



# A Way Forward for AFACT in respect of the collaboration with UN/CEFACT

K. Hirai  
Vice chairperson AFACT



**UN/CEFACT**

United Nations Centre for Trade Facilitation and Electronic Business

## WHY AFACT ?

- Let's remember how and why we AFACT (incl. preceding organization as Asia EDIFACT Board) was organized in 1990
- It was established for the purpose of disseminating and developing UN/CEFACT's Standards and Recommendation **in Asia and Pacific Region**



**UN/CEFACT**

United Nations Centre for Trade Facilitation and Electronic Business

## Two Issues to know

- Host Country Agreement (HCA)
- The Reform of UN/CEFACT

# 1. HCA – What's the problem



## The HCA: Basics

- Convention on the Privileges and Immunities of the United Nations February 13 1946 in referencing the Congress of Viena in 1815, which went before the Vienna Convention adopted in 1961.
- General Assembly Resolution 40/243 December 18 1985
- Administrative Instruction by the Under Secretary General ST/AI/342 May 8 1987
- Letter by UN Office of Legal Affairs November 2010 issued to UN/CEFACT

**Now HCA became mandatory for local organizer**



## Heavy duties for hosting countries levied by HCA

- A Hosting country shall enter into a HCA to provide the following items for a UN meeting to be organized outside of UN the headquarters:
  1. To apply the 1946 Convention to all the participants and UN secretariats, i.e. diplomatic privileges and immunities: No impediment, tax exemption, free entrance and exit by diplomatic VISA etc.
  2. To serve the venue and employees at the cost of the host organizer.
  3. Exemption of liability for UN against any incident related to the meeting.



## The HCA: What's wrong

- Such a low level meetings under UN like UN/CEFACT does not need the HCA in practice
- The privileges and immunities demanded by a HCA is too difficult for the Ministries concerned to justify for UN/CEFACT forums
- A local organizer may have difficulty in organizing a GME like non-UN meeting to justify the budget.



→ is a killer brand





## 2. The Reform of UN/CEFACT Update and challenge for AFACT





## Chronicle of the reform

- 2010 Aug. 17<sup>th</sup> Forum in Geneva: Bureau proposed the reform
- 2010 Dec. 16<sup>th</sup> Plenary agreed with the basic policy
- 2011 Mar. 28 Inter-sessional Approval of new ToR was made
- 2011 Mar. 28-Apr. 1 GME at Washington D.C.
  - Brain-storming sessions / Transition team was established
- 2011 July 8-9 17<sup>th</sup> Plenary in Geneva
  - ODP and other related ruled will be adopted
- 2011 Sep. 19-23 a GME in Geneva has been proposed subject to getting sponsors to fund the resource
  - Substantial schema for the new organization will be agreed.
- 2011 Dec. Extraordinary Plenary to finalize the reform
  - The reform will be completed with new PoW.



**UN/CEFACT**

United Nations Centre for Trade Facilitation and Electronic Business

## Mandate of UN/CEFACT

- Intergovernmental body under UN
- Public-Private Partnership
- Global remit
- Multidisciplinary (not exclusive for one industry/sector)
- Consensus-driven by volunteers
- Recommendations / Standards
- Free to participate / to use outcomes



**UN/CEFACT**

United Nations Centre for Trade Facilitation and Electronic Business

## **Drivers for Change**

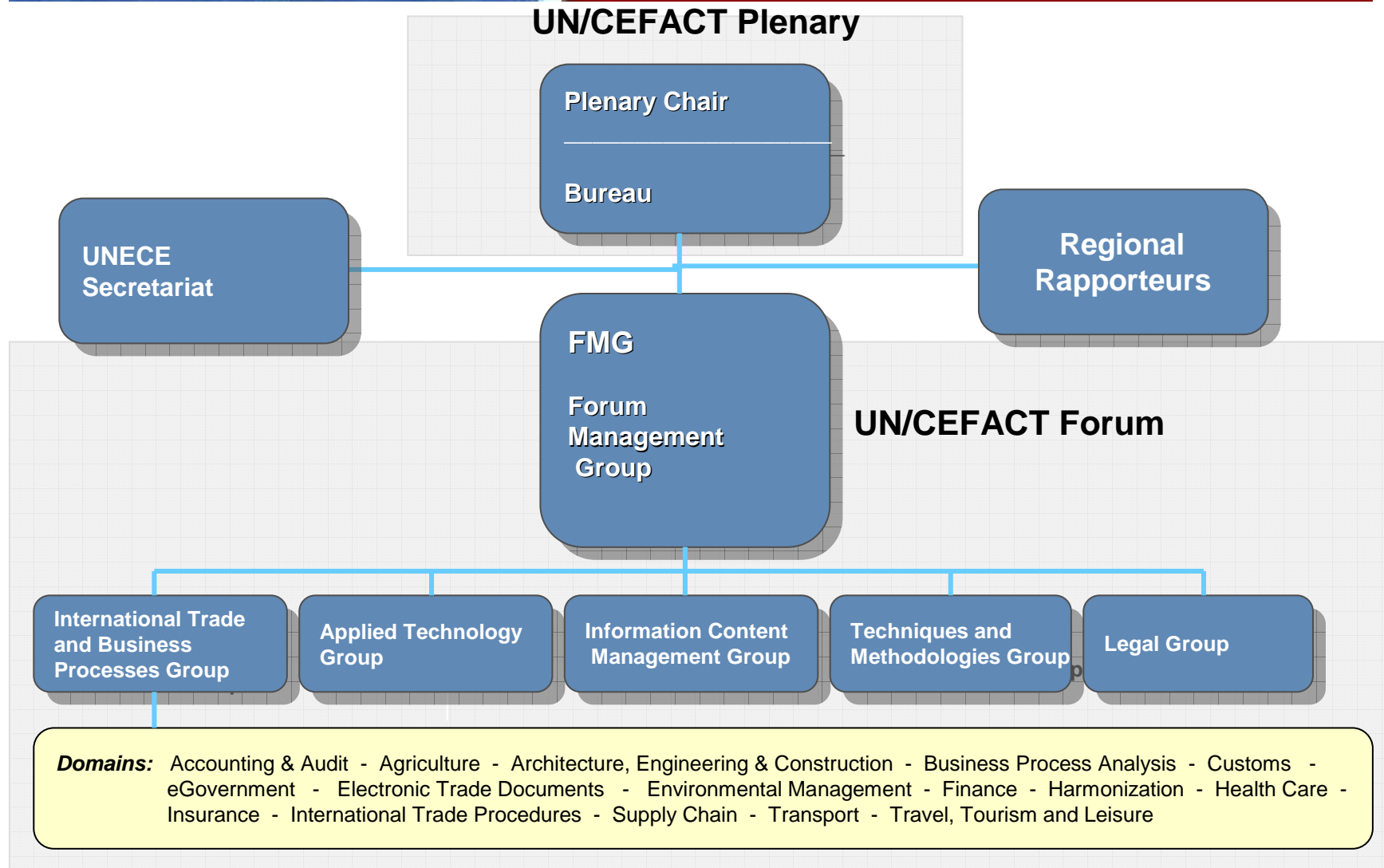
- Recommendations from UNECE Executive Committee
- Requirement to review permanent group mandates
- More timely availability of deliverables
- Opportunities to benefit from stakeholder developments in other institutions and to extend collaboration
- Maturity of experience / lessons learned



# UN/CEFACT

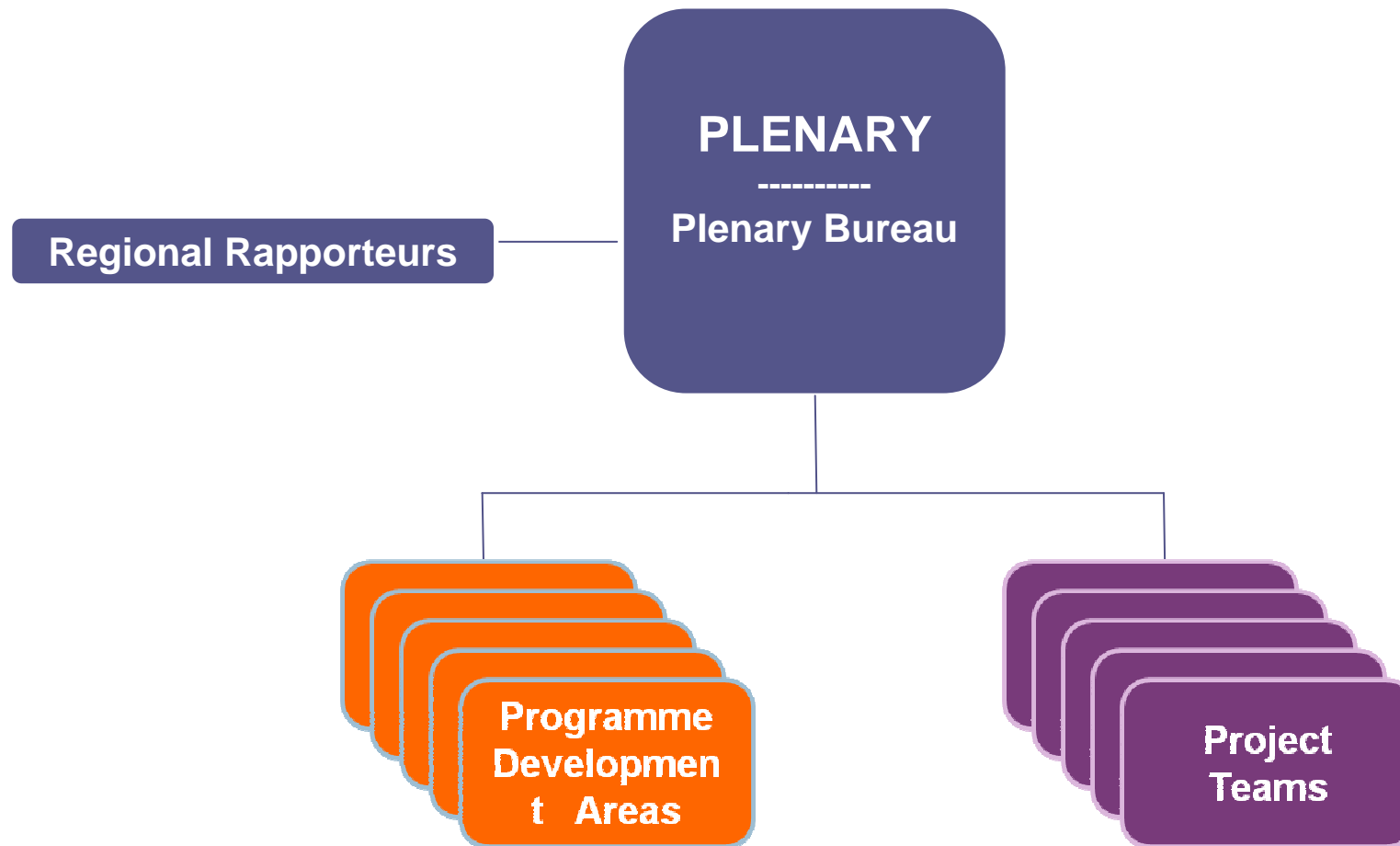
United Nations Centre for Trade Facilitation and Electronic Business

## Current structure



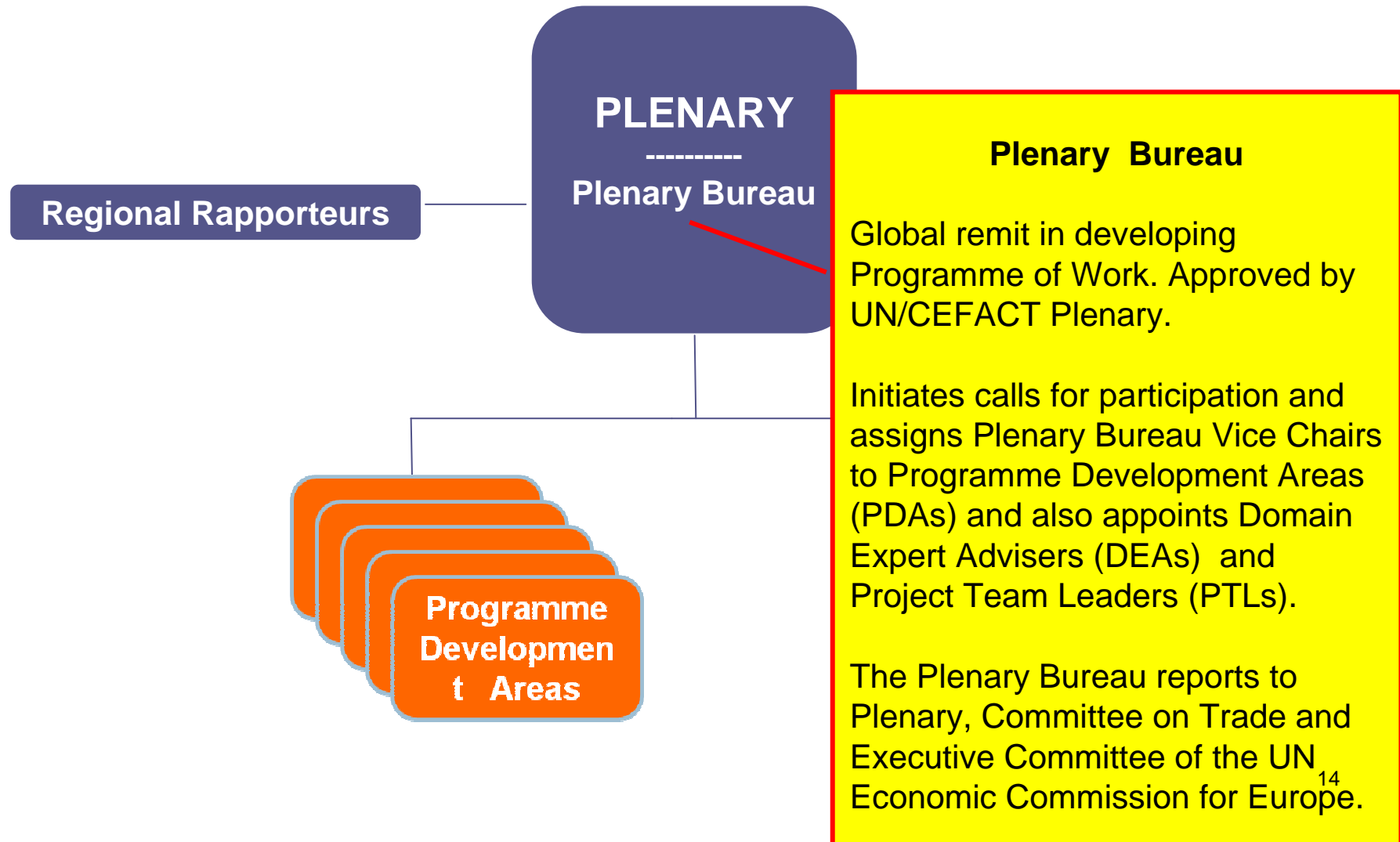


# New Structure approved by the plenary





## The Role of Plenary Bureau





# Scenario 1

List of Domains  
(areas of expertise  
within UN/CEFACT)

## Business

- Accounting & Audit
- Agriculture
- Architecture, Engineering & Construction
- Customs
- Environmental Management
- Finance/Payments
- Government
- Health Care
- Insurance
- International Trade Procedures
- Manufacturing
- Procurement
- Statistics
- Supply Chain Management
- Transport
- Travel/Tourism

## Technological

- Audit
- Business Process Analysis
- Harmonization
- Library maintenance
- Methodology
- Library production
- Publication

Vice Chair 1

Programme  
Development  
Area

Food and  
Health

Project s

Agriculture  
Health care  
Environment  
al  
management

Vice Chair 2

Programme  
Development  
Area

Cross border

Project s

Customs  
Insurance  
International  
trade  
procedures  
Transport  
Travel/touris  
m  
Finance/  
payments  
Statistics

Vice Chair 3

Programme  
Development  
Area

Logistics

Project s

Accounting  
& audit  
Government  
Architecture  
engineering  
and  
construction  
Manufacturin  
g  
Procurement  
Supply Chain  
management

Vice Chair 4

Programme  
Development  
Area

Technologies

Project s

Business  
process  
analysis  
Methodolog  
y  
Technology

Vice Chair 5

Programme  
Development  
Area

Support  
services

Project s

Harmonisation  
Audit  
AssuranceCor  
e Component  
Library  
Maintenance  
Library  
production  
UN/EDIFACT &  
XML Schema  
development  
and  
maintenance  
Directories  
Publication  
Legal  
Communicatio  
n  
Events



# Scenario 2

UN/Cefact  
Plenary



UN/Cefact  
Bureau



UN/Cefact  
Forum Plenary

**PDA Cross-sectorial**  
—  
PDA1: International Trade Facilitation  
PDA2: Trade and Procurement  
PDA3: Transport & Logistics

**Programme Development Areas and Projects**

**PDA9: Support Group–Publication Process**  
—  
Harmonization of Core Components  
QA & Processes & Edifact directories  
Publication

**Development Areas :**  
for instance  
eProcurement...

**Publication**  
•Recommendations  
•Data and Messages Standards  
•Design and Syntactical Standards

**Entry Point PDA10**  
Support Groups–  
Methodology and Tool  
—  
Tools list  
Experts list  
Methodology and Design  
Audit Methodology

**audit, insurance PDAs Sectorial**  
—  
PDA5: Tourisme and Leisure  
PDA6: Environmental Management  
PDA7: Agriculture  
PDA8: eGovernment

Project Teams

Project Teams

Project Teams

Project Teams

Project Teams

Project Teams

**Domain Coordinators:**  
Banking, Custom, Healthcare

**PDA11 Support Group–Promotion**  
—  
Web for Standards  
Training and Webinars  
eMagazine



## Common Understanding (1)

- Stakeholders: parties interested in using and/or developing UN/CEFACT's recommendations and standards.
- Bureau Vice Chairs: elected by the Plenary for a three-year term and are responsible for activities of Programme Development Areas, related Projects and other designated Bureau functions
- Programme Development Area: a grouping of Domain Experts, that prepares the groundwork for the programme of work, by identifying strategic requirements of stakeholders, formulating coherent sets of related project proposals, monitoring ongoing progress of current projects and requests for maintenance of recommendations and standards. Bureau Vice Chairs are responsible for the activities of the Programme Development Area in collaboration with Domain Coordinators.
- Programme of Work: the UN/CEFACT Plenary-approved set of activities for a two-year period, most importantly with respect to projects.



## Common Understanding (2)

- Project proposals: articulate one or more of deliverables, conformant with the approved Programme of Work, that will follow the UN/CEFACT Open Development Process. Project proposals may be submitted to the Bureau by a Plenary Delegation, an existing Project Teams or a member of the Bureau. Experts may develop Project proposals in Programme Development Areas for subsequent submission by their Bureau Vice Chair(s).
- Projects: develop and update recommendations and standards as well as other deliverables (e.g., implementation guides or reference models), subject to the Open Development Process. Projects, which conform to the Programme of Work, can be approved by the Bureau to proceed.
- Project Leaders: Responsible for projects, regularly report progress to the Bureau Vice Chair of the designated Programme Development Area and informs interested Domain Coordinators. Appointment of the project leader is confirmed by the Bureau.
- Domain Experts: nominated by Plenary Heads of Delegation, domain experts have business and/or technical competency and are registered in the Roster of Experts. Information about domain experts will only appear on the UN/CEFACT website subject to their approval.



**UN/CEFACT**

United Nations Centre for Trade Facilitation and Electronic Business

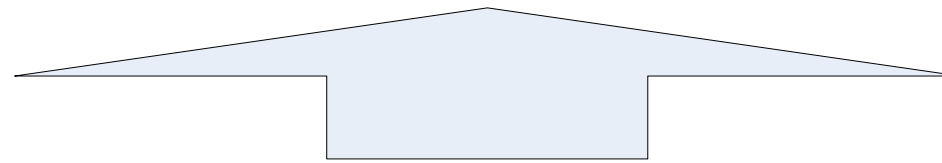
## **Critical challenge for UN/CEFACT upon the reform**

- Bureau vice chairs must be versatile enough to carry out their heavy duty posed by the reform on voluntary service basis
- Under the new ToR, the HoDs who do not know UN/CEFACT very well shall vote for the vice chairs at the plenary
- New organization may fail if competent experts could not be recommended to the plenary.



## Background of the reform: EU27

To make EU 27 single market,  
the largest one in the world



e-Invoice as the trailblazer

Standardization in EU

Digital Agenda

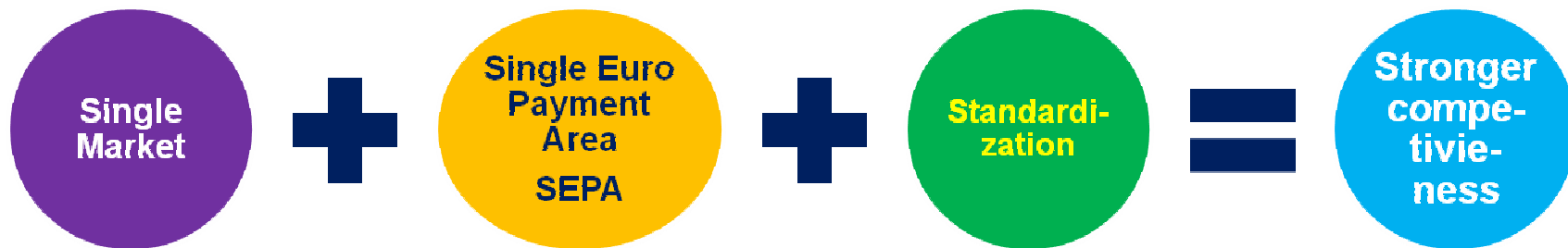
SEPA

Europe 2020 Strategy



## Strategy taken by EU

- Common understanding that standardization is essential instrument for developing the single market in EU 27 countries
- By the standards implemented, goods can be sold by the same specification in the bigger market in EU 27 – a big business chance.
- Private Sectors can enjoy Economy of Large Scale, and consumer and SMI can enjoy cheaper price

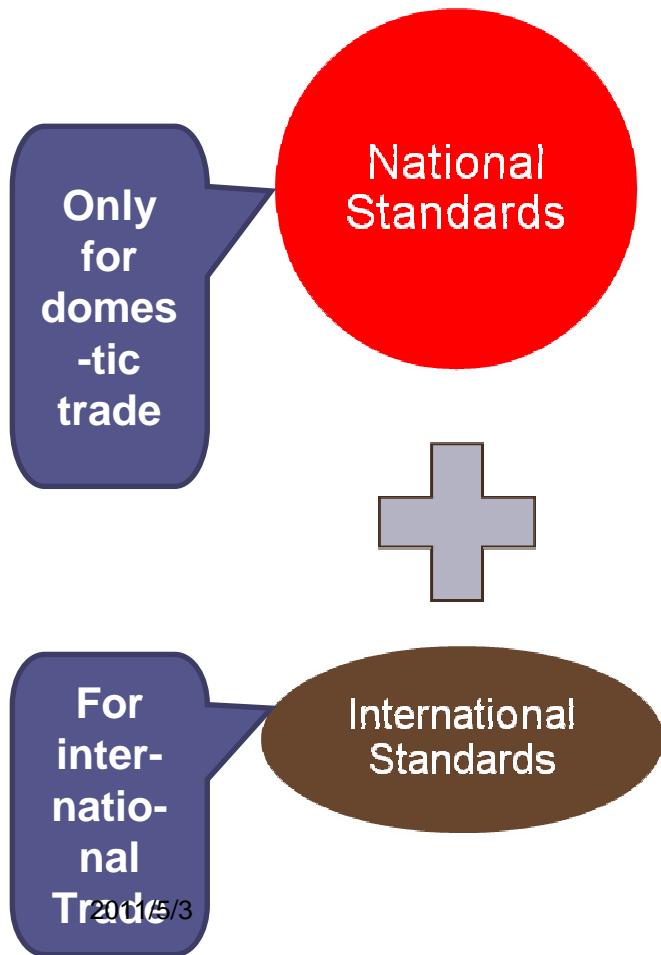






# Strategy: EU vs. Japan

## Japanese way thus far



## Strategy taken by EU







**UN/CEFACT**

United Nations Centre for Trade Facilitation and Electronic Business

## **What AFACT can/should do for UN/CEFACT after the reform?**

- We **should NOT** regard that the standards by UN/CEFACT and other SDOs are “**given** to us.” – meaning, we must not be passive.
- But **we should be active** to input our needs to make those standards and recommendation to be fitted with our business, by substantial **contribution to UN/CEFACT**



## Things to do by AFACT soonest

- Recommendation of the Rapporteur for Asia to UN/CEFACT for the inter-sessional approval by HoDs.
- Election of the vice chairs at 17<sup>th</sup> Plenary in July in Geneva
  - No new schema has been shown by the Bureau.
- To participate new projects proposed recently such as Rec.36 (SW Interoperability), Traceability on food/fish, Rec. on Consultation Models for Public and Private Sector

Consultation



<http://www.UNCEFACT.org>