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COMMITTEE FOR TRADE, INDUSTRY AND ENTERPRISE DEVELOPMENT

Centre for the Facilitation of Procedures and Practices for
Administration, Commerce and Transport

Item 3 of the provisional agenda

Fourth session, 14-16 September 1998

REPORT OF THE CEFACT STEERING GROUP (CSG) Meeting*

Concord: 1998, 26-29 January

Geneva: 1998, 16-18 March

This document has been submitted by the CEFACT Steering Group (CSG) for information as required under the CEFACT procedures outlined in document TRADE/R.650. It is for information only. Items to be decided upon by the CEFACT Plenary will be presented in a separate report from the chair to the CSG.

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CEFACT STEERING GROUP (CSG) MEETING

CONCORD: 1998, 26-29 January

GENEVA: 1998, 16-18 March

Members Present:

Ray Walker, Chairman
Ray Battersby
Claude Chiaramonti
Ernst Deeg
Alexander de Lijster
David Dobbing
David Marsh
Klaus-Dieter Naujok
Irene Navarro
Emile Peeters (Geneva only)
Christina Wallen-Rahlen
Christoph Wolf
Johan Robert Van Kuik

Secretariat Present:

Virginia Cram-Martos
Hans Hansell (Geneva only)

Ex-Officio Members Present:

Harvey Bates (Geneva only)
Kenji Itoh
Santiago Mila
Henri Martre (Geneva only)
Rory Power (Geneva only)
Thomas Wheel (Geneva only)

Apologies From:

Siti Aminah Abdhullah
Dumitrache Dima

Borislav Georgiev
Emile Peeters (for Concord)

INTRODUCTORY NOTE

1. To encourage the greatest possible openness in the process and input into its decisions and recommendations, the CSG encourages a wide circulation of its reports. The majority of the decisions made during the meeting in Concord were recorded in the Report of the Chair of the CSG to the CEFACT Plenary (TRADE/CEFACT/1998/10). When this is the case, reference is made to that report, but the text of items contained in it is not duplicated here. Both the report of the Chair and the report from the CEFACT Plenary (TRADE/CEFACT/1998/11) with its final decisions on the proposals made in the report can be obtained from the Internet WWW address: http://www.unece.org/trade/untdid/sessdocs/all_0398.htm

During the March 1998 CEFACT meeting, the CSG meet periodically for short periods. Most of the those meetings were on items of an operational nature or items now covered by the report of the CEFACT Plenary. All other decisions from the March 1998 meetings are included in this report.

Matters Arising

2. Apologies were received from Ms. Sita Amina Abdhullah and Mr. Emile Peeters. The CSG continued to express concern about attendance and requested that the Chair take appropriate action, especially when there had been no attendance to any meeting of the CSG.

Reports from Mandated Groups

General

3. During the March meeting in Geneva, coordination between the working groups was discussed and it was agreed that this should be on the agenda for the June 1998 meeting where the CSG would compare the liaison arrangements outlined in each group's terms of reference and would then provide guidance to groups, where appropriate.

New Groups

4. During the CEFACT Plenary, a proposal for an Ad hoc group on Simpl-EDI and forms and web based EDI had been approved. The Plenary had then requested that the CSG approve draft terms of reference so that the group could recruit membership and begin work prior to the next session. The CSG agreed to review the draft terms of reference after electronic distribution and to submit comments to the server within one week so that the Chair could draft a revised version for approval.

Business Analysis (BAWG)

5. I. Navarro agreed to draft a document to clarify the work of the BAWG, to be included in the report of the CSG Chair to CEFACT.

Codes (CDWG)

6. D. Dobbing agreed to draft a clarification of the Code Group's role to be sent out with the invitation to the meeting to be held on the 19-20 March in Geneva and included in the report of the CSG Chair to CEFACT. .

UN/EDIFACT (EWG)

7. During the March meeting in Geneva, it was agreed that the chair of the EWG, once elected, should be formally invited to attend the June 1998 CSG meeting.

8. In order to assist in creating the conditions for a smooth and orderly transition from the old structures to the new EWG structures and to report back on progress and problems, the CSG appointed two champions for the EWG, these being: D. Dobbing and A. De Lijster.

International Trade Procedures (ITPWG)

9. The terms of reference for the International Trade Procedures Working Group (ITPWG) were endorsed by the CSG with minor editorial changes and they can be found in annex to this report.

10. The Chair was asked to reflect in his report to CEFACT that a revision of Recommendation 4 on National Trade Facilitation Organizations is being worked on.

11. The CSG agreed that the need of some developing countries to have more transport facilitation within national trade facilitation organisations should be accommodated in the revision to Recommendation 4, as requested by UNCTAD. However, they also agreed that in many developed countries, this might create an overlap with existing transport related organizations. Therefore, they suggested that the ITPWG try to find a way to accommodate both situations, perhaps by providing options. In any case, they did not believe it was appropriate to include "Transport" in the title of the organizations covered by Recommendation 4.

Legal (LWG)

12. D. Marsh expressed concern that no one had been nominated from the United States to the LWG.

Techniques and Methodologies (TMWG)

13. During the last TMWG meeting, they had met with the Network Management Forum (NMF) who were interested in working with the TMWG on the next generation of EDI in order to help meet the NMF members need to supply instantaneous billing information (as a result of the 1997 U.S. open communications act). They see object oriented EDI as a very interesting way to "hide" internal complexities in obtaining or supplying information to other networks who need it. The NMF was also planning to come to the March 1998 meeting in Washington D.C.).

Electronic Commerce (ECAWG)

14. The ECAWG did not want to be a permanent group because it believed all CEFACCT groups should take electronic commerce into account in their work programmes. However, this may require an small ad hoc group within the CSG or a CSG champion to ensure that each group is following up on electronic commerce aspects of their work.

15. It was agreed to publish the ECAWG interim report as CRP for the March 1998 CEFACCT Plenary.

UN/LOCODE

16. During the March meeting in Geneva, the question of whether the UN/LOCODE ad hoc working group should become a permanent group or a sub-group under the Code Working Group (CDWG) was discussed. The CSG agreed that having it as a sub-group under the CDWG appeared to be the most appropriate solution. Making UN/LOCODE a permanent working group might result in an entire series of such groups eventually being established for other individual codelists or deliverables which could, in the longer term, result in an unmanageable situation.

Work Programme: Strategy and Related Issues

Work programme content

17. The CSG noted that the current work programme was missing items related to payments facilitation and Ports and Harbours.

18. Work programme activity worksheets were reviewed for the CDWG, LWG, ITPWG, and TMWG. It was agreed to publish these as a CRP for comment at the March 1998 CEFACCT Plenary in order to publish an official version for the September 1998 session.

Strategy

19. It was agreed to prepare a strategy paper, to eventually be approved by the Plenary, the goals of this paper were to get people to participate in CEFACCT's

working groups and to gain acceptance of CEFACT by governments and other international organizations.

20. The CSG agreed upon the following strategic statement, to be contained in the final strategy document

"Everyone is talking about global commerce, but making it happen is a real challenge. It requires open and effective business and administrative processes: the goal of CEFACT. Rationalized processes combined with information technology provide substantial benefits to enterprises and governments alike. Some of these benefits are:

*simplified procedures;
integrated supply chains;
enabling trading communities;
reduced cycle times;
streamlined business; and
lower costs."*

21. It was agreed that, once finalized, the strategy document would remain a living document to be continuously updated by the secretariat upon instructions from the CSG or the Plenary.

Relationships with other UN Regional Secretariats and other International Organizations

ISO

22. During the March meeting in Geneva, the following issues with regard to the revised MoU between ISO, IEC and the ECE were raised:

- 1) There needs to be a clear separation between standardization bodies and industry organizations.
- 2) It needs to be open to all industry groups with standardization needs.
- 3) The ECE would like to have the ITU participate as a signatory.

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The sticking point so far has been to find an agreed upon text to reflect the first two points. As to the third point, more contact, perhaps through national representatives to ITU, needed to be made.

23. The ISO/ECE Joint Syntax Development Group (JSDG) had met the previous week in Berlin. At that meeting, they had decided to request permission of the CSG to withdraw the current ISO ballot on part 1 in

order to add year 2000 and syntax collision fixes (UNB and UNH will now have 8 digit dates to accommodate century and they have adopted the UNX/UNY segment collision "fix") . Both of these changes had been unanimously agreed by the JSDG. Taking this action would avoid having to immediately issue a new version in order to include these two changes. This also would not slow the process as a final ballot would not have been done in time for the March 1998 CEFACT meeting and the new ballot would be done in time to have a new version of the Syntax for the September CEFACT meeting. The CSG agreed to this proposal by the JSDG.

24. Based on the previous decision ISO would: incorporate the unanimous views of the JSDG into part 1 in order to assist users by having all solutions, and therefore all facilities incorporated into version 4. They would pull back the FDIS (Final Draft International Standard), replace it with a revised version and the two month "clock" until the end of the voting period will begin from that the release of the revision.

WTO

25. The critical importance of showing the value of CEFACT's work during the planned WTO seminar on trade facilitation was stressed.

Promotion

26. The usefulness of having CEFACT Rapporteurs being responsible for promoting CEFACT and stimulating implementation within specific regions was discussed. As a result, the Chair was requested to draft terms of reference for such a Rapporteur, the first one to be proposed being for Asia. These draft terms of reference would then be circulated to the CSG and published as an official document for the March 1998 CEFACT Plenary.

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Resources

27. In order to encourage Heads of Delegation to nominate experts to working groups and take advantage of the options available to them for doing so, the CSG Chair had drafted a paper with guidance on the available options. The CSG commented on this paper and agreed that the revised version should be included in the report of the CSG Chair to the March 1998 Plenary.

Procedures and Amendments to TRADE/R.650

28. During the March meeting in Geneva the CSG agreed that rules needed to be established as to what papers can be submitted to the CEFACF Plenary. The following were outlined as a first "draft" for further discussion at their June 1998 meeting.

- Any delegation can submit a paper;
- Empowered Groups can submit reports;
- Contributions from the secretariat should first be reviewed by the CSG;
- Personal contributions should not be allowed unless endorsed by a delegation or requested by the Plenary.

Technology Update

29. An interesting presentation was made by a Premenos' Harbinger staff member on new and anticipated future developments in information technology and, in particular, the use of object-oriented technology.

Any other business, including rolling 18 month list of meeting dates

Publication of the UN/EDIFACT Directories

30. During the March meeting in Geneva, the Chair of GE.1 and of the EDIFACT Steering Group (ESG) presented the audit report for the D.98A directories which indicated that the directories were of an acceptable quality for publication. In accordance with the procedures laid out in TRADE/R.650, the CSG approved publication, by the UN secretariat, of the D.98A directories.

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UNTDDED

31. The secretariat was requested to prepare a paper for the June 1998 CSG meeting outlining the resources that would be needed for adequate, ongoing maintenance.

CEFACT Plenary Reports

32. The CSG expressed concern that the current method for approving the CSG Plenary reports was too costly, requiring that representatives stay an additional day in order to participate in one hours discussion in the afternoon on the report. It was agreed that this question should be brought before the Plenary in order to seek a consensus on more modern methods for approving the report.

Single Entry Processing Points (SEPPs)

33. This topic was discussed and it was concluded that resources would not allow the implementation of SEPPs until the DMR process was further automated and agreed that this was to be covered in the report of the CSG Chair to the March 1998 Plenary.

Future meeting dates

34. The following meeting dates for the next 18 months have been agreed.

1998 June 15-18	Geneva
1998 September 16-18	Geneva
1999 January 25-28	Location to be confirmed
1999 June 21-25,	Location to be confirmed

Appreciation

35. The CSG expressed its appreciation to Premenos/Harbinger for its hospitality in hosting this CSG meeting and providing a technology briefing to CSG members.

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ANNEX

International Trade Procedures Working Group

Terms of Reference

The purpose of the International Trade Procedures Group (ITPWG) within CEFACT is to undertake trade facilitation work as per its mandate which was agreed at the second CEFACT session in September 1997. The strategy is to identify best practice in private and public sector international trade procedures, and as far as is possible, make them as analogous to, and as simple as, the best national domestic trade arrangements.

These Terms of Reference are drafted in accordance with document R.650, (page 13, paragraphs 60 to 63 inclusive), and cover:

1. a definition of the specific technical issue(s) to be addressed;
2. a detailed description of the proposed deliverables;
3. membership
4. the administrative team structure of the Group;
5. a time schedule and milestones of its function(s);

6. a proposal for liaison with other Groups and any external organisations.

The requirements for each of the above are as follows:

(Number 1) - A definition of the specific technical issue(s) to be addressed

- Analyse international trade procedures and identify barriers/constraints
- Create and maintain a Master International Trade Transaction (ITT) Framework
- Link and ensure coherence of National/Regional frameworks with Master ITT Framework

(Number 2) - A detailed description of the proposed deliverables

- The ITPWG's overall strategy is to develop international trade procedures which are analogous to those undertaken in the national environment. To this end, UN/ECE Recommendations will be developed on audit based controls on commercial records linked to risk assessment with the progressive use of information technology. The potential for a Trade Facilitation Convention needs to be considered.
- To raise the awareness of the strategic importance of trade facilitation at an individual, corporate, national and international level, and through/with the media. Trade facilitation material will be available in electronic format and in case of need, published.
- In conjunction with the UN/ECE Secretariat, the ITPWG Group will develop and maintain the Master ITT Framework. Additional national/regional frameworks, supplied by delegations, will be registered and maintained by the Secretariat and made available on the Internet. From the various frameworks the ITPWG will extrapolate appropriate information for completion of its Mandate.
- In accordance to its Mandate, the ITPWG will respond to requests from other CEFACT groups on matters of common interest.
- The ITPWG will review UN/ECE Recommendations covered by the Mandate every 3 to 5 years and by specific requests from governmental, inter-governmental organisations, traders, administrations and international organisations.
- The ITPWG will require, on a 5 year basis, an inventory from delegations of the UN/ECE Recommendations implemented in their country/region/responsibility and will make recommendations to CEFACT as appropriate.
- The ITPWG will submit an annual report to CEFACT covering its activities undertaken in accordance with its Mandate, Work Programme and other relevant activities.

(Number 3) Membership

The UN/ECE secretariat and participants to the sessions of CEFACT and its subsidiary bodies are potential members of the ITPWG. The functional expertise needed is as described in the Mandate (paragraph 3), and external expert advice can be sought should the need arise. Nominations must be approved by Heads of Delegation.

The CEFACT secretariat are to:

- Service regular meetings as agreed by the officers/delegation (prepare Agenda's, papers and complete Minutes);
- Establish, use and maintain the ITPWG Server, as the main forum for transmission of data for the ITPWG to undertake its Mandate effectively;
- receive and make amendments (proposed by the individual originators) to the national/regional frameworks as appropriate;
- Inform the ITPWG of any changes to the Frameworks

The ITPWG shall consist of sub-groups (as per the Mandate and Work Programme) supported by the UN/ECE Secretariat as appropriate. The sub group will elect its own officers and report back to the ITPWG.

(Number 5) Time Scale

The Mandate, Terms of Reference, Work Programme and related activities will determine the time scale framework for the activities to be completed subject to any amendment from the Steering Committee and the Plenary.

(Number 6) Proposals for liaison with other Working Groups and external organisations

Four criteria are established for co-operation with other international organisations and bodies:

- I Common work (projects) and common tools;
- II Separate work, but common tools and methods (co-ordination required);
- III Separate work and different methods (interface is needed);
- IV Separate work and different methods (occasional liaison).

Organisations and bodies involved in the different aspects of the ITPWG and the levels of co-operation with them in accordance with the above-mentioned criteria are indicated as below:

Name of organisation	Level of co-operation			
	I	II	III	IV
1. ESCAP, ESCWA and other UN regional Commissions	+	+		
2. CEFACT Permanent and Ad-hoc Working Groups	+	+		
3. International Chamber of Commerce (ICC)		+	+	
4. World Trade Organisation (WTO)		+	+	
5. UNCTAD		+	+	
6. World Customs Organisation (WCO)		+	+	
7. International Chamber of Shipping (ICS)			+	
8. International Maritime Organization (IMO)			+	

ANNEX

The following UN/ECE Recommendations should be covered by the International Trade Procedures Working Group (ITPWG)

REC 01 -United Nations Layout Key for Trade Documents -03/81

REC 02 -Location Codes in Trade Documents -03/81

REC 04 -National Trade Facilitation Organisations -10/74

REC 06 -Aligned Invoice Layout Key -09/93

REC 08 -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 -09/92

REC 22 -Layout Key for standard Consignment Instruction -03/89
