Economic Commission for Europe

COMMITTEE FOR TRADE, INDUSTRY AND ENTERPRISE DEVELOPMENT
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UN/CEFACT's E-Business work

1.   In 1999, the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT) and the Organization for the Advancement of Structured Information Standards (OASIS) launched an 18 - month initiative, called ebXML, and aimed at the development of a standard for the exchange of information over the Internet in international trade transactions. The final meeting of the initiative which took place in Vienna, Austria, approved on 11 May 2001 a modular suite of specifications that enables enterprises of any size and in any geographical location to conduct business over the Internet. ebXML specifications and technical reports are available at no charge on http://www.ebxml.org. In the meanwhile Internet technology developed further and raised new expectations. Consequently, the EDIFACT Working Group (EWG) of UN/CEFACT perceived new opportunities for its work and included them in its revised terms of reference.

2.   The March 2001 Plenary session of UN/CEFACT approved document TRADE/CEFACT/2001/7 which laid out a long-term strategy towards e-business standards developments, and a commitment to use business information modelling based on a common modelling language to describe business processes and capture user requirements. In compliance with the decisions of the UN/CEFACT Plenary, the meeting of the UN/CEFACT Steering Group (CSG) discussed the possibility to reorganise the working group structure of UN/CEFACT, combining all the work on e-business in one group which would take over the activities of the EWG. In addition to maintaining UNEDIFACT, the new group will focus on the workload coming from the ebXML initiative, including work on Business Processes and Core Components. It will take over part of the activities of the Business Process Analysis Working Group (BPAWG). The next CSG meeting in September 2001 will look further into this issue.

3.   The new group will deal with Business Process and Information Modelling (BPIM) and it will develop a Repository, in which all models and messages created on this basis will be stored centrally, accessed via the Internet, and maintained. To undertake these tasks requires specific repository hardware and software, organizational work, administrative services, promotion and publication campaigns. The CSG estimates that building such capabilities would require substantial financial investment – from 0.5 to US$ I Million – that could only be provided through extrabudgetary resources.

4.   Following, in annex a note written by the Chairman of the UN/CEFACT Steering Group outlining the expected structure of administrative and financial support for the new group on e-business.

**Administrative and Support Services for UN/CEFACT's E-Business work
from
Mr. Ray Walker, Chairperson, UN/CEFACT Steering Group**

A. Background

1.   At the March 2001, Plenary UN/CEFACT approved TRADE/CEFACT/2001/7 and confirmed its long standing strategy towards e-business standards developments, its commitment to use business information modelling based on a common modelling language to describe business processes and capture user requirements, and its need to find significant extra resources to be able to deliver the products of its strategy, which will include business and information models.

2.   The CSG has had substantive discussion on these issues on a number of occasions over the past year. The models will be of considerable value to software developers, trade facilitators, commerce, industry and governments. However, they need to be stored centrally, accessed via the Internet, and maintained. To undertake these tasks requires specific repository hardware and software. Such capabilities are sophisticated and will require substantial financial investment to develop, operate and maintain. The current projected cost of doing this is significant – from 0.5 to US\$ I Million.

3.   It is obvious from these projected costs that that it will not be possible to fund these extra investments from the normal UN budget and indeed, given that the majority of the users of the repository are likely to be commercial organisations, it is clearly inappropriate to do so. Therefore, it has been recommended that we seek to raise these resources by considering working with an appropriate not-for-profit external organisation. Such an organisation would be able to provide resources and services to UN Working Groups but also provide a number of services to external users at a fair market price. However, in developing this concept and revenue model it is clearly understood that that an inclusive way be found for users from economies in transition and other developing economies to also be able to access such a repository without incurring significant costs.

4.   For some time the UN/EDIFACT Working Group has also been looking at ways to raise extra resources. For many years it has been charging meeting fees and accepting offers in kind from hosting countries so as to be able to stage its meetings and continue its work. Recently, it has also recognised the importance of finding longer term funding from its industry base and increasing the level of services to its users.

5.   Following the successful completion of the rapid development stage of ebXML and the signing of a MoU with OASIS, UN/CEFACT also needs to incorporate into its work on e–business standards, the ebXML work on Business Processes and Core Components and to develop XML "products" e.g. DTD's and Schemas.

6.   Taking all these issues into account the CSG agreed in principle, at its May 2001 meeting, to the formation of a new Working Group - *the E-Business Working Group* – which will integrate the expertise and resources of the UN/EDIFACT Working Group (EWG), the Business Processes Analysis Working Group, (BPAWG) and the Business Process and Core Component work arising out of the ebXML initiative, and be able to address the needs of all of its users. Further, the CSG has mandated a special team, including the Chairs of all the relevant Working Groups to undertake the planning and consultation required to establish the new group and to consider all of the surrounding issues, including the resource issue. The reaction to the announcement of the new group has been very positive.

7.   It is expected that the Mandate of the new group will be provisionally approved by the CSG at its September meeting in Rotterdam and the Terms of Reference and organisational structure approved the following week, at the close of the EWG meeting which is also being held in Rotterdam. The new group is likely to want to hold its first meeting in January 2002 and thereafter meet quarterly, and so the question of how to resource the new group now takes on added urgency.

8.   The CSG led by its Chair, is committed to work openly and closely with the Secretariat and to discuss these issues and to find a satisfactory solution, which will advance the interests of UN/ECE, meet the requirements of the UN for transparency and inclusivity, but also meet the resource needs of the proposed working group and its users.

B. Core Requirements and Considerations

9.   External resources are required to undertake three separate but linked requirements and, therefore, would be best provided by one organisation. In summary they are to:

(a)   provide administrative support to organise, run and finance the proposed quarterly meetings, to maintain contact and information lists etc and to run a dedicated website which would link to the main UN/CEFACT site;

(b)   undertake awareness raising and promotional activities on behalf of the new group to attract new participants, and other organisations that wish to offer their work as a contribution to the development of UN e-business standards. Also to offer additional services such a running conferences and seminars;

(c)   raise operating capital to develop and maintain an open repository of business process information models, related objects and core components. The repository would be built around the ebXML specifications

10.   Obviously, these summary requirements need to be developed into detailed operational requirements, and revenue and expenditure forecasts developed for each segment. However, whilst it is important to present the breadth of the work to a prospective partner, all the operational requirements do not need to be completed at the same time. In particular, the business and operational requirements for the repository are likely to take longer to develop.

11.   The relationship of the service supplier with the E-Business Working Group (and with UN/CEFACT) needs to be clear and specific on all substantive matters. Although the administrative and service support is required by the Working Group, and not directly by the Plenary, it can be foreseen that the Plenary will want to satisfy itself of the credibility, viability and transparency of the arrangements.

12.   The resources and services will need to be provided in a way that fully meets the UN's over-arching requirements for quality management, transparency and inclusivity. They will need to be provided on a long term basis, which overall is not for profit, but which also meets the legitimate needs of the service organisation to benefit from the relationship and to cover its costs.

C. Possible Business models

13.   One possible business model is to build on an existing precedent within the UN/ECE and seek to encourage a Plenary NGO to enter into a contract to offer the services to the Working Group. Another is to accept a contribution-in-kind from a relevant organisation, and given the significant interest in this new area of UN/CEFACT's work, this may be possible. However, it is important to remain flexible, as other business models may become apparent once it becomes known that we are seeking resources.

D. Way Ahead

14.   Recognising that it is not possible to obtain extra resources from the UN/ECE, and that it would be unrealistic and a misuse of valuable resource to transfer existing staff to long term operational roles in support of the new group, to rapidly start to:

(a)   develop the detailed requirements and specifications that are required to enter into a contract with a service provider;

(b)   begin the process of starting to identify possible service providers by writing to all Heads of Delegation, informing them of the requirement for a new approach to raising resources and encouraging them to make suggestions for possible partners;

(c)   invite offers of interest from other potential service providers by using tried and tested public procurement techniques.

15.   Given the need to have some of these services available early in 2002, the CSG Chair seeks the support and involvement of the Director and Deputy Director of the Trade Division so as to develop and evaluate the possibility of external resources. In his view a decision to start the specification development and the identification of possible partners needs to be taken as soon as possible and no later than Mid June 2001.

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