Meeting of UPU CA Matters Working Group

2

Chair: Pakistan

Members: Australia, China, Iran,

Japan, Korea,

New Zealand, Pakistan,

Sri Lanka, Viet Nam

<u>Sequence</u>



- Opening Remarks by Chair
- Brief overview of Items discussed in CA Session S-7
- Highlights of CA Meeting
- Presentation By China on Reform of UPU contribution System
- Presentation By Japan on
- UPU Major projects funded by Japan to combat COVID-19
- CA proposals to for legal stability of the Acts of the union.

The Purpose Of Working Group:-



 Keeping track of developments in the UPU Council of Administration meetings

 To observe how the Decisions made at the UPU Istanbul Congress were being implemented and the WG would coordinate with UPU and APPU on the CA decisions from time to time.

CA Meeting Agenda Points



- 1. Report on the activities of the Postal Operations Council
- 2. Report on the activities of the Consultative Committee
- 3. Report of the task force on the opening up of the UPU to wider postal sector players
- 4. Functioning of the CA up to the Abidjan Congress
- 5. Report on preparations for 27th UPU Congress

CA Meeting agenda points (continue)



- 6. Congress proposals
- 7. Issues raised by Qatar regarding Continuity of postal relations between Qatar and some other member countries
- 8. Mail exchange between Palestine and UPU member countries
- 9. Organization of the first two CA sessions after the Abidjan Congress
- 10. Presentation of the new UPU website

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Council of Administration Plenary



- This was the last CA session prior to the UPU Congress in Abidjan, therefore the session was held as plenary
- The session was chaired by Turkey.
- Chairs of different committees presented their reports.

Committee 1 (Finance, Human Resources and Governance)

For Committee 1, the main topics discussed at the meeting on 27 February 2020, were

- Reform of the system applied to contributions by Union member countries
- ii. Update on the UPU Provident Scheme
- iii. Budget of the UPU and IB human resource management.

ASIAN-PACIFIC POSTAL UNION EXECUTIVE COUNCIL MEETING 25 June 2020, Online Session





The key issues dealt with by Committee 2 at the meeting on 25 February 2020 included:-

- Access to UPU products and services by wider postal sector stakeholders.
- Simplifying the ratification process of the Acts of the Union, and proposals concerning the Integrated Product Plan (IPP) and the Integrated Remuneration Plan (IRP) and System.

ASIAN-PACIFIC POSTAL UNION EXECUTIVE COUNCIL MEETING 25 June 2020, Online Session



Committee 3 (Strategy and Postal Economy)

For Committee 3, the most important issue was the Abidjan Postal Strategy and Business Plan 2021–2024.



Committee 4 Trade Facilitation, Financial Inclusion and E-Trade

The main issues on the agenda at the meeting was UPU activities relating to financial inclusion, e-commerce/e-services policy frameworks, and postal trade facilitation policy.



Committee 5 Cooperation and Development

Agenda was the development cooperation policy for 2021-2024. It has special importance for developed and Least developed countries.

Reports processed



- Report on proceedings of Postal Operations Council (POC).
- Report of the task force on the opening up of the UPU to wider postal sector players.





China's presentation on

Reform of UPU contribution System

Japan's presentation on

- Current UPU Major projects funded by Japan to combat COVID-19
- CA proposals to ensure the legal stability of the Acts of the union.

Open Discussion



Reform of the system applied to contributions by Union member countries

UPU CA Matters Working Group

Presentation by China

Introduction



> To guarantee the Union's long-term financial sustainability

2016
Istanbul Congress
Resolution C29/2016

the CA was instructed:

to review the Union's contribution system and

to prepare an alternative contribution model proposal

for submission to the next Congress

2018
Addis Ababa Congress
Resolution C4/2018

the **Task Force** on reform of the system applied to contributions proposed an alternative contribution model based on simplified United Nations criteria, but it was **Not adopted.**

The CA was instructed to continue studying the issue with a view to developing a contribution model proposal for submission to the 27th Congress in 2020.

2018-2020 A new Task Force

A new Task Force was established, chaired by Germany, with 30 members and observers

7 Remote meetings:

Jan 22, March 18, and Dec 18, in 2019;

Jan 14, Feb 17, May 7 and Jun 18, in 2020



Introduction



The new Task Force members:

Algeria, Argentina, Australia, Belgium, Brazil,

Canada, China (People's Rep.), France, Germany (Chair),

India, Italy, Japan, Kazakhstan, Kenya, Korea (Rep.),

Malaysia, Mexico, Netherlands, Poland, Russian Federation,

Singapore, South Africa, Spain, Sweden, Switzerland,

Tunisia, Turkey, United Kingdom and United States of America.

Process



A UPU
tailored
model
(Addis Ababa)

Adapted UN
Model I
(with 10% Cap)

UN Model

(direct application)

Adapted UN
Model III
(Japanese Proposal)

A Pay-to-use model

Adapted UN
Model II
(Spanish Proposal)

A UPU Tailored Model (Addis Ababa) **A Converging** Model

Current Status



The UPU
Tailored
Model

similar to that presented in Addis Ababa,

with **additional updates** stemming from changes in budgetary parameters identified since the submission of the original proposal.

The Converging Model using the UN scale of assessment as a basic reference, subject to the following additional parameters:

- a) Union member countries (Type A) that have been paying below the equivalent of their UN scale of assessment would be requested to voluntarily increase their respective contributions by a number of units of their choosing; and
- b) Union member countries (Type B) that have been paying above the equivalent of their UN scale of assessment would benefit from the above increases as and when they take place, as the "contribution unit" amount (given a fixed budget) would decrease owing to the voluntary increase in payments by the Union member countries mentioned under a);
- c) This model would then **provide a self-balancing mechanism**, thus resulting in more stable and sustainable funding in accordance with the budgetary ceiling as adopted by Congress.

IB



- ☐ The IB showed its concerns about the stabilization of the UPU budget under a contribution system with a voluntary basis.
- ☐ The IB advised that the UPU budget maintain its stabilization by making the contributions mandatory.

Comparison and Analysis



The UPU
Tailored
Model

The Converging Model

Both models have the key features as follows:

- ◆ Stable and sustainable funding without changing the current value of the "regular" budgetary ceiling of the Union
- ◆ Fair distribution of contributions between Union member countries in accordance with their economic capacity
- ◆ Transparency of calculations and ease of understanding

Comparison and Analysis



The UPU
Tailored
Model

- ◆ Failed to be adopted at Addis Ababa Congress in 2018
- ◆ With more than 50% votes for it, but less than a two-thirds majority.
- Known to many member countries

The Converging Model

- A voluntary basis & A self-balancing mechanism
- Most member countries expressed their support to or show their interests in this model.
- Some of Type A countries expressed the readiness to increase their contributions, and some others are striving for more units.

Comparison and Analysis



	Classe de	Contribution	UN Index based	UN Index 2019-
Pays-membres	contribution	2020	Contribution	2021
United States of America	50	2,300,000	8,317,115.03	22.0013
Japan	50	2,300,000	3,237,626.05	8.5645
Germany	45	2,070,000	2,302,328.66	6.0904
China (People's Rep.)	26.5	1,219,000	4,538,498.45	12.0057
Italy	25	1,150,000	1,250,213.61	3.3072
Korea (Rep.)	15	690,000	857,040.90	2.2671
Russian Federation	15	690,000	909,211.89	2.4051
Brazil	10	460,000	1,114,493.41	2.9482
Mexico	10	460,000	488,441.48	1.2921
Austria	5	230,000	255,940.31	0.6770
Poland	5	230,000	303,196.65	0.8020
Turkey	5	230,000	518,307.49	1.3711
Argentina	3	138,000	345,916.37	0.9151
Chile	3	138,000	153,866.63	0.4070
Greece	3	138,000	138,366.55	0.3660
Ireland	3	138,000	140,256.80	0.3710
Israel	3	138,000	185,244.83	0.4900
United Arab Emirates	1	46,000	232,879.22	0.6160
Iraq	1	46,000	48,768.54	0.1290
Kazakhstan	1	46,000	67,293.02	0.1780
Peru	1	46,000	57,463.70	0.1520
Qatar	1	46,000	106,610.29	0.2820
Singapore	1	46,000	183,354.58	0.4850
Venezuela (Bolivarian Rep.)	1	46,000	275,220.90	0.7280

	Increase of units	Status	
China	13.5	showed readiness	
Germany	5	showed readiness	
Singapore	3	showed readiness	
Japan	2	showed readiness	
Itali	ī	showed readiness	
Kazakhstan	1	striving	
Poland	1	striving	

The total number of contribution units is expected to get additional 26.5. That will lead to a decrease of the value of each unit from 46,000 CHF to 44,000 CHF.

What's next?



The Task Force will

- hold another remote meeting on Jul 28., and
- > prepare a draft report



Thank you!



Ministry of Internal Affairs and Communications (MIC)

Japan

ASIAN-PACIFIC POSTAL UNION EXECUTIVE COUNCIL MEETING 25 June 2020, Online Session

2020 June, MIC Japan

1 DRM(Disaster Risk Management): Invitation for applications for technical assistance

In order to improve the capability to cope with natural disasters in mainly developing countries, the Ministry of Internal Affairs and Communications (MIC) of Japan is funding UPU projects for a total of 720,500CHF to formulate DRM plans, DRM training and to provide equipment in target countries.

In light of the recent worldwide pandemic, this project can be utilized for measures to combat COVID-19. Member countries can apply now.

2 ESF(Emergency and Solidarity Fund): Special Support for countries who are affected by COVID-19

Since the UPU established ESF as a scheme to restore postal services in disaster-stricken countries in 2012, Japan has funded 53 affected countries for a total 447,200CHF as a major donor country.

This time, specialized co-funding project for countries affected by COVID-19 has been launched. Member countries can apply now.

3 Utilizations of the postal network for social purposes

The Japan Fund is funding to the UPU case study projects to collect best practices for various utilizations of the postal network for social purposes.

Japan is currently funding a specific project to collect best cases to combat COVID-19. Information regarding effective initiatives from member countries will be highly appreciated.

(Related Projects: Financial Inclusion projects)

Japan considers financial services to be indispensable under the current pandemic situation. Japan is going to fund to projects of designated operators to be well equipped and to formulate effective strategies regarding financial inclusion. We are supporting around 10 projects. Please contact us if your country is interested in these projects

2020 June, MIC Japan

DRM(Disaster Risk Management): Invitation for applications for technical assistance



2020 June, MIC Japan

2 ESF(Emergency and Solidarity Fund): Special Support for countries who are affected by COVID-19



2020 June, MIC Japan

3 Utilizations of the postal network for social purposes



http://www.upu.int/en/activities/postal-social-financial-and-trade-services-during-covid-19/about-postal-social-financial-and-trade-services-during-covid-19.html

New initiatives by the Future together Fund





1. Various utilizations of postal networks for business and social purposes

Particularly comprises

- > Support of the establishment of new businesses by synergistically using cutting-edge technologies and postal network;
- Support of small and medium-sized enterprises (SMEs) ranging from individuals, families through to multiple employee businesses, which are reliant on the postal network to access major urban and rural markets;
- ➤ E-commerce services offered by DOs to support local artisans and entrepreneurs in the private sector, in order to leverage the vast physical network of such DOs with its proximity to underserved areas in rural and remote communities;
- Community initiatives that lead to realizations of United Nations Sustainable Development Goals;
- Delivery of prescription medicines and collection of out-of-date medicines;
- Checking on elderly/housebound citizens;
- Bringing financial services to people with reduced mobility.
- 2. Initiatives to make use of cutting-edge technologies by DOs, including without limitation artificial intelligence, drones, robotics, blockchain, "big data", "Internet of Things" and sensors, so as to add new value to postal services



CA Proposals to ensure the legal stability of the Acts of the Union

Ministry of Internal Affairs and Communications (MIC)

Japan

ASIAN-PACIFIC POSTAL UNION EXECUTIVE COUNCIL MEETING 25 June 2020, Online Session

CA Proposals to ensure the legal stability of the Acts of the Union

CA Proposals for permanent Convention and simplified process

The main purpose of this proposal is to speed up the approval process of the Universal Postal Acts and to ensure the legal stability of the Acts of the Union, in particular by proposing that Acts of the Union such as the Convention become permanent, and also by introducing a simplified process whereby Union member countries would be legally bound by amendments to those Acts.

It should be noted that these proposed changes do not intend to deny the procedure of Union member countries by which they would be legally bound by amendments; rather, the aim is to give member countries an option to be legally bound through a simplified process.

(CA Proposals) 10.0.1, 10.1.1, 10.25.1, 10.26.1, 10.27.1, 10.28.1, 10.30.1,10.31.1, 15.158.1, 20.40.1

Other proposed amendments for general legal consistency and streamlining purposes

In addition to the above-mentioned proposals, and further to the extensive contributions made by the informal working group, various other proposed amendments to the Constitution, General Regulations, Convention, Postal Payment Services Agreement and Rules of Procedure of Congresses have been prepared.