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Meeting of the APPU/UPU Reform Working Group

Tuesday 15 August

Presentation by Australia

Executive Council Meeting
Bangkok, Thailand
14 - 18 August 2023



Agenda

Item	Document
1. Introduction	
2. Report of the Reform Working Group	EC 2023 Doc 13
3. Bangkok cycle workplan	EC 2023 Doc 13.4
4. APPU vision to guide treaty development	EC 2023 Doc 13.1 and Add 1
5a. Review of Governing Documentation and archiving project	EC 2023 Doc 13.3
5b. Reform Consultant presentation on archiving progress	EC 2023 Doc 13.3 Add 1
6. Review of Governing Documentation implementation plan	EC 2023 Doc 13.5
7. Finalise outstanding items from the Tehran cycle	EC 2023 Doc 13.2
8. Budget for the Reform Consultant	EC 2023 Doc 13.6
9. Any other business	

Decision: Approve the agenda



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Agenda item 1

Introduction



1. Introduction

- The Reform Working Group consists of Australia, China, Korea, India, Indonesia, Iran, Japan, New Zealand, Singapore, Thailand and Vietnam. The Bureau participates as an observer. The Reform Consultant assists the Reform Working Group undertake its activities.
- The focus of the Reform Working Group is the review and enhancement of the Union. Given this broad remit and the complex issues, it is important that the Reform Working Group work in a proactive and transparent way. This includes exploring issues progressively, carefully studying topics, engaging with the wider Union where required and publishing our meeting summaries.



1. Introduction

- I would like to thank the previous members and Chair of the Reform Working Group for laying a solid foundation for us to build on and providing advice.
- I would also like to thank all the members of the Reform Working Group for their participation and positive contributions. The commitment to our Union is clear.
- Finally I would also like to thank the Bureau and the Reform Consultant for their ongoing contribution to the Reform Working Group.



1. Introduction

- APPU members who are not members of the Reform Working Group can keep up to date with our activities by visiting the bottom of the Documents webpage on the APPU website, where the summaries of all our meetings are made available.

<https://www.appu-bureau.org/documents/>

APPU/UPU REFORM WORKING GROUP	
Constituent Meeting - 22 February 2023	
Meeting 1 - 3 April 2023	
Meeting 2 - 23 May 2023	
Meeting 3 - 28 June 2023	<input type="checkbox"/>



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Agenda item 2

Report of the Reform Working Group

2. Report of the Reform Working Group - meetings



- The WG has met (virtually) on four occasions since the 2022 Congress. These meetings took place as follows.
 - Constituent meeting: 22 February 2023
 - Meeting 1: 3 April 2023
 - Meeting 2: 23 May 2023
 - Meeting 3: 28 June 2023

2. Report of the Reform Working Group - topics



- The Reform Working Group has agreed an ambitious reform agenda, including:
 - Continuing the Review of Governing Documentation throughout the Bangkok Cycle, informed by a member-agreed vision, as well as activities for decision at the 2023 such as online participation and harmonization of the rules of procedure
 - Considering the long-term solution for the APP
 - Moving unfinished work items from the previous cycle forward
 - Contributing to the Review of Financial Contributions as required
 - A number of further work items to support the College and to consider implications from the 2023 UPU Extraordinary Congress

2. Report of the Reform Working Group - documents



- The Reform Working Group drafted or contributed to a number of documents presented to this Executive Council meeting:
 - EC 2023 Doc 4: Harmonisation of the Rules of Procedure of the Executive Council with recent changes made to the Rules of Procedure of Congresses
 - EC 2023 Doc 13.1: APPU vision to guide treaty development
 - EC 2023 Doc 13.2: Finalise outstanding matters from the Tehran Cycle
 - EC 2023 Doc 13.3: Review of governing documentation and archiving project
 - EC 2023 Doc 13.4: Bangkok Cycle workplan
 - EC 2023 Doc 13.5: Review of governing documentation implementation plan
 - EC 2023 Doc 13.6: Budget of the Reform Consultant
 - EC 2023 Doc 13.7: A legal framework to support the Asia Pacific Cooperative
 - EC 2023 Doc 19: Online participation in 2023 EC meeting
- Further details are included in EC 2023 Doc 13: Report of the Reform Working Group.



2. Report of the Reform Working Group - budget

- The Reform Working Group is ably supported by the Reform Consultant, Mr Mark Lawley, in carrying out its work.
- For 2023, the reform consulting budget was set at \$45,000. This is anticipated to be underspent.
- In 2024, the reform consulting budget is proposed to be \$20,000.
- While this is a reduction from 2023, it reflects the increasing activity being undertaken across the Union placing increased pressures on the budget. A strategy to manage this situation has been developed and will be discussed later in this session.
- Further details can be found in EC 2023 Doc 13.6.

2. Report of the Reform Working Group - decisions



EC 2023 Doc 13 – for decision:

- **note** the activity of the Reform WG to date
- **note** the detail of the WG activity is presented in a range of documents to be dealt with separately at the 2023 EC
- **note** the financial position of funds allocated to support the Reform WG through the Reform Consultant



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Agenda item 3

Bangkok cycle workplan



3. Bangkok cycle workplan

- The Reform Working Group has developed a forward workplan for its activities. This workplan supplements a number of other documents discussed throughout the Executive Council Meeting.
- Key features include:
 - As recommended by the outgoing Reform WG at the 2022 Congress, the WG has adopted the five “Axes of Focus” to guide its work.
 - directional
 - legal
 - organisational
 - financial
 - capacity and capability
 - Under these five axes, the WG has identified and agreed 16 specific areas where it will work. More areas of activity may be added if the need arises.



3. Bangkok cycle workplan – part 1

Activity	Axis of Focus	Proposed Areas of Focus	Current Status of Focus	Relevant Observations re Focus
1	Directional	Maintain and execute workplan to achieve the agreed Vision	Active. Ongoing routine nature. (Specific detail provided in EC 2023 Doc 13.1)	Focus is the process for managing / directing WG input / output to meet objectives.
2		Impacts and influence of decisions taken at the 2023 UPU Extraordinary Congress	Inactive. Confined to a single event.	Maximum duration of activity will be 12 months starting from the 2023 UPU Extraordinary Congress.
3	Legal	Finalise a long-term solution for the Asia Pacific Post Cooperative [Shared with Organisational Axis]	Active (specific detail provided in EC 2023 Doc 13.7)	Complex matter that will require resource and urgency. Much of the activity is new ground for the APPU. Anticipate work requirements creating pressure on timely completion of other WG activities / commitments.
4		Finalise the review of current provisions of the Acts of the Union to develop policy positions	Active (specific detail provided in EC 2023 Doc 13.5)	Complex matter involving high workload and specialist knowledge. Anticipate variations to personnel involved and decision-making methods. Activities 5, 6 and 7 are dependent on the completion of Activity 4. Will be on workplan through to 2026 Congress.
5		Develop amendments to the Constitution	Inactive (will be active following the 2024 EC meeting)	
6		Develop amendments to the General Regulations		
7		Examine and develop proposals to minimise future amendments to the Acts of the Union		
8		In light of the changes to the Acts of the Union, full review of the Rules of Procedure of the Executive Council	Inactive	Consequential to Activities 4, 5, 6 and 7. Activity not anticipated to be complex nor time-consuming. Timing for commencement not known, but likely to be 2025-2026.
9		In light of the changes to the Acts of the Union, full review of the Rules of Procedure of Congress		
10		Contribute to the review of Financial Contributions and position on arrears, jointly in conjunction with the Finance Committee [Shared with Financial Axis]	Active (specific detail provided in EC 2023 Doc 18)	Complex matter involving variable workload. Will be on workplan through to 2026 Congress. Will involve Activities 5, 6 and 7 in the second half of the Bangkok Cycle.
11	Organisational	Finalise a long-term solution for the Asia Pacific Post Cooperative [Shared with Legal Axis]	Refer to Activity 3	Refer to Activity 3.

3. Bangkok cycle workplan – part 2



Activity	Axis of Focus	Proposed Areas of Focus	Current Status of Focus	Relevant Observations re Focus
12		Develop long-term objectives and work plan of APPU working groups	Inactive	Key initiative to enhance the relevance and value of EC meetings by bringing standard disciplines into working group activities – and, to extent possible, ensuring that objectives / plans links with other Union activity. Likely commencement timing is 2024.
13	Financial	Contribute to the review of Financial Contributions and position on arrears, jointly in conjunction with the Finance Committee [Shared with Legal Axis]	Refer to Activity 11	Refer to Activity 11.
14		Develop guidelines to guide the Bureau to engage with other institutions to increase resources for activities and training courses	Inactive	Developmental work to commence in 2024.
15	Capacity and capability	Bangkok cycle matters, building on Tehran cycle, including the archiving project	Active (specific detail provided in EC 2023 Doc 13.2 and EC 2023 Doc 13.3)	Complex matter involving high workload and specialist knowledge. Anticipate variations to personnel involved to obtain decisions on range of issues. Will be on workplan through to 2026 Congress.
16		Develop more effective and in-need training courses	Inactive	Developmental work to commence in 2024.



3. Bangkok cycle workplan - organisation

- Given the large number of highly complex items, the Working Group may create ad-hoc teams to progress work and report to the Working Group. Examples will likely include Activity 2 (Impacts and influence of decisions taken at the 2023 UPU Extraordinary Congress) and Activity 4 (Finalise the review of current provisions of the Acts of the Union to develop policy positions).
- Ad-hoc teams will help manage the workload for Working Group members, as members with greater capacity can work in the ad-hoc teams while other members do not miss out on key information.
- This will be discussed further at our meeting on Thursday.



3. Bangkok cycle workplan – decisions

EC 2023 Doc 13.4 – for decision:

- **note** the proposed workplan
- **endorse** the proposed workplan for the Bangkok cycle (Add 1)



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Agenda item 4

APPU vision to guide treaty development

4. APPU vision to guide treaty development - background



- Resolution C2/2022: Continuation of the review of APPU governing documentation in the 2022-2026 cycle tasks the Reform Working Group with continuing to review and enhance the Union and its governing documentation.
- A vision will help guide this work, by setting out the long-term priorities of the APPU membership. It will also support “getting this done right” the first time, minimizing needing to amend the Acts of the Union again in the near future.
- On 22 February 2023 the Working Group met at its constituent meeting and agreed to the development of a guiding ‘vision’ for this purpose, which can be referenced back over coming years during the detailed and technical discussions to develop the new Acts.
- On 30 March 2023, the Bureau issued APPU Circular No.4 to commence consultation with the APPU membership on the vision.
- No comments were received from this wider consultation.
- Since then, a number of further changes have been made by members of the Working Group to reflect feedback.

4. APPU vision to guide treaty development - vision



The proposed vision is that the APPU should function as:

- a forum to inform and engage members on international postal challenges and opportunities, that takes forward the decisions from Universal Postal Union meetings, and forges regional consensus on common interests,
- a facilitator and organiser of cooperation between postal operators, ministries, regulators, and wider postal sector players to build relationships and address common challenges, and to promote active collaboration and mutual assistance on matters of common interest,
- a knowledge centre to share information, services and solutions to support member countries in the region,
- a representative and advocate for regional positions at the Universal Postal Union or other fora on behalf of the membership, particularly members who have the most difficulty in participating,
- an advocate on behalf of its membership at the Universal Postal Union for postal development,
- a centre of excellence for education and capacity-building, including through a dedicated training function, and
- a financially sustainable organisation, guided by best-practice governance and a strong legal framework.

4. APPU vision to guide treaty development - vision



- The proposed functions set out in the vision are already present in the framework of the APPU to varying degrees.
- If the vision is endorsed, it will be incorporated into the Review of Governing Documentation and other Working Group activities.
- The details of this implementation are included at EC 2023 Doc 13.5.

Resolution 02 to adopt the Vision



APPU vision to guide treaty development

The Executive Council,

noting the requirements of resolution C2/2022: Continuation of the review of APPU governing documentation in the 2022-2026 cycle,

aware that guidance from member countries about their expectations from a revised treaty framework is necessary to develop proposals for the 2026 Congress and support further work across the areas of focus requested by Congress,

decides that the work of reforming the Union should be informed and guided by the preferences and vision of the membership for the APPU; and

endorses for that purpose, that the vision of member countries is that the APPU should function as:

1. a forum to inform and engage members on international postal challenges and opportunities, that takes forward the decisions from Universal Postal Union meetings, and forges regional consensus on common interests,
2. a facilitator and organiser of cooperation between postal operators, ministries, regulators, and wider postal sector players to build relationships and address common challenges, and to promote active collaboration and mutual assistance on matters of common interest,
3. a knowledge centre to share information, services and solutions to support member countries in the region,
4. a representative and advocate for regional positions at the Universal Postal Union or other fora on behalf of the membership, particularly members who have the most difficulty in participating,
5. an advocate on behalf of its membership at the Universal Postal Union for postal development,
6. a centre of excellence for education and capacity-building, including through a dedicated training function, and
7. a financially sustainable organisation, guided by best-practice governance and a strong legal framework.

- Resolution 02 invites the Executive Council to endorse the vision for the purpose of developing a revised treaty framework and support further work across the areas of focus of the Reform Working Group.

4. APPU vision to guide treaty development - decisions



EC 2023 Doc 13.1 – for decision:

- **note** the purpose and the process undertaken to develop the proposed vision
- **adopt** Resolution 02 to endorse the vision



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Agenda item 5a

Review of Governing Documentation and archiving project

5a. Review of Governing Documentation/archiving project



- The Review of Governing Documentation commenced prior to the Bangkok Cycle and was immediately focused on organising and archiving the required documentation. While good progress was made, this was not finalised prior to the Bangkok 2022 Congress for a variety of reasons.
- This project is important as it:
 - ensures that the Union has a full set of its Acts from each of the Congresses when provisions were amended;
 - annotates the Acts so as to have a record of key decisions (and reasons for changes);
 - maps key transitions when the structure of Acts have changed;
 - ensures that background material for key meetings are available in softcopy and in the proper order and sequence; and
 - reduces search effort.

5a. Review of Governing Documentation/archiving project



- The activities relating to the Acts of the Union are largely completed and the Reform Consultant will provide further detail in the following agenda item.
- The next stage is to conduct further work on finalising the Congress and the Executive Council documentation. This will be completed by the 2026 Congress, if not earlier.
- The Bureau will allocate resources to support the completion of this task, as capacity and funding allows.

Activity		Comment
19	EC docs - sourcing	Partially completed – this is a conservative assessment as not every EC meeting has been reviewed.
20A	EC docs – trial deduplication, sequence, completeness via remote processing	This is a new step added in since the initial report was prepared for the Reform Working Group’s constituent meeting. As mentioned in paragraph 3.5, the reform consultant is coordinating with the Bureau to develop / agree a way forward.
21	EC docs – indexing / tagging	Due to Activity 6A and, to a certain extent, Activity 19A, indexing / tagging is moved back – with the proviso that the key periods (reference paragraph 3.4) are processed as the priorities.
22	EC docs – subject trails for multi-EC topics	As above for Activity 20A.

5a. Review of Governing Documentation/archiving project - decisions



EC 2023 Doc 13.3 – for decision:

- **note** the background to the review of governing documentation and archiving, as well as the current work position for each category of documentation
- **approve** the next steps, including:
 - The APPU/UPU Reform Working Group recommends the Executive Council agree:
 - (i) a progress report on the archiving project is provided to each Executive Council meeting until project completion, with project completion to occur no later than the 2026 Congress; and
 - (ii) recognising the primacy of other activities, the Bureau will explore the possibilities and allocate appropriate resources, as capacity and funding allows, to progress the archiving project to accelerate its completion.



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Agenda item 5b

Reform Consultant presentation on archiving progress



5b. Introduction

- EC 2023 Doc 13.3 Add 1 – informs members that the single biggest assignment on the Acts of the Union (perhaps the single biggest assignment ever undertaken by the Union) is now completed
 - The Acts of the Union (1985 Constitution and 1995 General Regulations) have been fully annotated and are presented to UPU standards
 - Supported by the relevant Additional Protocols from the 2000 Tehran Congress, the documents are at Appendices 1 to 4 of Doc 13.3 Add 1
 - The Acts of previous Congresses (1995, 1990, 1985, 1981, 1975, 1970, 1965) and the 1961 Manila Postal Conference have also been annotated and presented to UPU standards



5b. Why has this work been done?

- Part of the review of governing documentation that the Reform WG was mandated to undertake – however, the annotating work is not the actual review – rather, it is preparatory work that enables the Acts of the Union to now be reviewed
- So, why all this preparatory work? – we can start the answer to that question by firstly having a look at the overall assignment.

5b. Getting governing documentation in perspective



Understanding The Work To Be Done					
Line	Focus	Governing Document	"Awareness"	Likelihood of Complex Issues	Necessity for Detailed Preparation
1	Legal	Convention / Constitution	Low	High	High
2		Detailed Regulations / General Regulations	Low	High	High
3		Agreement between Thai Government and APPU on Privileges of APPTC (1985)	Low	Low	Low-to-medium
4		Headquarters Agreement between Thai Government and APPU on the establishment of the APPU Bureau in Thailand (2004)	Low	Low	Low-to-medium
5		Act to facilitate the operation of the APPTC (2004)	Low	Medium-to-high	Medium-to-high
6		Bill to facilitate the operation of the APPU Bureau (29 February 2008)	Low	Medium-to-high	Medium-to-high
7	Procedural	Rules of Procedure of Congresses	High	Low	Low
8		Rules of Procedure of EC	High	Low	Low
9	Financial	Draft Operational rules for the management and replenishment of the Administrative Section Reserve Fund (ASRF)	Medium-to-high	Low	Low
10		Draft operational rules for the management and replenishment of the Training Section Reserve Fund (TSRF)	Medium-to-high	Low	Low
11	Internal	Staff Regulations of the APPU Bureau	High	Low	Low
12		General Regulations of the APPU Bureau	High	Low	Low
13		Financial Regulations of the APPU Bureau	High	Low	Low



5b. “Awareness”, complexity, detail

- The answer to “why all this preparatory work?” revolves around three words – “awareness”, complexity, detail
- “Awareness”
 - The Acts have not been looked at by the Union for over 20 years – the people who will look at Acts in the governing documentation work, will generally be looking at the material for the first time – they will have questions (many questions) – the preparatory work puts the Union in the position of being able to answer questions (or know where to find answers)
- Complexity
 - Even with the information now available in the annotations, some areas are still very complex (accession, reservations, governance). Without the annotations, such areas would add significant time to the overall review while members tried to establish and agree on key background aspects of the Acts

5b. “Awareness”, complexity, detail (cont’d)



- Detail
 - For various reasons, the Union is not strong on detail regarding its Acts – this has not been its orientation in recent years
 - Reviewing the Acts will require good knowledge of historical and current detail – this is now available
 - Importantly, credibility in dealing with issues and managing the review process will rely on the detail that has been created



5b. Comparative picture with UPU: before and after preparatory work (i.e., building credibility through detail)

Assessment of Management of Acts			
Feature	UPU	APPU	
		Jan '23	Oct '23
Historical library of Acts	Yes	No	Yes
Documented history of Acts	Yes	No	Yes
Commentary on major changes to provisions in Acts	Yes	No	Yes
Internal expertise regarding history and current provisions	Yes	No	Under action
Formal responsibility for managing and maintaining Acts	Yes	No	Under action

5b. Two user groups for preparatory work



- General user
 - All members are in a “general user” group where the need is to access what the Acts currently specify (i.e., the current Constitution, General Regulations, Additional Protocols) – as in Appendices 1 -4 of EC 2023 Doc 13.3 Add 1
- Specialist user
 - More detailed documentation has been drafted that will be of value to people involved in the detailed review of the Acts. This will be available in a series of “SU” documents – upwards of 50 such versions covering all Congresses – including two very detailed Transition Tables that track the major restructuring of the Acts in 1985 and 1995 (where analysis goes as deep as individual words).



5b. Conclusion

- Major preparatory exercise completed that facilitates the next part of the review of the Union's Acts
- Some tidying work to be done – plus there are areas such as transfer of knowledge, design of future management, etc, to be looked at
- This meeting may wish to:
 - **note** the completion of the preparation of documentation essential to the review of the Acts of Union (governing documentation)
 - **note** the progress made by the Reform WG (Tehran and Bangkok cycles) in terms of establishing an invaluable resource for the Union in the form of fully annotated Acts
 - **note** that the work set out in Resolution C 2 / 2022 on the review of governing documentation can now commence



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Agenda item 6

Review of Governing Documentation implementation plan

6. Review of Governing Documentation plan - background



- As discussed earlier, Resolution C2/2022: Continuation of the review of APPU governing documentation in the 2022-2026 cycle directed the Working Group to continue the Review commenced in the Tehran cycle.
- For completeness, there are also two other relevant decisions from the 2022 Bangkok Congress that should be considered as part of the Review:
 - C1/2022: Adoption of decisions and recommendations submitted to the 2022 APPU Congress. This decision requires that any matters dealt with at the 2022 Congress using an alternative to amending the Acts of the Union, will be considered at the 2026 Congress to ensure the complete legitimacy of the Acts of the Union.
 - C3/2022: Observers to meetings of the Union. This decision sets out the clear and common understanding on inviting observers to attend meetings of the APPU and will inform the approach to observers in the Review.

6. Review of Governing Documentation plan - approach



- As outlined earlier, the Working Group has developed a vision to guide this work.
- This vision sets out what APPU member countries want from their Union.
- If endorsed, the Working Group will use this vision to ensure that potential amendments align with member expectations and set the direction for the Review.
- As the Acts of the Union have not been updated in some time, it is proposed to take a thematic approach rather than consider each Act in isolation.
- In practice, this will allow the Working Group to consider the purpose of each piece of governing documentation and include detail in less than treaty instruments, where appropriate (for example, because a matter requires regular updating), rather than the treaties.
- This will also ensure consistency and minimise repetition across the governing documentation.



6. Review of Governing Documentation plan - approach

- In undertaking policy development for each thematic topic, the Working Group will consider a number of key questions, including:
 - What have others done on this issue?
 - What gaps in existing governing documentation exist?
 - How can existing structures be strengthened and optimised?
 - Are there any emerging issues?
 - (if endorsed) Does this align with the vision or what changes are required to achieve the vision?

6. Review of Governing Documentation plan - timing



- Below is the roadmap for key milestones in the review.
- A staged approach has been developed to provide regular opportunities for input by the Executive Council and to ensure visibility for domestic processes.
- Following the 2023 Executive Council, the first priority of the Working Group will be to finalise the relevant themes and map out the policy development process for each for the year ahead.

Review roadmap			
2023 EC	2024 EC	2025 EC	2026 Congress
Vision and implementation plan for the Working Group agreed	Policy development and proposed solutions presented thematically for endorsement.	Text of proposals, including treaty amendments, presented as 'zero draft' for the 2026 Congress	Approve proposals

6. Review of Governing Documentation plan - decisions



EC 2023 Doc 13.5 – for decision:

- **note** the background
- **approve** the implementation plan



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Agenda item 7

Finalise outstanding items from the Tehran cycle



7. Finalise outstanding items from the Tehran cycle - background

- At the end of the Tehran Cycle, only 23 of the 45 items developed by the Reform Working Group had been dealt with, due to other higher priority tasks. In summary, at the end of 2022, there were:
 - 22 Working Group proposals either not actioned or not completed; and
 - one EC decision (assigned by the EC to the Reform WG for actioning in 2021) not dealt with.
- The 2022 Congress noted that work items not yet actioned or completed would need to be completed during the Bangkok cycle and approved funding for the purpose of completing the work.



7. Finalise outstanding items from the Tehran cycle - approach

- The Reform Working Group has worked with the Bureau and the Reform Consultant to progress the pending items from the Tehran Cycle.
- Discussions started in February 2023 to develop the way forward.
- The Bureau advised that many of the pending items were being completed independently by the Bureau and were either finalised or well progressed. Some items may no longer make sense to be pursued as initially laid out, due to changes in best practice and adjusted timeframes.
- Taking this into account, the Reform Working Group, Reform Consultant and the Bureau classified the 23 items in three ways:
 - Completed and closed – item finalised , reporting as required
 - Completed and to be reported – item finalised, built into future ongoing reporting
 - New item for Bangkok Cycle – item closed from Tehran cycle and to be reintegrated into the work of the Reform Working Group for the Bangkok Cycle



7. Finalise outstanding items from the Tehran cycle – completed items

- The outcome of the agreed approach is that 9 outstanding items are considered to be completed and closed, and 9 are considered to be completed and to be reported.
- The difference between these categories relates to what is needed to consider the activity to be finalised and the progress through implementation.
 - For example, the Bureau has implemented increasing communication with members. Whilst this is a continuing task, the approach has been set up and is being implemented, so the item (3.1) is considered closed.
 - In comparison, the Bureau has incorporated consultation with the UPU regional representative into its planned activities. While this is set up to occur on an ongoing basis, it has not yet happened, meaning this item (4.2) is considered completed and to be reported.

7. Finalise outstanding items from the Tehran cycle – new items



- The result is five new items to be managed by the Reform Working Group, with the support of the Reform Consultant during the Bangkok Cycle. These have been incorporated into the Work Plan of the Reform Working Group in EC 2023 Doc 13.4.

Item	New Activity	Action to be undertaken by Reform WG 2022-2026
1	Prepare Four-Year Plan for the APPU	Reform WG and Bureau to develop and implement a strategy to develop a four-year plan for the 2026 Congress, commencing from the 2024 EC.
2	Implement an objective-setting and performance-assessment process, including the specific goals and objectives to be achieved by the Bureau	Reform WG, in consultation with Bureau, will assess the adoption of new practices by the UPU IB and other models and consider its applicability to the APPU context. Work to be completed in sufficient time for consideration at the 2024 EC.
3	Draft KPIs for Secretary General. Annual performance report	
4	Review and adjust, as appropriate, delegated levels of authority for expenditure (for clearance by EC and Governing Board)	Work to be incorporated into the review of the Acts of the Union by the Reform WG and completed alongside this work at the 2026 Congress.
5	Satisfaction survey to be undertaken annually of agreed stakeholders	Bureau will continually assess the list of stakeholders in order to improve APPU value for members and expand engagement, and update the Reform WG.

7. Finalise outstanding items from the Tehran cycle - decisions



EC 2023 Doc 13.2 – for decision:

- **note** the background to the 23 outstanding reform matters
- **note** how each of the 23 matters not completed in the Tehran Cycle have been addressed jointly by the Reform WG and the Bureau, resulting in all matters being satisfactorily dealt with
- **note** for completed items being documented, the Bureau will update future EC meetings on completion activities
- **approve** the creation of new matters under the responsibility of the Reform WG for the Bangkok cycle, to be completed by no later than the 2026 Congress (with at least one matter to be presented to the 2024 EC)
- **agree** to the proposed resourcing plan between the Reform WG and the Bureau to deliver on the newly created matters



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Agenda item 8

Budget for the Reform Consultant



8. Budget for the Reform Consultant – background and process

- It is usual practice that a separate budget is prepared for approval by the Executive Council or Congress in relation to the activities of the Reform Consultant.
- Following the endorsement of EC 2023 Doc 13.6 by the Reform Working Group out of session, this document was discussed by the Finance Committee.
- As a result of the discussion, a number of preliminary matters were raised that need to be considered prior to considering the budget for 2024.



8. Budget for Reform Consultant – Contractual Basis

- Two questions were raised in the Finance Committee which require further consideration prior to considering Document 13.6:
 - What is the basis of the relationship between the Reform Consultant and the APPU?; and
 - Is the APPU getting value for money?
- After these questions were raised, the Chair sought advice and analysed various materials to inform the EC.



8. Budget for Reform Consultant – Contractual Basis

What is the relationship between the Reform Consultant and the APPU?

- On 9 March 2017, the Secretary General entered into a contract with Mark Lawley Consulting Services.
- The contract provided for:
 - The Consultant to provide services to the APPU Working Group on Reform to assist the WG to prepare a report on future reform for the 2017 Tehran Congress.
 - To report to the Secretary General of the Bureau and the Chair of the Reform WG.
 - Payment at \$50 USD per hour, or \$400 USD per day, invoiced in hours worked.
 - Contract terminatable given 28 days notice.



8. Budget for Reform Consultant – Contractual Basis

What is the relationship between the Reform Consultant and the APPU?

- At the 2017 Tehran Congress, Malaysia as then Chair of the Reform WG proposed an extended remit for the Reform Consultant to continue the work of the Reform WG (Congress 2017 Doc 19, Minutes of the 2017 EC).
- Congress approved this extension of job scope and associated budget for 2017, 2018 and 2019.
- EC 2019 Doc 5 (Finances of the Union) stated that:

Consultancy costs comprise the completion of work that started following the Tehran Congress as well as some specific tasks to be undertaken in 2020. A separate detailed budget has been constructed. It is envisaged that 2020 will be the final year for Consultancy expenses (unless the 2020 EC requires continuation).

- The 2020 Executive Council assigned more work to the Reform Consultant (Minutes of 2020 EC meeting, page 16) for 2020 (Documents 15.4.1, 15.4.2, 15.5) as well as noting some work assigned at the 2017 Tehran Congress to the Reform Consultant was delayed.



8. Budget for Reform Consultant – Contractual Basis

What is the relationship between the Reform Consultant and the APPU?

- At the 2021 Executive Council Meeting, the Secretary General called on members to retain the services of the Reform Consultant (EC 2021 Doc 13).
- The Executive Council approved budget for the Reform Consultant to continue to deliver the deliverables set out in previous years due to delays caused by the Covid-19 pandemic.



8. Budget for Reform Consultant – Contractual Basis

What is the relationship between the Reform Consultant and the APPU?

- At the 2022 Congress, Congress:
 - Considered and noted Doc 18.2 (Budget for the Reform Consultant for 2023)
 - Noted that an increased rate of payment in the Consultancy part of the General Operations budget due to:
 - the current hourly rate of US\$50 per hour was set in 2015; the Bureau had proposed an increase to US\$65 per hour but the Consultant has agreed to ask for US\$55 per hour only;
 - in the first year of the new cycle there should be an increase in the work that requires Mr. Mark Lawley, our consultant to assist.
 - Approved the 2023 Budget.
- This confirms that the expectation of members was that a valid contract was in place between the Reform Consultant and the Bureau for the duration, and an expectation that that contract was to be amended by the Secretary General to comprise the work undertaken in 2023 and associated hourly rate.



8. Budget for Reform Consultant – Contractual Basis

Is the APPU getting value for money?

- For 2024, Mark Lawley Consulting Services has advised that they would complete:
 - 309 consulting hours at \$55 USD per hour to provide specialist support for the delivery of the Reform WG workplan, the review of the Acts of the Union, draft necessary amendments to the treaties, support the review of financial contributions, and support forward planning activities and KPIs.
 - donate 25 hours (i.e. \$1,375 USD) for free.
 - not bill for administrative work, research and compilation on an ‘hours spent’ basis (resulting in approximately one-third of time donated) due to information access limitations.
- When factored together, the averaged hourly rate is ~\$39 USD, or ~\$312 USD per day.



8. Budget for Reform Consultant – Contractual Basis

Is the APPU getting value for money?

- The Chair has assessed UPU proposals of a similar nature and complexity to assist members determine value for money.
- For example, for the upcoming Extraordinary Congress Proposal 03 (Opening up WS2) proposes an allocation of:
 - A Professional (P) level UPU resource costing 16,300 CHF p/month. This is 740 CHF per weekday, ~\$850 USD p/day, or **106 USD per hour**
 - A research project to support the work at 100,000 CHF; 114,000 USD.
 - At the reform consultant's actual averaged rate, this would deliver 365 work days (i.e. nearly 18 months of services).



8. Budget for Reform Consultant – Contractual Basis

Is the APPU getting value for money?

The Chair has also assessed the cost of the Reform Consultant against the cost of the Consultancy Section manager, as a comparison of a similar type of role (advice services) and context (EC 2023 Doc 6d).

- Salary proposed for 2024 - 87,732 USD + 7,290 USD (retirement) = **95,022USD**
- Minimum conditions - 19 days leave, 30 days sick leave, 8 hours per day, 5 days per week = i.e 215 week days @ 8 hours per day = **1,720 hours**
- 1,720 hours/95,022USD salary = **\$55.25 USD per hour.**



8. Budget for Reform Consultant – Contractual Basis

Is the APPU getting value for money?

- On the basis of these two points of comparison, the APPU appears to be achieving value for money with the consultancy arrangement that is below market rate.
- When *excluding* the generous discounts and unbilled expenses, the cost of the reform consultant is on-par with similar APPU staff costs – i.e. \$55 USD per hour.

Example	Hourly Rate
UPU Professional (P) Resource	106 USD
APPU Consultancy Section Manager	55 USD
Charged rate of Reform Consultant	55 USD
<i>Actual rate of Reform Consultant for 2024</i>	<i>39 USD</i>



8. Budget for Reform Consultant – Options for members

Option A:

Renew Mark Lawley Consulting Services for 2024 and instruct the Bureau to prepare the necessary contract on the same terms provided for in the 2017 contract, with a revised hourly rate of \$55 USD per hour (as agreed to by the 2022 Congress); or

Option B:

Instruct the Bureau to put the matter of reform consulting services to public tender, with the deliverables to be agreed by the Reform Working Group.

Separately the Executive Council could instruct the Bureau to further investigate UPU practices around consultants for consideration by the 2024 Executive Council to provide further clarification.



8. Budget for Reform Consultant – Chair Recommendation

The Chair recommends to the Executive Council Option A, as:

- Member countries have invested heavily since at least 2017 in the subject matter expertise of Mark Lawley Consulting Services. A public tender is unlikely to produce a new consultancy with has this subject matter expertise with our specific requirements.
- Going to public tender may result in a higher cost, as analysis suggests the APPU is receiving well below market rate.
- There is an existing contractual framework for the existing Reform Consultant. It can no doubt be ‘tidied up’ by the Bureau, but it is sufficient.
- The reform consulting work is in its final phase – i.e. it is expected to be completed by 2026. Continuity decreases costs that would likely be charged elsewhere.
- A public tender process could delay work proceeding, further delaying much overdue reform that is holding the APPU back.

The Chair would also recommend that members agree to the Bureau undertaking further study on the UPU situation to inform the 2024 Executive Council.

8. Budget for the Reform Consultant – 2023 details



- The 2022 APPU Congress approved a Reform Consulting budget of \$45,000 for 2023.
- To date \$11,385 has been invoiced and paid. It is expected that the 2023 budget will be underspent by between \$6,720 and \$7,050.
- In an effort to reduce budget pressures in 2024, the Reform Consultant has agreed to move some work planned for 2024 forward into 2023. This will result in the smaller underspend amount, if EC 2023 Doc 13.6 is approved.
- Any unspent funds will be paid to the Administrative Section Reserve Fund (ASRF).



8. Budget for the Reform Consultant – 2024 details

- The Bureau has advised that there will be \$20,000 available in 2024 to fund the Reform Consultant.
- This is a reduction from previous year’s budgets and reflects the significant uptick in activity being undertaken by the APPU, meaning there are more demands on the available budget.
- Given this decrease, the Reform Working Group considered which activities under the Bangkok Work Plan (EC 2023 Doc 13.4) should be prioritised for Reform Consultant input and funding.

Activity	Axis of Focus	Proposed Areas of Focus	Consultant Activity (2024)	Total
1	Directional	Maintain and execute workplan to achieve the agreed Vision	General support as requested / directed (8 hours per month is standard time allocation).	96
			Additional time for preparing for 2024 EC, and reviewing outcomes.	12
			EC meeting	20
4	Legal	Finalise the review of current provisions of the Acts of the Union to develop policy positions	Peer review of EC and GB tagging, and any remedial assistance required.	10
5		Develop amendments to the Constitution	Activity on policy development and proposed solutions (to be presented thematically for endorsement at 2024 EC)	50
6		Develop amendments to the General Regulations	Review and refine 2024 EC decisions	15
			Development of text of proposals	20
10		Contribute to the review of Financial Contributions and position on arrears, jointly in conjunction with the Finance Committee [Shared with Financial Axis]	Specialist support for research, financial modelling, documentation (placeholder time allocation of 5 hours per month)	50
17	New activity for 2022-2026 cycle	Four-Year Plan	Develop options and trial content for 2024 EC review. Refinement and continuation after 2024 EC	12
		Objective-setting and performance-management process - develop for Bureau use	Develop approach and design of system for 2024 EC review. Refinement and continuation after 2024 EC.	12
		KPIs for SG	Develop for 2024 EC review.	12

Total Assigned Consulting Hours	309
Total Assigned Consulting Cost	16,995
EC Attendance	3,000
Total Budget	19,995

8. Budget for the Reform Consultant – 2024 details



- Unfunded activities under the Bangkok Cycle Work Plan which could be progressed in 2024 include:
 - Activity 2: Impacts and influence of decisions taken at the 2023 UPU Extraordinary Congress
 - Activity 3: Finalise a long-term solution for the Asia Pacific Post Cooperative (noting the Reform Consultant has volunteered to donate 25 hours towards this activity)
 - Activity 12: Develop long-term objectives and work plan of APPU working groups
 - Activity 14: Collaborate and engage with other institutions to increase resources for activities and training courses
 - Activity 16: Develop more effective and in-need training courses
- A lack of funding against an activity does not mean it cannot or should not proceed, rather it indicates either no involvement from the Reform Consultant, or less involvement than can be afforded, or that these activities may not be worked on in 2024 by the Reform Consultant.
- The Chair of the Reform WG will monitor the generous offer of the Reform Consultant and explore options to present to member countries at the 2024 Executive Council to ensure these hours can be adequately compensated.

8. Budget for the Reform Consultant – 2024 details



To help manage the reduced budget:

- members of the Reform Working Group may undertake some of the work that may otherwise have been completed by the Reform Consultant, for example through engagement in ad-hoc teams;
- the Bureau can provide additional support due to its increased capability; and
- if necessary, the Reform Working Group could seek further budget through the Administrative Section Reserve Fund (ASRF) at the 2024 EC Meeting.



8. Budget for the Reform Consultant - decisions

EC 2023 Doc 13.6 – for decision:

- **note** that the Reform WG has prepared a budget that is within the US\$20,000 tentatively allocated by the Bureau for Reform activities for 2024
- **note** that the Reform WG has developed options for delivering consultant-type input other than through directly funded means (as a way of reducing the need for funds)
- **note** the risk that, despite efforts to minimise costs, funding may run out prior to the completion of work in 2024, in which case an option may be to seek ASRF support
- **approve** Doc 13.6 subject to the final recommendation by the Finance Committee to the EC on the Reform consulting budget for 2024.



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Agenda item 9

Any other business?



9. Any other business

- The Reform Working Group has another session scheduled on Thursday. This session is more operational in nature and focused on planning.
- Any overflow items will be dealt with at the start of the Thursday session.
- Wider EC members are welcome to attend if they are interested.