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UPU Extraordinary Congress 2018

 Addis Ababa, Ethiopia

 3-7 September 2018





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AGENDA

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Ethiopia: A journey

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Overview of preparations

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Ministerial Strategy Conference



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Ethiopia : A journey



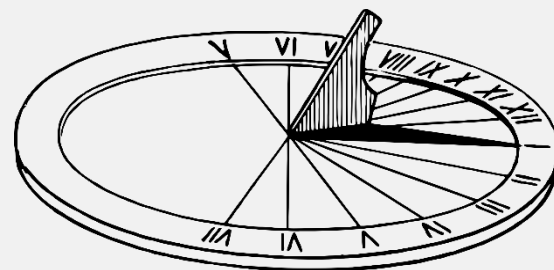
The capital of Ethiopia is Addis Ababa, which means "new flower" in Amharic. The altitude is 2,355m (7,726 ft), making it the 3rd highest capital city in the world.



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Ethiopia : A journey



Ethiopia is known as the Cradle of Mankind, with some of the earliest ancestors found buried in the soil.





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Ethiopia : A journey



Ethiopia is the second most
populous country in Africa



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Ethiopia : A journey

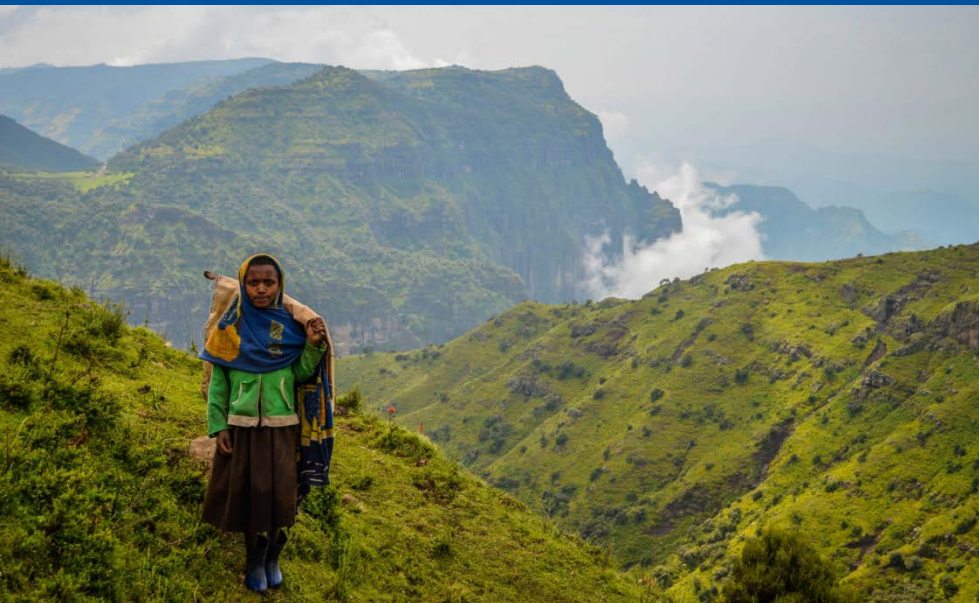
Coffee was discovered in this country in the Kaffa region



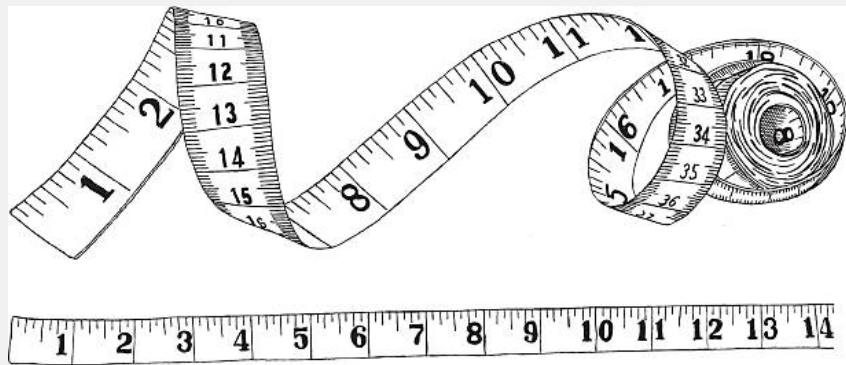


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Ethiopia : A journey



The area of Ethiopia is 1,104,300 sq. km, which makes it approximately as big as France and Spain combined





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Ethiopia : A journey



*Virtual tour: Addis Ababa
Meskel Square*



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Ethiopia : A journey



*Virtual tour: Addis Ababa
Addis Ababa University*



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Ethiopia : A journey



***Virtual tour: Addis Ababa
Yekatit 12 Square***



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Ethiopia : A journey



*Virtual tour: Addis Ababa
International Airport*



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Ethiopia : A journey



*Virtual tour: Addis Ababa
City sights*



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Ethiopia : A journey



*Virtual tour: Addis Ababa
City sights*



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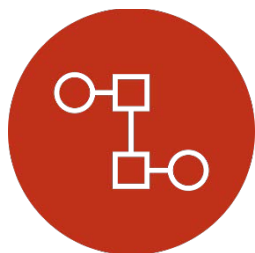
Ministerial Strategy Conference



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Overview of preparations



**PREPARATORY
PROCESS**



**VENUE
& SECURITY**



REGISTRATION



**TRANSPORTATION
& ACCOMODATION**



**COMMUNICATIONS
& BRANDING**

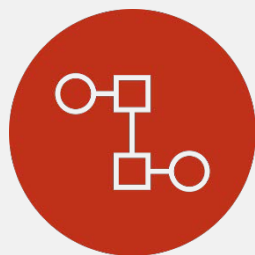


**IT FACILITIES
& SUPPORT**

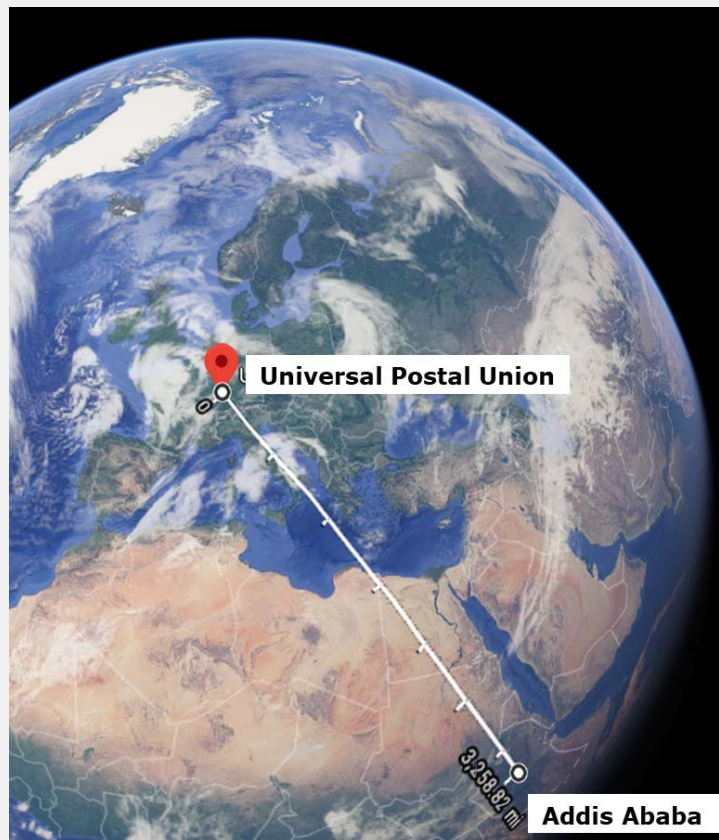


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Overview of preparations



**PREPARATORY
PROCESS**



Five missions have been conducted by the IB and Ethiopia Post in order to prepare the Extraordinary Congress, with a few more expected in the coming months



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Overview of preparations



VENUE
& SECURITY



The venue of the event is the **African Union headquarters**, which accommodates, among other facilities, a 2,500-seat plenary hall and a 20-story office tower

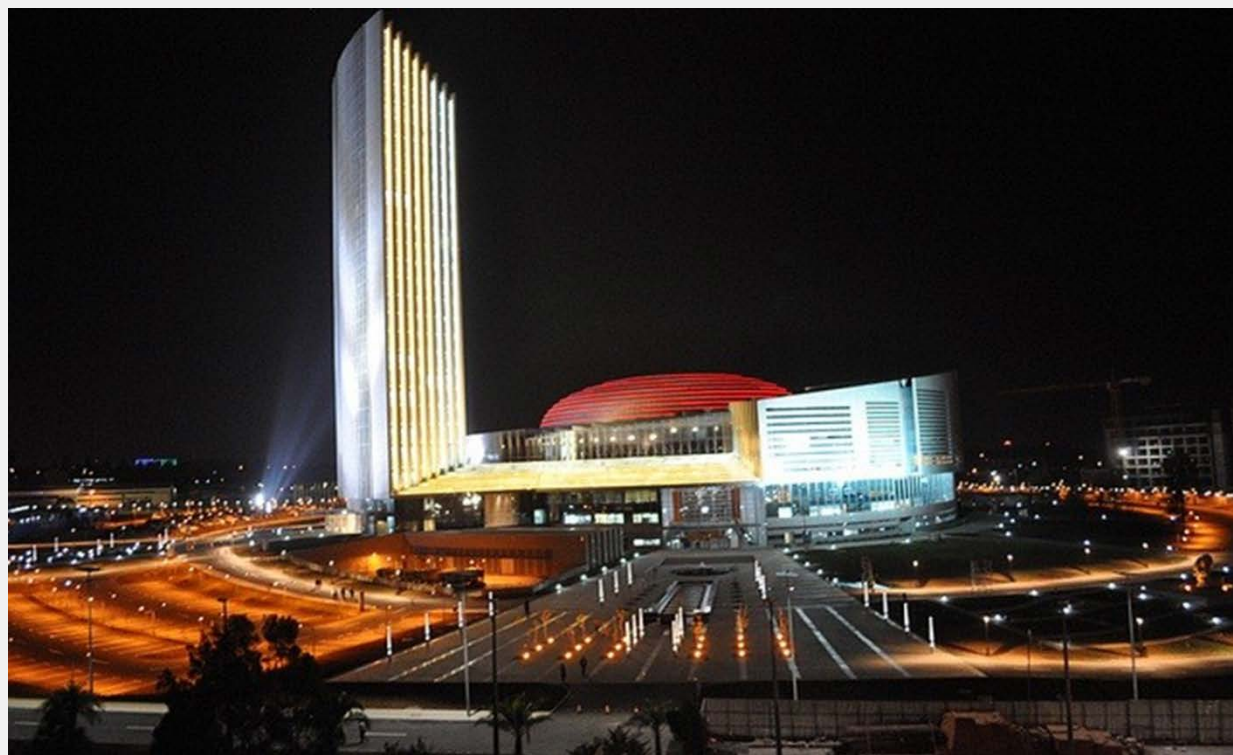


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Overview of preparations



**VENUE
& SECURITY**



Addis Ababa is considered to be a low risk in terms of security threats (Level 2, which is comparable to Switzerland). The African Union Conference Centre is highly secure. All candidate hotels for delegates meet security requirements



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Overview of preparations



REGISTRATION



Invitation letters have been sent to all UPU member countries.
A dedicated registration webpage will be online from early July.



TRANSPORTATION & ACCOMODATION



Addis Ababa is well-connected with multiple major airlines operating in the sector.
Ethiopian Airlines connects Addis Ababa to 56 cities in Africa,
and 44 other cities worldwide



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TRANSPORTATION &
ACCOMMODATION



Sheraton Addis Ababa

- Addis Ababa has many 5-star hotels and other accommodation options. Special prices are negotiated with these hotels
- A list of recommended hotels is available on the UPU Congress website.



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TRANSPORTATION &
ACCOMODATION



Radisson Addis Ababa



- Addis Ababa has many 5-star hotels and other accommodation options.
Special prices are negotiated with these hotels
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TRANSPORTATION &
ACCOMODATION



Intercontinental Addis Ababa

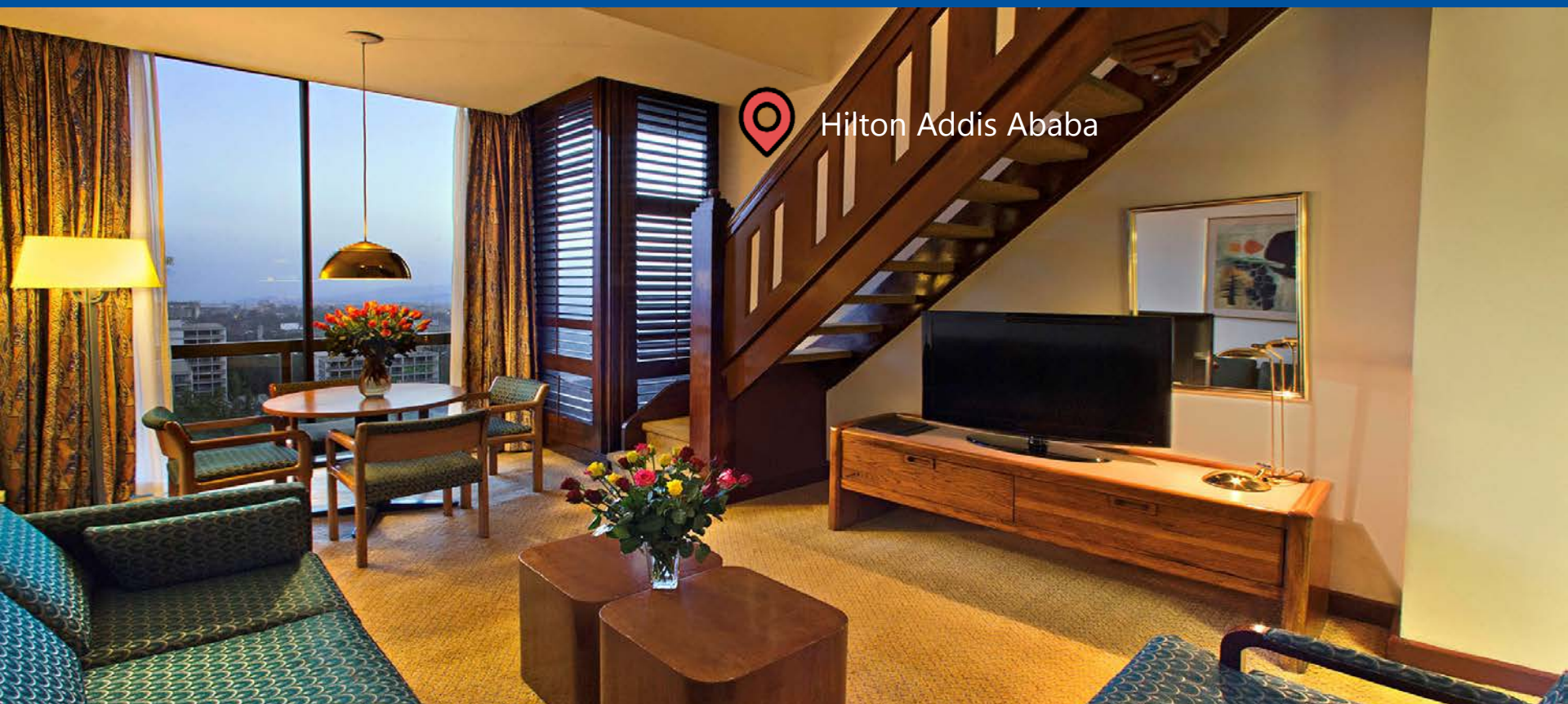
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TRANSPORTATION &
ACCOMMODATION



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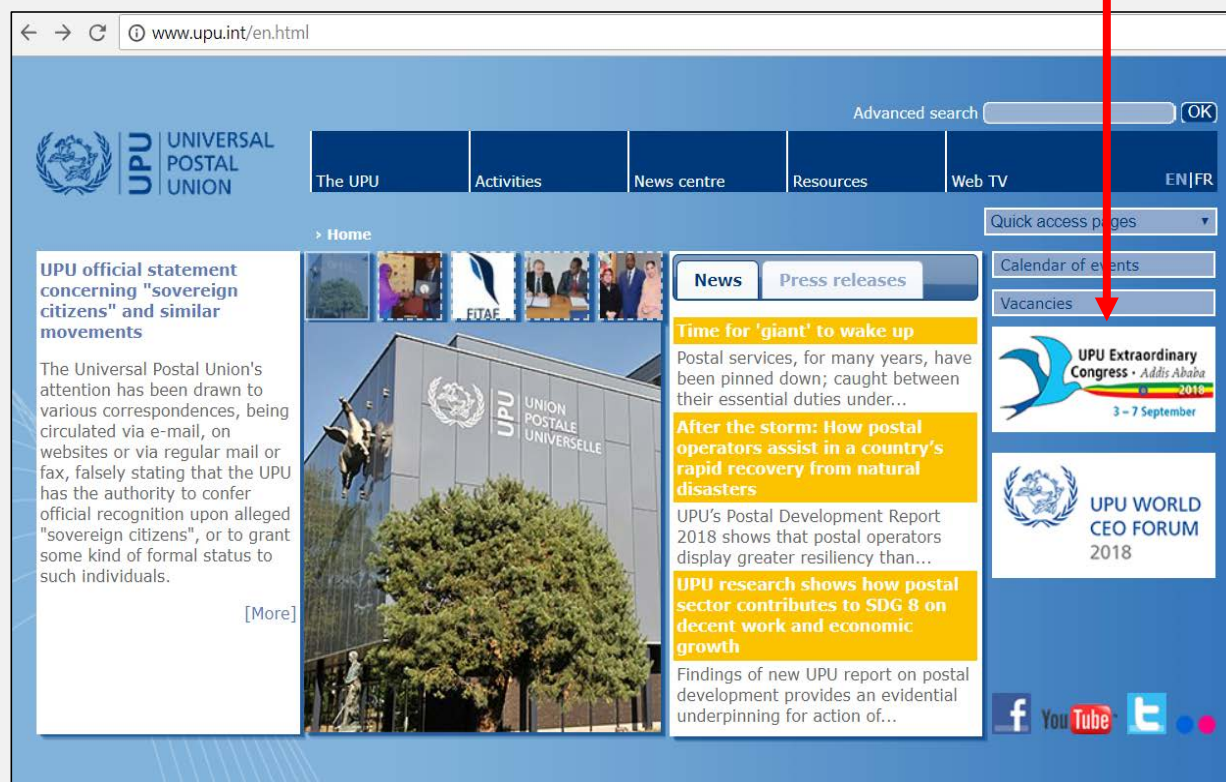


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Overview of preparations



COMMUNICATIONS & BRANDING



A new section on the UPU website provides regular updates, including participation information (invitation letters, hotels, visas) and documents



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Overview of preparations



**IT FACILITIES
& SUPPORT**



UPU IB is working with Ethiopian Post and African Union headquarters to ensure smooth functioning of IT facilities and support before and during Congress



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Ministerial Strategy Conference



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Content and agenda: Recent highlights



UPU DG Bishar A. Hussein signed the Host Country Agreement with Ethiopia's State Minister for Information and Communication Technology, Hon. Efraha Ali Musa, on 12 March 2018



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Content and agenda: Mandate

Istanbul Congress Resolution C 28/2016:

“Organization of an Extraordinary Congress in 2018”

Topics to be covered:

- ✓ Integrated Product Plan
- ✓ Integrated Remuneration Plan
- ✓ Reform of the Union
- ✓ Reform of the contribution system
- ✓ Future sustainability of the Union's Provident Scheme



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Content and agenda: Country proposals

3rd September

Opening of Extraordinary
Congress 2018

2nd July

Deadline for submission of
nine-country proposals
(1 proposing, 8 supporting)

2nd May

Deadline for submission of
three-country proposals
(1 proposing, 2 supporting)

2nd March

Deadline for submission of
single country proposals



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Content and agenda

September 3

**Opening
Ceremony**

**Plenary
Session 1:

Formal
Opening**

September 4

**Plenary
Session 2:

Contribution
system**

**Plenary
Session 3:

UPU Reform**

September 5

**Plenary
Session 4:

Provident
Scheme**

**Plenary
Session 5:

IPP and IRP**

September 6

**Plenary
Session 6:

UPU Reform**

**Ministerial
Strategy
Conference**

September 7

**Ministerial
Strategy
Conference**

**Plenary
Session 7:

Closing
Plenary**





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What is the aim of the Integrated Product Plan (IPP)?

The IPP will help UPU members to develop a fully integrated portfolio of physical products (letter-post, parcel-post, EMS) with adequate and competitive remuneration systems that cover the costs of delivering the products





Implementation process for the Updated IPP to be submitted to the Extraordinary Congress

Implementation of Step 1

September 2016 – Approved by Congress

Implementation date – 1 January 2018

Introduction of classification by content – documents and goods

Application of an S10 barcode to small packets containing goods

Survey on mandatory and optional supplementary services

May 2017 – Survey despatched

Survey sent to all 192 member countries

81 member countries responded (44%)

Survey results fed into product matrices presented to and approved by the 2017.2 POC

The questions of the impact study were derived from and based on the product matrices

Impact Study

November 2017 – Study despatched

Draft Impact Study questions were approved by the 2017.2 POC and comments received from S 2 POC and CA C 2 were also taken into account

Study was sent to all 192 UPU member countries

113 countries (59% of membership, spread across all regions, replied to study

11 product-related recommendations derived from the study results have been incorporated into the Updated IPP

Updated IPP

September 2018 – Updated IPP to be submitted to Extraordinary Congress

Mandate C 15/2016

Following on from the comprehensive review that was carried out anon optional and mandatory supplementary services.

Recommendations are to be made to the 2018 Extraordinary Congress and implemented immediately afterwards in order to modernize them in line with market requirements and objectives of the IPP

Implementation date options to be considered by the Extraordinary Congress

Option 1

Option 2

Product recommendations for
M-bags and
Items for the Blind

Recommendations submitted to
Extraordinary Congress 2018
Implementation: 1 January 2020

Recommendations submitted to
Extraordinary Congress 2018
Implementation: 1 January 2020

Recommendations regarding
add-on services

Recommendations submitted to
Extraordinary Congress 2018,
consequential proposals to 2020
Congress
Implementation: 2022

Recommendations submitted to
Extraordinary Congress 2018,
consequential proposals to 2020
Congress
Implementation: 2022

Product recommendations for
Tracked service

Recommendations submitted to
Extraordinary Congress 2018
Implementation: 1 January 2020

Recommendations submitted to
2020 Congress
Implementation: 2022

What is the aim of the Integrated Remuneration Plan (IRP)?

1. Modernize, rationalize and integrate the UPU remuneration systems
2. Respond to the current and future changes to the UPU product portfolio (IPP)





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Key topics: Integrated Remuneration Plan

Milestones



Phase I (concluded in Istanbul) – 2018 Istanbul Congress adopted terminal dues reflective of format and content (P/G- and E-format rates for “documents”; and E-format rates for “goods” and small packets).



Phase II (to be concluded in Addis Abba) – with data collected through surveys and the outcomes of studies, the proposal on IRP was endorsed by both POC and CA at S3, and is submitted to the 2018 Congress (including remuneration responses to the IPP proposed new product matrix).



Phase III (to be delivered in Abidjan) – with the 2018 Congress adoption of the IRP, further studies will be conducted accordingly for the development of a proposal on an Integrated Remuneration System (IRS) for 2020 Congress, which will seek the endorsement of POC and CA at S7.



Remuneration responses to the IPP's proposed product matrix

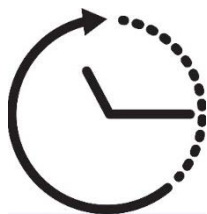
<i>IPP recommendations</i>	<i>Remuneration responses *</i>
IPP recommendation 1 Items for the blind contain goods	Apply E-format rates in the Convention
IPP recommendation 2 M bags containing goods	Apply M bag rates in the Convention
IPP recommendation 3 Tracked service mandatory	Apply SRP conditions and bonuses in the Regulations **
IPP recommendation 4 to 9 Review various add-on services	Rates review to start once product specifications are finalized

* All services of the proposed portfolio have existing remuneration in force until 2021. The implementation of the IRP consist in studying and reviewing the rates of all services for the development of the Integrated Remuneration System (IRS) to be submitted to 2020 Congress

** Participation in the **UPU Supplementary Remuneration Program (SRP)** to be made mandatory



Why is Reform of the UPU needed?



**Faster decision-making
and greater efficiency**



**Equitable representation
of member countries
and regions**



**Effective management
of resources**



**Enhancement of the role
and relevance of the UPU**



UPU Reform timeline

Rio de Janeiro Congress

Discussions on UPU Reform



Seoul Congress

Introduced the current organizational structure i.e. CA and POC with a view to enable UPU to take faster decisions

Bucharest Congress

Adoption of resolution C 54/2004 on UPU Reform

Doha Congress

Adoption of resolution C 26/2012 on UPU Reform



2nd Extraordinary Congress

Consensus proposal to bring both qualified and equitable geographical distribution to POC elections, among other proposals to improve efficiency and representation

1974

1979

1994

1999

2004

2008

2016

2016

2018

Lausanne Congress

Elections to the Consultative Council for Postal Studies (precursor to POC) decided to be on the basis of "as wide a geographical distribution as possible"

Beijing Congress

Adoption of resolution C 105/1999 on UPU Reform

Geneva Congress

Adoption of resolution C 16/2008 on UPU Reform

Istanbul Congress

Resolution C 27/2016 established new working methods to make decision-making processes faster, more efficient and effective





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Key topics: UPU Reform

Proposals to Extraordinary Congress 2018



Intergovernmental nature of the UPU:

UPU should remain an intergovernmental organization and specialized agency of the UN

Decision in 2018
Extraordinary
Congress



Structure of the UPU:

There should be functional separation (and not legal separation) between the governmental and operational pillars

Decision in 2018
Extraordinary
Congress



Pillars:

- * Enhanced authority for governmental pillar on cross-cutting matters
- * Elections: 48 seats and simplified methodology for operational pillar, and 3 additional vice-chairs

Decision in 2018
Extraordinary
Congress



Coordinating Body:

- * Current Coordination Committee should be retained with its existing functions and composition

Decision in 2018
Extraordinary
Congress



Mid-term Congress:

- * Mid-term Congress to be a permanent feature
- * An assessment of the 2018 Extraordinary Congress required to fully ascertain the need

C 28/2016: Issue
to be decided at
2020 Congress



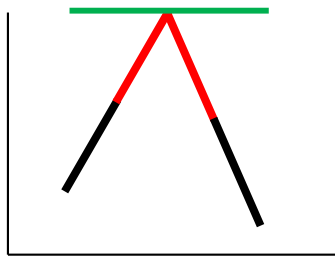
Why is Reform of the Contribution System needed?

- Continuous decline in the number of contribution units (-10% from 1997 to 2017)
- Arbitrary and volunteer funding principle used by UPU no longer provides for a stable, solid and predictable funding base of the Union

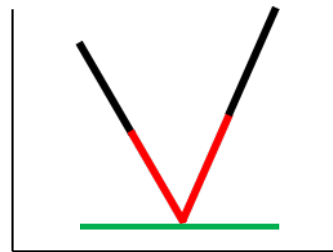
Technical criteria for future model presented to CA:



Fair contribution
minimum



Absolute
cap



Absolute
floor



High debt/
low income adjustment

CA S3 (April 2018): Further consensus required before Extraordinary Congress 2018



Key topics: Reform of the Contribution System

Ten regional focal points have been appointed by CA in order to achieve consensus at the regional level

Chair of Taskforce

Kenya



Group 1: Western Hemisphere



Brazil



Mexico

Group 2: Eastern Europe



Poland



Kazakhstan

Group 3: Western Europe



Spain



Germany

Group 4: Southern Asia and Oceania



P.R.China



Indonesia

Group 5: Africa



Burkina Faso



Tunisia



Key topics: Reform of the Contribution System

Next steps

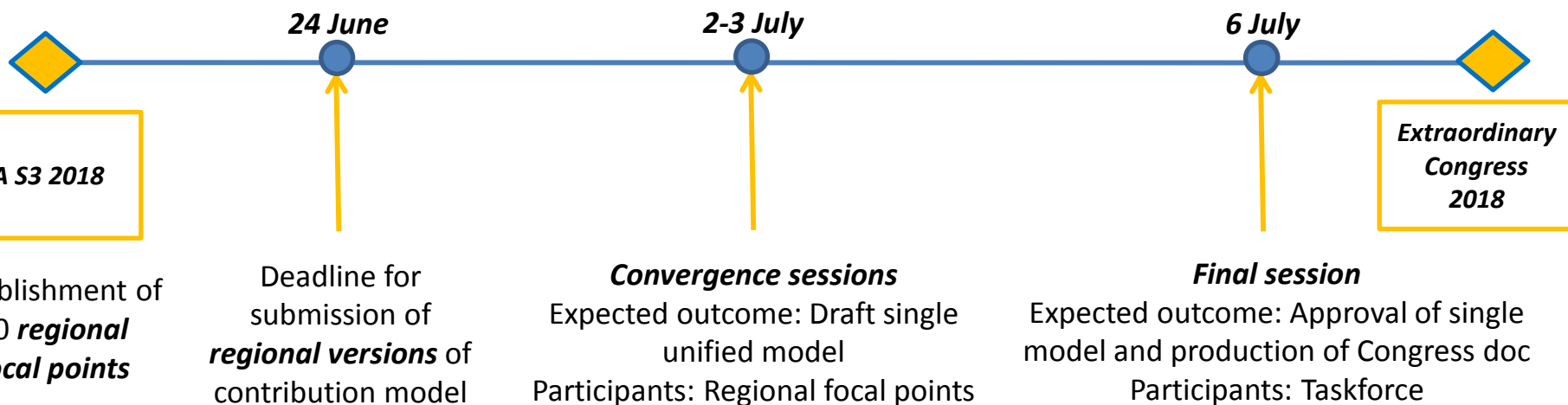
Continue the work of the task force in order to:

- ✓ Assure acceptance of all basic principles
- ✓ Look for a consensus on the system (hybrid ?)
- ✓ Look for a consensus for a transition period
- ✓ Put in place a contingency plan

Further detailed work is needed to reach broader consensus on details:

- ✓ Caps and floors
- ✓ References: GDP, GNI, postal index, UN

Timeline





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Key topics: Future Sustainability of the Provident Scheme

Why is Future Sustainability of the Provident Scheme needed?

- Transition to IPSAS accounting in year 2011 revealed historically accumulated significant underfunding of UPU Provident Scheme
- Despite existence of statutory guarantees for the Fund, approval for recapitalization of the Fund has not been achieved.
- Actuaries may further review the estimated shortfall up to CHF 64 million





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Key topics: Future Sustainability of the Provident Scheme

Option 1:

Objective: Recapitalize the Fund for immediate stability with a view to remain independent

85% rate = CHF 15.3M

2018 = minimum CHF 5.2M



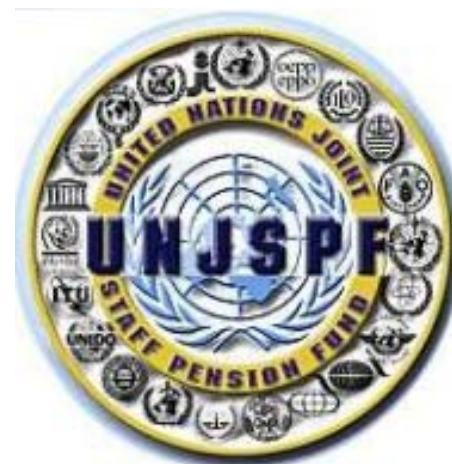
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Option 2:

Objective: Recapitalize the Fund to join UN Joint Staff Pension Fund (UNJSPF)

100% rate = CHF 64M

2018 = minimum CHF 5.2M





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Key topics: Future Sustainability of the Provident Scheme

Option 3:

Objective: Modify statutory funding rate to 80% and implement 2% corridor approach, whereby variation of actual funding beyond 2% below the statutory rate triggers immediate and mandatory activation of statutory guarantees by member countries



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Ministerial Strategy Conference



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Ministerial Strategy Conference



Addis Ababa, Ethiopia



6-7 September 2018



Ministers, heads of UN and other international organizations, high-level external speakers



Key insights and ideas to shape the future direction of the postal sector





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See you there!



Addis Ababa, Ethiopia



3-7 September 2018

