

Agenda Item 16

Proposal by **Republic of Nauru**

Presentation by : Mr Sasikumar Paravanoor, CEO, Nauru Post

Proposal concerning the ‘Waiver of Terminal Dues’ and ‘Nauru’s Appeal to the APPU re Membership Fees and *debts in arrears*’.

1. Proposal:	References/paragraphs
<p>The Republic of Nauru (hereafter, Nauru):</p> <ul style="list-style-type: none"> - calls upon all APPU members to consider and waive any outstanding terminal dues or postal debts that they allege are owed by Nauru or its postal service leading up to end 2017; - notes the work of the Finance Committee in regard to contribution units but would prefer an additional contribution unit of 0.2 units be also brought before the 2022 APPU Congress with recommendations in regard to the expedited review of the APPU ‘s funding; and - calls upon the APPU Bureau and the Finance Committee to consider any decision taken at the forthcoming UPU Congress in regard to Nauru’s proposal that its UPU “<i>debts in arrears</i>” be waived, and take this decision into account in deciding action to be taken in regard to Nauru’s similar appeal to the APPU that its “<i>debts in arrears</i>” be waived. 	<p>§3.5</p> <p>§4.3 - §4.5</p> <p>§4.11 - §4.12</p>
<p>2. Decisions expected:</p> <p>The EC is asked to:</p> <ul style="list-style-type: none"> - note the proposal and direct the APPU Bureau to invite all APPU members so affected to consider the waiver of outstanding terminal dues or postal debts allegedly owed by Nauru up until the end of 2017; -direct the APPU Bureau and the Finance Committee to propose to the 2022 APPU Congress that : <ul style="list-style-type: none"> • new, interim contribution levels of 0.5 and 0.2 units be introduced as from 1 January 2023; • Nauru be assigned to an affordable 0.2 APPU contribution units as from 1 January 2023; • an expedited review of the APPU funding, membership fees and contribution levels be brought to the APPU EC in 2024; • the 2024 APPU EC be empowered, on an extraordinary basis, to consider that review and to make interim arrangements and take decisions concerning the funding of the APPU and its contribution unit structure from 1 January 2025; and • a report be brought to the 2026 APPU Congress recommending changes to the APPU Acts, so that a legal foundation is in place for any further changes. - direct the APPU Bureau and the Finance Committee to propose decisive action in regard to the waiving of Nauru’s APPU “<i>debts in arrears</i>” to the 2022 APPU Congress. 	<p>§3.6</p> <p>§4.5</p> <p>§4.5 and §4.9</p> <p>§4.7 and §4.9</p> <p>§4.8 and §4.9</p> <p>§4.9</p> <p>§4.11-§4.12</p>

1. The Republic of Nauru

- 1.1 The Republic of Nauru (Nauru) was constitutionally established as an independent republic in 1968. It is a tiny island of just 21 sq kms located just south of the equator but to the north east of Australia and the Solomon Islands. It is the smallest island republic in the world and one of the smallest nations, with a population of just 11,000 people.
- 1.2 Nauru imports most of its food and consumables and it depends on the goodwill of donors and supporters to maintain a balanced budget and to adopt appropriate technology in our fast moving digital world. It earns a little revenue from fishing licences and off-shore and on-shore mining but, in the main, it has been supported by Australia in its operation of a Regional Processing Centre for asylum seekers. Nauru suffered a financial crisis during the first decade of the new millennium.

2. Nauru Post

- 2.1 The postal service serving Nauru was reorganised and recharged as a Corporation in January 2018.
- 2.2 The former postal service (a department of state) never really recovered from the financial crisis which beset the island at the turn of the century and it was barely functioning at the time of its overhaul.
- 2.3 The trading name of the Naoero Postal Services Corporation's designated postal operator is **Nauru Post** – a tiny operation with just one post office, but a new challenge as it seeks to become the nation's preferred logistics provider. The post alone is insufficient to sustain its operations.

3. Outstanding Terminal Dues and Postal Debts

- 3.1 It has come to the attention of the Nauru government and Nauru Post that there are nations within the APPU region who may hold outstanding terminal dues accounts or postal debts which they regard as payable by Nauru or its designated postal operator for the period 2000 to 2017 inclusive.
- 3.2 Nauru Post wishes to advise that it believes that a remailer may have used Nauru Post's indicia and postal documents during this period to imply that the mail being presented to delivering postal services in the region was mail consigned from Nauru.
- 3.3 Nauru Post has considered some of the volumes associated with these accounts and regards the volumes as totally inconsistent with historical mail flows and the mail that may have been sent by our tiny nation.
- 3.4 The Nauru government and Nauru Post will consider any request for payment of terminal dues accounts that are rightly attributable to mail sent from Nauru. However, it will contest any account or postal debt that is out of line with its traditional mail exchanges during the period to end 2017, suspecting that the mail may have been inserted into mail paths from Nauru by a remailer.

- 3.5 As a consequence, Nauru asks APPU members that may have any such accounts to consider the possibility that such accounts are indeed the product of remailing for which Nauru and its designated postal operator are not liable and, consequently, to waive these claims.
- 3.6 Nauru calls upon the APPU EC to direct the APPU Bureau to invite APPU members so affected to consider carefully any account deemed payable by Nauru/Nauru Post to the end of 2017 and to waive any obligation of Nauru/Nauru Post to accounts and postal debts where they are likely to be attributable to remailers.

4. APPU Contribution Units and APPU “*debts in arrears*”

- 4.1 In June 2018 Nauru made an appeal to the UPU and APPU to set its membership fees at an “**affordable amount**” and to wipe the slate clean by waiving past “*debts in arrears*”. This would permit Nauru to reignite its membership of these bodies on a fresh basis. This appeal was supported by nine Pacific island countries.
- 4.2 The UPU has since lowered the contribution required from Nauru as an annual membership fee by a factor of 10, to 0.1 contribution unit (Extraordinary UPU Congress 2018) and will consider the waiving of Nauru’s UPU “*debts in arrears*” at the forthcoming UPU Congress in August 2021.
- 4.3 The APPU has had the appeal under review since the time it was made. The Finance Committee will make a recommendation to this meeting that the APPU EC advance a proposal to its Congress in 2022 to introduce a 0.5 contribution unit for which Nauru may be eligible for the period 2023 to 2027. Also, it will recommend further study of the scheme of funding and APPU membership fees/contribution units during this next cycle (refer APPU EC 2021 Doc 5.1).
- 4.4 Nauru/Nauru Post, whilst acknowledging the work of the Finance Committee, would prefer a lower contribution unit of 0.2 units to also be brought to the APPU Congress for adoption which recognises the disparity that exists within the membership funding of the APPU, particularly where the smallest nations and postal services are required to pay more than a “**fair and equitable**” share of the Unions’ funding.
- 4.5 Nauru considers that 0.2 contribution units will be an **affordable** sum for this small nation with only one post office, but will still be well above the level that is justified on a relative basis when matters such as population, size of the postal service, GDP or other macroeconomic factors are considered.
- 4.6 The Finance Committee is recommending that a review of all matters pertaining to the financing of the APPU and its bodies be commissioned by the 2022 APPU Congress during the next cycle 2023 to 2026.
- 4.7 Nauru is of the view that this review could be deferred until the next cycle, but it should be expedited by Congress, requiring that the review and its recommendations be brought to the APPU EC in 2024.
- 4.8 Further, Congress should empower the APPU EC to make the necessary decisions and, as necessary, to modify the contribution system in accordance with the decisions taken.

- 4.9 Consequently, Nauru considers that this meeting of the APPU EC should direct the APPU Bureau and the Finance Committee to propose to the 2022 APPU Congress that:
- additional APPU contribution units of 0.5 and 0.2 contribution units be adopted on an interim basis from 2023 and that Nauru be assigned an **affordable** APPU membership fee of 0.2 units from 1 January 2023;
 - a complete and expedited review of the funding of the APPU be undertaken during the next cycle by the Finance Committee so convened, and for the findings to be presented with recommendations/proposed decisions to the APPU EC in 2024;
 - Congress empower the APPU EC in 2024, on an extraordinary basis, to make the necessary decisions and structural changes as may affect the contributions or other schemes of funding of the APPU with effect from 1 January 2025; and
 - a report be delivered on the interim changes to the funding of the APPU, its membership fees and the contribution unit structure to the 2026 APPU Congress, recommending changes to the Acts of the APPU, so as to provide the legal foundation for any future changes.
- 4.10 In regard to Nauru's APPU "*debts in arrears*", the APPU Finance Committee has recommended that any action on this request be deferred until after a decision flowing from the UPU Congress.
- 4.11 As a result, Nauru calls upon the APPU Bureau and the Finance Committee to consider the outcome of Nauru's appeal to have its past UPU "*debts in arrears*" waived at the forthcoming UPU Congress.
- 4.12 Further, Nauru calls upon the APPU EC to direct the APPU Bureau, in conjunction with the Finance Committee, to bring a decisive recommendation on Nauru's appeal re its APPU "*debts in arrears*" to the APPU Congress in 2022.