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Sixth session, 28 and 31 May 2002
Item 9 of the provisional agenda

**United Nations Centre for Trade Facilitation and Electronic Business
(UN/CEFACT)**

Summary of main activities and developments

Note by the secretariat

This paper highlights the main activities of the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT) since its seventh session (26 to 29 March 2001).

UN/CEFACT will hold its eighth session in Geneva on 27 and 28 May 2002. If any decisions are made during the meeting that require the attention of the Committee, an addendum to this document will be issued to.

The Committee will be asked to note this document, which has been submitted **for information**.

The report of the seventh session and other documents are available at the following website address:
<http://www.unece.org/cefact/>

INTRODUCTION

1. The United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT) will hold its eighth session from 27 and 28 May 2002 back to back with the international Forum on Trade Facilitation and the sixth session of the Committee for Trade, Industry and Enterprise Development.

2. UN/CEFACT has currently six permanent working groups: the BPAWG Business Process Analysis Working Group, the CDWG Codes Working Group, the EWG UN/EDIFACT Working Group, the ITPWG International Trade Procedures Working Group, the LWG Legal Working Group and the TMWG Techniques and Methodologies Working Group.

3. The UN/CEFACT membership (both governmental and non-governmental) have requested that the structure of the working groups be reviewed in order to meet the challenge that the arrival of emerging technologies has brought to trade facilitation and global commerce. In particular, in the light of the work to develop new electronic business standards using the Internet World Wide Web – i.e. the Electronic Business XML (ebXML) initiative. Following these requests, and through an extensive consultation process the UN/CEFACT Steering Group (CSG) has developed a proposal for the Future Structure and Organization of the UN/CEFACT Permanent Working Groups (document TRADE/CEFACT/2002/8). A summary of this proposal is provided below..

EXECUTIVE SUMMARY OF THE PROPOSAL FOR FUTURE STRUCTURE AND ORGANISATION OF THE UN/CEFACT PERMANENT WORKING GROUPS

4. The Proposal for Future Structure and Organisation represents the final stage in the development of a cohesive and relevant structure that is consistent with UN/CEFACT's vision and strategy as approved by the UN/CEFACT Plenary. It takes into account comments and proposals received from the existing UN/CEFACT Working Groups as part of a formal consultation process.

5. The CSG recommends that the proposed structure be approved by the UN/CEFACT Plenary, and that the existing working groups progressively migrate their activities into the new structure, with the target launch for the new structure being the third quarter of 2002.

Trade facilitation and electronic business

6. UN/CEFACT is built upon the three pillars of: trade processes and procedures, information, and technology. Its vision is to provide "simple, transparent and effective processes for global commerce". In order to realize this goal, UN/CEFACT must exploit advances in information technology and adopt new approaches to trade facilitation based on the simplification and harmonization of business and governmental processes.

Overall structure

7. Five UN/CEFACT groups will be established to form the new UN/CEFACT development structure. The TBG (International Trade and Business Processes Group), ICG (Information Content Management Group) and ATG (Applied Technologies Group) are new operational groups, with the TMG (Techniques and Methodologies Group) and LG (Legal Group) serving essentially as support groups. The basis for the work performed by all groups will be in accordance with the “Open Development Process for Technical Specifications” as approved by the UN/CEFACT Plenary.
8. The biannual UN/CEFACT Forum will allow the concurrent meeting of all the groups at one time in order to facilitate closer liaison and full interaction as a single working body, with each individual Group having the option to convene further specific Group meetings at their discretion. All UN/CEFACT Group Chairs and Vice-chairs will serve as members of the Forum Management Team.
9. The groups will structure themselves internally as they deem necessary to undertake their work, e.g. into Working Groups with Project Teams with physical and/or virtual membership. Designated experts will work in these Project Teams and be tasked with completing an approved project within a predetermined timeframe. In addition, standing project teams may be established in this Group for ongoing or recurring functions.
10. The TBG will be responsible for business and governmental process analysis, best practices, and international trade procedures using the UN/CEFACT Modelling Methodology to support the development of appropriate trade facilitation and electronic business solutions, including the development and maintenance of United Nations and UNECE Recommendations.
11. The ICG will be responsible for the management and definition of reusable information blocks retained in a series of libraries.
12. The ATG will be responsible for the creation of the trade, business and administrative document structures that would be deployed by a specific technology or standard such as UN/EDIFACT or XML.
13. The TMG will be responsible for providing all UN/CEFACT Groups with base (meta) ICT specifications, recommendations and education. It will also function as an ICT research group.
14. The Legal Group (LG) will continue to be responsible for issuing, publishing and presenting analysis and recommendations regarding legal matters related to UN/CEFACT. It will support all UN/CEFACT groups as well as its own projects as defined by the Plenary.

Achievements during the year

15. During the past year all the working groups have advanced their work programmes and have generated significant results. Among the most important can be noted the following new and revised recommendations that were adopted by UN/CEFACT at its seventh session from 26 to 29 March 2001.

- Draft recommendation on e-Commerce: Self-Regulatory Instruments (Codes of Conduct);
- Addendum to Recommendation 1: UN Layout Key for Trade Documents;
- Revised Recommendation 18: Facilitation Measures Related to International Trade Procedures;
- Recommendation 19: Codes for Modes of Transport;
- Revised Recommendation 20: Codes for Units of Measure used in International Trade;
- Revised Recommendation 21: Codes for Passengers, Types of Cargo, Packages and Packaging;
- Revised Recommendation 24: Trade and Transport Status Codes;
- Revised Recommendation 28: Codes for Types of Means of Transport; New and Revised Trade Facilitation Recommendations

16. Two new editions of the UN/EDIFACT Standard Directories (D 01 A and D 01 B) and one issue of UN/LOCODE were prepared. Further, Guidelines for application of the United Nations Layout Key were also published.

17. The following background publications and documents have been prepared for the International Forum on Trade Facilitation 2002 and the sixth session of the Committee for Trade, Industry and Enterprise Development.

- “Compendium of trade facilitation recommendations”
- Addressing the opportunities and challenges for trade facilitation in the 21st century,
- Trade facilitation - an introduction to the basic concepts and benefits
- Landlocked countries: opportunities, challenges, recommendations
- The “single window” concept for trade documentation and procedures.

18. A Memorandum of Understanding outlining cooperation and respective responsibilities in the area of trade facilitation was signed between the UNECE and the World Customs Organization (WCO).

19. Advisory services were provided to the Government of Yugoslavia for a seminar on trade facilitation in Belgrade, organized by the Chamber of Commerce and the Yugoslav EDI Association supported by the Yugoslav Government (Belgrade 18 and 19 June 2001).

20. A “Handbook on Trade Facilitation” will be published in cooperation with UNCTAD during the coming year.

21. Work also will begin on a guide to the implementation of trade facilitation tools with performance indicators and a joint project will also be started with the World Bank on the development and application of trade facilitation benchmarks.

22. Substantive work will begin, in cooperation with Economic and the Social Commission for Western Asia (ESCWA) and the Economic Commission for Africa (ECA), on a project regarding capacity-building in trade facilitation and electronic business in the Mediterranean, which is funded by the United Nations Development Account. This project will increase the competitiveness of companies in the Mediterranean region by simplifying and harmonizing trade procedures throughout the transaction chain and, in particular, facilitating the participation of SMEs in electronic business. Related to this project, the secretariat will seek to develop e-learning tools for trade facilitation based on UN/CEFACT Recommendation 18. *“Facilitation Measures related to international trade procedures”*.

23. Work will continue on the UneDocs project whose purpose is to promote and provide tools for the implementation of recommendations on the use of electronic trade documents, particularly in transition economies and among SMEs. In particular, a set of 12 international trade document forms in paper and electronic format will be developed. In addition, funds have been solicited for a feasibility study in Yugoslavia for a pilot implementation of UneDocs in their Customs service.

24. The UN/ECE has decided to extend the practice of signing MoUs with other standard-setting organizations. A very positive development was the preparation of an MoU with the WCO which was signed by the heads of the respective organizations in July 2001.

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