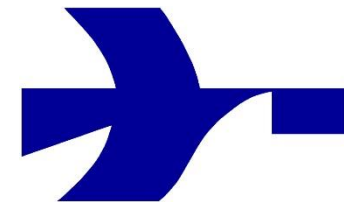


# **OPENING UP OF THE UPU TO WIDER POSTAL SECTOR PLAYERS**

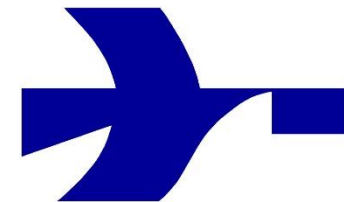
**Presentation by  
Australia & India**

**ASIAN-PACIFIC POSTAL UNION CONGRESS  
29 August – 2 September 2022 ,Bangkok, Thailand**



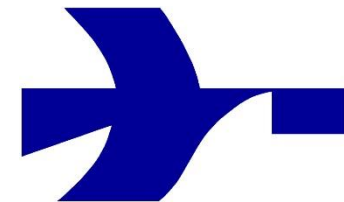
## OUTLINE

1. Context
2. Why is this work important for member countries
3. Reflecting on the impacts on the Postal Sector
4. Work of CA and POC prior to the 2023 Extraordinary Congress
5. CA Task Force
6. POC Task Force
7. CA C2 Expert Team
8. How UPU members can contribute
9. Next Steps and Questions



## 1.a : Brief Background

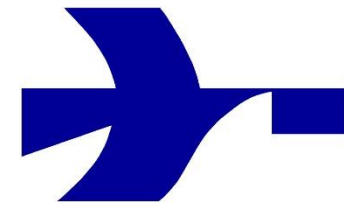
- UPU a 192 member inter governmental body
- Mandate - to stimulate the lasting development of efficient and accessible universal postal services of quality in order to facilitate communication between the inhabitants of the world
- Wider postal sector players represented through the Consultative Committee (CC).
- Consultative Committee (CC): provides a framework for effective dialogue with wider postal sector
- Limited membership of CC (only 18)
- Comparable UN organisations have diversified their membership categories to include a range of membership



## 1.b : Brief Background

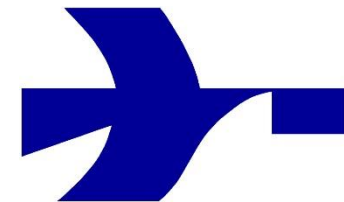
- The Postal sector in most countries was run by an entire single operator called the “Posts” and a part of the Government.
- The advent of modernization, liberalization and concurrent surge in e-Commerce changed the scenario with advanced economies privatizing their Posts.
- The market share of the traditional DOs have dropped significantly (76.7% for letters, 39.9% for express and 35.5% for parcels), DOs are relegated to low-growth segments.\*
- In 2018, risk of the withdrawal of the USA from the Union accelerated the work of the opening up as it revealed the criticality to address the long term risks of relevance and funding.

\* Source: UPU’s briefing note for member countries / 27<sup>th</sup> UPU Congress



## 1.c : Previous work towards Opening Up of UPU

- Beijing Congress 1999: authorized CA to create an advisory group that would increase the participation of interested parties in UPU's work.
- USA issued a memorandum in 1999 to consider reforms to keep pace with global developments, make UPU more open and inclusive in its deliverables and decision making.
- CC was created in 2004, but the idea of opening up was not achieved due to a number of reasons - the lack of clarity in the definition of its role and value proposition; the low institutionalization of its interaction with other UPU bodies etc. CC members in 2004-19, and in 2022-18.
- Doha Congress 2012: Resolutions on extraterritorial offices of exchange, international mail processing centres, designation of multiple operators, and access to UPU products and services by other players.
- Istanbul Congress 2016: Resolution C 10/2016 adopted a general policy on access of wider postal sector players to UPU products and services.

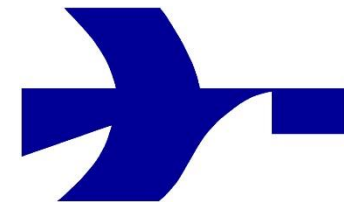


## 1.d : Decisions of Abidjan Congress, 2021

### Consensus to open -

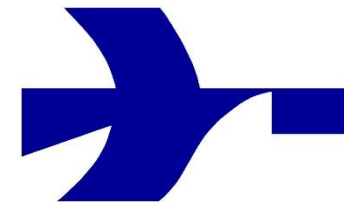
- Congress noted:
  - Union's mission is to stimulate the lasting development of efficient and accessible universal postal services of quality in order to facilitate communication between the inhabitants of the world
  - recognized that increased access of wider postal sector players to the Union's products and services will help to advance the mission of the organization
- Resolution C 11/2021, instructed the CA to continue further study of opening up of the UPU to wider postal sector players, particularly in areas of structural changes, participation methodology and the corresponding financial contribution model.

Source: Abidjan Congress proposal-13



## 1.e : What to Open?

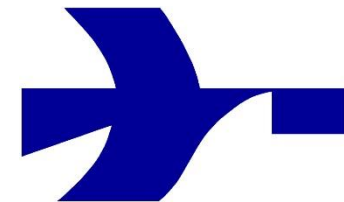
- **Structure:** Integration of Wider Postal Sector players into the Union-  
as part of an operational body along with all DOs, a Governing Council consisting of member countries, DOs & Wider Postal Sector Players, empowered CC ??
- **Ease** of joining
- **Decision** making ability
- **Access to UPU Products and Services** – address lists, international bureau support, Union's meetings, consulting and capacity building services
- **Additional products and services** identified for technical review- e.g. GMS



## **1.f : UPU Extraordinary Congress 2023**

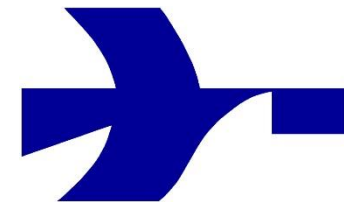
The Abidjan Congress adopted resolution C 12/2021 for the organization of an Extraordinary Congress in 2023. The 2023 Extraordinary Congress has been planned specifically for the examination of the proposals that will be drafted as per the recommendations of the Task Force on opening up of the UPU.





## 2. Why is the work important?

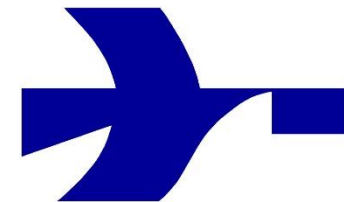
- As emerged from the discussions and work so far:
  - The matter of opening up of UPU is a sensitive one and that the implications for DOs and for universal service may be significant, requiring extreme caution.
  - A careful step-by-step approach needed, in which each element of opening up is carefully studied, with any potential impact or risk thoroughly verified before a decision is made.
  - In absence of a rapid reform, the UPU might further move towards irrelevance and financial crisis in view of UPU's worsening financial situation. By keeping Wider Postal Sector Players outside the union, the UPU is becoming less universal as it sticks to a declining portion and segment of the sector



## 2.a : Postal Economic Outlook

- Share of online retail is getting back in line with pre-pandemic trends across various economies
- Volumes of both domestic and international parcel post have increased while the letter post items have decreased
- The percentage of revenue from parcel post items is increasing while it is decreasing for letter post items
- The share of DOs in Express and Parcel is less than the market share of non-DOs
- The UPU's international end-to-end network is decreasing at an alarming rate, potentially reversing decades of work on developing operational solutions for DOs and other associated postal sector entities

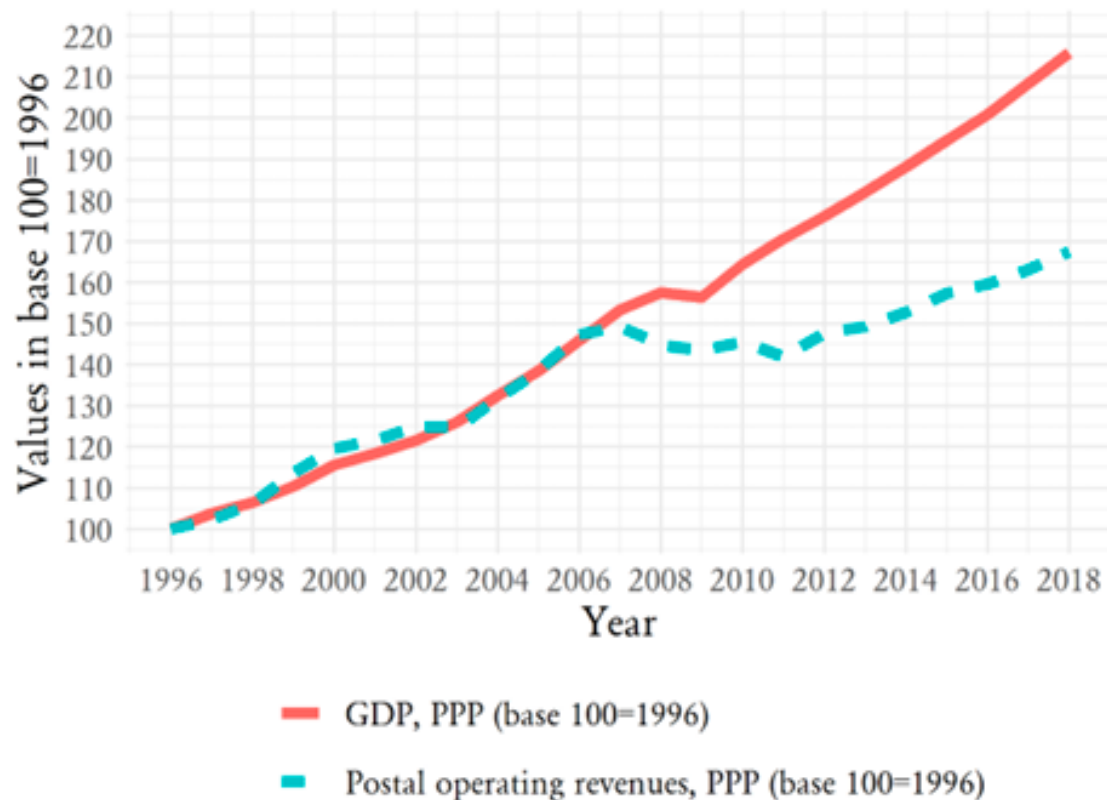
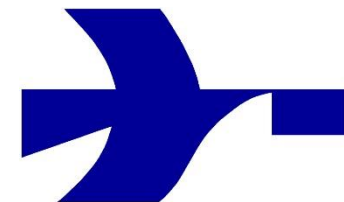
Source: CA C3 2022.1 Doc 5



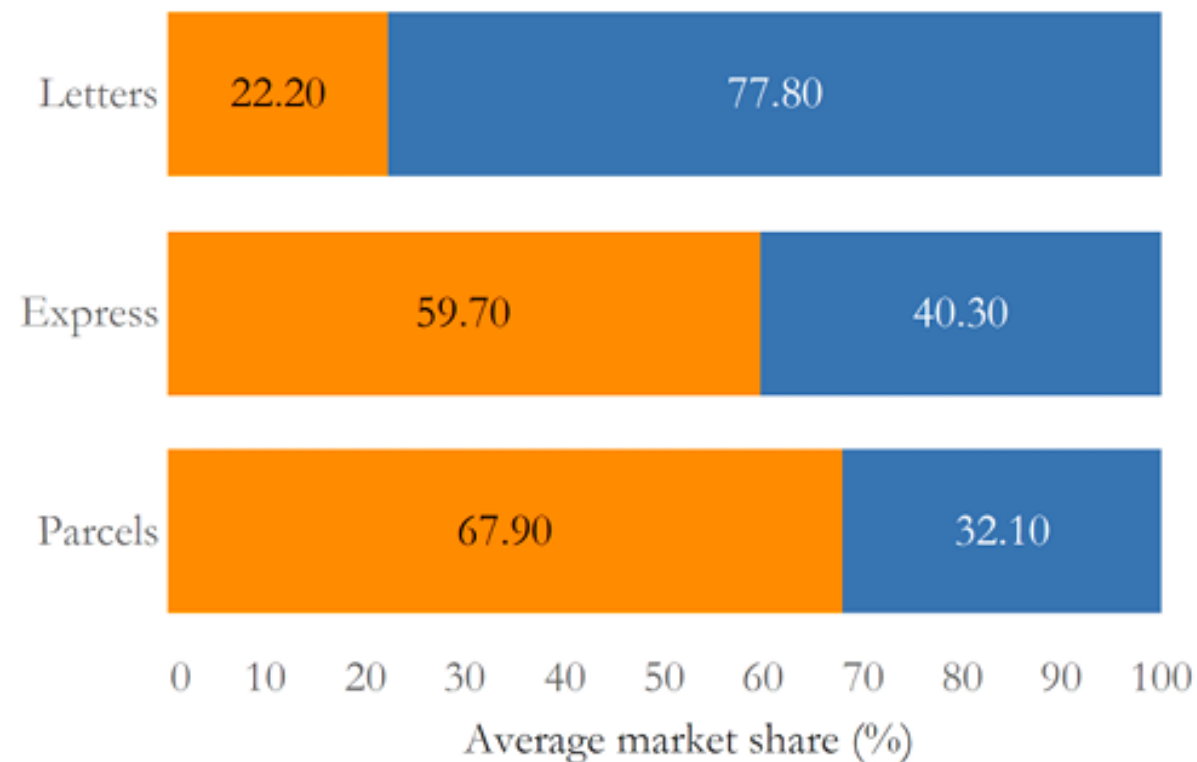
## 2.a : Postal Economic Outlook

- The UPU's operational solutions are being less used by DOs and not used by wider postal sector players, the decrease in the UPU's international end-to-end network may constitute a direct threat to the relevance of the organization's operational activities.
- The pandemic has not only severed the logistics supply chain but may also have changed postal consumption patterns (at least as far as DOs are concerned).

Source: CA C3 2022.1 Doc 5



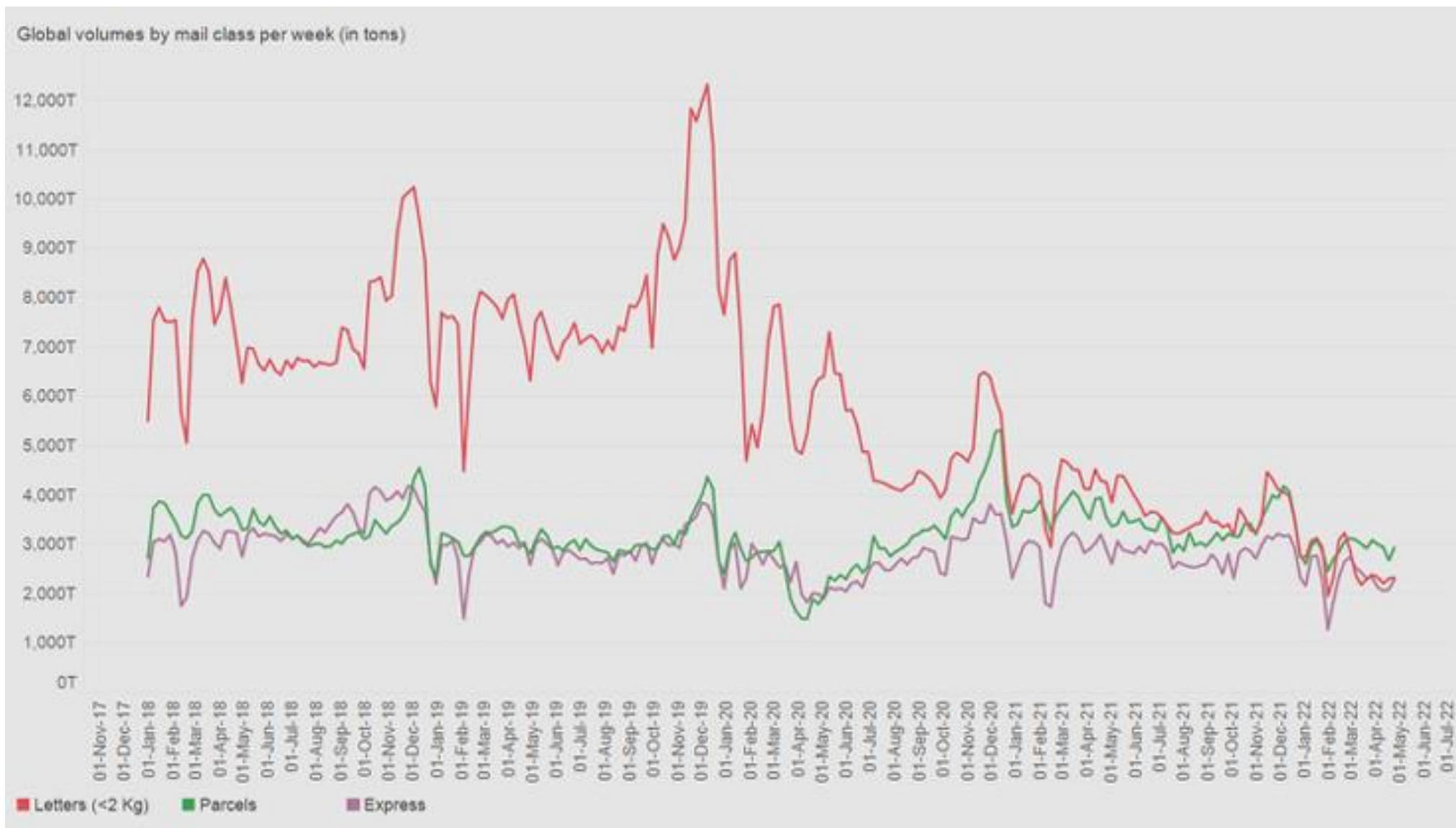
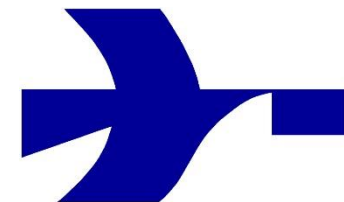
Source: World Bank WDI and estimates based on UPU official statistics.  
 Notes: Values normalized to 100 in 1996 to allow for trend comparison.



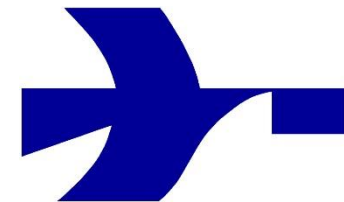
■ non-DOs ■ DOs

Source: Global estimates based on UPU official statistics.

Source: CA C3 2022.1 Doc 5



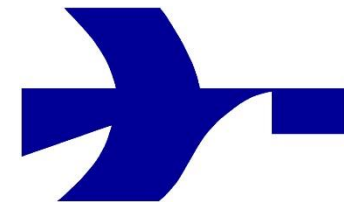
Source: CA C3 2022.1 Doc 5



## 2.b : Postal Economic Outlook

- Create a mechanism to develop an alternative and economically-relevant channel to encourage DOs to use the UPU's international end-to-end system.
- Devise a solution to encourage the use of the UPU's international end-to-end solutions by wider postal sector players, in particular standards, tracking and customs clearance.

Source: CA C3 2022.1 Doc 5



## **2.c : Way forward:**

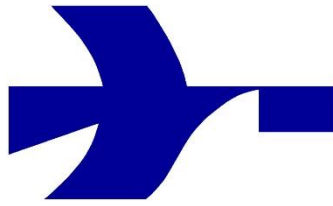
### **Why opening up?**

- Ensure sustainability of the Union
- Relevance of the UPU- Inclusive, Representative, Universal

### **How to go about it?**

- Gradual
- Supported by impact assessments
- A clear understanding of the impact on USO

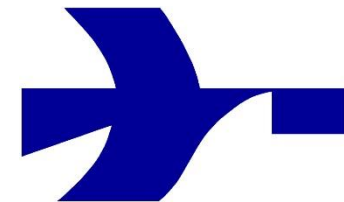
**With increased & active participation of member countries**



### 3. Reflecting on the Impacts on the Postal Sector

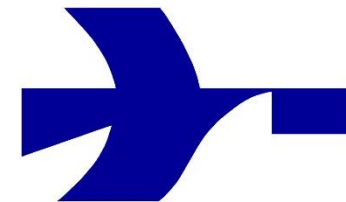
- Where are DOs going?
- Where is the Market going?



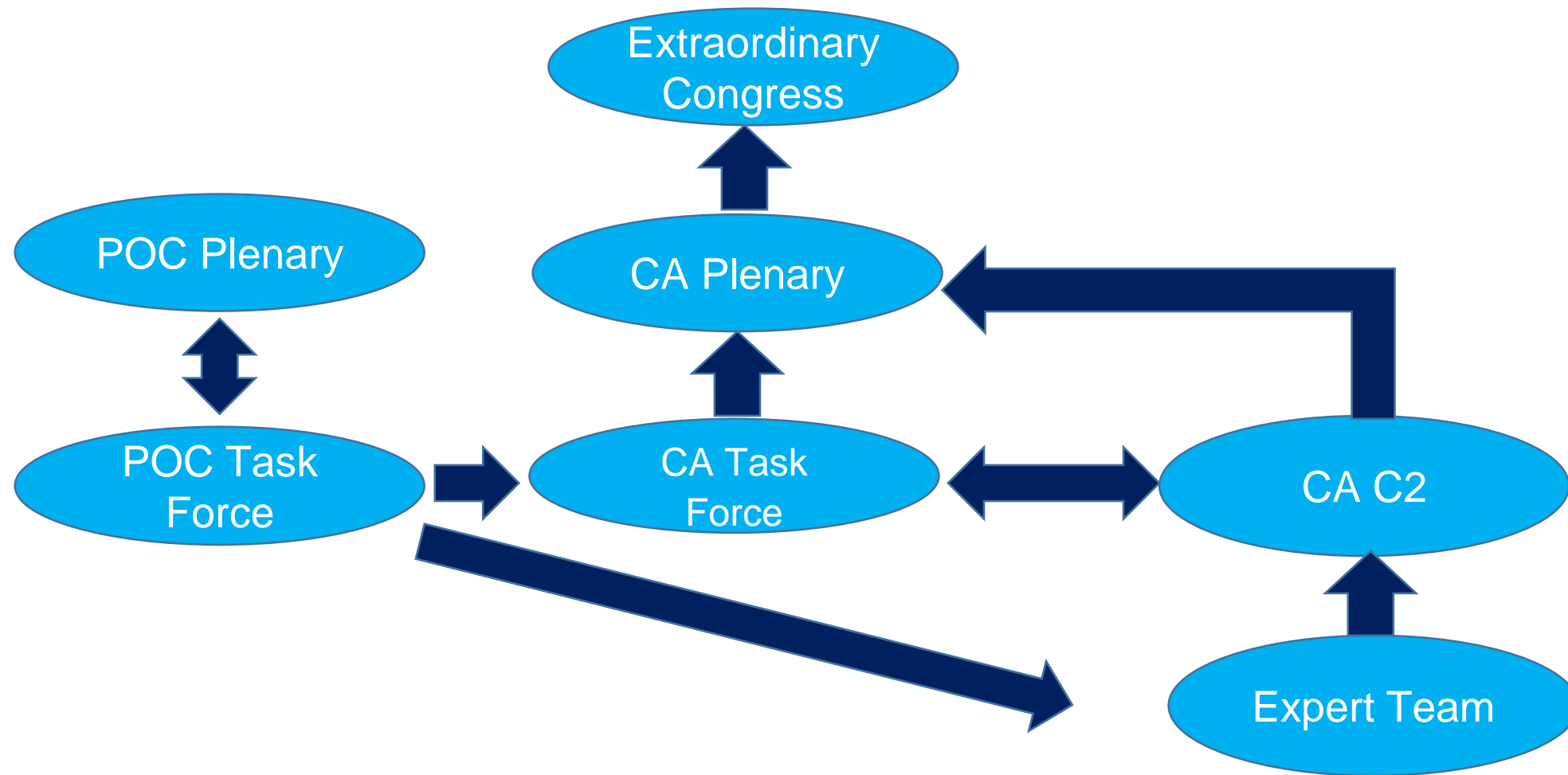


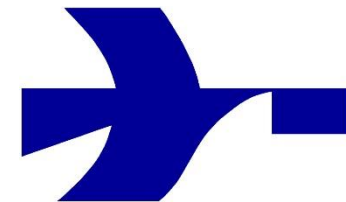
## 4.a : CA and POC work until 2023

- Three working groups:
  - **CA Taskforce** – established by the Abidjan Congress / CA to prepare proposals for the Extraordinary Congress.
  - **CA C2 Expert Team** – established by CA Committee 2 to take forward analysis of products and services for opening up.
  - **POC Taskforce** – established by the POC to support the work of the other groups and share the POC's knowledge and expertise.



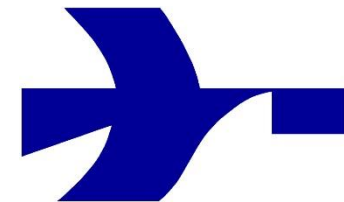
## 4.b : How the Task Forces/Teams fit together





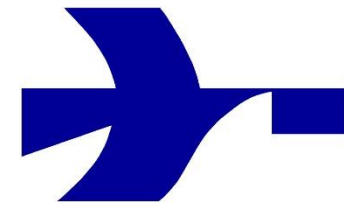
## 5.a : CA Taskforce

- Co-chairs: Algeria and the United States of America
- The taskforce has met 4 times. Meetings are generally held monthly via Zoom.
- Generally 100+ participants from over 60 countries
  - All UPU member countries welcome to participate.
  - Country positions to be represented at meetings, but DOs and government/regulator representatives welcome.
  - Participation does not prejudice a member country's decision on the taskforce proposals.
- Translation available
- Istanbul (Resolution C 10/2016) and Abidjan (Resolution C 11/2021) Congress decisions guiding work



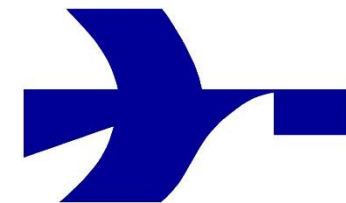
## 5.b : CA Taskforce

- Terms of Reference:
  - continue examining the opening up of the UPU to wider postal sector players;
  - study, advise upon and prepare proposals for consideration by an Extraordinary Congress;
  - study and prepare proposals on further opening up of the UPU to Wider Postal Sector Players; and
  - ensure the widest possible participation of CA members and observers in this work.



## 5.c : CA Taskforce

- Deliverables have been divided into 3 major workstreams:
  1. Institutional framework
  2. Products and services
  3. Reform as a continuum
- Workstream 1 will be delivered by the CA Taskforce directly
- Workstream 2 will be delivered by an expert team under CA Committee 2
- Workstream 3 is yet to commence, and will be delivered by the CA Taskforce directly



## 5.d : Objectives of the CA Taskforce's three workstreams

### Workstream 1

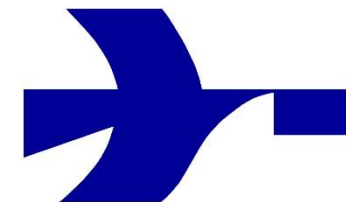
A fit for purpose and future ready institutional design be it through improvements to current design or through change that is more substantial. Discussions are to focus on establishing common ground in respect of the parameters applicable to available options and, if possible, achieving consensus on a single design option for consideration by the 2023 Extraordinary Congress.

### Workstream 2








Securing effective and timely wider postal sector player access to those UPU products and services targeted for opening up. Such access is to be granted on the basis of demonstrable needs, a consideration of relevant impact assessments, and in a manner consistent with the general access policy and principles set out in Congress resolution C10/2016 and any other relevant stipulations of the CA as the case may be.

### Workstream 3

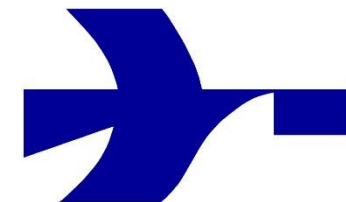
Securing effective and transparent processes and channels for high level systematic and ongoing reform discussions post the 2023 Extraordinary Congress.



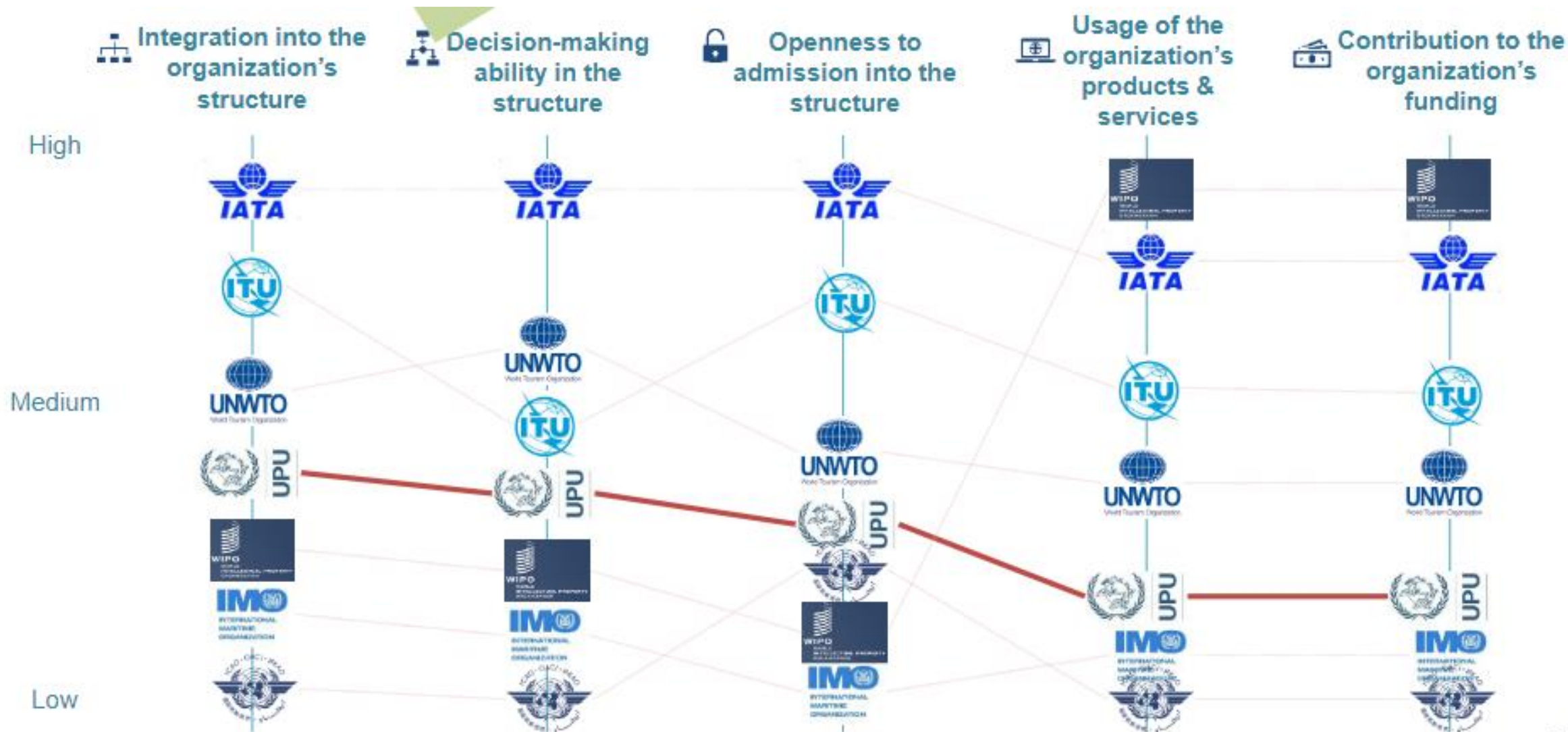
## 5.e : Workstream 1 - Institutional Framework

						
Tourism	Postal	Maritime	Telecom	Aviation	Aviation	Intellect. property
160 member countries	192 member countries	175 member countries	193 member countries	193 member countries	290 members (airlines)	193 member countries
151 ind. in workforce	272 ind. in workforce	300 ind. in workforce	684 ind. in workforce	891 ind. in workforce	1700 ind. in workforce	1572 ind. in workforce
>20 CHFm in revenues	>85 CHFm in revenues	>85 CHFm in revenues	>190 CHFm in revenues	~150 CHFm in revenues	N/A revenues	~500 CHFm in revenues
1 supreme body and 1 governing body	1 supreme body and 2 governing bodies	1 supreme body and 1 governing body	1 supreme body and 1 governing body	1 supreme body and 1 governing body	1 supreme body and 1 governing body	Several supreme and governing bodies
>500 other non-governmental members	15 other non-governmental members	85 other non-governmental members	924 other members	47 other non-governmental members	>100,000 ATA accredited travel and cargo agents	Services for millions of patents, trademarks and industrial designs



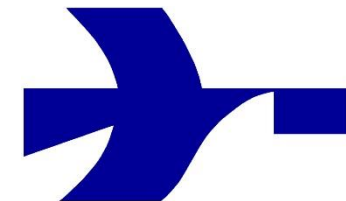


## 5.f : Workstream 1 - Institutional Framework





## 5.g : Workstream 1 - Institutional Framework



### Early Key Questions for the Taskforce to consider

To what extent do wider postal sector players want be integrated into the UPU's structure? Why?

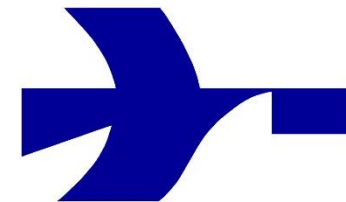
How much decision making ability do they want to have, even within a separate structure? Why?

How easy should it be for them to join the organization (as part of its permanent structure)? Why?

To what extent should the organization's products and services be opened to wider postal sector players? Why?

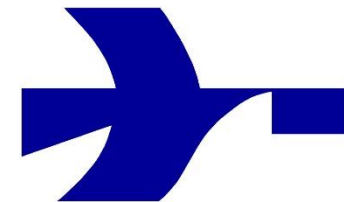
How much are wider postal sector players willing to contribute to the organization's funding, either through membership fees and/or through pay-for-use models in respect of the access granted to UPU products and services?

Questions to be revisited by the Co-Chairs following completion of questionnaires by members and may change



## 5.h : Questionnaire

- Early discussions identified that there was a need to capture members views of what Opening Up means to them, and identify:
  - common ground; and
  - points which require further analysis and discussion.
- A questionnaire was decided as the best mechanism for understanding the views of stakeholders on opening up.
- Questionnaires will test the views of:
  - Member Countries and Regulators;
  - DOs; and
  - Wider Postal Sector Players, including those inside and outside the Consultative Committee.
- The questionnaires were issued by the UPU in early August 2022.
- **Early results to be shared, if known**



## 5.i : Workstream 3 – Reform as a continuum

- Tasked to:
  - Devise a process through which reform efforts can continue to be a permanent feature of the organization.
  - To establish an ongoing mechanism beyond the 2023 Extraordinary Congress.
- To achieve this by:
  - Considering what is being done in comparable institutions
  - Seeking suggestions
  - Analyzing possible mechanisms
  - Developing proposals for consideration by the Extraordinary Congress
- Further discussion on this workstream yet to commence

## 5.j : Timeline of Deliverables



We are here

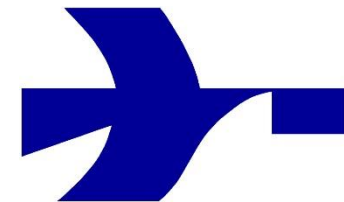
Workstream	Deliverable	Jan 22	Feb 22	Mar 22	Apr 22	May 22	Jun 22	Jul 22	Aug 22	Sep 22	Oct 22	Nov 22	Dec 22	Jan 23	Feb 23	Mar 23	Apr 23	May 23	Jun 23	Jul 23	Aug 23	Sep 23	Oct 23	Nov 23	Dec 23	2024	2025	2030
0 TF management	0.1 – Official request for participants sent																											
	0.2 – Official list of participants published																											
	0.3 – TOR of the TF reviewed and finalized																											
	0.4 – TF reporting meetings held																											
	0.5 – Status report delivered to the CA																											
	0.6 – Proposals reported to the CA																											
	0.7 – Proposals presented to Congress																											
	0.8 – Post-Congress follow-up																											
1 Institutional framework	1.1 – Definition of existing models, incl. based on benchmarks																											
	1.2 – Consultations with UPU bodies conducted																											
	1.3 – Consultations with wider postal sector players conducted																											
	1.4 – Impact analysis/assessment of different models conducted																											
	1.5 – Selected options of proposals drafted and presented																											
	1.6 – Consultation on draft proposals finalized																											
	1.7 – Final draft proposal on workstream 1 presented to CA																											
	1.8 – Final proposal on workstream 1 presented to Congress																											
	1.9 – Decision of Congress implemented																											



We are here

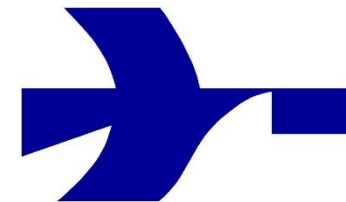
Workstream	Deliverable	Jan 22	Feb 22	Mar 22	Apr 22	May 22	Jun 22	Jul 22	Aug 22	Sep 22	Oct 22	Nov 22	Dec 22	Jan 23	Feb 23	Mar 23	Apr 23	May 23	Jun 23	Jul 23	Aug 23	Sep 23	Oct 23	Nov 23	Dec 23	2024	2025	2030
2 Products and services	2.1 – Situation analysis/mapping finalized																											
	2.2 – Consultation and cross-reporting with UPU bodies																											
	2.3 – High-level impact assessment and demand analysis conducted																											
	2.4 – Draft guidelines/conditions and timeline for opening up																											
	2.5 – Consultation finalized on draft guidelines, conditions and timeline																											
	2.6 – Final proposal on workstream 2 presented to CA																											
	2.7 – Final proposal on workstream 2 presented to Congress																											
	2.8 – Decision of Congress implemented																											
3 Reform as a continuum	3.1 – Stock-take and analysis of ongoing reform mechanisms																											
	3.2 – Draft proposals on mechanisms prepared																											
	3.3 – Final proposals on workstream 3 presented to CA																											
	3.4 – Final proposals on workstream 3 presented to Congress																											
	3.5 – Decision of Congress implemented																											

Source: CA OUWSP TF 2022.1 – Doc 2.Rev 1



## 5.k : Engagement with the Wider Postal Sector

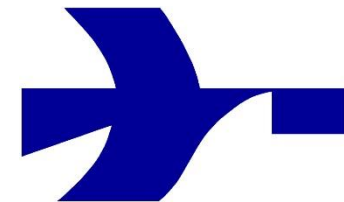
- Wider Postal Sector engagement
  - Taskforce insights were presented to Wider Postal Sector Players on 4 May 2022, as part of a first step of a series of “nexus” meetings in reaching out to wider sector players.
  - The Taskforce have also reached out to the Consultative Committee on key principles of opening up.
- Early indications were that discussions needed to continue to better understand what the UPU could offer the wider sector, but genuine interest in dialogue and in some products and services.



## 6.a : POC Taskforce

- The POC has established a taskforce to support a holistic consideration of Opening Up.
- Chaired by Italy (Mr Vincenzo Aurelio).
- Taskforce reports to the POC Plenary and feeds advice to CA Taskforce and CA Expert Team. Primarily DOs with some government representation.
- Taskforce meets as required (twice so far) via Microsoft Teams.
- Informal, English only
- Limited participants - contact Secretariat to seek to join.

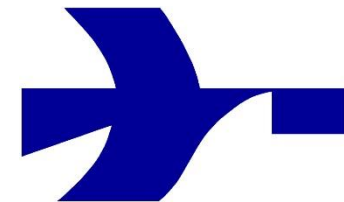




## 6.b : POC Taskforce – Terms of Reference

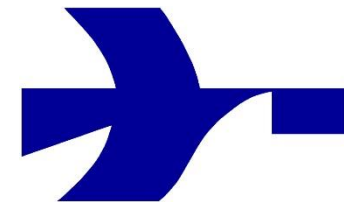
- Coordinate and consolidate input for the POC Chair to the work of bodies established by the CA on opening up of the UPU to wider postal sector players (CA Taskforce and CA C2 Expert Team).
- Contribute to the work of the CA Taskforce and CA C2 Expert Team by sharing operational expertise, experience, views and best practices.





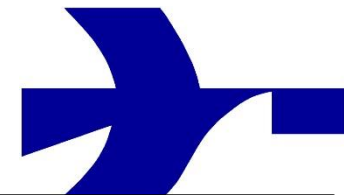
## 7.a : CA C2 Expert Team

- The Expert Team met for the first time on 28 July 2022. Shall meet regularly via Microsoft Teams/Zoom.
- Co-chairs: Austria and Uruguay.
- Members: Australia, Austria, Azerbaijan, Bahrain, Belarus, Belgium, Botswana, Brazil, Burkina Faso, Canada, China, Egypt, France, Hungary, India, Japan, Kenya, Mauritania, Mauritius, Mexico, Netherlands, Philippines, Portugal, Russian Federation, Spain, Switzerland, Tanzania, United Arab Emirates, United Kingdom, United States, Zimbabwe, IMAG (CC), Ecommerce Europe (CC) and GS1 Global Office (CC).
- Interested member countries to contact secretariat or Co-Chairs to discuss joining.
- Sub-group of CA Committee 2.



## 7.b : CA C2 Expert Team

- Purpose:
  - to conduct the technical review required for workstream 2 which will inform proposals to be considered at the 2023 Extraordinary Congress.
- Aim:
  - ensure unified leadership and accountability for the totality of the work
  - avoid overstretching the resources of CA member countries
  - understand all products and services that should be assessed to feed into proposals, ahead of the 2023 EC.
- The technical review of each UPU product and service is expected to cover:
  - analysis from regulatory, operational and market perspectives
  - impact analysis on member countries and DOs
  - demonstrated needs of Wider Postal Sector Players
  - recommendations on the opening up of the product or service with the scope of access and fees
  - timelines for implementation.



## 7.c : The Expert Team to examine three work baskets

**Basket 1: products/services already accessible during the Istanbul cycle, and access to the UPU's knowledge-based products**

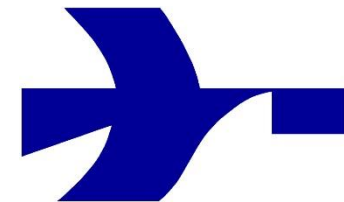
- POST solutions
- UPU postal supply chain management solutions
- POST\*Net Finance postal payment solutions
- Global Monitoring System (GMS)
- Online Solution for Carbon Analysis and Reporting (OSCAR)
- Trainpost
- UPU\*Clearing

**Basket 2: access to IB support and access to UPU solutions related to focused analysis, research and insights on market trends**

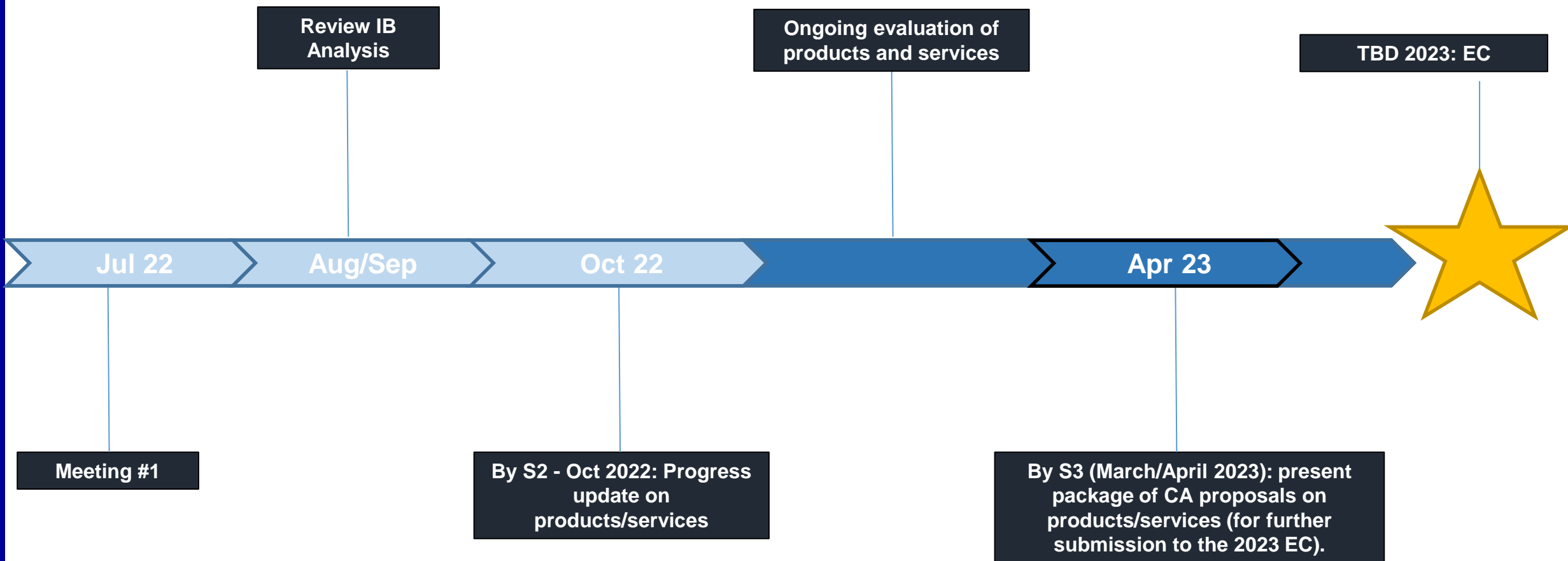
- Legal advisory services
- Access to address/contact lists as well as other UPU documents
- Provision of UPU research and analytical services to WPS
- Provision of consultancy services on UPU solutions
- Provision of training and capacity-building services other than Trainpost

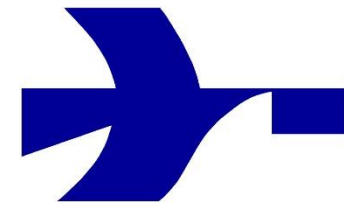
**Basket 3: access to UPU solutions for improvement of interoperability and interconnection of infrastructures**

- Supply chain solutions
- Global Monitoring System (GMS)
- Postal security
- IMPC codes
- Remuneration solutions
- Addressing solutions API for verification down to premises level



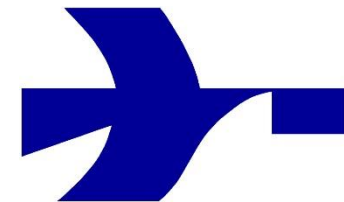
## 7.d : CA C2 Expert Team - Timeline





## 8. How can APPU members contribute?

- CA Taskforce questionnaires, responses were due to the IB by **26 August 2022**. Submit now if you have not been able to reply so far;
- Participate in virtual meetings of the CA Taskforce;
- Join the POC Taskforce or the CA C2 Expert Team to share your knowledge and expertise;
- Provide written feedback to the taskforce(s) with your country's views – any views welcomed (please clearly label); and/or
- Raise topics for discussion now/via further APPU conversations.



# Contact details

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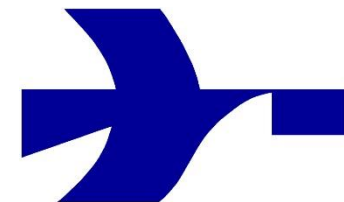
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**CA C2 expert team:** [CA.C2.Secretariat@upu.int](mailto:CA.C2.Secretariat@upu.int)

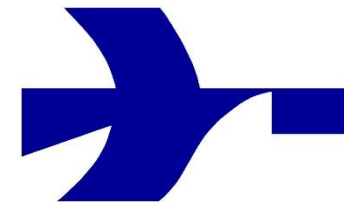
**POC Taskforce:** [POC.Secretariat@upu.int](mailto:POC.Secretariat@upu.int)



## 9. Next steps

- Extraordinary Congress to be held in 2023 (Date/Place TBD)
- Welcome members' views on the value of future updates/virtual APPU meetings/discussions on Opening Up – would this assist members?
- Welcome any questions?





**THANK YOU**