



ASIAN-PACIFIC
POSTAL
UNION

EC 2023 Doc 17
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Opening up of the UPU to Wider Postal Sector Players

Presentation by Australia and India

Executive Council Meeting
Bangkok, Thailand
14 - 18 August 2023

Agenda



1. Context and mandate
2. Workstream 1: institutional framework
3. Workstream 2: products and services
4. Workstream 3: reform as a continuum



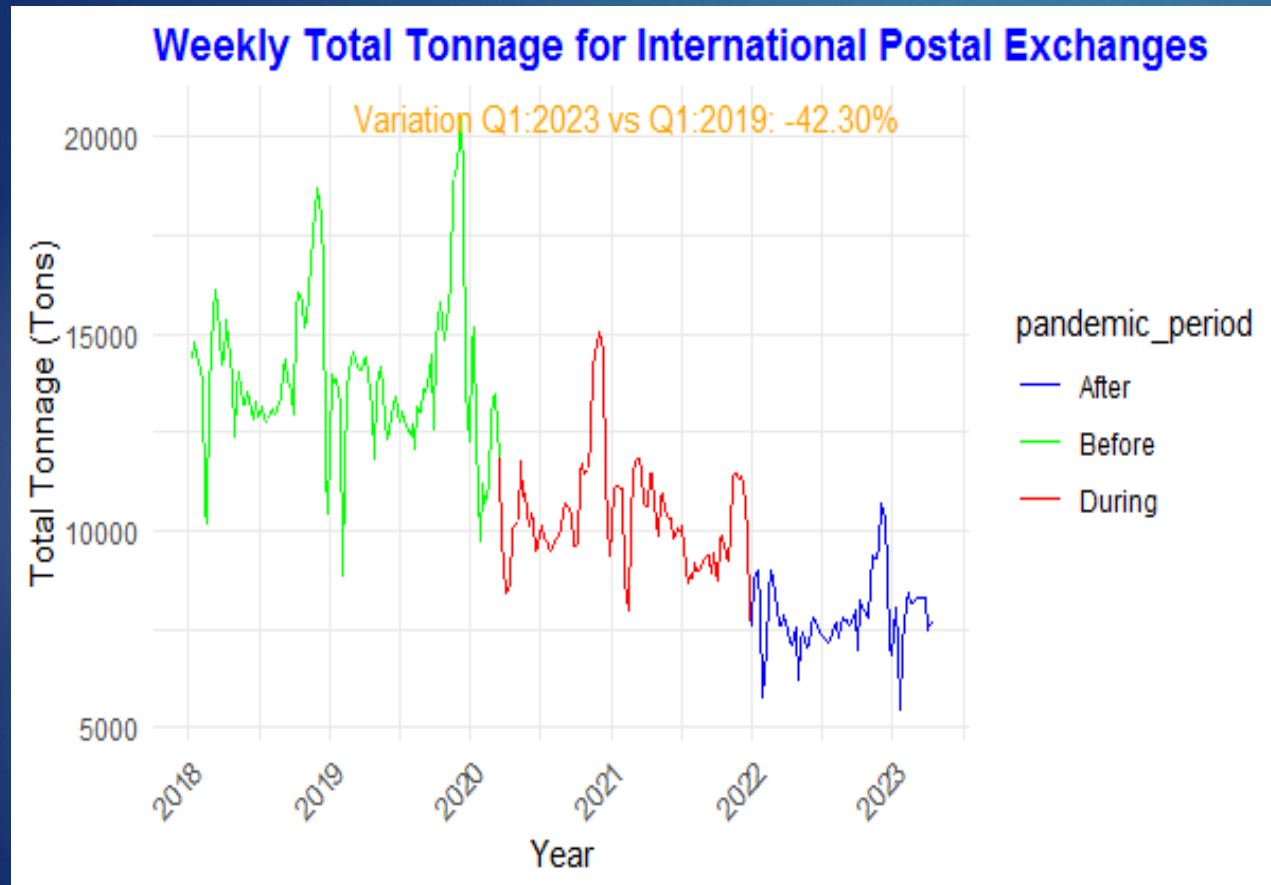
Context and mandate

Context and mandate:

2018-2023 international postal tonnage



Tonnage view: post-pandemic international postal exchange patterns differ from pre-pandemic times and there is no clear sign of a tonnage rebound to date



Post-pandemic international postal tonnage still below pre-pandemic levels:

- -42.3% decline in tonnage between Q1 2019 and Q1 2023 (compound annual growth rate (CAGR) - 12.8%).
- No international tonnage recovery in 2022 with lowest ever end-of-year peak volumes.
- Lowest ever tonnage volatility, signaling stabilization in the evolution of traditional international postal exchanges and difficulties in returning to pre-pandemic levels.

Context and mandate



At SO in November 2021, the CA formed a new task force to carry out the mandate from Congress on opening up.

Mandates for opening up the UPU to WPSPs

Abidjan Congress adopted resolution C 11/2021

C 12/2021, on the holding of an Extraordinary Congress in 2023

Building on work of past cycles



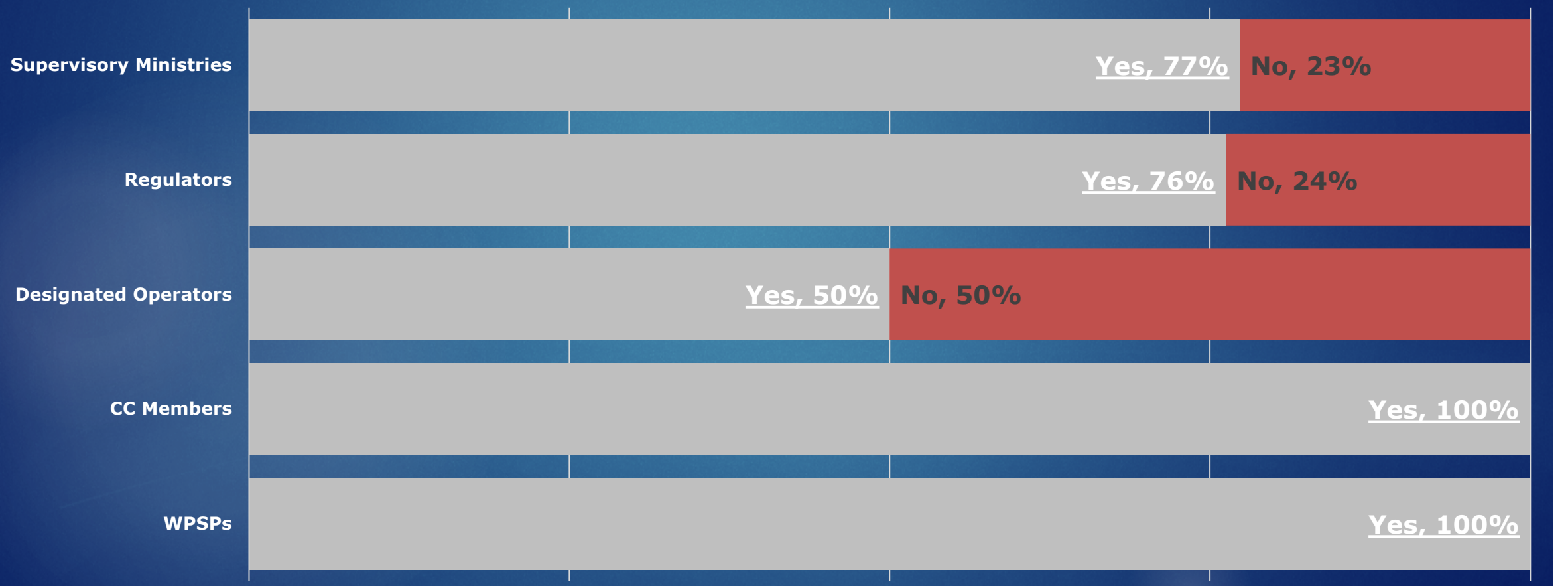
Workstream 1: Institutional framework

Stakeholder Survey



Response to 2022 Stakeholder Survey on whether WPSPs should have a role in the decision-making process at the UPU?

Most stakeholder groups think that they should

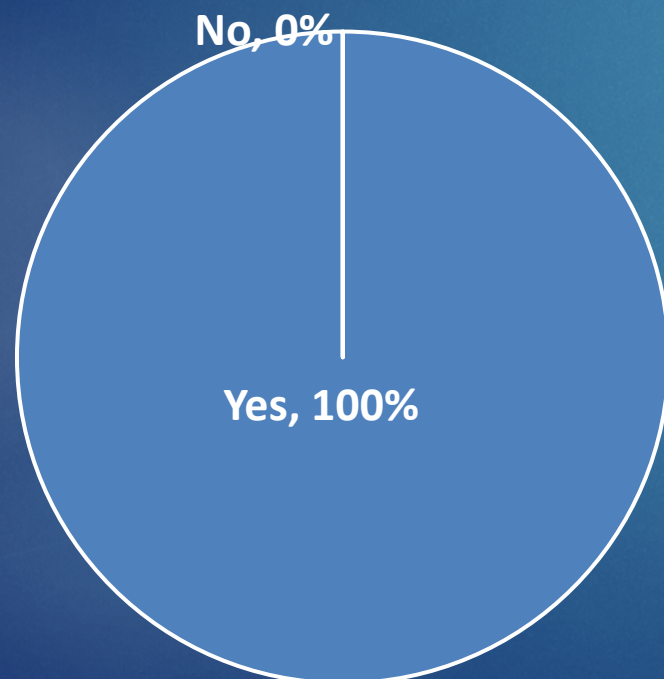




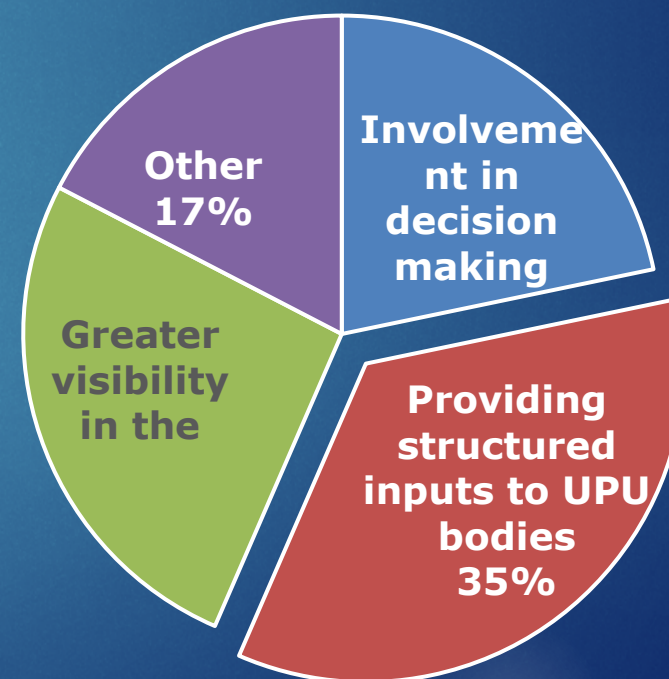
What do CC members want?

They want a definite role in decision-making and avenues for structured inputs

Do you think WPSPs should have a role in the decision-making process at the UPU?



As a current member of the Consultative Committee (CC), what do you think can be done to increase its effectiveness?



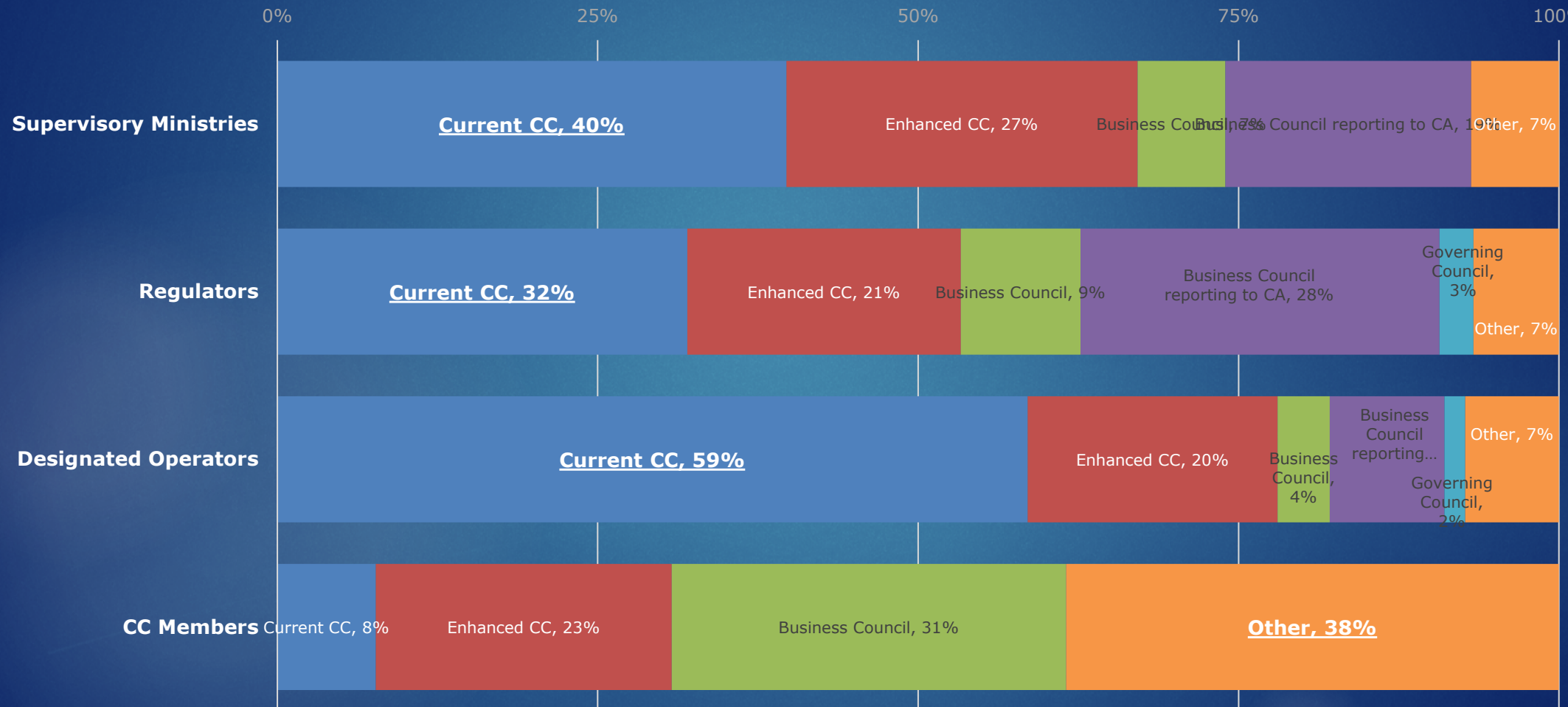
Institutional Reform Takeaways



- **Over 75% of Ministries and Regulators say that WPSPs should have a role in decision-making; 100% of wider sector players; 50% of Designated Operators**
- **At a national level, most WPSPs consulted informally or formally on national postal policies**
 - **But, no formal decision making authority**
- **Way forward in the UPU**
 - **Role of WPSPs in UPU should mirror role played nationally**
 - **No formal decision-making authority**
 - **Consulted either informally or formally as decisions are made**
 - **Respectful of the intergovernmental nature of the UPU**

How should they be integrated in the governing structure?

Most stakeholder groups like the current CC or want an Enhanced CC





Institutional Reform Takeaways



- In the continuum of possible governance structures, majority of stakeholders wish to see:
 - **Something beyond the status quo**
 - But short of ambitious variants
- **Enhanced Consultative Committee (ECC) appears to be the way forward**
- Consistent with showing substantive and gradual progress at the Extraordinary Congress and to find meaningful enhancements as CC members mainly dislike status quo
- **Work towards a package of proposals articulating what such an ECC may look like**
 - **Review and draw on some of our earlier discussions on CC reform**

Process

WS1 held 10 meetings between March 2022 and May 2023. Timeline from S2 to S3:

Fifth meeting

The co-chairs presented the results and their summary conclusions from the stakeholder consultation (See CA OUWSP TF 2022.5–Pres 2).

Sixth meeting

Discussed possible options for enhancements of the Consultative Committee based on a “principles” document (CA OUWSP TF 2022.6–Doc 2).

Seventh meeting

Further discussed possible options for enhancements of the Consultative Committee (See CA OUWSP TF 2023.1–Doc 2).

Eighth meeting

Discussed the elements of the proposed consensus option based on input received to date (See CA OUWSP TF 2023.2–Doc 2 and Doc 2.Add 1).

Ninth meeting

Discussed the proposed amendments to the General Regulations based on the consensus option (See CA OUWSP TF 2023.4–Doc 2 and Doc 2.Add 1).

Tenth meeting

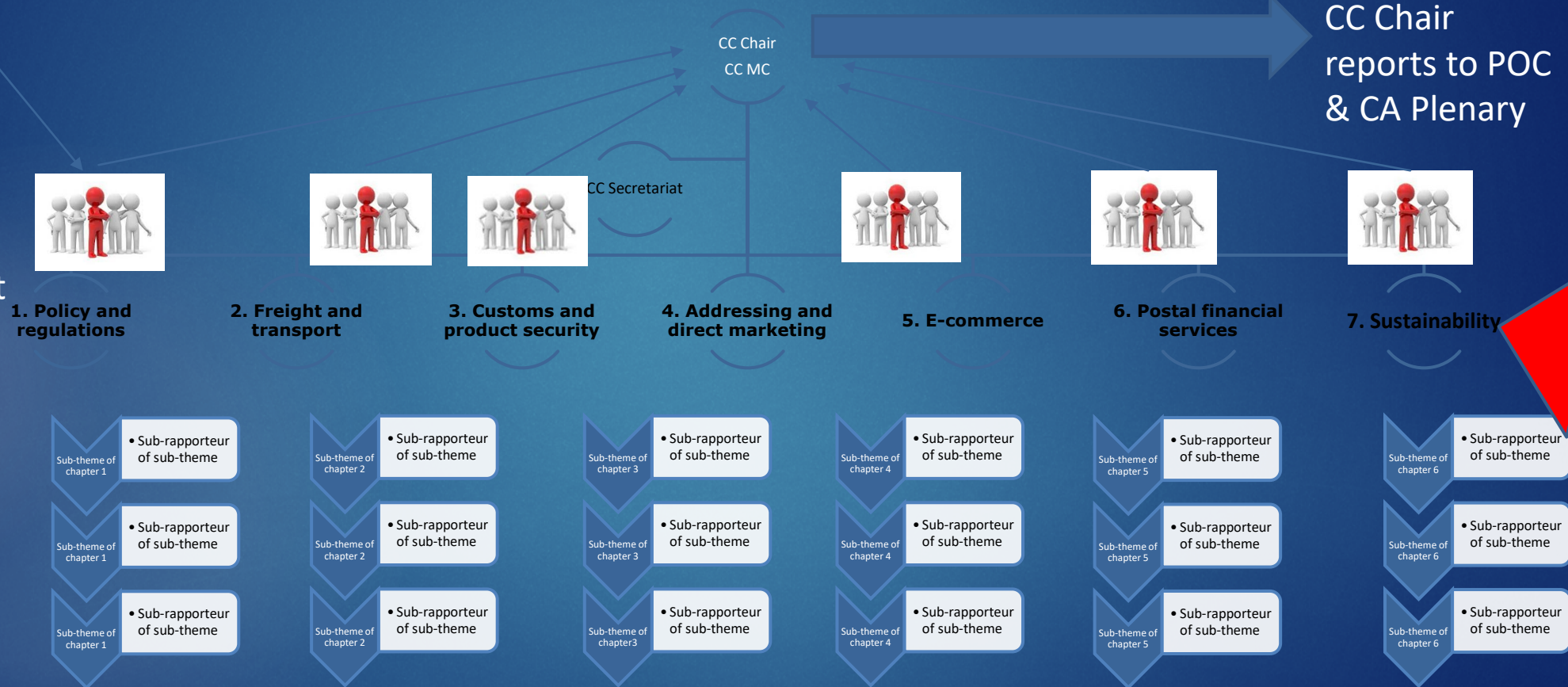
Discussed the final outcomes of the WS1 and finalized the proposed amendments to the General Regulations.

Current CC structure



Chapter
rapporteurs

Provide input
to POC/CA
committees
and working
groups once
input has
been cleared
by CC Chair



New
chapter

Six pillars of discussion

Thematic pillars	Lines of reporting	Membership composition	Membership approval	CC structure	Representation & attendance	Submission rights
Issues	Lines of reporting between the CC with the CA and POC	Composition of the CC and the entities allowed to join	Approval of WPSPs to join the CC	Structure of the CC and the need to mirror CA and POC Committees	Right of CC members to attend CA, POC, and all subsidiary bodies as observers	Submission of inputs to UPU bodies and to the Congress
Congress proposals	Retain current practice but amend, as needed, the relevant General Regulation to reflect practice	Include knowledge institutions	Retain status quo requiring member country endorsement	Retain status quo and allow the CC to organise itself as necessary	Clarify current rules to allow CC members to attend all CA/POC bodies without right to vote, subject to confidentiality restrictions.	Designated CC representatives to have the right to make submissions to Congress, CA, and POC on behalf of the CC, subject to approval as appropriate.



Amendments to the General Regulations as required by the consensus approach

Outcomes at S3

Proposed amendments to the General Regulations (CA OUWSP TF 2023.4–Doc 2) has been converted into 14 draft Congress proposals.



Proposed amendments to the General Regulations (version: 16 March 2023 at 15.30, Rev0_V100)

The proposed amendments relate to six key areas, as follows:

- Line of reporting within the UPU organizational structure
- Membership composition
- Process for approval of membership applications
- Consultative Committee (CC) structure
- Representation and attendance
- Submissions

General Regulations

Key area(s) relating to amendment	Proposed consensus option	Proposed amendments to the General Regulations	Additional comments
		Section 2 Council of Administration (CA)	
2 Membership composition	This article needs to be deleted as a consequence of the changes to the General Regulations adopted at the Abidjan Congress.	Article 107 Functions of the CA 1.16 Designates those of its members that will serve as members of the Consultative Committee.	
5 Representation and attendance 6 Submissions		Article 107 Functions of the CA 1.22 Receives and discusses proposals, opinions and reports and recommendations from the Consultative Committee and considers proposals and reports, recommendations from the Consultative Committee for submission to Congress.	The term "recommendation" does not need to be used in a provision such as this, as its overall scope is already covered by the term "proposals".
5 Representation and attendance	Representation: Designated CC representatives (e.g. rapporteurs under the current CC structure) shall have the right to attend meetings of the CA and POC, and their committees and subsidiary bodies, as observers, and may speak, submit proposals and provide input and options to the CA and POC plenaries, committees and subsidiary bodies on behalf of the CC.	Article 108 Organization of CA sessions 6. The Chair of the Consultative Committee shall represent that organization at meetings of the Council of Administration when the agenda contains questions of interest to the Consultative Committee.	This paragraph should be deleted, as article 124 sets out the mandate of CC representatives.
5 Representation and attendance 6 Submissions	Attendance: All members of the CC shall have the right to attend meetings of the CA and POC, and their committees and subsidiary bodies, as observers. As observers, CC members (other than designated representatives of the CC as outlined above) shall not have submission or speaking rights, or the right to vote at meetings of the CA and POC plenaries, committees and subsidiary bodies. There will be no voting rights for any CC members. Articles 109.2.1 and 115.2.1 of the General Regulations shall apply with respect to the number of CC member attendees. Article 124.1 will need to be amended to include subsidiary bodies of the CA and POC.	Article 109 Observers 1 Observers 1.3 Members of the Consultative Committee, as well as the other observers and ad hoc observers referred to in article 105, shall also have the right to attend meetings of the standing groups, task forces and other bodies of the Council of Administration as observers, without the right to vote.	Speaking rights are typically granted to all observers, subject to the Chairs' management of proceedings. It is proposed that only designated representatives of the CC be given the right to speak on behalf of the CC.

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CA OUWSP TF 2023.4–Doc 2
Original: English
Published in English 22.3.2023, 10.39



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CA 2023.1-Doc 10 Annex1 Attachment1
Original: English
Published in English XXXX

FOURTH EXTRAORDINARY CONGRESS

General Regulations – Proposal **15.107.X**

Article 107
Functions of the CA

COUNCIL OF ADMINISTRATION

Amend the article as follows:

~~1.16 Designates those of its members that will serve as members of the Consultative Committee.~~

1.22 Receives and discusses proposals, opinions and reports and recommendations from the Consultative Committee and considers proposals and reports, recommendations from the Consultative Committee for submission to Congress.

Reasons. – See CA 2023.1-Doc 10. The proposed amendment to 1.16 is a consequence of the changes to the General Regulations adopted at the Abidjan Congress. The proposed amendment to 1.22 aims to clarify the submission rights of the Consultative Committee and their treatment by the Council of Administration.

Nes

GR articles
with proposed
amendments

are:

107, 108, 109,
113, 114, 115,
120, 121, 122,
123, 124, 125,
126, 133

Principles Document
CA OUWSP TF 2023.4–Doc 2

Draft Congress proposals
CA 2023.1-Doc10.Annex1.Attachment1

WS 1 Process up to the EC



- At S3, CA endorsed the proposed amendments to the General Regulations.
- Following S3, some additional technical comments were received from some TF participants.
- Congress proposals were amended to address these technical comments.
- TF endorsed the submission of these proposals to the EC at its meeting yesterday.



Workstream 2: Products and services

Process



Workstream 2 – Access to UPU products and services

- Technical review of the UPU products and services to grant access to WPSP
- Point of departure: UPU product and services distributed in 3 baskets

Basket 1

Existing UPU products and services approved in the Istanbul cycle

- .POST solutions
- UPU supply chain solutions
- POST*Net Finance solutions
- GMS
- OSCAR
- Trainpost
- UPU*Clearing

Basket 2

Access to IB secretariat support and analysis, research on market trends

- Legal advisory services
- Access to address / contact lists
- Access to Union documents
- Research and analytical services to WPSPs
- Provision of consultancy services on UPU solutions

Basket 3

Access to UPU solutions for interoperability/ interconnection

- Supply chain supporting tools
- PosTransfer solutions
- Mobile apps postal payments
- Exception-handling solutions
- Mobile apps track and trace
- Other GMS solutions
- Postal security certification
- IMPC codes
- Remuneration solutions
- Addressing solutions



Process – Phase 1 (S1 to S2)

Between S1 and S3, an expert team (CA C 2 ET) conducted the review of the products and services. The ET was composed of UPU members (representatives of Governments, regulators, designated operators) and WPSPs

Between S1 and S2

Expert team conducted a detailed analysis of all 22 products and services in baskets 1, 2 and 3

Regulatory Conference at S2 discussed the Opening-up of the UPU and had a dedicated session on Access to UPU products and services.

At S2

CA C2 agreed to:

- Adopt a more **holistic approach** to the technical review by focusing on combinations of products and services (i.e. thematically linked packages of products, services and solutions);
- **Develop models and thematically linked packages** of products, services and solutions to enable interoperability and interconnection between DOs and WPSPs
- Consider carefully the **concerns** some CA members expressed in relation to the opening up of **UPU remuneration systems and IMPC codes**

Process – Phase 2: S2 to S3

CA C2 ET held 8 meetings and 1 workshop (whiteboarding exercise), and presented its report to the CA C2 which endorsed its forwarding to the TF for incorporation into this TF's report to CA Plenary



Work carried out - Timeline from S2

Third meeting	Reviewed outcomes of S2 and regulatory conference and started developing packages of thematically linked products and services
Fourth meeting	Agreed on a review process for the finalization of a survey to identify and prioritize thematically linked packages of products and services
Fifth meeting	Reviewed the results of the survey, agreed on the thematically linked packages of products and services and respective development priorities. Then, created a subgroup to flash out the packages.
Subgroup meeting	Subgroup conducted the whiteboarding exercise in Berne on 1 and 2 March 2023, to flash out the packages.
Sixth meeting	Reviewed outcomes of subgroup meeting and finalized the ET report to the CA C2 (CA C2 2023.1 Doc 2a and annexes) containing recommendations and outlines of possible 2023 EC proposals
CA C2 Meetings	CA C2 informal meeting to review the ET report and give in-principle endorsement to the ET report and forward it to the TF. Formal approval of the ET report took place at the CA C2 meeting on 9 May.

Outcomes

Packages of products and services identified and prioritized



<i>Package</i>		<i>Workstream</i>
Package 1A	Interoperability/Interconnection Package	Workstream 2
Package 1B	Operational Excellence Package	Workstream 3*
Package 2	Green Package	Workstream 2**
Package 3	Postal Financial Services Package	Workstream 2***
Package 4	Research and Communication Services Package	Workstream 3

* Package 1B is dependent on package 1A and would be developed as part of workstream 3 post-EC.

** Package 2 is dealt with and reported on in CA C 2 2023.1–Doc 12.

*** Package 3 is dealt with and reported on in POC C 4 2023.1–Doc 4a and 4b.



Package 1A: interoperability/interconnection package

Interoperability model 1

Direct Entry Model

Interoperability model 2

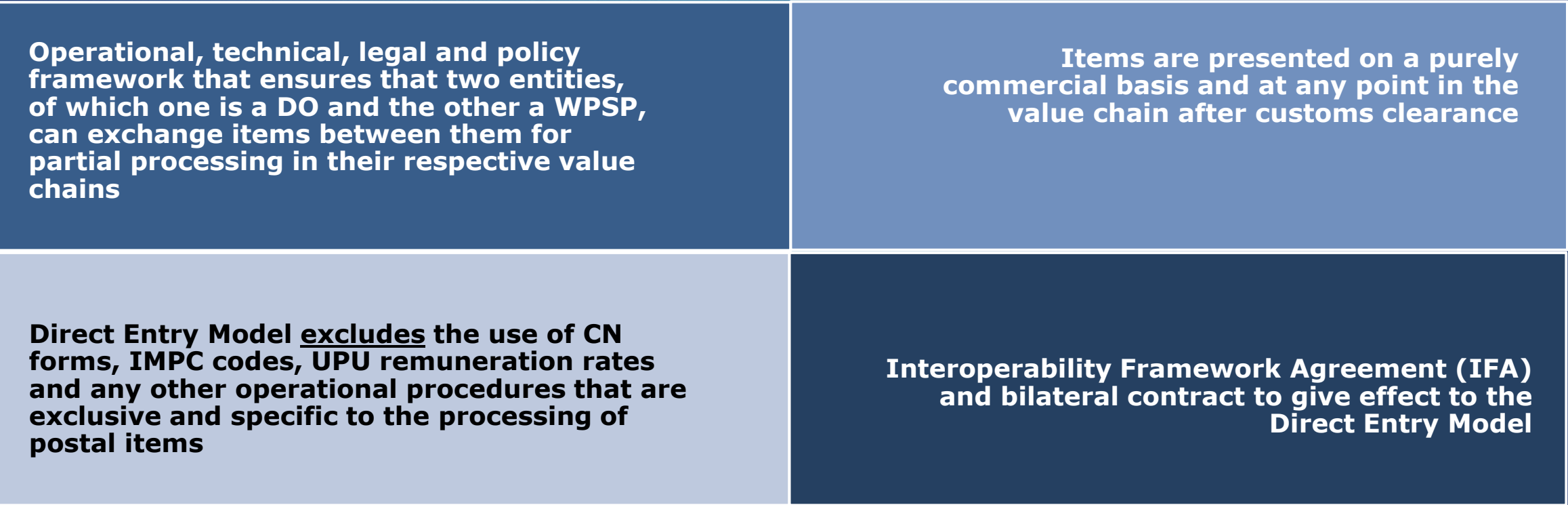
Transport Interoperability and
Interconnectivity Marketplace

Interoperability model 3

First Mile Injection Model

- All 3 interoperability models would be entirely **optional and voluntary** for any party, in particular DOs
- All 3 interoperability models **exclude** the use, by WPSPs, of CN forms, IMPC codes and UPU remuneration rates (use of these solutions and systems are exclusive and specific to DOs processing of postal items)
- Assessments of positive and negative impacts (including on QSF contributions) will be carried out after the EC. Results of any pilot tests will help inform assessments and discussions to shape future proposals to the 2025 Congress.

Interoperability model 1: Direct Entry Model



Outcomes



Package 1A

Interoperability model 1: Direct Entry Model

IFA: EC 2023 instruction to develop business rules covering all operational aspects relevant to the handling of items through the IFA, including technical standards and EDI messaging specifications as well as forms and (item) identifiers;

Model contract: EC 2023 instruction to POC and IB to develop a standard model contract that can be customized by contract parties;

Governance: Congress to instruct CA to develop governance framework, including conditions for WPSP platform access, questions concerning funding; CA would be instructed to monitor the implementation of the Congress resolution; POC instructed to establish a USB (user funded) to develop IFA and model contract;

Impact assessments: 2025 Congress proposals would need to be informed by impact assessments (positive and negative impacts, including on QSF contributions) and take into consideration any information that is shared on the basis of voluntary pilot testing (no Congress authorization needed);

Outcomes



Package 1A

Interoperability model 1: Direct Entry Model

Legal instruments to give effect to interoperability

IFA (Interoperability Framework Agreement)

Standardized framework for WPSP and DO exchanges of tracked small packet items.

IFA specifies:

- Format and product specifications (tracked small packets)
- Operational processes (identifiers)
- Data to be exchanged (EDI)
- Forms, labels and statements
- Governance (data-sharing, data-protection, liability, dispute settlement, ..)

(Model) Contract

Legal obligations of each contract party. The contract refers to the application of IFA although contracting parties may agree to specify amendments, exceptions and additional conditions to the IFA.

Remuneration to be agreed between the contracting parties and included in the contract.

UPU to provide a model contract. Actual contracts are confidential.

National law and regulatory frameworks

Interoperability and related operational activities furthermore subject to national legislation and regulatory requirements

Outcomes



Package 1A

Interoperability model 2: Transport Interoperability and Interconnectivity Marketplace

Leg 1

Collection



Sorting



OE/ Facility



Leg 2

Transport



Leg 3

Customs



OE/ Facility



Sorting



Delivery

Model where designated operators and the wider postal sector players can interoperate and interconnect through a transport marketplace (TIIM)

TIIM, once implemented, would become UPU's leg 2 marketplace services that brings together demand and supply of international transport services of postal or commercial items

TIIM is essentially a platform-based IT system that consolidates all relevant information behind specific data points in terms of mail transport demand and supply of the cargo capacity offered by certified UPU partners

All modes of transport, i.e. international road, rail, sea or air cargo/ freight services
TIIM to provide capabilities to book, schedule and track consignments

Outcomes



Package 1A

Interoperability model 2: Transport Interoperability and Interconnectivity Marketplace

TIIM to provide more transparency in leg 2 transport services and empower DOs to identify alternative leg 2 service providers and achieve cost efficiencies or quality improvements;

UPU certification required for platform participants (WPSPs providing transport/ logistics services) to ensure that services offered are compliant with the requirements of international mail handling

- WPSP has the capacity to exchange data with UPU systems;
- WPSP shares all information on their available routing (capacity, frequency, schedule, destinations, rates...);
- WPSP is compliant with minimum UPU standards on transport (2023 EC to instruct the POC to develop a **Transport Framework Agreement (TFA)** as a compliance guide that sets out all required processes, forms and documents for providing UPU-certified transport services);
- WPSP accepts payment for mail transportation costs based on weight rather than volumetric space;
- WPSP is prepared to sign Transport Framework Agreement (TFA)

Interoperability model 3: First Mile Injection Model



▶ Sorting



Sorting



OE/ facility



Leg 2

Transport



Leg 3

Customs



OE



Sorting



Delivery

PTC already provides extensive integration possibilities with UPU technology

Outcomes



Package 1A

Interoperability model 3: First Mile Injection Model

Implementation concepts

Access and service management tools: IT tools and policies to implement a minimum set of acceptable criteria to access the UPU technology solutions

Postal service information: relevant information (i.e. info about UPU products and services offered, delivery standards, policy for returns, customs and other charges) to be provided including after-purchase information (prediction on delivery time)

Postal operations: series of APIs in relation to business actions such as: track & trace; shipping information; payments information; settlement procedures, and; addressing;

Onboarding toolkit: each WPSP to access toolkit of business, functional and technical information to successfully connect with the platform of the postal operator

WS 2 Process up to the EC



- At S3, CA endorsed the conclusions and recommendations on the technical review (WS 2) contained in CA 2023.1-Doc 10.
- At S3, CA members requested the inclusion of:
 - a clear role for the CA to monitor the overall implementation of the resolution in regard to the WS2-related future work; and
 - the reciprocity principle to be emphasized and applied to DOs and WPSPs, where appropriate, in all three interoperability models to be submitted to the EC.
- After S3, recommendations and conclusions endorsed by the CA at S3 contained in Annex 2 of CA 2023.1 Doc 10-Annex 2 (and respective attachments) were brought into the draft Congress-Doc 4-Annex 2 (and respective attachments) which were subsequently translated into a draft Proposal of a General Nature 03 (draft Congress resolution) which includes instructions to the CA, POC and IB.

WS 2 Process up to the EC



- After S3, the Taskforce on the Opening Up (TF) carefully reviewed the documents and proposals (related to all 3 workstreams) and brought clarifications in relation to the scope of the future work, its financing, timeline and expected outcomes as shown on the draft PGN 03 and its Program and Budget Impact (PBI) statement.
- The main clarifications made concerned:
 - That the substantive work on the development of the proposals in relation to all three interoperability models are to be conducted by a user-funded subsidiary body (USB), entirely extra-budgetary and voluntary funded;
 - No work will start prior to the creation of the USB and that the work will only be conducted if funding is secured;
 - Member countries, DOs and other stakeholders are invited to contribute in-kind and other (non-monetary) support to reduce any costs associated with the implementation of the Congress resolution;
 - The funding of the development of the three interoperability models shall exclude any contributions from the QSF (Quality of Service Fund);
 - The POC/CA to develop the specific details of the USB after the 2023 Extra-ordinary Congress (terms of reference, composition and funding mechanism of the USB) – proposal for USB to be submitted to CA in S5 for approval

WS 2 Process up to the EC



Proposal of a General Nature 03

Overall aim

- Development of proposals to the 2025 Congress that will enable further interoperability and interconnection between DOs and WPSPs on the basis of harmonized standards and technical solutions developed by the UPU bodies and implemented by DOs and WPSPs on a voluntary and reciprocal basis.

WS 2 Process up to the EC



Proposal of a General Nature 03 – Roles of the UPU bodies

POC and CA

The councils, with support of the IB and member countries, to work jointly on developing the following proposals for the 2025 Congress:

- proposals that include a ready-to-market **interoperability framework agreement (IFA) and model contract**, as described in Congress–Doc 4.Annex 2.Attachment 1;
- proposals that include a ready-to-market **transport interoperability and interconnection marketplace**, supported by a transport framework agreement, as described in Congress– Doc 4.Annex 2.Attachment 2;
- Proposals for a **first mile injection model based on a standard interface**, as described in Congress–Doc 4.Annex 2.Attachment 3;

The substantive work (specifically the technical and operational work) to be conducted by a user-funded subsidiary body (USB) of which funding is entirely voluntary and extra-budgetary (i.e. no funding from the UPU regular budget)

WS 2 Process up to the EC



Proposal of a General Nature 03 – Roles of the UPU bodies

CA

- examine and approve the establishment of a **user-funded subsidiary body**, funded by extra budgetary resources;
- **monitor** the overall implementation of this resolution and provide feedback to the POC and the IB on the implementation;
- submit to the 2025 Congress a full **programme and budget statement** specific to the extrabudgetary activities;
- develop a broad set of **principles** to be proposed to the 2025 Congress to guide the continued work on the development and implementation of standardized framework agreements and model contracts;
- conduct an **assessment** of the regulatory and market impacts of the proposals to be submitted to the 2025 Congress

WS 2 Process up to the EC



Proposal of a General Nature 03 – Roles of the UPU bodies (contd.)

POC

- review and develop proposals for an Interconnectivity Framework Agreement (IFA) to be submitted to the 2025 Congress, with specific **operational and technical aspects** of that agreement;
- review and develop proposals for a transport interoperability and interconnection marketplace (TIIM) to be submitted to the 2025 Congress, with **a set of elements** covering database, Transport Framework Agreement (TFA) and a certification process for cargo/commercial freight service providers;
- propose the creation of a **user-funded subsidiary body**, including its Rules of Procedure (RoP), structure and funding model;
- conduct a feasibility study of the transport interoperability and interconnection marketplace and first mile injection model;
- conduct a complete assessment of the costs of development, maintenance and management by the **IB** on the implementation;
- conduct an assessment of the operational and financial impacts on **DOs** of the proposals to be submitted to the 2025 Congress

WS 2 Process up to the EC – PBI Statement



Proposal of a General Nature (PGN) 03 – Implementation (programme and budget)

User-funded subsidiary body (USB) to be set up by S5

2024 at S5

- Activities to be funded entirely through voluntary funds; [\[1\]](#)
- Totaling CHF 609'000 should be guaranteed and available to cover 24 P, 6 G and Consultant [\[2\]](#)
- POC to explore means to reduce the costs associated with the operational, commercial, technical and economic activities falling within the remit of the PGN 03 by relying on in-kind support from member countries, wider postal sector players and/or designated operators, for example in terms of making available human resources, technology solutions and/or any other type of contributions that could lead to the desired outcome but at a reduced cost.

[\[1\]](#) If funding not guaranteed, resolution will not be implemented

[\[2\]](#) If recruitment and start date before S5 of 24 P, 6 G and Consultant not guaranteed, resolution will not be implemented

WS 2 Process up to the EC – PBI Statement



Proposal of a General Nature (PGN) 03 – Implementation (programme and budget)

Proposals to be developed by the USB

By 2025 Congress

- Proposal for an **Interoperability Framework Agreement (IFA) and model contract**
- Proposal for an **transport interoperability and interconnection marketplace (TIIM)** supported by a Transport Framework Agreement (TFA)
- Proposal for a **first mile injection model based on a standard interface**
- Full cost assessment and detailed programme and budget statement specific to the extrabudgetary activities to be proposed to the 2025 Congress
- The PBI statement includes a list of deliverables that further detail to the activities and timeline to conduct the work until the 2025 Congress



Workstream 3: Reform as a continuum

Context and timeline



Initial thoughts

Need to look at reforms holistically and in light of broader sector trends

In March 2022, TF members discussed a potential process for WS3



Substantive discussions

Substantive discussions held in dedicated WS 3 meetings in March 2023

Agreement on onboarding deprioritised packages from WS 2

Envisaged process lays out a timeline for reform to the Dubai Congress



CA approval

CA approved the approach and way forward at its May 2023 session



Post-CA progress

Two TF meetings in June-July 2023 to agree on recommendations to CA and thereafter Congress

Documents to be endorsed by CA Chair for submission to the fourth Extraordinary Congress



Fourth Extraordinary Congress

Congress to consider Doc 04. Annex 3, PGN 04 and its related PBI statement

Purpose of WS3



Overall objective

Help ensure that the UPU remains fit for purpose to support its member countries and key stakeholders, capitalize on global opportunities, and respond to changing market, business, citizen and government needs.

Overall outcome

Enable member countries to set out a vision of what the UPU of the future should be, and establish the roadmap as well as allocate the resources needed for the UPU can get there.

Work Axes



Axis 1

Keeping the Union future ready

Axis 2

Further institutional reform

Axis 3

Treaty frameworks & member country obligations

Axis 4

Development of WS2 work packages and additional products and services

Work Axes

Axis 1



Keeping the Union future ready



Continuous **trend monitoring, analysis, and benchmarking mechanism**



Supported by **research by the IB, knowledge partners, academia,** and insights generated by the **CA body responsible for strategic planning.**



Timeline: Part of the ongoing core work of the UPU, with certain deliverables tied to specific Congresses

Work Axes

Axis 2 Further institutional reform



Enhancing UPU's value add to the postal sector

- Identify and explore areas to focus efforts on for the future of the postal sector
- Evaluate extent to which industry stakeholders are effectively involved in UPU work
- Assess, on an ongoing basis, the most appropriate institutional governance framework
- Define broader logistics services objectives within the UPU context
- Continually monitor, assess, and recommend how best to provide broader logistics services as part of the single postal territory



Timeline: Part of the ongoing core work of the UPU, with certain deliverables tied to specific Congresses

Work Axes



Axis 3

Treaty frameworks & member country obligations



Axis 3 will, *inter alia*, take on recommendations coming from Axes 1 and 2 to:

- **examine** the existing UPU treaty frameworks
- **ensure that they are fit for purpose** and meet the needs for a future ready UPU

Objectives of the Axis could include, but not limited to:

- assessing and updating UPU treaty frameworks;
- evaluate updates to members' existing treaty obligations;
- proposals to calibrate the treaty frameworks.



Timeline: Part of the ongoing core work of the UPU, with certain deliverables tied to specific Congresses

Work Axes

Axis 4



Development of WS2 work packages and additional products and services



Examine concrete measures to **develop two packages** that were deprioritised by **Workstream 2**; and examine additional products and services.

CA

- Develop **package 4 (research and communication)** as well as possible proposals for consideration by the Dubai Congress
- Identify and develop packages for **access to additional Products and Services**



Timeline: Packages from WS2 will be presented to the 2025 Congress for a decision, with milestones also planned for future Congresses.

POC

- Develop **Package 1B (operational excellence)** as well as possible proposals for consideration by the Dubai Congress
- **Time lag:** Package 1B can only be developed after Package 1A (interoperability/interconnection) is fully developed, ready for implementation, and potentially tested in operations.

WS 3 Proposal to the EC – PBI statement

Proposal of a General Nature (PGN) 04 – Implementation (programme and budget)



Establishing an appropriate, standing body reporting to the CA Plenary

- Proposed body is expected to **work closely with other relevant bodies of the Union as appropriate.**
- Regular budget resource request to guaranteed and make available **one mid-level professional position for 24 months** (till 2025)
- Total regular budget request of CHF 391,200^[1].
- Without regular budget funding, these deliverables **cannot be executed** - however, it can still be executed with **extrabudgetary funding**, should member countries decide to invest.

Proposals to be developed

- **By 2025 Congress**
 - undertake the tasks related to Axes 1, 2, 3 and 4, with tasks related to Axis 4 split between CA and POC;
 - deliver a first set of proposals accompanied by impact assessments, as appropriate, for the consideration of the 2025 Congress in Dubai and potential proposals to subsequent Congresses as given in Congress-Doc 4. Annex 3.

^[1] If funding not guaranteed, resolution will not be implemented



Thank you



FOURTH EXTRAORDINARY CONGRESS

“Postal Financial Services Package”

Documents



The future of postal financial services and amendments to the Postal Payment Services Agreement (PPSA) - Report of the Postal Operations Council

Resolution 5

Further work on the Union's legal framework associated with postal payment and other postal financial services

Resolution 6

Creation of a UPU advisory knowledge centre for postal payment and other postal financial services

Amendments to the PPSA

Context



Digital disruption and emerging of new financial services

Study to develop the UPU's Vision 2030 for postal financial services

Task force on postal financial services (PFS) in relation to the UPU's Vision 2030

Report of the Postal Operations Council : Congress Doc 5



**A roadmap
with concrete
proposals on
the way
forward in re-
centering the
role of the
UPU**

UPU a facilitator of financial
inclusion and financial
services provision by DOs

The interconnection of postal
networks and their opening
up to wider postal sector
players (WPSPs)

UPU Vision 2030 for Postal Financial Services



Identified areas of improvement by Study and POC C4 Expert Team

Enhancement of the existing PPSA and UPU operating model

Improvement of knowledge sharing

Diversification of the existing UPU offering through new partnerships and funding models

Provision of customized technological solutions, advisory services and technical assistance

Strengthening the voice of Posts in postal financial services policymaking

UPU Vision 2030 for Postal Financial Services



Access for WPFSPs

Modalities



STEP 1 – Extraordinary Congress

Network interconnectivity

- Interconnections and mobile applications
 - Extension of the payments network by defining the requirements (technical, operational and legal) for the zone of interconnection

Extension of the network

(see Congress proposals 40.2.1, 40.8.1, 40.9.1, 40.10.1, 40.11.1 and 2, 40.12.1, 40.13.1, 40.13.2, 40.17.1, 40.25.1 and 40.26.1).

Access for WPFSPs

Modalities



STEP 2 – Dubai Congress

Broader access

- New definition of network participant:
→ DOs and WPFSPs with common rules and regulations

Full PPS offer
guarantee
across the
entire
network

Broader access



Principles

- **Review the existing PPSA** diversifying the scope of the services defined
- **Develop a contractual framework** / licensing requirements or certification mechanism for the connection of WPFSPs
- Have the **PPSA a truly multilateral** one-time sign-off agreement
- **Extend the** centralized UPU technical architecture (**UPU-IP**), **with** solutions for money transfer and **other financial services**

**Dubai
Congress**

Full PPS offer
guarantee across
the network

Further work on the Union's legal framework associated with postal payment and other postal financial services

(Proposal of a general nature 05)



Instructs

The International Bureau to

- develop contractual, licensing and/or certification mechanism
- extend the Union's centralized technical architecture

The POC and CA to

- review the Union's legal framework to address the gaps, removal of outdated elements and adoption of a more flexible approach
- foster development of a multilateral "one-time sign-off" legal framework

Programme and budget impact statement

(Proposal of a general nature 05.Annex 1)



5 outputs

A

Development of contractual framework, the draft agreement template for other financial or payment services with non-postal payment service providers following the Riyadh amendments to the PPSA

Financed using current resources - subject of an existing and approved work proposal (1.2.11) of the Abidjan Business Plan

B

Review of the existing UPU treaty framework dealing with postal payment services and submission of proposed revisions to the Dubai Congress

Additional regular funding is required - technical, market and regulatory expertise

Programme and budget impact statement

(Proposal of a general nature 05.Annex 1)



5 outputs

C

Draft contractual framework/licensing of wider postal financial service players (WPFSPs)

Additional regular funding is required - technical, market and regulatory expertise

D

Draft WPFSP certification mechanism

Additional regular funding is required - technical, market and regulatory expertise

E

Extension of the centralized UPU technical architecture with real-time connectivity for the connection of WPFSPs offering solutions for money transfers and other financial services

Financed by voluntary contributions as it is a demand-driven activity

Programme and budget impact statement

(Proposal of a general nature 05.Annex 1)



Regular budget

154 300 CHF (6 P + 5 G)

Extra-budgetary

331 100 CHF (16.5 P + 5.5 G)

150 000 CHF (IT developments)

Totals: 635 400 CHF

Regular budget:

154 300 CHF

Extra-budgetary:

481 100 CHF

Creation of a UPU advisory knowledge center for postal payment and other postal financial services

(Proposal of a general nature 06)



Creation of the UPU advisory knowledge center

- Advisory platform for knowledge-transfer for DOs and governments
- Overview on regulatory frameworks and the latest trends
- Best practice think-tank for DOs and private companies with network members



Develop a work plan and budget for the centre in consultation with member countries and stakeholders

Creation of a UPU advisory knowledge center for postal payment and other postal financial services

(Proposal of a general nature 06)



Instructs

**The
International Bureau
to**

- ensure that the IB is equipped with an appropriate administrative structure

**The
POC and CA
to**

- consider the establishment of formal relations with other entities

Programme and budget impact statement

(Proposal of a general nature 06.Annex 1)



5 outputs

A

**Knowledge centre creation –
information gathering**

**Financed using current
resources - subject of an
existing and approved work
proposal (1.1.18) of the
Abidjan Business Plan**

B

**Knowledge centre creation –
development of knowledge
centre system/database**

**Need investment in
appropriate IT systems and
tools – extra budgetary
resources**

Programme and budget impact statement

(Proposal of a general nature 06.Annex 1)



5 outputs

C

Production and dissemination of research, studies and analytical tools on postal financial services

Additional regular funding is required

D

Capacity building (provision of training, TA and advisory services)

Funded by extrabudgetary resources and voluntary contributions, as demand-driven activities

E

Securing of funding for knowledge centre activities

Financed using current resources

Programme and budget impact statement

(Proposal of a general nature 06.Annex 1)



In case additional regular budget funding is not secured, all of the outputs proposed to be financed by regular budget will be predicated on extra-budgetary funding only.

This means that work on these outputs will only be undertaken when such extra-budgetary funds become available



THANKS



A Green Package for the Extraordinary Congress

Supporting climate action by the postal sector

Climate Context



Global policies

- Paris Agreement (Climate)
- UN 2030 SDG Agenda

National context

- National climate plans and policies
- Commitments from the private sector

C 17/2021 Resolution

- Strategic focus on climate change
- Mandates towards mitigation and adaptation

Market dynamics

- Postal stakeholders taking climate action

Evolution in the UPU

- The Task Force on the Opening Up of the UPU to Wider Postal Sector Players

What does this mean for the Extraordinary Congress?

An integrated “Green Package” for the EC



1. Report and recommendations on feasible voluntary global carbon emission **targets** for the UPU (mandated by C 17/2021).
2. Practical action for designated operators to: adapt to climate change, reduce greenhouse gas emissions, and develop new postal climate services. Increased climate finance, capacity building, and technology transfer in the form of a **UPU climate facility**
3. Voluntary **sectoral pledge** towards climate action
4. Strengthen connections between the climate action and **wider access** agendas of the UPU

1. Voluntary global UPU targets for greenhouse gas emissions



Principle

- It is considered realistic for all DOs to be able to support a long-term global UPU emission reduction target for 2050.
- In the light of the urgent global need for climate action, additional earlier targets could serve as important milestones. The results of the 2023 UPU Climate Action Survey indicate that a global reduction of X% in UPU emissions by 2030 is considered technically feasible.
- However, recognizing that some DOs with significant emissions still face challenges in data collection, and the practical implications this has for monitoring progress, any targets for 2030 would need to be decided at an individual or group level.

Decides

Proposed Congress resolution

- to adopt a voluntary global scope 1 and 2 emission reduction target of X% by 2050, against the 2021 baseline, covering total emissions from all DOs;
- to adopt a tiered approach to target setting, where each DO can choose to join a tier that reflects its current capabilities and ambitions for climate action;
- to adopt a collective emission reduction target of X% by 2030, against the 2021 baseline, for total scope 1 and 2 emissions for Tier 1 DOs

1. Voluntary global UPU targets for greenhouse gas emissions

– a tiered approach



- It is recognized that the capacity and level of financing required for making individual emission reduction commitments for 2030 and 2050 will vary between DOs. It is therefore proposed that the UPU adopt a tiered approach to target setting as follows:

Tier 1 DOs	Tier 2 DOs	Tier 3 DOs
<ul style="list-style-type: none">Established mechanisms for measurement monitoring and reductionExisting plans for implementationMake firm commitments to an individual 2030 targetCommit to publishing an individual 2050 target	<ul style="list-style-type: none">Commit to publishing individual emission reduction targets for 2030 and 2050Offered support in capacity building, climate financing, and technical assistance	<ul style="list-style-type: none">Ready to work towards a long-term commitments for 2050Offered extensive support in terms of financing and technical assistance to build their capacities

2. Enabling Climate Action: Mitigation, Adaptation and Finance



UPU Climate Facility

Providing systemic and institutional support

Climate Finance

Match the demand with the sources of finance

2023-2024 activities

- A pilot climate finance group
- Sectoral guide to climate finance
- UPU as a climate finance provider and administrator

Climate knowledge hub

Capacity building and technology transfer

2023-2024 activities

- Knowledge gap identification
- Expert pool
- Assessing Knowledge management solutions
- Knowledge community engagement

Secretariat services

Facilitate policy engagement in multiple domains

2023-2024 activities

- Engagement with key players of global climate policies
- Supporting events, communications and institutional collaboration

3. A sectoral pledge towards climate action



Principle

- Establishing core principles for climate action by the postal sector promotes collaboration, improved visibility, and increased credibility.

Proposed Congress resolution

Invites DOs, governments and WPSPs

- to sign the postal climate transparency pledge to communicate their postal climate transformation strategy and intended actions

2. Enabling Climate Action: Mitigation, Adaptation and Finance



Principle

- Formalizing support for climate action in a systemic and institutional manner

Proposed Congress resolution

Instructs the IB to

- create a climate facility for DOs and other postal sector entities to improve access to climate finance, capacity building tools, technology transfer and a supportive policy environment, in a systemic institutional manner

3. Voluntary pledge document for postal stakeholders



<input type="checkbox"/> Ministry	<input type="checkbox"/> Designated operator	<input type="checkbox"/> Regulator	<input type="checkbox"/> Other
<p>will support climate action by the postal sector through the following commitments:</p> <p>[Before signing, please edit the text below to retain only the relevant individual commitments]</p> <p>[For UPU designated operators and wider postal sector players]</p> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">to publish individual scope 1 and 2 emission reduction targets for 2030 and 2050, and to periodically report these to the UPU International Bureau</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">to identify, implement and disclose a roadmap for key climate activities</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">to disclose the results of climate actions in a quantified manner</div> <div style="border: 1px solid black; padding: 5px;">to identify and communicate “green revenue” business models and increase the share of this revenue</div> <p>[For government ministries and regulators with a mandate to support either climate action or the postal sector]</p> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">to enhance climate policy engagement and improve the regulatory environment for climate action by postal sector players</div> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"><div style="display: flex; justify-content: space-between;"><div>Full name</div><div><input type="checkbox"/> Mr <input type="checkbox"/> Ms</div></div><div style="border-top: 1px solid black; padding-top: 5px;">Position within organization (Minister/Chair of Board/Managing Director/CEO)</div></div>			

4. Greening the wider access agenda



Principle

- The wider access agenda of the UPU provides new opportunities for advancing climate action.

Proposed Congress resolution

Invites DOs and WPSPs

- using UPU products and services to share with the UPU any climate-relevant data generated as a result

Instructs the IB to

- screen all products and services under review for opening to WPSPs, and report to the CA on improving their climate performance

Invites WPSPs that are members of the CC to

- share or co-develop climate tools, case studies or business models with the UPU;
- make financial contributions to UPU climate initiatives



THANKS



Reservation procedures to the Acts of the Union

Vienna Convention on the Law of Treaties (VCLT)



The relevant provisions of the Acts function as the primary source of law



VCLT applies in the case the primary source of law is not sufficiently clear

The proposal

- Removing the precondition of amending an article, before a reservation to that article can be proposed



FOURTH EXTRAORDINARY CONGRESS

Rules of Procedure of Congresses – Proposal

XX.XX.X

Article 26
Reservations to Acts

NORWAY

Amend § 1 as follows:

- 1 Reservations to the Acts of the Union ~~shall~~ must be submitted in the form of a proposal to the Secretariat in writing in one of the working languages of the International Bureau (proposals concerning the Final Protocol), ~~as soon as possible after adoption of the proposal concerning the article to which the reservation refers.~~
- 2 To enable it to distribute proposals concerning reservations to all member countries before adoption of the Final Protocol by Congress, the Secretariat shall set a deadline for the submission of reservations and notify member countries of it.
- 3 Reservations to the Acts of the Union submitted after the deadline set by the Secretariat shall not be considered by the Secretariat or by Congress.

Reasons. – The proposed removal of the last sentence in § 1 aims to rectify an unintended consequence associated with reservation procedures following the adoption of the permanent character for all Acts of the Union, by removing the precondition of Congress adopting a proposal concerning an article before a reservation can be proposed by member countries.

The proposed amendment entails that, henceforth, reservations may be proposed at any Congress (including Extraordinary Congresses if the schedules of the latter so permit).



THANK YOU