹ See Report of the Inter-Agency Working Group for Coordinated Open edi Standards Development

SECTION 1

1 WORK PROGRAMME

At its 45th session, the Committee for Trade, Industry and Enterprise Development approved the following framework and underlined that the work programme shall allow for continuity between the existing WP.4 work programme and that of CEFACT.

This requires that it build upon the existing work programme: eliminating those elements which are no longer relevant and, where appropriate, revising existing elements and incorporating new ones.

In all areas of its work programme the Centre shall evaluate and take into special consideration the needs of countries with economies in transition. It shall also provide support to and collaborate with agencies working with developing countries and countries in transition in the area of trade as well as international standardization bodies (for example the other UN regional commissions, UNCTAD, ITC, WCO, WTO, ISO and IEC).

1.1 ONGOING ACTIVITIES

The following ongoing activities were identified and approved:

- (1) Analysing, reviewing and modelling the key elements of international transactions in commerce, transport and administration, with particular emphasis on their information content, the communication methods used (for example, paper or UN/EDIFACT) and data transmission.
- (2) Providing a forum for institutional cooperation in formulating and implementing international trade facilitation strategies and for reconciling official governmental and commercial requirements.
- (3) Developing recommendations which simplify, harmonize or eliminate practices and procedures used in international transactions. Then publishing, promoting and reporting on the use of such recommendations.
- (4) Ensuring that UN/EDIFACT and related activities serve effectively and provide the tools for electronic commerce activities, the facilitation requirements of international trade, administration, commerce and transport. In particular, responding to any requests for message development or maintenance coming out of the work on the International Trade Transaction Model. Where appropriate, this work may be done through the development of model scenarios and, based upon these scenarios, recommended message implementation guidelines, message subsets or document layout keys.
- (5) Identifying and evaluating legal constraints that affect procedures and practices in international administrative commercial and transport transactions and the use of tools for facilitating international trade.
- (6) Proposing and recommending practical solutions to these legal constraints, when appropriate in cooperation with organizations such as the International Chamber of Commerce (ICC) and the United Nations Commission on International Trade Law (UNCITRAL).
- (7) Promoting the development of international trade facilitation initiatives as well as related initiatives covered by the work of the Centre.
- (8) Formalizing the relationship between WTO, WCO and CEFACT to provide a proper forum to give technical assistance.
- (9) Promoting and supporting the establishment and ongoing activities of national trade facilitation organizations in all countries, taking advantage of the best tools and practices currently in use in the world. This shall be done in cooperation with the United Nations regional commissions, ITC and UNCTAD.
- (10) Maintaining close liaison with national trade facilitation organizations in order to better understand their trade facilitation needs, encourage cooperation in trade facilitation and improve the flow of trade facilitation information to all countries.
- (11) Taking into account the developments in the field of information technology, identify electronic information exchange needs in the areas of administration, commerce and transport. As part of this work:
 - a) Reviewing, monitoring and evaluating the worldwide use of electronic exchange of data in order to better understand the opportunities for EDI in the world and in the

multisectoral business environment. In particular, monitor the results of business procedures based upon EDI;

b) Identifying potential new requirements for world and multisectoral EDI harmonization activities and work for their development;

c) Monitoring developments in information technology which are likely to facilitate information exchange in administration, commerce and transport, notably in an international context.

(12) Maintaining and developing the UN/EDIFACT standard, updating the UN/EDIFACT directories and related deliverables accordingly, analysing supporting requirements and, based upon scenarios/models, defining interchange profiles capable of meeting these needs through a sequence of UN/EDIFACT messages and, to that end:

a) Identifying, promoting and, where appropriate, proposing information technology developments and initiatives which are likely to bring practical results to the exchange of information in international administration, commerce and transport including in liaison with international standardization bodies;

b) Providing an open forum for the continued development of UN/EDIFACT and all its components, in a global, multi-sectoral and coherent manner;

c) Producing directories and related documents/products for users of UN/EDIFACT.

1.2 RELATIONSHIP BETWEEN THE CURRENT WORK PROGRAMME AND THE PROPOSED EMPOWERED GROUPS

To make explicit the relationship between the current work programme and the proposed empowered groups, use is made of an activity framework to analyse the scope of the proposed groups against the type of activities.

The proposed framework was developed by the Inter Agency edi Group (IAeG) Agreement. However, as the scope of the work of the Centre is larger than the scope of the IAeG reference model, required adjustments to the taxonomy were made by adding an activity level of facilitation measures. Further information on the activity framework is provided in Annex C of this document.

The scope of the following proposed empowered working groups:

- Business practices working group (BPWG),
- EDIFACT working group (EWG),
- Electronic commerce ad hoc working group (ECAWG),
- Legal working group (LWG),
- Trade facilitation working group (TFWG)

and the Joint ISO-UN/ECE Syntax Development Group (SDG), are analysed by activity type and activity level and presented in relation to the activity framework (Table 1).

The fact that several working groups appear within one cell does not necessarily imply that there is an undesirable overlap.

Table 1: ANALYSIS OF THE RELATIONSHIP BETWEEN ACTIVITY AREAS AND PROPOSED WORKING GROUPS

	Activity level					
Activity type	A Meta- Standards	B Standards	C Guidance	D Conformance & certification	E Implementation	F Facilitation measures
I Environment			ECAWG			ECAWG
II Business activity Models		BPWG		LWG		TFWG BPWG
III Information modeling		EWG, CDWG				EWG LWG
IV Technology		Joint ISO- UN/ECE SDG				

BPWG: Business practices working group

EWG: EDIFACT working group

ECAWG: Electronic commerce ad hoc working group

LWG: Legal working group

TFWG: Trade facilitation working group

SDG: The Joint ISO-UN/ECE Syntax Development Group

SECTION 2

A PROPOSED METHODOLOGY FOR THE DEVELOPMENT AND CONTINUOUS UPDATING OF THE WORK PROGRAMME

This section specifies a proposed method for the management of the programme of work of the Centre, for coordinating the integration of trade facilitation work and for the development of new work items as required to fulfill the mission of the Centre. As such it may serve as a guide for the facilitation work as well as a guide for explaining the scope and activities of the Centre.

The methodology uses a database approach allowing continuous update of the work programme and various reporting facilities.

2.1 DEFINITIONS

For the purpose of this document, the definitions in annex A apply.

2.2 SCOPE

The scope of the CEFACT programme of work is defined by its mission statement²:

The United Nations, through the UN/ECE, supports activities dedicated to improving the ability of business, trade and administrative organizations, from developed, developing and transitional economies, to exchange products and relevant services effectively. Its principal focus is to facilitate international transactions, through the simplification and harmonisation of procedures and information flows, and so contribute to the growth of global commerce.

This is achieved by:

- Analysing and understanding the key elements of international transactions and working for the elimination of constraints;
- Developing methods to facilitate transactions, including the relevant use of information technologies;
- Promoting both the use of these methods, and associated best practices, through channels such as government, industry and service associations;
- Coordinating its work with other international organizations such as WTO, WCO, OECD, UNCITRAL and UNCTAD; and
- Securing coherence especially in UN/EDIFACT, by cooperating with other interested parties, such as ISO and ITU, in recognition that its work has broad application in the areas beyond global commerce.

Introductory material is provided in annex B for further information.

² TRADE/R.650: *Recommendations for the establishment of CEFACT*

2.3 PROGRAMME MANAGEMENT CRITERIA

In order to apply a database technique, a number of decisions need to be made about the criteria (attributes) selected as the basis of management reporting. The following programme management criteria are proposed for the recording of the work items.

WORK ITEM	Criterion (Attribute)	Description
Description	Identification	<i>Identification number assigned to the work item</i>
	Area of activity	<i>Classification of the work item according to the area of activity as defined in annex C.</i>
	Business value chain (Process)	<i>Classification of work item according to the process (or processes) which it applies to as defined in annex D.</i>
	Title	<i>Title of the work item</i>
	Description	<i>Description of the work item</i>
	Responsibility	<i>Organization or group or individual responsible for the delivery and reporting</i>
	Key deliverables	<i>Key deliverables expected</i>
	Relevance	<i>Specify the focus of the work item according to: Principal focus, users with direct influence, users with indirect influence³ Additional text as relevant should be provided.</i>
	Current issues	<i>List the current issues which need to be resolved to progress the work item</i>
Management	Inputs/scheduling	<i>Time table, milestones and planning</i>
	Resources	<i>Resources required</i>
	Priority ⁴	<i>Priority of the work item The following criteria for the prioritization of the work item is proposed: - Mandatory: the work item must be done - Highly desirable: the work item should be done, some concessions could be made on timing - Desirable: the work item should be included if resources available - Reject: the work item is difficult to continue to justify funding/resources</i>
	Cooperation/coordination	<i>Organizations, technical groups, user groups etc. where cooperation or coordination is required</i>

³ TRADE/WP.4/R.1104: Final re-engineering report, par. 88-90

⁴ Criteria requested by the CDT

Example of recording of a work item

The following table gives an example of how the work items might be recorded and reported, using document TRADE/WP.4/R.800 for illustrative purposes only.

Work item description	Identification	3.2.4.2.2 ⁵
	Area of activity	<i>Technology – standards⁶</i>
	Business value chain (Process)	<i>all processes⁷</i>
	Title	<i>UN/EDIFACT syntax rules – ISO 9735</i>
	Description	<i>The syntax (ISO 9735) is one of the two cornerstone documents (see also Message Design Guidelines) of the UN/EDIFACT standards. All UN/EDIFACT messages in all translators must conform to the rules specified in ISO 9735⁸.</i>
	Responsibility	<i>The EDIFACT Syntax Development Group (SDG) and ISO TC 154</i>
	Key deliverables	<i>Revision of ISO 9735</i>
	Relevance	<i>The stability of ISO 9735 is paramount to the installed user base; the development of ISO 9735 is paramount to the emerging user community. Both aspects – stability and development – must be balanced.</i>
	Current issues	<i>The group will be established as a Joint ISO-UN/ECE working group under TC 154⁹. The working procedures for this group have to be defined</i>
Work item management	Inputs/scheduling	<i>Proposal to ISO in September 1992</i>
	Resources	<i>SDG</i>
	Priority	<i>Mandatory</i>
	Cooperation/coordination	<i>ISO, TC154</i>

⁵ Work item as recorded in TRADE/WP.4/R.800: Programme and organization of work and priorities

⁶ See annex C

⁷ See annex D

⁸ TRADE/WP.4/R.800: Programme and organization of work and priorities

⁹ Memorandum of Understanding between ISO, IEC and UN/ECE

2.4 PROGRAMME MANAGEMENT VIEW OPTIONS

To show significant aspects relevant to the interoperability of trade facilitation work, the use of information technology in support of it and the required coordination with other organizations, two programme management criteria are proposed for consideration:

- Area of activity,
- Business value chain (process).

They would provide a management view of the work items by type of activities and business processes as developed by the Centre.

This section offers an overview of how the work programme could be presented, using these two criteria.

It should be noted that the business value chain introduced in Annex D is only one example of a value chain. It is expected that each area of activity develop their relevant value chain.

By structuring the existing work items into a matrix format, using the above criteria, it is possible to have a complete picture of the work. Steps can thus be identified for ensuring the completeness and consistency of all work items, and avoiding overlaps, omissions, redundancies and incompatibilities.

Table 2 provides a graphical representation of the programme management view, using an example of a business value chain.

Section 2.4.1 and 2.4.2 provide examples of the use of the presentation methodology. Refer to annex C and D for further explanation of the activity framework and an example of a business value chain.

Table 2: GRAPHICAL REPRESENTATION OF THE MANAGEMENT VIEW

	Example of a business value chain ¹⁰							
Activity framework ¹¹	1. Develop products & services	2. Manufacture products & services	3. Perform marketing	4. Perform sales	5. Perform procurement	6. Manage logistics distribution	7. Manage payments	a. Manage finance b. Manage legal and regulatory
I. Environment								
II.A Business activity models								
II.B standards								
II.C guidance								
II.D conformance								
II.E implementation								
II.F facilitation measures								
III.A Information modelling								
III.B standards								
III.C guidance								
III.D conformance								
III.E implementation								
III.F facilitation measures								
IV.A Technology								
IV.B standards								
IV.C guidance								
IV.D conformance								
IV.E implementation								
IV.F facilitation measures								

¹⁰ Programme management criteria: Business value chain - see annex D

¹¹ Programme management criteria: Area of activity - see annex C

2.4.1 Examples of the use of the presentation methodology to give a management overview: mapping of UN/ECE trade facilitation recommendations

The following list of UN/ECE trade facilitation recommendations is used to illustrate how the Recommendations could be presented against the two programme management criteria: area of activity and business value chain (or processes) (Table 4).

UN/ECE Recommendations

1. UN Layout Key
2. Location Codes
3. ISO Country Codes
4. National Trade Facilitation Organs
5. Abbreviations of INCOTERMS
6. Aligned Invoice Layout Key
7. Numerical Representation of Dates, Times and Periods of Time
8. Unique Identification Code Methodology
9. Alphabetic Code of the Representation of Currencies
10. Codes for Ship's Names
11. Documentary Aspects of the International Transport of Dangerous Goods
12. Measures to Facilitate Maritime Transport Documents Procedures
13. Facilitation of Legal Problems in Import Clearance Procedures
14. Authentication of Trade Documents by means other than signature
15. Simpler Shipping Marks
16. LOCODE - Code for Ports and other Locations
17. PAYTERMS - Abbreviations for Terms of Payment
18. Facilitation Measures Related to International Trade Procedures
19. Codes for Modes of Transport
20. Codes for United of Measurement used in International Trade
21. Codes for Types of Cargo, Packages and Packaging Materials
22. Layout Key for Standard Consignment Instructions
23. Freight Cost Code - FCC
24. Harmonization of Transport Status Codes
25. Use of the UN/EDIFACT Standard
26. Commercial Use of Interchange Agreements for EDI

It should be noted that a Recommendation can appear in more than one entry in the table. For example, Recommendation 25 on the use of UN/EDIFACT appears:

- In row IV.B - Technology standards:
to indicate that the recommendation is based on the ISO 9735 EDIFACT syntax rules;
- In cell (III.B, b) – Information modelling conformance & certification, Manage legal and regulatory:
to indicate that Recommendation 25 is endorsed as a United Nations Recommendation.

Table 3: ILLUSTRATION OF THE USE OF THE MANAGEMENT VIEW - MAPPING OF UN/ECE TRADE FACILITATION RECOMMENDATIONS

	AN EXAMPLE OF A BUSINESS VALUE CHAIN ¹²								
Activity framework ¹³	1. Develop products & services	2. Manufacture products & services	3. Perform marketing	4. Perform sales	5. Perform procurement	6. Manage logistics distribution	7. Manage payments	a. Manage finance	b. Manage legal and regulatory
I. Environment									
II.A Business activity models									
II.B standards									
II.C guidance									
II.D conformance									
II.E implementation									
II.F facilitation measures									Rec 4, 13, 18, 26
III.A Information modelling									
III.B standards		Rec 7, 20	Rec 7, 20	Rec 1, 7, 20, 25	Rec 1, 7, 20, 25	Rec 1, 2, 3, 7, 20, 25	Rec 1, 3, 7, 9, 25	Rec 1, 7, 25	Rec 3
III.C guidance									
III.D conformance & certif									Rec 1, 25
III.E implementation									
III.F facilitation measures				Rec 5	Rec 8	Rec 5, 8, 10, 11, 12, 15, 16, 19, 21, 22, 24	Rec 6, 17, 23		Rec 14
IV.A Technology									
IV.B standards				Rec 25	Rec 25	Rec 25	Rec 25	Rec 25	Rec 25
IV.C guidance									
IV.D conformance									
IV.E implementation									
IV.F facilitation measures									

¹² Programme management criteria: Business value chain (process) - see annex D¹³ Programme management criteria: Area of activity - see annex C

2.4.2 Examples of the use of the presentation methodology to give a management overview: mapping of work items

The following extract of work items as defined in document TRADE/WP.4/R.800 is used to illustrate how the work items could be presented against the two programme management criteria: area of activity and business value chain (or processes) (Table 4).

Work area 1 – Trade practices and procedures¹⁴

- 1.1* Fact finding; collection and analysis of information requirements; presentation of results
 - 1.1.1 Identification of information requirements in trade procedures
 - 1.1.3 Identification of documentary functions in international trade
 - + 1.1.4 Legal issues - Coordination with other bodies
- 1.2 Presentation of information requirements; data elements and their representation including codes for coded representation
 - 1.2.1 Trade data elements
 - 1.2.2 Terms of delivery and other standardized trade terms
 - 1.2.4 Transport description (from-to-by)
 - 1.2.5 Commodity classification and product coding
 - 1.2.7 Coding of terms of payment
 - 1.2.9 Rules for the application of Recommendation No.19, Codes for modes of transport
 - 1.2.10 Unique reference number
 - + 1.2.11 United Nations Trade Facilitation Code List (UNTFCL)
- 1.3 Analysis with a view to rationalization; presentation of findings
 - 1.3.1 The international trade transaction as a whole
 - 1.3.2 Particular procedures and practices forming part of an international trade transaction
 - 1.3.2.1 Facilitation of transport documents and procedures
 - 1.3.2.3 In-house use of data elements
 - 1.3.2.4 Study of pre-shipment inspection procedures
 - 1.3.2.5 Study of consular formalities

Work area 2 - Simplification and harmonization of international trade procedures

- 2.1 Principles for the simplification and harmonization of international trade procedures
- 2.2 Facilitation measures applicable to particular, selected procedures
- 2.3 Formulation, agreement and publication of facilitation measures
- 2.4 Negotiable documents
- 2.5 International trade - National legal and commercial practice barriers

Work area 3 - Simplification and harmonization of methods for transferring trade data

- 3.1 Exchange of trade data by paper documents; completion and maintenance of the United Nations system of aligned trade documents
 - 3.1.10 Alignment of the multimodal transport document
 - 3.1.12 Alignment of documents for the despatch of post parcels
 - 3.1.13 Review of terminology in cooperation with ISO/TC154/SC1
 - 3.1.14 Review of other relevant international standards (ISO, UPU etc.)
 - 3.1.18 Issue a second version of the 'Guidelines for the application of the United Nations Layout
 - 3.1.19 Key when designing trade documents' including additional guidelines for the documents.

¹⁴ TRADE/WP.4/R.800: *Programme and organization of work and priorities*

3.1.20 Study problems arising in connection with the implementation of Recommendation No. 6,

3.1.21 Aligned invoice layout key, as regards the wording of the 'declaration' made on the invoice.

3.1.22 Alignment of documents used for roll-on/roll-off and piggy-back transport

*3.2 Electronic data interchange for administration, commerce and transport (UN/EDIFACT specified in UN Trade Data Interchange Directory (UNTDID), preparation and maintenance

+ 3.3 Items relating to electronic data interchange

3.3.1 Trade data interchange restraints

3.3.2 Relevant CCITT standards

3.3.3 Relevant ISO standards

2.5 PROGRAMME MANAGEMENT REPORTS

From a reporting point of view, the data is stored in a database. This will then allow various report and query possibilities based on the programme management criteria agreed upon.

Possible types of programme management report:

- Detailed planning report: Identifies the programme elements in relation to the value chain and the activity areas as well as coordination.
- Control report: Identifies the status of work of the programme elements, the issues, the resources and the scheduling.
- Performance report: Provides measurement of the performance of the programme of work such as costs and cycle time.

Annex A: DEFINITIONS

The following definitions are adopted so far in the development of this methodology.

Business:

A series of processes, each having a clearly understood purpose, involving more than one organisation, realised through the exchange of information and directed towards some mutually agreed upon goal, extending over a period of time. (ISO/IEC 14662 Open-edi reference model)

Commerce:

The activity embracing all forms of the purchase and sale of goods and services (TRADE/WP.4/R.1234: Recommendations for the establishment of CEFACT)

Electronic Data Interchange (EDI):

The electronic transfer from computer to computer of commercial or administrative transactions using an agreed standard to structure the transaction or message data. (ISO 9735)

Electronic commerce:

Refers generally to all forms of commercial transactions involving both organisations and individuals, that are based upon the electronic processing and transmission of data, including text, sound and visual images. It also refers to the effects that the electronic exchange of commercial information may have on the institutions and processes that support and govern commercial activities. (OECD, *Electronic commerce, Opportunities and challenges for Government*, 1997).

Procedure:

Activities, practices and formalities involved in collecting, presenting, communicating and processing data required to fulfil a goal (Facts about the Working Party on Facilitation of International Trade Procedures)

Process:

A set of procedures, tasks or activities that take place within one or more organizations in order to realize a business objective. (Business Information Models Group).

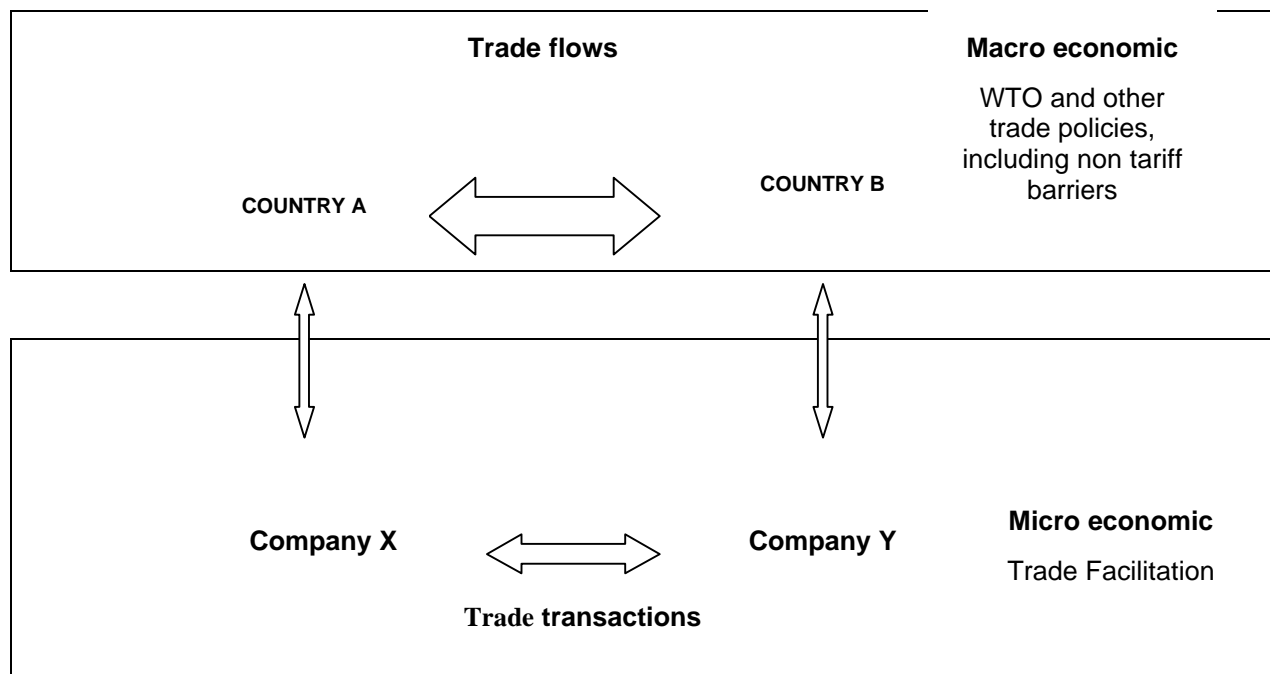
Annex B: SCOPE

The following text could be considered as introductory material. It is based on existing material of the Centre and provides information on the relationship between International trade policy and Trade Facilitation, a representation of the participants involved in international trade and a graphical presentation of the relationship between facilitation measures and business processes.

International trade policy and trade facilitation

Trade Facilitation is, in reality, a micro-economic activity which perfectly complements the macro-economic agreements reached in the Uruguay round of GATT. Whereas the GATT agreement concentrates on providing a framework for the flow of trade between nations, trade facilitation focuses on the transactions between companies involved in international trade - the trader-to-trader relationship - and on reducing both the procedural costs and the delivery and payment barriers that exist today. In the same way that GATT is part of international trade policy, so is Trade Facilitation. The two can be represented in the following diagram which shows the flow of trade between country A and country B, and company X and company Y¹⁵.

Figure 1: INTERNATIONAL TRADE POLICY

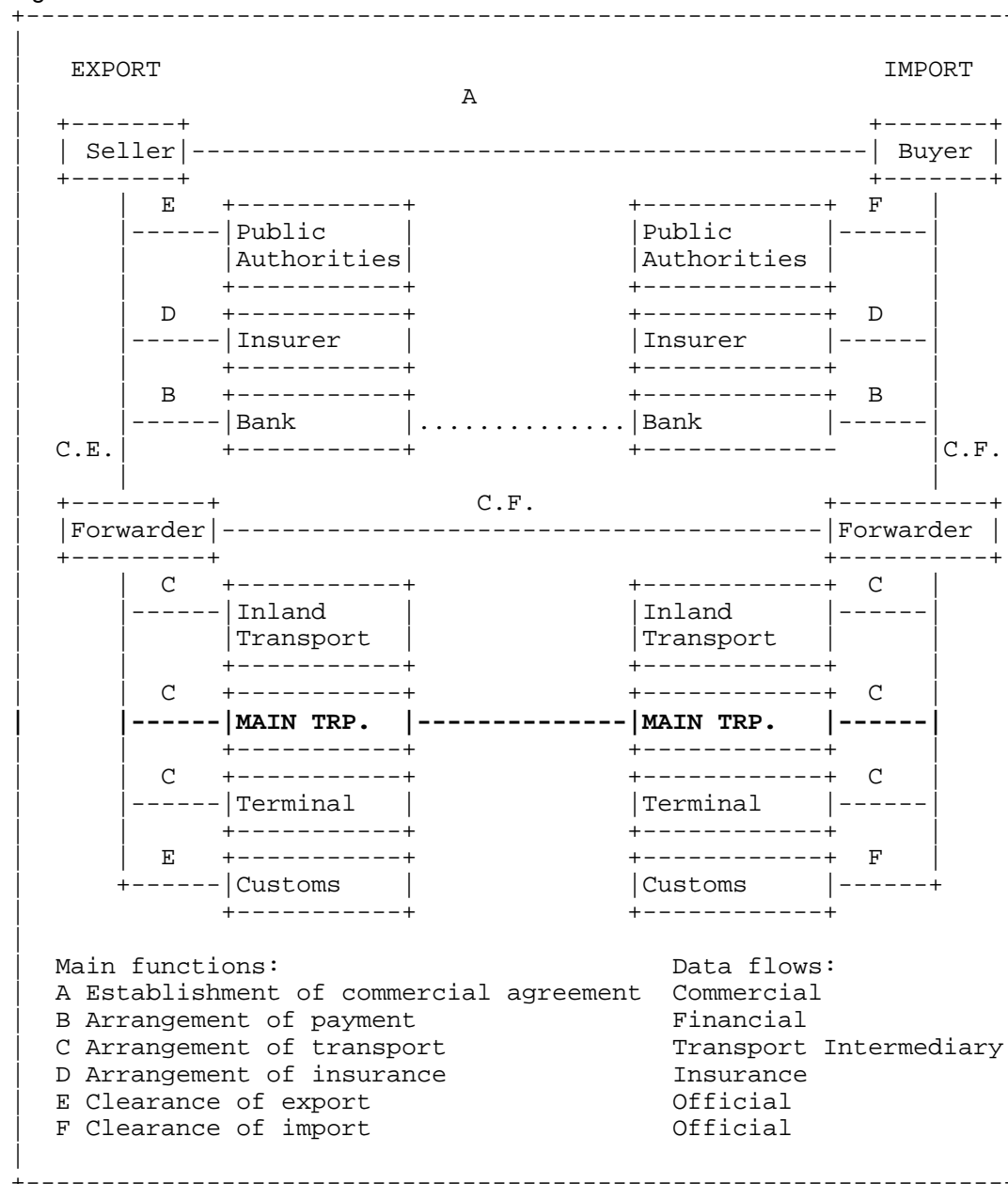


¹⁵ TRADE/WP.4/R.1104: *Final re-engineering report*

Participants involved in international trade

The drawing provides a graphical representation of the role or functions performed by the participants involved in international trade.

Figure 2: INTERNATIONAL TRADE¹⁶



¹⁶ Extracted from UNTDID

Facilitation measures related to processes in international trade

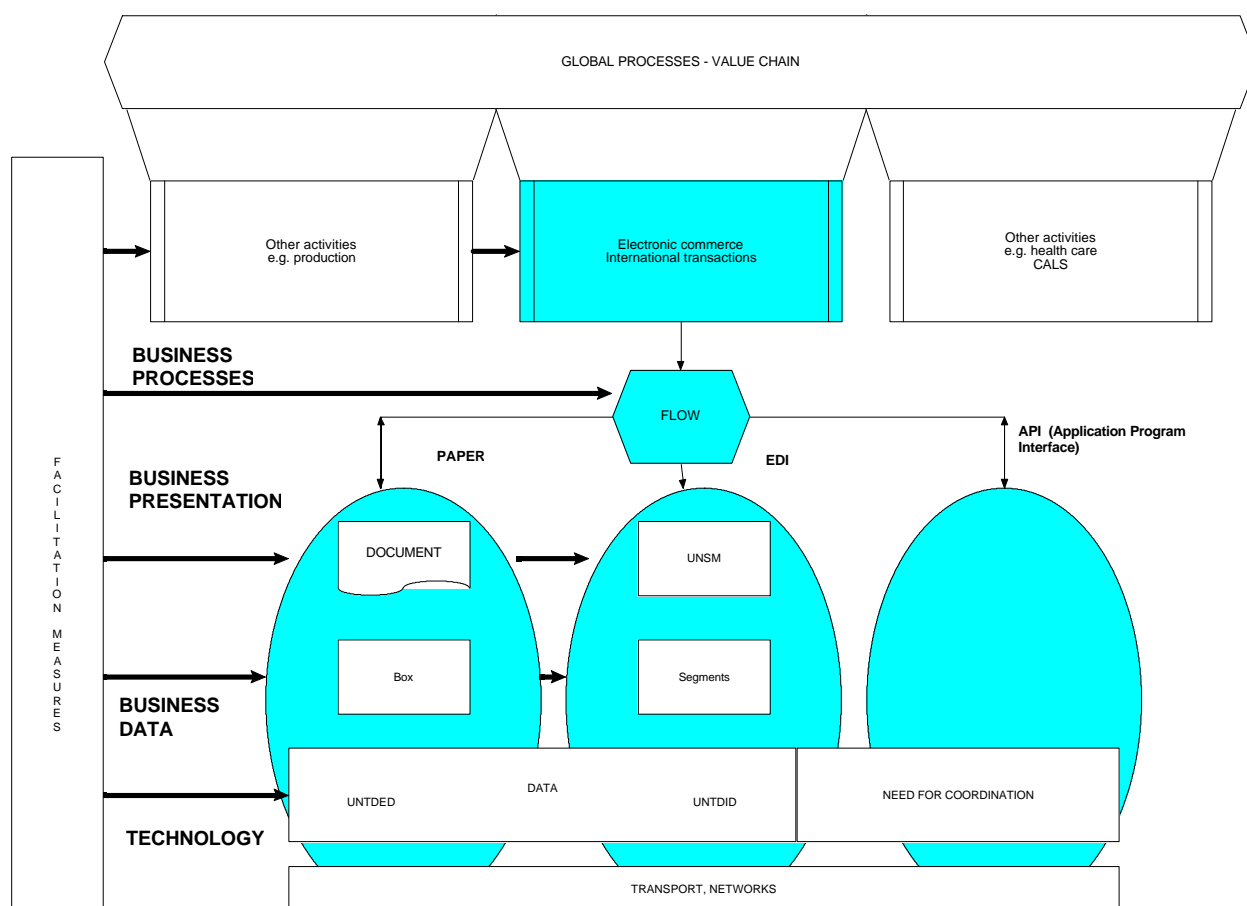
The methodologies developed by the Centre should be related to the process in business and particularly in international trade and support CEFACT's mission and objectives.

It is particularly important to show how the processes in international trade have to interface with processes in domestic trade such as production, health care, and with wide ranging initiatives such as CALS in order to maximise the benefits arising from international trade facilitation.

The main processes and activities of CEFACT are located at the core of private and public processes and activities and spanning international, regional, national sectors.

The following diagram was developed by the International Trade Transaction group (ITT) and provides a high level view of the processes involved in international trade and their supporting methodologies.

Figure 3: SUPPORTING METHODOLOGIES OF INTERNATIONAL TRADE PROCESSES¹⁷



¹⁷ Source: International Trade Transaction Group

Annex C: ACTIVITY FRAMEWORK

By structuring existing work items into well-defined areas of activity with clearly defined borders makes it possible to identify the required expertise for each activity, identify gaps between activities and identify coordination needs.

The proposed taxonomy of areas of activity is based on the work of the Inter Agency group on edi (IAeG). As the scope of the work of trade facilitation is larger than the scope of the IAeG reference model, required adjustments to the taxonomy were made by adding an activity level of facilitation measures.

The following 4 clauses describe the overall taxonomy of activities used within this framework:

- I. **Environment:** The framework of legal provisions, business codes and practices, and trade procedures within which all business transactions occur.
- II. **Business activity models:** Definition of business and technical processes which relate to trade facilitation. These models capture the dynamic aspects of trade facilitation.
- III. **Information models:** Recommendations and definitions for the data transferred in business transactions, including models and recommendations for the possible presentation in documentary format or on visual display unit.
- IV. **Technology:** The means that enable trade facilitation such as computer interoperability, including Application Program Interface (API) which allow applications to support business processes.

Each area of activity consist of 6 levels of work::

- A. **Meta-standards:** The generic standards, definition languages and other tools and techniques used to specify and express trade facilitation measures, guidance material.
- B. **Standards:** Documents which provide formal specifications to which business processes and procedures shall conform.
- C. **Guidance:** Material which interpret the Facilitation measures into more specific form for the guidance or assistance of facilitators. For example, best business practices, implementation guidelines.
- D. **Conformance and certification:** Activities related to conformance testing and monitoring of trade facilitation measures.
- E. **Implementation:** Action taken by governments, trade facilitation organizations, software, hardware suppliers and by the ultimate business user.
- F. **Facilitation measures:** documents which provide formal specifications for trade facilitation measures such as recommendations, standards, conventions, legal documents.

By adopting such an agreed framework, it is possible to compare the work of the Centre with the work of other agencies and identify the role of each organization and the possible required coordination.

The following table provides an example of type of activities. The table is meant to be read one row at a time, with activities on the right being logically dependent on activities on the left.

Table 1: ACTIVITY FRAMEWORK¹⁸

	Activity level					
Activity type	A Meta- Standards	B Standards	C Guidance	D Conformance & Certification	E Implementation	F Facilitation measures
I Environment	Languages, Practices	Laws	Business guidelines	Courts, tribunals	Contracts	Agreements
II Business activity Models	Modelling languages	Business scenarios	Recommended practices, conventions	Multilateral agreements, test definitions	Business applications	Recommendations
III Information modeling	Modelling languages	Message Standards	User guidelines	Test definitions	Actual data	Implementation guidelines
IV Technology	Tools, techniques	Interoperabil- ity standards	Profiles	Test definitions, interoperability standards	Software, hardware	Recommendations (e.g. ITU, ISO)

Table 2: ANALYSIS OF THE RELATIONSHIP BETWEEN ACTIVITY AREAS AND PROPOSED WORKING GROUPS

	Activity level					
Activity type	A Meta- Standards	B Standards	C Guidance	D Conformance & certification	E Implementation	F Facilitation measures
I Environment			ECAWG			ECAWG
II Business activity Models		BPWG		LWG		TFWG BPWG EWG LWG
III Information modeling		EWG, CDWG				
IV Technology		Joint ISO- UN/ECE SDG				

Table 2 shows the use of the matrix format of table 1 in order to present the areas of activity of the proposed Empowered working groups: (Business practices – BPWG, EDIFACT – EWG, Electronic commerce Ad hoc – ECAWG, Legal – LWG, Trade facilitation TFWG) as well as the Joint ISO-UN/ECE Syntax development – SDG.

The fact that several working groups appear within one cell does not necessarily imply that there is an undesirable overlap.

¹⁸ Source: IAeG report

Annex D: EXAMPLE OF A BUSINESS VALUE CHAIN – GLOBAL PROCESS

The concept of “value-adding activity” is important.

Concerning the international trade process, when some functions are examined, it appears that too much of the work adds little value to the exchange of products and services between a buyer and a seller. “Adding value” is defined as an activity that fills a customer need, being a buyer, a seller, forwarder etc.

The processes which have a **direct** impact on the exchange of product and services within international trade are the processes of marketing, sales of products and services as performed by a seller and procurement as performed by a buyer; the process of payments and the process of logistics and distribution. These processes are considered as “value-adding”.

The support processes are typically considered indirect to the exchange of products and services and can occur or apply to any of the value chain process. In CEFACT, they concern all processes related to legal and regulatory requirements and the management of finances and insurances.

Example of a business value chain (process)

The value chain used within this framework is used as a model for classifying and organizing the business processes which are required for international commerce.

Each of the following value adding activities is typically operational in nature as opposed to support:

Activity 1: Corresponds to the processes of marketing, sales of products and services as performed by a seller and procurement as performed by a buyer.

Activity 2: Corresponds to the process of payments

Activity 3: Corresponds to the process of logistics and distribution

Two processes which do not have a direct impact the exchange of products and services are added to cover the entire value chain, from development of a product to delivery to the customer. They are added to allow to identify the required coordination and overlaps for the work items for the global process. They are:

- Develop products & services
- Manufacture products & services

Description of a business value chain

The processes within this areas are:

1. **DEVELOPING PRODUCTS & SERVICES:** Conducting research and development into the provision of new and improved products, processes and services to meet the company's business objectives.
2. **MANUFACTURING PRODUCTS & SERVICES:** Manufacturing products and services to meet the business needs in line with the objectives and goals on productivity, quality, cost, safety, health, and the environment, including everything required to plan, operate, and control the manufacturing process.
3. **PERFORMING MARKETING:** For the seller, developing and implementing marketing (promotional) campaigns relating to the company itself and its products and services. For the buyer, identifying products and suppliers to meet the business needs.
4. **PERFORMING SALES OF PRODUCTS AND SERVICES:** Developing an offering that satisfies the needs of the customers so that an ongoing relationship can be attained.
5. **PERFORMING PROCUREMENT OF PRODUCTS AND SERVICES:** Preparing and disseminating the procurement specifications, collect responses, review, analyze and evaluate the responses. Developing contract in line with the regulations and policies, notify contractor and conduct the procurement process.
6. **MANAGING LOGISTICS AND DISTRIBUTION:** Planning, operating, and controlling warehousing and distribution materials, products and services in a way that satisfies required customer service policies and balances inventory working capital requirements with other costs.
7. **MANAGING PAYMENTS:** Settlement of the trade, invoicing and paying of the products.

Support processes

The support processes are typically considered indirect to the exchange of products and services in international trade and can occur or apply to any of the value chain process.

The following processes are considered as support of the value chain:

- a. **MANAGING FINANCES:** Managing the enterprise financing and accounting to meet the needs of the business in line with policies, standards and fiscal regulations across the various geographic areas in which the enterprise conducts the business
- b. **MANAGING LEGAL AND REGULATORY REQUIREMENTS:** Understanding the legal and regulatory requirements and issues within which the enterprise must operate and manage the compliance with them. The requirements may be international, regional, national or local. The laws, rules, regulations and requirements can be associated with company laws, patents, products/service registration, government regulations, confidentiality agreements, trading regulations, customs procedures etc.