

**SUMMARY REPORT OF APPU EC**  
**(Document prepared by Iran in conjunction with the Bureau)**

**1. Period covered by report**

1.1 This report covers the period of Iran's chairing of the APPU Executive Council (EC) between the 2017 Congress and the 2022 Congress<sup>1</sup>.

1.2 The following EC meeting were held during the 2017-2022 period.

- 2017 - Constituent meeting, Tehran, Iran
- 2018 – Da Nang, Vietnam
- 2019 – Tokyo, Japan
- 2020 – online meeting with all members participating from their home-stations
- 2021 - online meeting with all members participating from their home-stations

**2. Broad focus of EC 2017-2022**

2.1 The focus of the EC covered three areas of activity that had been established at the 2017 Congress i.e.,

- Governance – as delivered through the Finance Committee
- Review and enhancement – as delivered through the APPU / UPU Reform Working Group
- Informing and updating on UPU developments – as delivered through the
  - Markets Development and E-Services Working Group
  - Physical Services and E-Commerce Working Group
  - Postal Financial Services Working Group
  - Supply Chain Management Working Group
  - UPU CA Matters Working Group

**3. Key points from EC meetings**

3.1 2018 – Da Nang, Vietnam

3.1.1 Representation: 25 members were present.

3.1.2 Key matters dealt with / decided

- (i) Approval, in principle, given to abolishing the expenditure ceiling for the Union's expenses (as specified in the General Regulations). The specified ceiling would be replaced by the annual budget (which, in itself, can be regarded as an annual ceiling). The EC decision takes effect when its proposal is approved by a Congress in terms of amending the General Regulations.

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<sup>1</sup> The original span for the Iran chairing of the EC was from the 2017 Congress to the 2021 Congress. However, the COVID-19 pandemic disrupted international schedules with the result of the APPU Congress being deferred until 2022.

- (ii) Reviewed a report from the Reform WG on the history, purpose, resource, location, stakeholder requirements, etc of the RTCAP. The EC approved the Reform WG undertaking further work in the form of future planning for the RTCAP.
- (iii) Reviewed a report from the Reform WG on the governance situation in the Bureau (Administrative Section and Training Section) as an initial step to understanding current lines of responsibility and liability.
- (iv) Discussed an exploratory document prepared by the Reform WG, in conjunction with the APP, on the operating situation of the APP. While there was no interest in structural or role change, the Reform WG was tasked with assessing any legal implications from retaining the current structure (e.g., whether the Secretary General, as the legal representative of the APPU, had any responsibility for the APP - as an organ of the APPU - in terms of legal or financial liability).

### 3.2 2019 – Tokyo, Japan

#### 3.2.1 Representation: 26 members were present.

#### 3.2.2 Key matters dealt with / decided

- (i) A WG within the Finance Committee was set up to study a request from Nauru for a reduction in its contribution class to the expenses of the Administrative Section.
- (ii) Acknowledgement of advice from the Bureau that the Union had an historic cash management problem i.e., there was far more cash on hand (in relation to average annual costs) than businesses normally carry. The core issue appeared to be a failure by the Union to formally establish and manage reserve funds (as required under the Acts going back to 1981). The 2019 EC requested the Bureau to draft a policy for reserve funds for the Administrative Section and for the Training Section.
- (iii) As part of the change in approach to cash management (whereby the Bureau should operate as other businesses do), unspent cash in a financial year would be applied to immediate business requirements (budgeted or unbudgeted). Such spending would be at the discretion of management and subject to standard business rules being followed.
- (iv) The Bureau was requested to establish a position on foreign exchange that could be operationalized subject to necessary approvals. This matter had been referred from the 2019 APPC Governing Board meeting where strong concern had been expressed that a seemingly uncontrolled foreign exchange process was threatening the financial sustainability of the College.
- (v) The Reform WG presented its report and recommendations for the relocation of the RTCAP from Singapore to Bangkok. The EC approved the relocation and noted that the RTCAP would continue its functions in a Consultancy Section at the Bureau. This organisational arrangement was designed to continue and broaden current and additional activities. The relocation was timed for early 2020.

- (vi) As a follow-on from the 2018 EC meeting regarding the possibility of the APPU Bureau being liable for financial or other issues in the APP Cooperative, the EC was informed that a review by an external lawyer had concluded that there was no such liability.
- (vii) Advice from Pacific Islands members that they were seeking to establish a seat in the UPU CA and the POC for their representation in these bodies.
- (viii) Bangladesh increased its contribution from 2 units to 4 units.

### 3.3 2020 – Online meeting coordinated from Bangkok, with all participants located in respective home-stations<sup>2</sup>

#### 3.3.1 Representation: 25 members were present.

#### 3.3.2 Key matters dealt with / decided

- (i) The Bureau reported very good debt management with unpaid contributions at 31 May 2020 reducing to US\$12,750 (from US\$58,500 on 1 January 2019).
- (ii) The Finance Committee endorsed proposals to manage exposure to foreign exchange fluctuations. The Bureau was requested to implement the proposals.
- (iii) The Reform Working Group reported that the RTCAP had successfully relocated from Singapore to Bangkok.
- (iv) The EC had agreed, via online consultation, minimum financial levels for the Administrative Section Reserve Fund and the Training Section Reserve Fund, as well as a set of rules for the management and replenishment of the two reserve funds.
- (v) The EC agreed to a review of the process for authorising representation at UPU meetings.
- (vi) Approval of a plan to evaluate and recommend a preferred option for the creation of a sustainable future for the College.
- (vii) Extensive discussion on opening up the UPU to wider postal sector players.
- (viii) Postponement of the 2021 APPU Congress to 2022 (due to the UPU Congress being postponed from 2020 to 2021).
- (ix) Subsequent to the EC meeting, a consultation was undertaken to extend the term of the Secretary General by one year to 31 December 2022 (this being the result of the postponement of the APPU Congress).

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<sup>2</sup> Due to the Covid-19 pandemic, the 2020 EC Plenary was a virtual event of approximately half a day. For convenience and workload management, the Finance Committee and Working Group meetings were completed 1-2 weeks prior to the Plenary.

3.4 2021 – Online meeting coordinated from Bangkok, with all participants located in respective home-stations

3.4.1 Representation: 23 members were present.

3.4.2 Key matters dealt with / decided

- (i) The EC approved a Finance Committee recommendation to establish an interim contribution class of 0.5 units. This would be available to members who were placed in the UPU 0.1-unit contribution class. The EC decision would become a proposal to the 2022 APPU Congress.
- (ii) A full review should be undertaken of the APPU financial contributions system. This would address changes that have occurred since the current system was established and focus on relevance and need for change. The 2022 APPU Congress would be asked to mandate this review.
- (iii) Foreign exchange management, successfully introduced in the Training Section (with a significant reduction in exchange rate exposure), had not been completely implemented in the Administrative Section. The EC approved use of ASRF funds, if necessary) to deal with remaining issues.
- (iv) The Bureau, with support from the Finance Committee, was tasked with preparing a decisive proposal on the historic debt situation of Nauru.
- (v) The EC approved ASRF funding for an Archiving project to upgrade document management in the Bureau. The project would equally support the Reform Working Group's review of the Union's governing documentation.
- (vi) An updated Position Description for the Secretary General was approved.
- (vii) The Reform Working Group was tasked with completing a review on the value and future direction of the RTCAP.

**4. Working Group information themes**

4.1 Whereas Section 3 of this report covers key matters dealt with and key decisions made on a year-by-year basis, of equal importance in the structure and role of the EC is the ongoing provision of information and updating that is passed on to members. A significant amount of this information supports member decision-making on matters that become UPU decisions. And, overall, the activity in the five Working Groups links members with the main developing situations in the UPU. It is an essential ingredient in the ongoing work of the EC.

4.2 Over the course of the four EC meetings in the cycle, some of the topics that members were briefed on included the following.

- (i) Physical Services and E-Commerce Working Group
  - Advice and input prior to key proposals being discussed at the 2018 UPU Extraordinary Congress.

- Detailed examination of Integrated Remuneration Plan proposals being tabled at the 2019 UPU Extraordinary Congress (i.e., the options, what they mean, the order of consideration).
  - Pre-Congress (2021) briefing and discussion on:
    - Integrated Product Plan - including options for amending the Convention regarding the Tracked Delivery Service
    - Integrated Remuneration Plan – various Congress proposals on Terminal Dues, Inward Land Rates, remuneration for tracked items, etc, self-declared rates.
  - New EU VAT policy
  - One-Stop-Shop scheme that simplifies the declaration and payment of VAT
- (ii) Postal Financial Services Working Group
- Need for a common payment gateway among APPU member countries – otherwise the service will struggle for customers and sustainability.
  - Best practices
  - Need to move to mobile apps including the need for Posts to focus on identifying smart technology capable of facilitating the cashless society
  - Updating on the opportunity for payment services in the e-commerce market.
  - Members’ experiences in implementing financial services.
- (iii) Market Development and E-Services Working Group
- Digital readiness
  - Updating on
    - Financial inclusion
    - UPU Digital Economy and Trade Programme
    - UPU POC Committee 3
  - Digitalisation of UPU communications and notifications
  - D.Mapp.post as a tool to support international direct marketing
  - ORE / DRE / PRE
- (iv) Supply Chain Integration Working Group
- Challenges facing small island nations in supply chain management
  - Challenges in linehaul (pre-pandemic)
  - EAD / ITMATT
  - Updating on
    - UPU POC Committee 1
    - Best practices, particularly with the challenges of the pandemic
    - EAD / ITMATT and proposals for the 2021 UPU Congress
    - Standards Board
    - Operations and Accounting Review Group
    - Transport Group
    - Customs Group
  - Paperless Mail Transportation Pilot

(v) UPU CA Matters Working Group

- Reform of the UPU Contribution System
- Changes to treatment of historic debt
- Briefing on the UPU Provident Scheme
- Access to UPU products and services by wider postal sector stakeholders
- Legal stability of the Acts of the UPU
- “Future Together Fund”
- Disaster Risk Management
- Update on preparations for UPU Congress

**5. General remarks**

5.1 No report on the period 2018-2022 would be complete without a comment on the pandemic. During a time when individuals and organisations were placed under significant pressure to keep businesses operating, Iran had the good fortune to be supported in the chairing role by an APPU Bureau that went out of its way to make the difficult look simple. Certainly, in the pre-pandemic 2018 and 2019 it was Vietnam and Japan who enabled the EC to enjoy excellent facilities and well-managed meetings. However, when meetings were no longer possible, it was the Bureau, through energy, innovation and hard work, who made sure the EC could continue operating with a full agenda, decisions made, results achieved. Thank you.

5.2 The Agenda covered by the EC in the 2018-2022 period might be defined by:

- (i) continued good management and governance e.g., improved debtor position, strong cash position at cycle-end, development of financial policies to enable investment in essential items, significant improvement in the management of foreign exchange, etc;
- (ii) an appetite to review and enhance how the Union operates e.g., relocating RTCAP to Bangkok and reshaping its future role, updating the role of the Secretary General, commencing a broad-ranging review of the Union’s governing documents, greater use of technology no better demonstrated than through the online EC meetings; and
- (iii) the energy and dedication of Working Groups (particularly Chairs / Co-Chairs) to continue the invaluable informing / updating of members on global and regional issues.

5.3 Iran acknowledges with much gratitude the support of everyone involved during the cycle. Japan, as Vice-Chair, has been a constant ally and friend. So, too, Mr Lin and Ms Kwanjai at the Bureau. Thank you.