

REPORT OF THE ASIAN-PACIFIC POSTAL COLLEGE GOVERNING BOARD

1. Introduction

- 1.1 The online 51st Asian-Pacific Postal College (APPC) Governing Board Meeting was held on 21 June 2021 starting from 13:30 hrs Bangkok time via application “Zoom”. There are 9 members attended the meeting, namely Australia, China, India, Japan, New Zealand, Pakistan, Philippines, Sri Lanka and Thailand. Some APPU members and partners/donors attended the meeting as observers.
- 1.2 The meeting was chaired by Dr Phuwieng Prakhammintara, Deputy Permanent Secretary, Ministry of Digital Economy and Society (MDES), Thailand. The APPU Bureau was represented by Mr Lin Hongliang, Secretary of the Governing Board, Ms Kwanjai Kajornwuttideth, Manager, Administration and APPU Affairs and Mr Mark Lawley, APPU Consultant.
- 1.3 The various agenda items were covered, key discussion points are raised, and agreed actions are described as follows;

2. 2020 APPC's Activities

The Board **noted** the following matters

- 2.1.1 The Bureau extends the contracts of Ms. YU Yan and Ms. Padmagandha Mishra, Course Directors/ Lecturers, for another year from 1 January to 31 December 2022 and from 1 August 2021 to 31 July 2022 respectively.
- 2.1.2 The Bureau was very fortunate to have the services of 28 Consultants and Guest Speakers, (Ms. Carole CLERC and Mr. Jean-Marie LOPEZ from La Poste were counted), in our training sessions in 2020. They are from designated operators, intergovernmental agencies, professional bodies and private enterprise. Particular acknowledgement is made to La Poste France, Thailand Post, and the UPU for the number of occasions they passed on their knowledge.
- 2.1.3 Summaries of courses, workshops and special programmes
 - a. Even through the Bureau lost 5 months trainings time because of the COVID-19 pandemic last year, the Bureau still managed to completed 89 percent of the training schedule in 2020. The Bureau conducted 57 training weeks in total with the attendance of 273 participants.
 - b. In 2020, Apart from training activities, there are 2 highlighted events which are the High Level Strategic Discussion (HLDS) and the celebration of 50th Anniversary of APPC which was sponsored by La Poste France and Swiss Post.
 - c. The Bureau received special support from GB members and donors who allowed the Bureau to access their 2020 funds to support the Bureau's activities. The support was approximately Baht 3.6 million or US\$ 119,167.

3. Auditor's Report for the Year 2020

- a. The Board **noted** that at the end of last year, the result of the Bureau performance was a loss of Baht 4.3 million or around US\$ 143,545.
- b. There are two overdue payments in 2014 and 2016 that are recorded in the Audit Report as "Doubtful Debts" of Baht 390,572.25. The Bureau has followed up on these items with the parties in question. We expect to receive the payments within this year. However, if the payments are uncollectible in 2021, the Board **approved** recording these amounts as bad debts at the end of this year.

4. Statement of Income and Expenditure 2021

The Board **noted** the following matters;

- a. At the 2020 Special GB Meeting in December last year, the meeting noted two scenarios which are as follow;

Scenario 1: online training from January to June and physical training from July to December

Scenario 2: online training from January to December

Due to the uncertainty of COVID-19 situation, the Bureau proposed the extension of the online period of scenario 1 to be from January to September. The physical trainings will be from October to December. However, if the COVID-19 situation will not improve, the whole year of online trainings would be implemented.

- b. For scenario 1, the expected performance of the Training Section by the end of this year would be a loss of around Baht 1.7 million or close to US\$ 57,193. In case that the scenario 2 is implement, the expected performance of the Training Section by the end of this year would be a loss of around Baht 3.5 million, or around US\$ 116,145.
- c. Neither implementing Scenario 1 nor 2, the income will be lower than the expenditures. Thus, the Board **approved** the use of 2021 contributions and fellowships balance to sustain the operation of the Training Section.
- d. Ms. Ariya Thongbai from Thailand shared 2 observations below;
 1. According to the scenario 1, although the Thai Parliament announced the plan to re-open the country within 120 days or within mid-October, the Asian-Pacific countries were heavily hit by the COVID-19 pandemic. So, conducting physical trainings in the next few months was challenging and unexpected loss might slightly increase.

2. Regarding to the contribution and fellowships that would not be carried forward to 2022, Thailand suggested approving the proposal in principle, provided that the APPC had been granted the permission only from each individual donor country. This was the same practice as the previous year.

The Secretary thanked Ms. Ariya for two observations and informed that for the first observation, the Bureau would monitor the situation closely. The plan would be subject to change due to the situation. That meant the Bureau might conduct the 2021 online trainings for the whole year. There was no additional information for the observation 2 since Ms. Ariya made a very good point.

- e. Indonesia (as an observer) concerned about the 2021 income and expenditure projection, and would like to seek the information of the 2021 expenditure projection to compare with previous years.
- f. China expressed that the Covid-19 situation is challenging, we need to work together to overcome this situation, especially to support the regular operations of APPC. China agreed to use the 2021 contribution and fellowship to support the operation of the training section.

5. APPC Business Plan 2022 – 2024

The Board **noted** of the business plan and APPC financial projection for 2022 to 2024.

6. Appointment of Auditor

The Board **noted** the renewal of the Kidkeng Company's contract from 1 January to 31 December 2021 for both Administrative Section and Training Section and **approved** the contract extension of this company from 1 January 2022 to 31 December 2023.

7. 2022 Plan and Budget

The Board **noted** the following matters;

- a. Because of the uncertainty of the COVID-19 situation, the Bureau to prepare two scenarios for the 2022 plan and budget as shown below;

Scenario 1: Physical trainings from January to December.
Scenario 2: Online trainings from January to June and continue with physical trainings from July to December.

However, the Bureau will monitor the situation very closely and will adapt the plan as appropriate.
- b. The Bureau planned to complete 66 training weeks in 2022. The plan consisted of 16 courses and 12 workshops as according to the responses of Training Needs Assessment (TNA).
- c. The 2022 budget projection was related to the COVID-19 pandemic situation. Under scenario 1, the income would be Baht 21,005,486.64 whereas the expenditure is Baht 23,373,685. Thus, the Bureau might face unexpected loss of Baht 2,368,198.36 in the year 2022.

On the other hand, if the scenario 2 is implemented, the income would be Baht 23,507,763.39 whereas the expenditure is Baht 20,832,235. As a result, the gain of Baht 2,675,528.39 would be recognized.

8. Updates on projects

- a. The Board **noted** that the Bureau proposed 2 projects this year which are “Renovation” and “IT Upgrade” for the preparation of physical trainings either at the end of this year or sometime next year. La Poste France agreed to support “IT Upgrade” project of CHF 30,000 through the UPU.
- b. The Board approved the renovation project budget. The budget was Baht 180,000, from the TSRF.

9. Report on Implementation of Foreign Exchange Management

The Board **noted** the following matters;

- a. Upon the request of the Tokyo GB in 2019, the Bureau reviewed the matter of losses on foreign exchange and successfully implemented a system that minimized exchange rate issues since October 2020 without assistance from the Reform Consultant. The Reform Consultant provided the Bureau with policy and practice documentation after the implementation.
- b. There are two objectives of the foreign exchange management initiative as below.
 - (i) Reduced the amount of US\$ held in bank accounts to a level that is sufficient to cover budgeted current year needs plus a percentage margin for contingency purposes.
 - (ii) Converted US\$ excess to current year needs to THB at no less than the exchange rate agreed for budgeting and conversion for 2020.
- c. The Bureau has done extremely well on two main operational processes as follows;
 - Identify how many US dollars are required each year for expenses paid in that currency.
 - Convert the balance of US dollars received to Baht at a minimum agreed target exchange rate.
- d. The implementation of the foreign exchange management system has reduced the value of US\$ held in bank accounts from 73% to 26%. In turn, it resulted in a 95% decrease in US\$ exposed to foreign exchange movements. Finally, the Bureau made a gain of 576,000 Baht against the target exchange rate.

10. Appreciation

The Bureau expressed its gratitude and appreciation to the GB members and donors namely, Australia, China, Deutsche Post DHL, India, Japan, La Poste France, New Zealand, Pakistan, Philippines, Sri Lanka, Swiss Post, Thailand, UNI-Apro, and UPU for the continued support and cooperation.

11. Any other business

Mr. LIU Zhonglin, UPU Regional Project Coordinator, on behalf of Mr. T. S. Sinha, Coordinator, Asia-Pacific and South-South Cooperation Programme of UPU, congratulated the Bureau for the APPC GB meeting and informed the progress of activities that contributed by the UPU in 2021 i.e. the procurement of “IT Upgrade” project which was sponsored by La Poste France and IOTPs that sponsored by the UPU within the framework of “Chinese Special Fund Project” and “ORE project”.

12. Recommendation to EC

The Board recommends that the EC notes the Board's report.