

## Recommendation 25

### ***USE OF THE UN ELECTRONIC DATA INTERCHANGE FOR ADMINISTRATION, COMMERCE AND TRANSPORT (UN/EDIFACT)***

The Working Party on Facilitation of International Trade Procedures, a subsidiary body of the United Nations Economic Commission for Europe, agreed in the 1980's to the revision of its programme of work "Exchange of trade data by means other than paper documents; trade data interchange protocols" by the addition of the programme element "Development of UN/EDIFACT Standardized Messages (UNSM)" to complete and maintain the United Nations Trade Data Interchange Directory (UNTDID).

The electronic transfer of data in a structured format has received growing attention and, in 1987, the UN/EDIFACT standard (United Nations Electronic Data Interchange for Administration, Commerce and Transport) was approved. Updated UN/EDIFACT directories are issued every year containing messages from a wide range of economic sectors.

As the scope of its work is global, the Working Party on Facilitation of International Trade Procedures recognised that the mandate of its UN/EDIFACT work requires extension of its scope beyond international trade and acceptance of the universal nature of data structures and concepts.

In this context, a first draft of the present Recommendation was developed and submitted by the delegations of Austria and Switzerland at the September 1994 session of the Working Party.

Based on this first draft, national and international consultations took place in the course of the development of the present document, particularly with the delegation of the United States of America; relevant subsidiary bodies of the Working Party were consulted as well as other international organisations interested in ECE-recommended trade facilitation standards. Representatives of the regional and world-wide bodies participating in sessions of the Group of Experts No.1 "Data Elements and Automatic Data Interchange" and of the Working Party also contributed to the development of the Recommendation.

These consultations lead to the development of a number of principles on which this Recommendation is based.

They provide a framework for recommended actions to secure that EDI technologies and organisational processes evolve together for world-wide use in administration, commerce, transport, and to avoid the multiplication of circumscribed "islands" of EDI applications, different from each other, which may amount to as many non-tariff barriers.

The Recommendation reproduced below was adopted at the forty-second session of the Working Party in September 1995.

At the forty-second session of the Working Party representatives attended from:

Austria; Belgium; Bulgaria; Canada; Czech Republic; Denmark; Estonia; Finland; France; Germany; Hungary; Iceland; Ireland; Italy; Luxemburg; Malta; the Netherlands; Norway; Romania; Russian Federation; Slovak Republic; Spain; Sweden; Switzerland; United Kingdom of Great Britain and Northern Ireland and the United States of America. Representatives from Australia, Brazil, Gabon, Japan, Korea, Nigeria and Senegal participated under Article 11 of the Commission's terms of reference.

The session was attended by representatives of the secretariats of the United Nations Conference on Trade and Development (UNCTAD), the European Commission (EC), the United Nations Commission on International Trade Law (UNCITRAL), as well as by representatives of the following intergovernmental and non-governmental organizations: Central Office for International Railway Transport (OCTI), the World Customs Organization (WCO), International Air Transport Association (IATA), International Article Numbering Association (EAN), European Electronic Messaging Association (EEMA), International Federation of Freight Forwarders Associations (FIATA), International Chamber of Commerce (ICC), International Express Carrier's Conference (IECC), International Organization for Standardization (ISO), Society for World Wide Interbank Financial Transfers (S.W.I.F.T), International Union of Railways (UIC), International Federation of Inspection Agencies (IFIA).

#### I. INTRODUCTION

1. The global dimension of international trade entails a need for global Electronic Data Interchange (EDI) appli-

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cations. The co-ordination process for the development of EDI can be especially elaborate and time-consuming as it is generally based on consensus and requires the co-operation of a wide range of entities and cultures.

2. Moreover, a strong interrelationship between the private and the public sector has become evident in the transactions subject to communication between parties. Thorough analyses of business transactions of the private sector clearly show the very complex character of most of the transactions which usually contain several elements related to public administration and vice versa. This complex interrelationship between the many parties involved in each single business transaction implies a need for further improvement of the information flow by use of modern techniques, such as Electronic Data Interchange (EDI).

3. It is evident that a concerted development of international standards is less expensive than multiple conversion concepts between various sectoral, national or regional systems. A clear tendency can be observed in the development of EDI standards, following user requirements, from proprietary solutions to standards, from sector-specific to intersectoral and from local, national and regional to international standards. The neutrality of the United Nations (between nations as well as business sectors), accompanied by a global coverage, might have been decisive for the fact that UN/EDIFACT (International Standard Syntax Rules, Trade Data Interchange Directory and UN Standard Messages – UNSMs) is being developed and maintained within a United Nations organisation.

4. Standardisation of international administrative and commercial procedures address economic issues of a general and far more complex nature than most of the other standardisation areas. As the needs of end-users are essential for achieving improvement, they have to be studied and taken into consideration accordingly. Studies of operational EDI applications show the dynamic character of trade procedures with a requirement for internal and external reorganisation on the part of the entities employing the new system and old established “rituals” becoming obsolete all of a sudden. The unprecedented scale on which this re-organisation will have to take place is unique. Also, EDI will be a significant factor as the legal and judicial aspects of international trade are adjusted to reflect the reality of the “electronic marketplace”. It is a fact that this issue has not yet fully penetrated into the general consciousness of society and standardisation has to be accompanied by a number of other activities, such as the creation of general awareness and competent, professional education and training schemes as well as complex legal and security measures in any country, region or supranational group of countries.

5. All of the above considerations suggest that the benefits of EDI adoption are potentially very high and can

only be fully achieved by a co-ordinated and co-operative effort among all EDI users to overcome divergent sectoral, local or national solutions. As governments are also potentially major EDI implementors through their public sector, they are in a privileged position to foster EDI implementations. This recommendation provides them with a framework of actions for a co-ordinated approach intended to contribute to an effective exchange of products and services and so to contribute to the growth of global commerce.

## II. SCOPE

6. This Recommendation is aiming at co-ordinated actions by governments for the introduction of UN/EDIFACT as a single international standard for electronic interchange of data (EDI) between public administrations and private companies of all economic sectors world-wide. The international standard “UN/EDIFACT” is being developed and maintained by the Working Party on the Facilitation of International Trade Procedures (WP.4) of the United Nations Economic Commission for Europe (UN/ECE).

## III. FIELD OF APPLICATION

7. As the field of electronic data interchange encompasses all aspects of the transactional links between organisations, this Recommendation is intended for use at the national, regional and international level.

## IV. TERMS AND DEFINITIONS

8. For the purpose of this Recommendation the following definitions apply:

**Electronic Data Interchange (EDI)** – The electronic transfer from computer to computer of commercial or administrative transactions using agreed standard to structure the transaction or message data.

**EDI message** – An approved, published, and maintained formal description of how to structure the data required to perform a specific business function, in such a way as to allow for the transfer and handling of this data by electronic means.

**UNSM (United Nations Standard Message)** – An EDI message may be referred to as a UN/EDIFACT standardised message only if it complies with the rules and directories of the United Nations Trade Data Interchange Directory (UNTDID), and if it has been approved by the United Nations Economic Commission for Europe..

**UN/EDIFACT (United Nations Electronic Data Interchange for Administration, Commerce and Transport)** – User application protocol for use within user application systems for data to be interchanged compatible with the Open Systems Interconnection (OSI) model.

## V. RECOMMENDATION

The Working Party on Facilitation of International Trade Procedures recommends that:

9. Governments should use the UN/EDIFACT standard for international applications of electronic data interchange (EDI) among different parties within the public sector as well as between public authorities on the one hand and parties of the private sector on the other hand.

10. Whenever, in a particular field of business and/or administration of a country, both private and public parties are involved, and if the introduction of EDI as a modern tool of communication techniques is deemed advisable in that field or has proved to be worthwhile in similar cases within other countries, regions or communities, the national government of that country should take appropriate action to initiate, support and encourage the use of the UN/EDIFACT standard for international transactions in that particular field. The same pertains, *mutatis mutandis*, for the executive bodies of economic regions.

11. Whenever, within a country or region, in the context of new legislation, reference is made to the use of international electronic data interchange (EDI), mention of the UN/EDIFACT standard should be added.

12. National, regional and local governments as well as executive bodies of economic regions and also central administrations of international or intergovernmental organisations should generally promote the use of the UN/EDIFACT standard, for international transactions in both public and private sector, with the aim to make administrative and trade procedures more efficient.

13. In domestic applications of EDI, on a national, regional or local level, for new or significantly upgraded interchanges, the selection of standards by the public authorities should be made so as to provide a capability for migration to UN/EDIFACT.

14. In countries where the public authorities have not yet implemented EDI or are just beginning to use EDI, those authorities should start right away with the promotion and implementation of the UN/EDIFACT standard.