

## **SUSTAINABLE DEVELOPMENT WORKING GROUP**

**THURSDAY 5 SEPTEMBER 2013, 1600 to 1800 HOURS**

### **DRAFT AGENDA**

1.	Opening of the meeting and remarks by the Chairman of Sustainable Development Working Group - Mr. Mark Lawley, New Zealand Post
2.	Introductory Presentation on Goal 4 of Doha Postal Strategy on Sustainable Development - Mr. Mark Lawley, New Zealand Post
3.	Presentation by country – A
4.	Presentation by country - B
5.	Presentation on Evaluation of the voluntary carbon offset project and its current implementation phase in the region - Ms. Stephanie Scoupe, La Poste France
6.	Open house discussion on Sustainable Development by member countries
7.	Closing remarks by the Chairman



## Foster sustainable development of the postal sector

# Goal 4

One of the key conclusions of the 2010 UPU Strategy Conference was that sustainable development must remain relevant for the UPU and the postal sector. In this context, sustainable development should be understood in its broadest sense to encompass the sustainability of postal business models and not only environmental and social issues.

## Programme 4.1



# Improve remuneration systems between designated postal operators

### Overall objective:

Establish fair and efficient remuneration systems.

Fair and appropriate remuneration systems among designated operators, in line with market needs and conditions, form the basis of a well-functioning and sustainable international postal network. Remuneration systems that benefit some designated operators but penalize others are not sustainable in the long term. If left unchecked, they jeopardize the sustainability of a universal network. Action is required to harmonize and improve the different remuneration systems for the various postal products (e.g. letters, packets, parcels, EMS).

### Possible actions that could be undertaken by:

#### UPU bodies:

- Adopt an integrated approach to remuneration schemes.
- Put in place remuneration systems that are adapted to all UPU members' needs.
- Conduct studies and analyses regarding the establishment of sound and fair remuneration systems.
- Benchmark with remuneration systems applied in non-postal networks for the final delivery of services.
- Establish non-discriminatory remuneration systems.

#### Designated operators:

- Actively participate in the remuneration schemes.

#### Regulators:

- Make sure that players active in the postal markets conform to the rules defined by the UPU.
- Define the regulatory framework for pricing.

#### Governments:

- Recognize the specificities of postal remuneration systems.
- Pursue as a matter of priority UPU remuneration systems that are fair, balanced and do not disadvantage members.

### Performance Indicators:

- Number of countries participating in the UPU target system for letters.
- Number of designated operators receiving all of the bonuses for service features in the inward land rates system.

## Programme 4.2



# Strengthen the UPU's capacity to respond appropriately to changing needs in the market

### Overall objective:

Adapt UPU structures, as well as national regulatory frameworks, to the changing needs of the markets.

There are two aspects to the objective: first, to make sure that the UPU and its structure remain relevant for its member countries at a time when governments tend to consider postal services no more important than any other commercial activity; and second, to facilitate the broad exchange of views and best practices with respect to postal market developments.

With regard to the first aspect, the UPU's activities should match its members' needs. The organization of the UPU bodies needs to be aligned with the International Bureau to support effective and efficient implementation of the DPS. Given that circumstances change, yearly reviews of the UPU's structure and work activities could be carried out at the same time as the planned UPU strategy review.

The second aspect relates to the need for members themselves to adapt the existing regulatory framework to changing market and technological conditions. The UPU should monitor the evolution of postal market regulation worldwide and serve as a platform for exchange and dissemination of information. This part of the programme is linked with programme 1.3 relating to standards and regulation.

### Possible actions that could be undertaken by:

#### UPU bodies:

- Continuously adapt the UPU structure to market needs.
- Provide a platform for discussion on reform of the postal markets.
- Form partnerships with international donor agencies to help member countries finance reform.
- Collect and make available complete information on examples of successful national reform projects and the conclusions drawn.

#### Designated operators:

- Participate in discussions at the UPU.
- Consider capacity-building activities for postal-sector employees to address changes in postal markets.

#### Regulators:

- Participate in discussions at the UPU.
- Take into account technological and market change.
- Follow up and monitor the postal reform process.

#### Governments:

- Organize reform that includes all postal stakeholders and relevant non-postal stakeholders.
- Set political objectives for the reform process at national and regional levels.
- Adjust reform requirements in view of ongoing technological and market changes.
- Encourage the UPU to adapt to new market conditions.
- Incorporate postal reform into broader development, trade and infrastructure policies.

### Performance Indicators:

- Number of forums on regulation organized.
- Level of satisfaction of participants in these forums.

### Programme 4.3



## Stimulate the inclusion of all segments of the population through greater and/or targeted access to postal services

#### Overall objective:

Leverage the worldwide postal network to foster inclusion.

The postal network is an asset that can be leveraged to increase financial and social inclusion. This programme seeks to use the postal network to advocate and foster financial inclusion, as well as the provision of basic government and communications services to people in remote areas.

#### Possible actions that could be undertaken by:

##### UPU bodies:

- Make inclusion a key work item.

##### Designated operators:

- Consider inclusion objectives when developing new products and services.
- Use own network to provide inclusive services.

##### Regulators:

- Develop ways to measure inclusion through the postal sector.

##### Governments:

- Recognize the role of the postal sector in promoting inclusion.

#### Performance Indicators:

- Number of transactions made through the UPU electronic postal payment network by country.
- Number of visits to the designated operators' websites.



#### Programme 4.4



## Promote environmental awareness and social responsibility

### Overall objective:

Put a framework in place to allow the postal sector to develop in a sustainable way.

Over the last few years, the UPU has expanded its environmental activities by promoting best practices and measuring the impact of the postal sector on the environment. In this area, synergies with other organizations should be encouraged. At the same time, in cooperation with other United Nations organizations and within the framework of the UN Millennium Development Goals, the UPU has used the postal network to help raise awareness of key social issues, such as the fight against HIV/AIDS. These kinds of activities should feature prominently on the UPU's sustainable development agenda. Finally, the UPU should continue to promote social dialogue and decent working conditions within the postal sector.

### Possible actions that could be undertaken by:

#### UPU bodies:

- Monitor and raise awareness of the impact of postal activities on the environment.
- Support initiatives related to the social dimension of sustainable development.
- Ensure that products and services provided by the UPU are used in a sustainable way.

#### Designated operators:

- Implement campaigns aimed at increasing environmental, corporate and social responsibility.
- Provide data on own carbon footprint.

#### Regulators:

- N/A

#### Governments:

- Consider the actions taken by the postal sector to reduce its carbon footprint.

### Performance Indicator:

- Average volume of CO<sub>2</sub> emissions in relation to the total postal traffic of designated operators worldwide.

## Implementation

### Tools

The strategic framework described above will be implemented through a series of tools:

- At a global level, a four-year business plan will be prepared to map out the broad actions and investments needed to fulfil the strategic goals. In addition, each year a programme and budget will be defined, setting out the resources and activities planned to implement the strategy. These documents will be based on the Doha Postal Strategy as well as on the resolutions approved – and possibly prioritized – by the 25th Congress.
- At a regional level, each region will be able to define its priorities in the context of the strategy. These priorities, summarized in the attached regional matrices, will form the basis for the regional development plans drafted. Unlike in other cycles, it is expected that these plans will be finalized at the latest during the first six months of the strategy's implementation period.
- Given the expectation of ever-accelerating change, the strategy document should be the subject of a one-day review every year to assess and update the strategic context underlying the DPS. These assessments could then influence the annual programme and budget.

### Structure of the UPU bodies

The process that led to the development of this strategy saw increased cooperation between Joint CA/POC Committee 4 (UPU Strategy) on the one hand, and CA Committee 1 (Governance Issues) dealing with reform on the other, with the understanding that strategy should lead the way. **The effective implementation of the Doha Postal Strategy will rely on the appropriate organizational and decision-making structures at the UPU to successfully drive activities in an integrated manner. More specifically, both the CA and the POC should organize their work in a way that optimizes the implementation of the new strategy above all else. Accordingly, when these two bodies meet in their inaugural meetings after Congress, they should take due account of the UPU strategy and of the work of the aforementioned committees in defining their organizational structures.**

# "Evolution of the voluntary carbon offset project and its current implementation phase in the region"

**Sustainable Development Working Group, APPU Congress**

Tuesday, 5th September 2013

## Action Plan

### **Pilot**

Identity, visibility and creation of the structure

#### **Promotion**

Train posts participating in the pilot

Implementation of the pilot phase and the financing of projects

Search for funding

### **Operational stage**

Extension of the pilot in other posts

Recruitment of an organization able to develop projects and finance the fund

### **Global Budget**

### **Retro planning**



# Introduction

## Introduction

### Context of the project

In October 2009, a feasibility study is launched on the implementation of a system of carbon offsetting on the scale of the postal sector by the Board of directors of the Universal Postal Union (UPU) - Agency specialized the UNO dedicated to the postal sector.

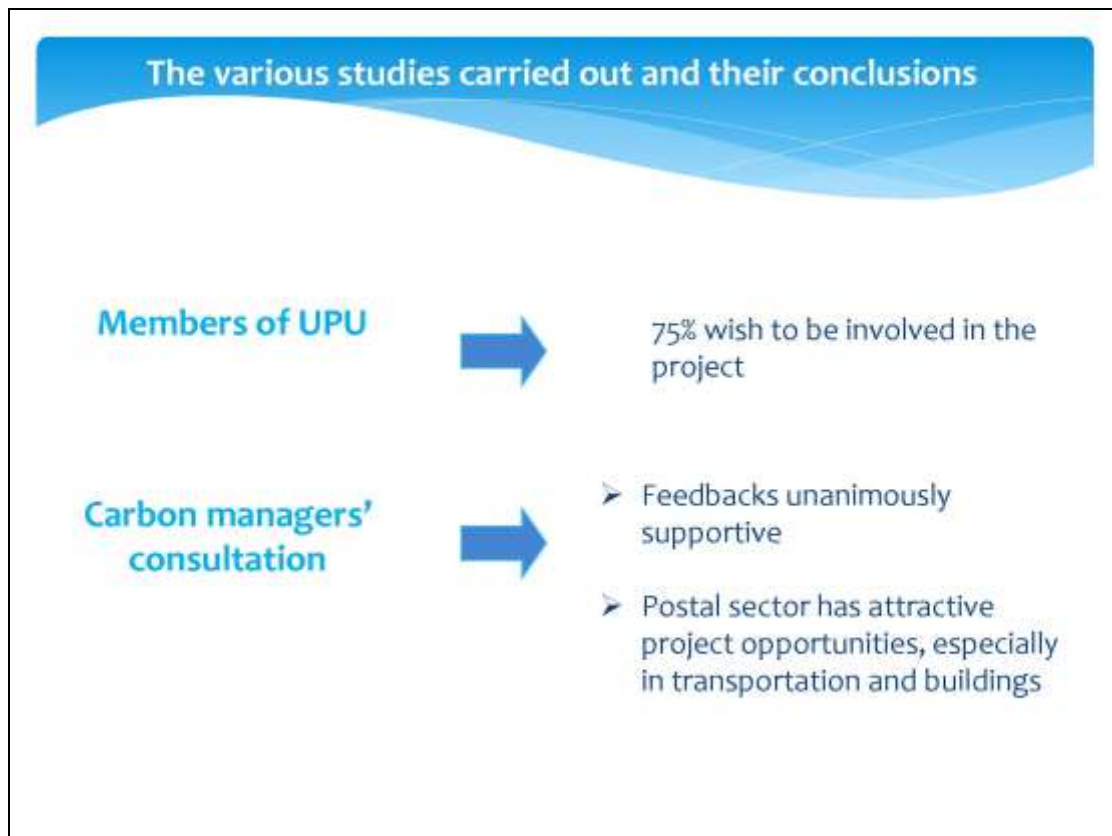
The project was adopted at the last Congress of the UPU to Doha in 2012 by 192 members.

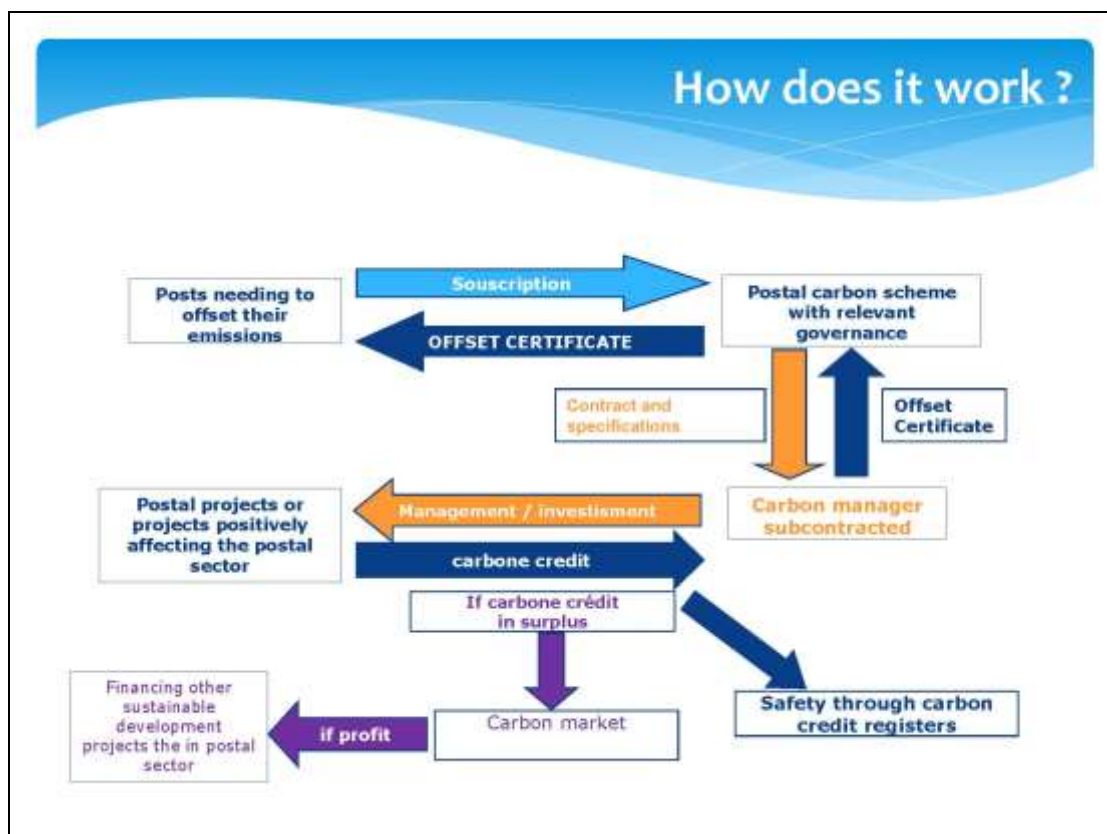
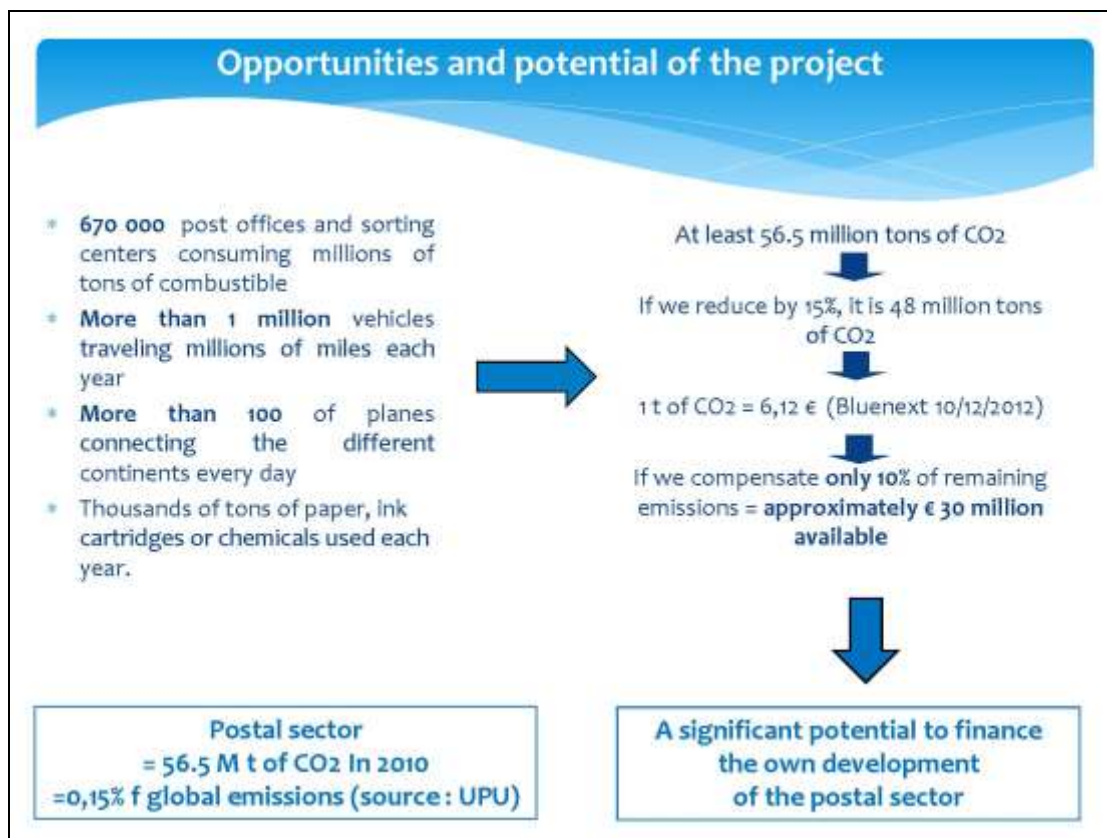
### Objectives

The postal offsetting fund has to allow :

- On one side, **in the posts of developed countries wishing to compensate for their emissions to finance projects within the posts of developing country** (renewable energies, clean transport...) which would allow these posts to reduce their impact on the environment.
- On the other hand, **the posts of developing countries will identify projects** allowing to reduce emissions. Those project **will be considered by the governance of the fund to be finance**. The benefit of the project for economic and social development will also be take into account.









## Identity, visibility and creation of the structure

### Identity, visibility and creation of the structure

#### IDENTITY OF THE STRUCTURE

- Deposits of names and logos in Switzerland because the structure will be there, next to UPU
- Protection of the intellectual property of the project

**Stake :** There are several carbon funds, however this fund is appropriate to the postal area and thus has to distinguish itself from other funds. The visual identity of the fund has to convey a green dimension and the idea of solidarity between the actors of the same sector worldwide.

POSTAL  
CARBON  
FUND



## Identity, visibility and creation of the structure

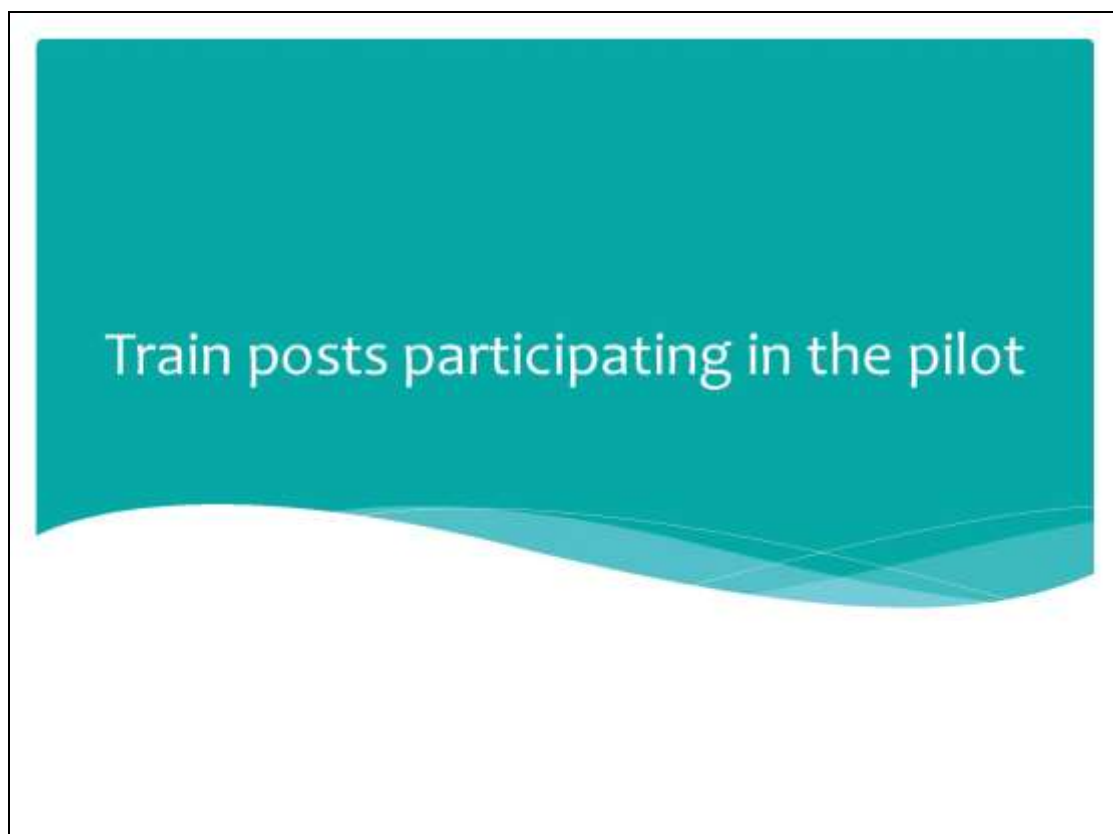
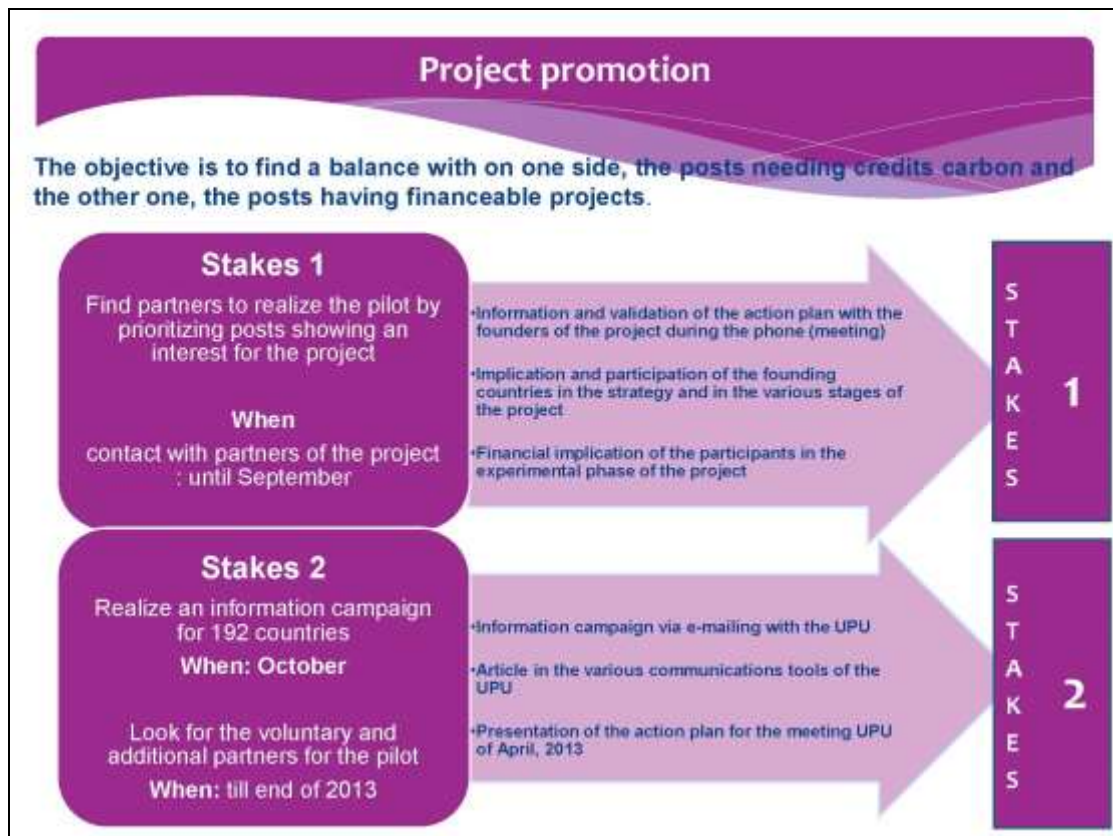
### THE LEGAL STRUCTURE

**Association** is a group of persons (physical or moral) organized on the basis of a written agreement (statutes) which suggests reaching a definite purpose.

	Association
Advantages	<ul style="list-style-type: none"> <li>- Moderate cost of constitution : in the form of fees of lawyer + annual functioning costs* (12 000€ + 10 000€)</li> <li>- Few administrative formalities</li> <li>- Flexibility</li> <li>- Possibility of fiscal exemptions if public interest</li> <li>- Submit the accounts to the control of an organ of revision is optional</li> </ul>
Disadvantages	<ul style="list-style-type: none"> <li>- Transformation in limited company can be very difficult, even impossible</li> </ul>

\*Functioning annual with a siege in Switzerland : one or several general assemblies, the accounting of the association and the annual tax return

Project promotion



## Training of the posts participating in the pilot

### Creation of a training module for posts wishing to submit a project

**Stake :** This module will allow to remind the stakes in the project but also its mechanism of financing for the typologies of project financeable (transport and buildings)

- Contents of the module for posts having potentially a project to be financed
- Promotion and explanation of the functioning
- Detection of financeable projects: type, domain activity
- Identification of the methods of accreditation : methodology Kyoto, Gold Standard
- Illustration with examples
- Financing terms

### Module built with other experts by capitalizing on finance carbon modules of formations (UNEP, NGO, specialized Consulting firm)

- Meeting with posts to realize the training
- Detection of the projects and the support in the follow-up of project
- Creation of an e-learning module to continue to raise awareness and train the other posts of UPU

## Implementation of experimental phase and first investments in projects

## Implementation of experimental phase and first investments in projects

### Stake

- 1) Finance 4 or 5 projects in the fields of transport and building or share expertise regarding Carbon management to reduce co2 emissions.
- 2) Release the first carbon credits to propose to sale them to posts wishing to compensate for their emissions.

The definitive plan will enter after pilot stage in its operational phase and the mechanism will benefit a possible largest number of mail establishments.

## Implementation of experimental phase and the financing of the projects

### Objectives

- **Identification of projects (4 or 5 projects financeable and validated by an expert)**
  - Identify with hosting different project types allowing to test their implementation, their feasibility and their relevance with regard to the sector and to the postal carbon Fund
- **Project development and financing of their accreditation**
  - Specify if the structure finances a whole project or partially
  - What will concern the financing exactly ?
- **Follow-up of the projects to measure of credits carbon generation**
  - Posting of the first carbon credits
- **Definition of an average ton carbon price with regard to the experimental phase**
- **Formalization of specific compensation methodology of postal project**



a consultation of the expert which will accompany the structure in this stage will be launch on September

## Search for funding

## Search for funding

**Stake :** On the basis of the constituted budget and the possible members contributions, to look for funds and to fill files for the financing applications which would at first allow to realize the experimental phase / the pilot of the project:

**Contact of national and international organizations to obtain subsidies**

**First track :** French Fund for World Environment (FFEM)

First phase of selection of files (3 phases of selection) : writing of a note describing the bases of the project, its context and its stakes, its objectives as well as the costs of the project.

The FFEM can finance until 30 % to finance offsetting projects

**Deadlines delivery of file:**  
septembre 2013



## Extension of the pilot in other posts

### Extension of the pilot in other posts

**Stake :** Keep informed any post to enlarge the fund once the pilot is implemented.

- New phase of promotion with the members of the UPU

**Time:** UPU meetings and communication

## Recruitment of an organization able to manage the fund and accompany postal projects development

### Recruitment of an administrator of fund and developer of projects

#### Stake

On the basis of the answers to the consultation realized by the subgroup (Carbonium, CDC climate, Greenstream and Natixis Environment and Infrastructures) and the organizations having shown their interest with the UPU (Nexus, others), a call for tenders will be launched to identify an organization able of managing the fund and developing projects (projects detection, accompaniment of the posts in the financial plan, project monitoring...).

- Possibility of making a consultation in 2013 so that the administrator and developer supports the experimental phase
- Launch a call for tenders

**Time :** To define with the founder members

## Global budget

### Contribution for the founder members 1/3

#### Contribution to become a founder member

Structure cost	Structure creation (year 1)	12k €
	Costs of annual functioning (every year)	10 k€

#### Financing

Year 1 → 2 200€ / member

Year 2 → 1 000€ to 2 000€ / member

## Contribution for the founder members 1/3

### Voluntary contribution of funder members

	Actions	Costs year 1
<b>Promotion and training</b>	Creation of a promotion module of the project and the detection of the financeable projects  Meeting of the posts having supported the resolution and of possible ones having shown their interest  Accompaniment in teams training of the posts to detect and propose financeable projects  Creation of e-learning module to train posts of the pilot	154 000 €

**Financing**

According to the means of every post  
→ Possibility of contributing by giving experts

## Contribution for the founder members 1/3

### Voluntary contribution to the development phase of the project

	Actions	Costs
<b>Project development</b>	Identification of 4/5 projects  Development of projects  Measure of carbon credit generated  Sales of first carbon generated	650 000 €

**Financing**

- Search for funding
- Financing of the founding members

## Contribution for the founder members

### Global Budget

Upstream Studies	20 k€	Financed by La Poste (France)
Creation cost	12 k€	In cofinancing with the founder members
Functioning costs	10 k€	
Promotion and formation	154 000€	Voluntary financing by the founder members or the contribution of expertise
Projects development	650 000 €	Voluntary financing by the members founder or contribution of expertise and search for external financing
<b>Budget Global</b>	<b>846 000 €</b>	

### Retro planning

Retro planning			2013			2014	
Steps		Who	Month				
Creation of the structure		La Poste	Sept.				
Identity & visibility of the structure							
Promotion of the project		Association		Oct.			
Train posts Participating in the pilot	Module of training	Association	Sept.	Up to end of 2013		Janv.	
	Meeting with posts						
	Creation of e-learning module						
Pilot phase implementation		Association		End of 2013 to 2014			
Financing of the first projects		Association					
Search for funding		La Poste	Sept.				
Extension of the pilot in other posts		Association					After the pilot phase
Select a carbon organization able to develop project and manage the fund		Association			End of 2013		





## **REPORT OF THE SUSTAINABLE DEVELOPMENT WORKING GROUP**

SD group having 19 registered member countries, met on 05 September 2013 in the FF 1 hall of Le Meridien, New Delhi India. Members of the group are Australia, Bangladesh, Bhutan, China, Fiji, Indonesia, Japan, Korea, Malaysia, Mongolia, New Zealand, Pakistan (Chairman), Samoa, Solomon Islands, Sri Lanka, Thailand, Tonga, Vanuatu and Vietnam. However Australia, Bangladesh, Fiji, Indonesia, Malaysia, Mongolia and Solomon did not attend the session. Islamic Republic of Iran joined the SD group as a new member.

1. After introductory remarks of the Chairman, Mr. Wasim Zafar from Pakistan Post gave a introduction on aim and objective of Sustainable Development working group. He carried out a review of the SD activities of the group tracing its history from December 2009 to present. The actions and views shared by the SD working group during APPU EC meetings at Mongolia in 2011 and Hongkong, China in 2012 were shared with the group Mr. Wasim Zafar also gave details about the Doha Postal Strategy goal 4 regarding fostering sustainable development of the postal sector. The key conclusion of SD were highlighted to the group as narrated in Doha Postal Strategy. Information of programs 1 to 4 of Doha Postal Strategy were shared with the group focusing the following:

- a) Establish fair and efficient remuneration systems.
- b) Strengthen the UPU capacity to respond appropriately to the changing needs of the market.
- c) Stimulate the inclusion of all segments of the population through greater / or targeted access to postal services.
- d) Promote environmental awareness, social responsibility and resilience to disasters.

2. While sharing the experience of La Poste, France Ms. Stephanie Scoupe made a detailed presentation on “Evolution of the voluntary carbon offset project and its current implementation phase in the region”. She highlighted the areas of the pilot including its identity, visibility and creation of the structure, its promotion, role of train post participating in the pilot, strategy for implementation of the pilot phase and the financing of the projects and search for funding.

3. She also explained in detail about the operational stage of the project including the possibility of extension of the pilot to other posts in Asia Pacific region and recruitment of an organization which is able to develop projects and finance the fund. The details of global budget and retro planning were shared with the members of the SD group.

4. Another presentation in this regard was also given by Mr. Mark Lawley from New Zealand Post, discussing the following important areas of SD in New Zealand Post.

i) Planet (Environmental).

ii) People (Social).

iii) Profit (Economic).

5. Mr. Mark Lawley while making the presentation said “it is important to note that the SD strategy in NZP is fully integrated and embedded into all aspects of the business. Those heading the work streams are senior people with influence, and with the seniority to make things happen immediately. It is a mature programme that has been running for seven years”.

6. He said SD is all about “value creation”. Managing for risk, building stronger relationships to make it happen, finding new business opportunities using sustainable technology or sustainable business models. These business models were explained to members of the group. The members were informed that Carbon emissions was the biggest concern of New Zealand Post, about 75% of carbon emissions was due to fuel burn. Thus New Zealand Post constantly strived to achieve balance between maintaining sustainability, while building the business with successful initiatives such as **YouShop**.

7. Sharing his experience Mark said that progress in this area was dependent on building closer relationships with their suppliers, and getting a good handle on what consumers wanted. They are also starting a product sustainability audit on all the products they supply. New Zealand Post will be looking at each product against sustainability criteria to enable them to give each product a rating. They will then identify high risk products and build a strategy around this. NZP will contact customer research to get a baseline around customer expectations of sustainable practices. They will achieve this by finding the balance between customers caring about sustainability, but not wanting necessarily to pay a premium for achieving it. NZP was working to develop a baseline of ethical practice within the business. Their ethical principles includes woman in leadership, diversity in the NZP community, all driven by a recognition that while they want an innovative company.

8. NZP was moving away from treating community involvement as a sponsorship activity to an activity that sees return for both the company and the community involved. This means they are moving away from the simple donation of funds and looking more at investment. NZP is thus working to build relationships with companies that provide “angel investments” and work in partnership with them. Their key focus however remains health and wellbeing (such as NZP’s involvement with the Heart Foundation) and literacy (books in homes) etc. New Zealand Post

Group sustainability programme is also aligned with the APPU priority areas for Sustainable Development to help postal administration follow them.

9. The members of the SD group showed keen interest in adoption of Goal 4 of the UPU Strategy on Sustainable Development and agreed to share their experiences and best practices with each other.

10. The Chairman of the Sustainable Development Group of APPU thanked all the participants for their efforts and keen interest in the meeting to make the session fruitful and purposeful.

Mr. Wasim Zafar  
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Sustainable Development Group.  
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