

EXECUTIVE COUNCIL 2024

Budget for the Consultancy Section (CS)/RTCAP for 2025

Memorandum by the APPU Bureau

1. Subject	References/paragraphs
Informing the EC on: <ul style="list-style-type: none"> - Background of the Consultancy Section/RTCAP - Budget of the Consultancy Section/RTCAP for 2025 - Estimated balance of the RTCAP Special Activity Fund for 2025 	§ 1 § 5 § 6
2. Decisions expected The EC is asked to: <ul style="list-style-type: none"> - approve the estimated budget for the Consultancy Section for 2025 - approve the estimated balance of the RTCAP Special Activity Fund for 2025 	§ 5 § 6

1. Background

1.1 The entity was initially set up by the UPU (1995) as RSCAP (Regional Support Centre for Asia and Pacific). Its purpose was to support the UPU's Telematics Project, with a broad role of developing and implementing the Telematics Project at the regional level.

1.2 In 2007, the UPU Postal Technology Centre (PTC) reorganized its support services. A Global Support Centre (GSC) was established in Montevideo, Uruguay. In 2008, the GSC took over providing the hotline support services that RSCAP had provided up until April 2008.

1.3 With the establishment of the GSC, the residual tasks for RSCAP were technical expertise and assistance to countries on PTC systems (IPS, IFS). This technical support might comprise the deployment of experts and follow-up and training missions for the PTC in the region. The change from support services to technical services was reflected in the change of name to RTCAP.

1.4 Proposal to relocate RTCAP to Bangkok was made during the EC in 2019 and the relocation was completed in 2020.

2. Decisions made during the 2022 EC

2.1 A review of the value and direction of the RTCAP/ Consultancy Section was undertaken during the Constituent EC of 2022. Following a consultation process in 2022 and as approved vide EC 2022 Doc 5 and Doc 5 Appendix 1, there was support from the members for the two-year assignment involving an enhanced role for the RTCAP/ Consultancy Section.

2.2 Following this, the enhanced Consultancy Section started functioning in the APPU Bureau in January 2023. The budget for the 2-year Section was laid down in Table 2 of EC 2022 Doc 5 which projected an estimated expenditure of USD 186,500 over the period of 2 years. The document was taken note in the EC with comments from member countries as explained in the EC minutes.

3. Budget for 2023

3.1 RTCAP Income and Expenditure for the year 2023 are tabulated in the two tables as below:

(i) The 2023 RTCAP voluntary contributions were USD 78,303.62 as shown below.

2023 Voluntary Contributions	Total (USD)
Bhutan	481.24
China	22,960.50
Fiji	460.00
India	4,977.52
Japan	40,000.00
Laos	492.08
Nepal	488.80
Philippines	982.13
Singapore	5,000.00
Thailand	1,500
Vietnam	961.35
Total	78,303.62

- (ii) The 2023 RTCAP expenditure was USD 94,016.35. This was USD 15,715.73 more than the USD 78,303.62 received in voluntary contributions in 2023. The deficit was adjusted from the Union's Special Activities Fund (SAF) and the balance of the RTCAP SAF as of 31 December 2023 was USD 184,464.08.

2023 Expenditures	Total (USD)
Staff Salary	85,920.00
Medical Insurance	870.57
Telecommunication / Postage	19.73
Bank charge	66.03
Retirement benefit	7,139.00
Due from APPU	1.02
Total	94,016.35

4. Expenditure in 2024

4.1 The projected income for the year 2024 is USD 80,500 from the voluntary contributions and approximately USD 20,000 from the management of projects. The estimated expenditure for the year is USD 99,179. There is no deficit projected for the year 2024 and the SAF balance will remain USD 184,464.

5. The estimated budget of the Consultancy Section for 2025

5.1 The activities of the Consultancy Section will be extended until December 2028 subject to the approval of EC 2024 Doc 21. In the anticipation of approval, the following budget for 2025 has been prepared.

5.2 Estimated income for the year 2025 is as tabulated below:

Contributor	Voluntary contribution (USD)
Bhutan	500
China	23,000
Fiji	500
India	5,000
Japan	40,000
Laos	500
Nepal	500
Philippines	1,000
Singapore	5,000
Sri Lanka	2,000
Thailand	1,500
Vietnam	1,000
Total income	80,500

5.3 The projected expenditure of the Consultancy Section for 2025 is as below:

Item	Cost (USD)
Salary and allowances ¹	90,360
Retirement fund (3 rd year) ²	7,530
Insurance	1,500
Bank charge	200
Total expenditure	99,590

5.3 The estimated budget of the Consultancy Section for 2025 would have a deficit of 19,090 USD. This amount will be covered mainly by the income generated by managing projects in the region. The deficit, if any, will be covered by the Special Activities Fund for 2025.

6. The estimated balance of the RTCAP Special Activity Fund for 2025

6.1 The balance of the RTCAP Special Activity Fund as of 31 December 2023 was USD 184,464 as shown in the audit report³. With no projected deficit in 2024, the SAF balance shall remain the same in 2024.

6.2 As mentioned in para 5.3 above, the approach will be to fund the shortage through project management. However, in a scenario where there is no income from the projects, the Consultancy Section will access an amount of USD 19,090 from the RTCAP Special Activity Fund. In such a scenario, the estimated balance of the RTCAP Special Activity Fund would be approximately USD 165,374 by December 2025.

¹ For the 2025 year, The CPI has not been announced yet. The Bureau, therefore calculated the salary excluding the CPI increment. The 2025 actual figures will be adjusted once the CPI announcement is made by the Bank of Thailand (BOT) or Division of Trade and Economic Indices Trade Policy and Strategy Office of the Ministry of Commerce, expected to be in early 2025.

² The retirement fund is computed by multiplying the amount of the last month's salary of each staff member including post adjustment allowance for internationally recruited by the number of years of service, and calculated on the assumption of the retention of the same staff member.

³ EC 2024 Doc 6 Annex 1 – 2023 Audit Report.