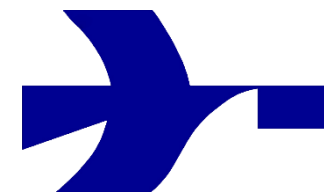


**APPU Meeting
on opening up of the Universal Postal Union
to wider postal sector players
24 February 2021
(online)**

Presentation by:

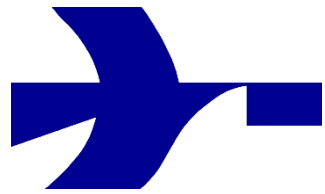
Australia



Presentation outline

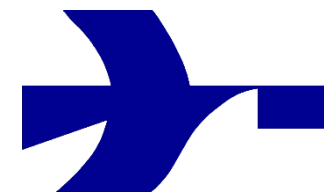
1. Why is opening up the UPU important?
2. Background to this work
3. How has this work progressed since the last APPU meeting?
4. Summary of the IB report
5. What are the key considerations going forward?
6. Critical decision points

Why is opening up the UPU important?



An expanded UPU could:

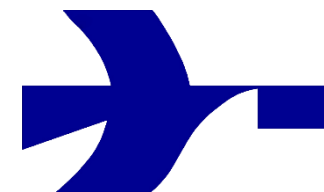
- Deliver a better integrated, efficient and secure postal supply chain.
- Maintain its continued relevance as the post and parcel sector continues to grow with increased uptake of eCommerce.
- Inject much needed revenue into the UPU.
- Extend and expand postal service standards at the global level.



Initial timeline

Timeline of the Taskforce on opening up of the UPU:

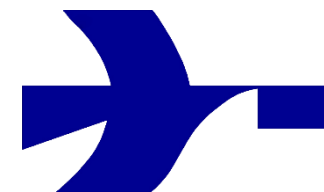
- Resolution C10/2016 “Policy on the access of wider postal sector players to UPU products and services” which entrusted the CA to approve and oversee implementation of the access policy.
- Creation of the UPU Taskforce on opening up in 2019.
- UPU high-level forum on opening up – Feb 2020 recommended that CA let Congress decide on matters relating to:
 - institutional change
 - the opening up of UPU products and services; and
 - the roadmap for implementation.
- Taskforce teleconference in June 2020: IB presentation of questionnaire results and outline of two proposals – one from the Consultative Committee and one from Indonesia.



Developments since July 2020

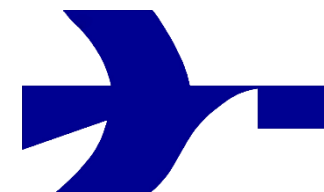
Timeline of the Taskforce on opening up of the UPU (cont.):

- September 2020 Asia Pacific Regional Taskforce meeting to discuss proposals; new draft proposal circulated by Germany.
- November 2020 Taskforce teleconference to discuss draft report and proposed package to be submitted to the 27th Congress.
- December 2020 Council of Administration (CA) meeting to note report of the Taskforce report and approve the extension of the Taskforce's mandate until the CA in April 2021.
- December 2020 release of the International Bureau memorandum on the Taskforce report (IB report).
- January/February 2021 – a number of Taskforce meetings held to further discuss the work.



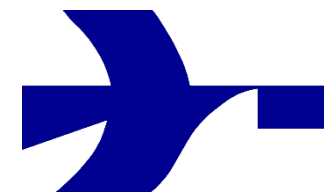
Summary of key elements of IB report

- Three membership categories (member countries, sector members and associate members), to cover the full range of stakeholders present in the wider postal sector.
- Stakeholders would be allocated to different membership categories according to their type.
- Eligibility to access different products and services would be defined according to the membership category.
- Each membership category would imply specific rights and obligations.
- New members would have to pay annual fees, in addition to payments for on-demand products and services. Pricing should as far as possible reflect market rates as well as production costs.
- A new structure would be created with two councils: an Executive Council for governmental and regulatory matters, and a Business Council for business matters.



IB report - eligible stakeholders

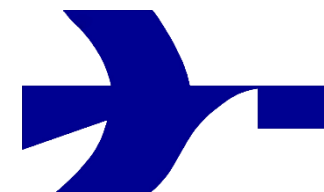
- The following stakeholders would, in principle, be eligible to join the UPU as “sector members”:
 - DOs (privately or publicly owned);
 - Other domestic postal operators (non-DOs);
 - Courier and integrator companies;
 - E-retailers and e-commerce merchants;
 - Logistics service providers;
 - Financial service providers.



IB Report – Associate Members

- Airlines
- Railways and other transport companies
- Manufacturers of postal and postal industry-related solutions
- Customer associations
- Unions or postal service worker associations
- Other civil society organizations concerning the postal sector
- Other stakeholders, subject to pre-defined conditions.

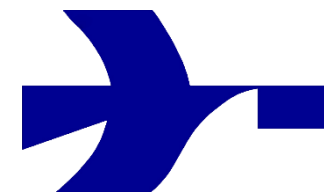




IB report - UPU products and services offering

1. Events and meetings of UPU bodies.
2. Treaties and international agreements.
3. Settlement systems.
4. Consultancy and capacity building.
5. Information technology solutions.
6. Standards.
7. Data storage and protection.
8. Research and insights on market trends.
9. Focused analysis on various topical issues.





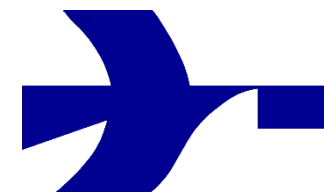
Rationale: Comparison between the UPU and other multilateral agencies

UPU

- 269 staff members
- Revenue: 74 million Swiss Francs
- Only one other membership category (on top of member states) – comprising 14 members.
- Funding model: nearly 50% from the regular budget, with a remaining mix of voluntary funding and sales of products and services.

Other

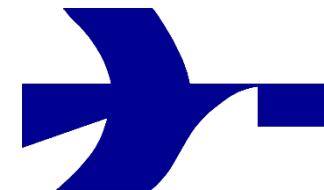
- Over 150 staff for WIPO and IATA
- WIPO revenue in 2018: 430 million Swiss Francs
- ITU – three other membership categories comprising 924 members.
- Funding model: WIPO (most successful model) – mostly reliant on sale of products and services.



How will opening impact the USO?

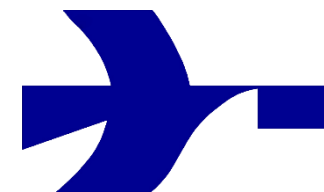
- A core principle of the UPU's Acts is that it is up to each member country to determine its universal service.
 - Countries may wish to consider whether their existing arrangements are suitable should the UPU open up, including the impact on DOs' financial viability and citizens' access to postal services.
- We need to be especially mindful of the possible impacts of opening-up the UPU on the core principle of member countries being able to self-determine the nature of their universal service.
 - In other words, opening up the UPU should not undermine member countries' ability to set their own domestic policy measures which are fit for purpose in that country.

Next steps: Taskforce consultations in March



Members are encouraged to engage in the next phase of Taskforce consultations, kicking off on 3 March, which will revolve around the eight proposed 'dimensions' outlined below. Members should contribute views to the Taskforce at TF.Openingup@upu.int

- **Three membership categories** (member countries, sector and associate members)
- **Stakeholders** allocated to different membership categories according to their type
- **Eligibility** defined for every type of product and service according to membership category
- Specific **rights and obligations** defined for each membership category.
- New members to pay **annual fees**; **on-demand products and services to be monetized**; both at market rates
- A new structure with an **Executive Council** for governmental and regulatory matters and a **Business Council** for business matters
- **Amendments to the rules** to be stipulated in the formal proposal to Congress.
- Implementation planned with a **specific timeline**, starting with the 27th Congress.



Next critical decision point

- During the CA meeting in April 2021 UPU members will decide what proposal/document will be submitted to the 27th Congress.
- UPU members will vote on options for opening up at the 27th Congress, scheduled for August 2021.
- It is important countries are well prepared for and willing to engage in these discussions, both at the CA and at Congress, and understand the implications, particularly for their DOs.
 - This is an issue that will affect all member countries.
- Australia has circulated a brief summary of frequently asked questions to assist administrations to engage on the issues.
- Thank you for your attention!