

Agenda Item 13: E-Services and Markets Development Working Group

Report of the E-Services and Markets Development Working Group Meeting

Presentation by New Zealand

1. Subject	References/paragraphs
Informing EC members on the work of the E-Services and Markets Development Working Group Meeting.	§§ 1 – 3 et seq
2. Decisions expected	
<p>The EC is asked to:</p> <p>note the update on the meeting the E-Services and Markets Development Working Group which was comprised of the following presentations and written update:</p> <ul style="list-style-type: none"> - Digital Financial Inclusion and related E-Services – a presentation by India - UPU Digital Economy and Trade Programme – a presentation by the UPU - POC Committee 3 updates – written update from the Chair 	<p>§ 2</p> <p>§ 2.1</p> <p>§ 2.2</p> <p>§ 2.3</p>

1. Introduction

1.1 The E-Services and Markets Development Working Group Meeting e-met Monday, 22 June 2020.

In attendance, inter alia, were: Australia, Bangladesh, Bhutan, Cambodia, China (represented by delegates located in China, Hong Kong, Macau), India, Indonesia, Iran, Japan, Laos, Maldives, Myanmar, Nauru, New Zealand, Pakistan, Singapore, Thailand, and Viet Nam

1.2 The agenda covered the following matters.

- The agenda and its adoption
- Digital Financial Inclusion and related E-Services – a presentation by India. Given the cross-cutting nature of this presentation, an invitation was extended to members of the APPU-EC Postal Financial Services Working Group members.
- The UPU Digital Economy and Trade Programme – a presentation by Mr. Paul Donohoe the Programme Manager at the UPU International Bureau.
- Outcomes on the UPU POC Committee 3 Market Development and E-Services meetings of October 2019 (POC C 2 2019.2/S6) and February 2020 (POC C 3 2020.1/S7).

- Any other business

The Chair presented the agenda and meeting running order which was adopted without comment. The introductory comments noted that the duration and the format of the meeting would reflect the approach taken at the APPU-EC Tokyo 2019. This being to maintain the meeting duration to 90 minutes, and to focus primarily on sharing member country activities on Market Development and E-Services, then to look to areas of innovation and developments in a global sense, and finally to turn to the POC C 3 work if time permitted. Adding that if time did not allow for this, that supporting notes would be included in this report and slides included in the slide pack accompanying the meeting (included EC 2019 Doc 13. Appendix 1).

2. Presentations

2.1 *Digital Financial Inclusion and related E-Services – a presentation by India*

Mr. Prannoy Sharma, Deputy Director General (IR & GB), India Post introduced the presentation, which was delivered by Mr. Abhinav Pratap Singh, Asst. Director General, Post Bank of India

The presentation was comprehensive, informative, topical and wide ranging in nature. The presentation is included in Doc 13. Appendix 1. Issues such as the need for financial inclusion and the evolution of this into the growing digital environment were addressed. The approach of the Government of India to engage in regulatory reform has enabled the financial services market to respond to the needs of the community through both innovative, entrepreneurial small enterprises through to responses on a corporate banking scale, providing full market coverage

The approach resulted in the “India Stack” delivered through the **JAM** Trinity model (**J**an Dhan Accounts, **A**adhar biometric identification, **M**obile telephony/technology) which provides identity authentication, paperless transactional behaviours, cashless execution of electronic payments systems, and a consent layer for a modern and secure private data-sharing framework.

The market penetration and uptake has been dramatic and successful, with a focus on simplicity, ease of use, and a forward-looking view towards a future of increased digitisation of the financial ecosystem for consumers of these services. This essentially transactional services are delivered through the **IPPB (India Post Payment Bank)**. Whilst the **POSB (Post Office Savings Bank of India)** continues to provide a savings and investment vehicle in the consumer banking market.

In the post-presentation Q&A session, Singapore asked if all the technology stack and digital infrastructure were built solely by India Post or whether there were other contributors. India responded that not a sole execution, but rather this was an excellent example of public/private partnership in action, with government agencies and private concerns working together collaboratively to provide open source access to the various platforms involved.

China enquired as to the cost-covering nature of the activities of the IPPB particularly in rural areas, and whether the IPPB provided the same services as other banks servicing the market. India responded that revenue is driven by transactional volumes which are rapidly growing, providing sound revenue and cost coverage, adding also that there is a capital expenditure component for initial infrastructural investment, further adding that actual cost of ownership of the system was

extremely low, especially when compared with that of more traditional providers, such that the path to financial sustainability and profitability is shortened.

The Q&A session closed with a question from Iran, enquiring about the migration from the POSB into the IPPB full service banking model, and what regulatory changes were required. India responded clarifying that the regulatory change was through the Government, then through the grant of a banking licence as a Payments Bank under the Differentiated Bank Model from the Reserve Bank of India for IBBP activities, enabling the provision of the transactional / payment services, whilst the POSB continues to offer its original suite of savings and investment services.

2.2 UPU Digital Economy and Trade Programme – a presentation by the UPU

Mr. Paul Donohoe, Programme Manager UPU Digital Economy and Trade Programme delivered a comprehensive and informative introduction to UPU-based and supported activities, including developing digital services capability, deploying “.POST” solutions to enable and protect designated operators’ internet services, and concluding with E-commerce and Trade Facilitation, including the support for **Micro and Small/Medium Enterprise (MSME)**.

Paul introduced an overview to the ever-growing and evolving digital environment, discussing social media, the capture and flow of “Big Data”, and how this is developing in multiple directions including social / mobile / the “cloud”, and further fragmenting or forming into evermore granular niches, served by multiple platforms, all of which leading to major **disruption** to traditional services, solutions and ultimately markets served.

Paul offered two phrases which resonated with the working group: “Data is the new oil”, and “Trust becomes essential” (which also has a direct connection to the previous presentation by India which spoke to the need for trust in terms of identity authentication – trust of the person, and data privacy frameworks – trust of the treatment of the individuals data assets).

Paul introduced The UPU flagship publication, “The digital economy and digital postal activities, a global panorama”, describing its content and the process around its compilation and maintenance, and invited the working group members to download a copy, available from:

http://www.upu.int/uploads/tx_sbdownloader/theDigitalEconomyAndDigitalPostalActivitiesAGlobalPanoramaEn.pdf

Discussion then turned to the 2020 UPU E-services survey, currently open for submissions, and Paul **urged the working group membership to take the opportunity to respond if they have not done so already**, noting that the Asia-Pacific region is an engine room of the world economy and its voice and views need to be heard. The survey can be found at:

<http://www.upu.int/en/activities/electronic-services/questionnaires.html>

The UPU E-Commerce Guide is now in its third edition and provides an important reference guide in relation to Posts and E-commerce readiness – considering operational, digital and payments readiness for E-Commerce. It is available for download at:

<http://www.upu.int/en/activities/e-commerce/publications.html>

In discussing the “.POST” programmes members learnt of the capabilities delivered, including cyber-security, cyber-protection, cyber-readiness, training, managing website vulnerability, monitoring site attack, incident response support, and domain registration for designated operators to access the “.POST” top-level domain name structure. Registration of “.POST” names is available at:

www.register.post

Paul then turned to UPU supported trade facilitation activities at a global and regional level, citing matters such as Customs operational processing, international bodies and agreements in support of secure, sustainable and regulatory compliant trade practices, briefly looking at the UPU “Easy Export” project under way in Tunisia and Morocco to support MSME exports.

Iran enquired as to whether “.POST” is solely a UPU initiative or if it has links to other inter-governmental bodies or international agencies. Paul responded that the UPU participates in the internet Governance Forum, and that the UPU also worked with, amongst others, the International Telecommunication Union (ITU) and Internet Corporation for Assigned Names and Numbers (ICANN). At the national level, the UPU encourages member countries and their responsible agencies to take a whole of government “top down” approach to internet policy and integrate “.POST” into their development of their national digital economy.

Finally, Paul very kindly offered to act as a conduit for member countries if they wished to pursue:

- Accessing the “.POST” programme
- UPU Training for Small Island Developing States (SIDS) to prepare for cyber security

2.3 POC Committee 3 updates – written update from the Chair

As with the Tokyo meeting of the working group, precedence was given to member country and invited guest presentations time did not permit for an update to be delivered during the meeting. Accordingly, the following brief notes describe the work completed at the last two POC sessions, effectively concluding the work of **POC Committee 3 (POC C 3)** for the Istanbul cycle.

- *POC C 3 October 2019 (POC 2019.2/S6)*
Committee 3 met on 16 October 2019 under the co-chairmanship of Italy and Turkey. During its meeting, the committee:
 - took note of the document relating to the work done by the **Electronic Services Development Group (ESDG)**, and welcomed the publication of the flagship report entitled “The Digital Economy and Digital Postal Activities – A Global Panorama”
 - examined the new version of the UPU E-Commerce Guide consolidating all the e-commerce materials of the POC and UPU, and approved its publication;
 - agreed to recommend to the POC Plenary the deferral of deliverable ESDG–D3 regarding the proposal for innovative regulations for postal sector participation in e-commerce, to allow more time for consultations;
 - took note of the report of the progress of work of the **Direct Marketing Advisory Board (DMAB)** and the outcomes of the DMAB General Assembly held on 16 October 2019;
 - examined and approved the study carried out by the **World Association for the Development of Philately (WADP)** working group on the possibility of creating an e-shop for DOs;

- examined and approved the implementation approach for the new philatelic **World Numbering System (WNS)** website with new functionalities;
 - took note of the C 3 POC work plan assessment sheets.
- *POC C 3 February 2020 (POC 2020.1/S7)*
Committee 3 met on 19 February 2020 under the co-chairmanship of Italy and Turkey. During its meeting, the committee:
 - approved the proposal for innovative regulations for postal sector participation in e-commerce for further study by the CA in the next cycle;
 - took note of the new technical update of the flagship publication entitled “The Digital Economy and Digital Postal Activities – A Global Panorama”;
 - took note of the new technical update of the Postal Technology Radar;
 - took note of ESDG activities and the completion of deliverables D3, D10.1 and D10.2;
 - endorsed the ESDG’s contribution to the draft report to Congress on the work of the POC (POC 2020.1–Doc 3);
 - took note of the contribution of the ESDG to the draft report to Congress on the work of the POC;
 - took note of the draft Abidjan Business Plan work proposals 1.1.16, 2.1.16, 3.1.6, and 3.2.4 relating to future digital economy issues (CA 2020.1–Doc 8d);
 - took note of the annual report detailing DMAB activities in 2019;
 - took note of the results of the DMAB Assembly meeting held on 19 February 2020 and of the completion of deliverables D6 and D7;
 - endorsed the DMAB’s contribution to the draft report to Congress on the work of the POC (POC 2020.1–Doc 3), and its work proposals for the draft Abidjan Business Plan 1.1.21, 2.1.21, 2.2.10 and 3.1.9 (CA 2020.1–Doc 8d);
 - took note of the activities undertaken by the WADP since the last POC meeting;
 - endorsed the WADP’s contribution to the draft report to Congress on the work of the POC (POC 2020.1–Doc 3);
 - took note of draft Abidjan Business Plan work proposals 1.1.2, 2.3.1, 2.3.2 and 3.3.1 relating to philately and international reply coupon issues (CA 2020.1–Doc 8d) with suggested modifications;
 - took note of the completion of the C 3 deliverables (POC 2020.1– Doc 13.Rev 2. Annex 4) and the status of key performance indicators (CA 2020.1– Doc 8a).

3. Any other business

There was none.

Meeting closed: 10:00 CET / 15:00 BKK / 20:00 NZT, Monday, 22 June 2020

Lindsay Welsh – New Zealand
Chair – APPU-EC E-Services and Markets Development Working Group
Wellington
23 June 2020