



**UPU** | UNIVERSAL  
POSTAL  
UNION

# **Recent developments in the UPU**

## **(Major results of the April Councils' meetings)**

49th CERP Plenary in Skopje  
29-30 May 2014

Won-ja Lee, Coordinator  
UPU International Bureau



UPU

UNIVERSAL  
POSTAL  
UNION

## Content of the presentation

- POC side
  - Outcomes of the E-commerce forum
  - Outcomes of the Postal Financial Forum
  - IMPC code adjustment issues
  - Additional decision-making session of the POC
- CA side
  - Major discussions of bodies under CA Committees
  - Major agenda items of the upcoming 2014 CA sessions.



UPU

UNIVERSAL  
POSTAL  
UNION

# For the POC



UNIVERSAL  
POSTAL  
UNION

# E-commerce forum

**250 delegates, 80 countries, 40 private sector representatives**  
**Heads of WCO, ITU, UNCTAD, UNI Global Union**  
**50 remote participants**

**The voice of e-commerce from Asia, Africa, Americas and EU**  
**- Alibaba, Rakuten, Konga, Etsy, Mastercard**





UPU

UNIVERSAL  
POSTAL  
UNION



## Background information on e-commerce

- A 2013 UPU Survey on *Does current UPU network meet needs of cross-border e-commerce customers?*  
(Yes 15% ... No 85%)
- January 2014 PSIG member questionnaire on developing a new or refining existing UPU products for cross-border e-commerce. *This included the potential need to modernize existing services to meet the current market needs.*



## Key messages from the E-commerce forum

- Biggest trade roots are between Europe, North Americas, and Asia. E-commerce is global.
- In most developing countries, the middle class is growing and e-retail service is not well established.
  - E-commerce is step change for developing economy
  - Great opportunity for the postal network
- E-retailers need international delivery solutions which are simple, reliable, visible/transparent, reasonably priced.
- E-retailers will invest in delivery partners, i.e. the Postal network
- E-commerce is a game-changer for the Posts

Very  
demanding!



## Demands of e-retailers from the Post – “wish list”

- Need to modernize existing products for e-commerce delivery – what should the product features be?
- Make domestic services available in the international offer
- Rational and transparent pricing – dimension, weight, speed and volume
- Data enabled – sharing vital information from retailer for customer benefit – “visibility”
- Make the product recognisable
- Seamless customs and prepaid duty service
- Offer home return-pick-up service





## POC decision – CEP resolution XX/2014

- The POC Management Committee will accelerate actions to develop e-commerce in the UPU postal network, working within the existing POC bodies.
  - Leading country will be Brazil, in its capacity of the Vice-Chairman of the POC.



## Key messages from the PFS forum

- There are huge demands for payment and remittance services that need to be met by a formal channel of good quality:
- The post office network can help to meet this need, as a basic service network for people everywhere:
- Postal financial services can represent a major revenue stream for designated operators.



## Recommendations for UPU actions

- The UPU needs a model that integrates countries and regions and responds to user demands.
- To unlock the potential of postal financial/payment services is **openness of the UPU regulatory frameworks to new services and innovation and partners.**
- Within the framework of the POC, **a new body (USB) should be created** as soon as possible to manage all postal payment network business and operational matters.



## Improvement of the IMPC code (C 1)

- Work to improve the transparency and visibility of parties responsible for IMPC for transparency and a need to know where items were coming from.

## Additional session of the POC in 2014

- The POC decided to hold its additional decision-making session in conjunction with the 2014 CA session, to take timely-fashioned decision.
- The dates of the additional session will be fixed by the POC Chair after consulting the CA Chairman and the Secretary General.



UPU

UNIVERSAL  
POSTAL  
UNION

# For the CA



# C 1 (Governance and Regulatory)

## Reform of the Union

- Clearer separation of the governmental versus operational, CC reform (membership enlarging and fees), Governing rules concerning support costs – **Need more input from UPU member countries**

## Acts of the Union

- Revision of the Convention and its Regulations (A combined manual for the letter-post and parcel post?) and making a permanent Convention

## Regulatory Issues

- Establishing a set of general principles concerning the designation of multiple operators in a member country
- Product Audit including question concerning ETOEs and IMPC code



## Remuneration Governance Issues

- Created two task forces to review:
  - UPU remuneration system principles with a view to seeking alignment and integration of UPU products (letter-post, parcel and EMS)
  - UPU country classification methodology for terminal dues and quality of service fund purposes and transition arrangements

## C 1 Provisional Agenda for the November meeting

- Country classification for the Netherlands' Dutch Caribbean (three islands - Bonaire, Saba and St. Eustine)
- Question concerning the WCO relations
- Report on the dot mail business
- Question concerning the postal financial services.



## C 2 (Finance and Administration)

### DG's letter to invite member countries to raise their contribution class

- Up to now, one positive answer was received from Tanzania.
- At the CA Management Committee, it was requested that the IB submit a report concerning the outstanding debts and the measures taken to increase contributions.

### Internal Auditor

- Studying the “role and relevance of the UPU” and “financing”.
- The findings of the studies will be reported to the CA.
  - Particularly to C 3 (or C 1)





Three project groups held a day-joint meeting, reviewed and discussed:

- UPU prioritisation process;
- Key performance indicators;
- Global economic conditions;
- Input for consideration for the Istanbul Postal Strategy by reviewing the Doha Strategy

Messages which came out from the meeting was that

- The UPU need to keep pace with changes in the market place;
- The Strategy needs to be adjusted to cope with the members' need
- A second session of the POC Plenary would be helpful in this regard.

UPU Strategy Conference in 14-15 Oct 2014

- UPU vision 2020: Delivering innovative, integrated and inclusive development solutions



# C 4 (Development Cooperation)

## Postal Macroeconomics

- UN Global Pulse, World Bank and USPS OIG partnerships for knowledge and research
- Big postal data and information strategy



### Big relevance



© UPU 2013 – All rights reserved



### Big Challenge



© UPU 2013 – All rights reserved

- International postal exchanges and exchange rate variations



## C 4 (Development Cooperation)

### Sustainable Development

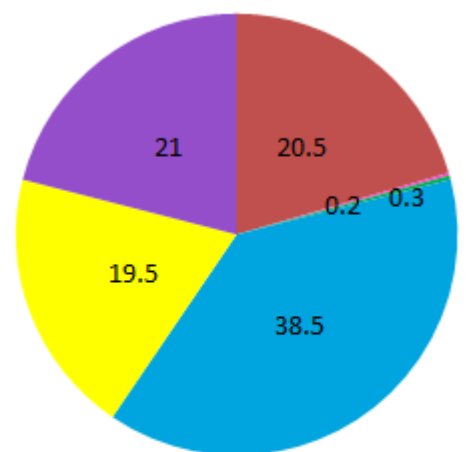
- Postal Sector Carbon offsetting fund, Best sustainable development practices, Carbon inventory: management and development tool for Posts had been dealt with.
- Recommendations to the Council of Administration:
  1. Encourage postal operators to use the UPU Green house gas (GHG) inventory as a management and development tool
  2. Analyze the feasibility of a web-based calculation tool development
  3. Collaborate with the statistic expert to improve the quality of response and integrate non-sensitive carbon data in UPU annual statistics
  4. Study the feasibility of a sector-wide carbon reduction target
  5. Promote the Postal Carbon Fund™ as a low-carbon development tool



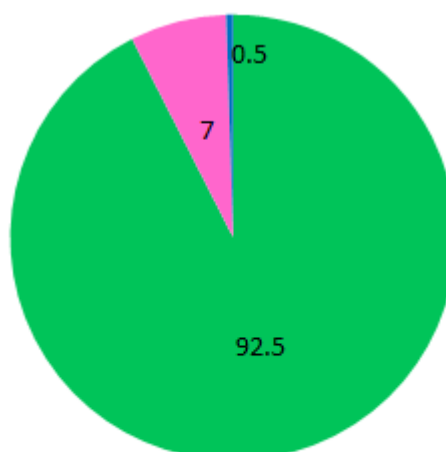
UPU

UNIVERSAL  
POSTAL  
UNION

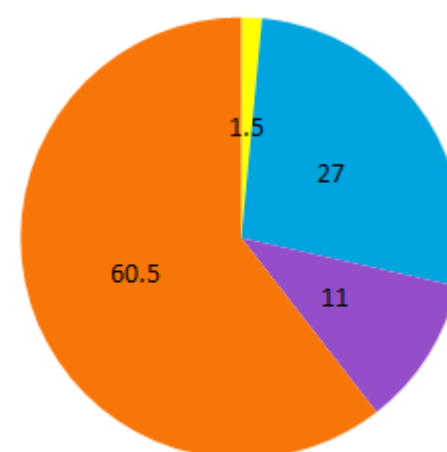
**Approx. 60 million t CO<sub>2</sub>eq** by all UPU members in 2012



Road transport  
Rail freight  
Buildings  
Sea freight  
Air freight (o + s)  
Subcontractors



Industrialized countries  
Developing countries  
Least developed countries



Africa  
Americas  
Asia + Pacific  
Europe

➡ 0.2 % world emissions  
➡ 0.9 % transport emissions



**UPU**

UNIVERSAL  
POSTAL  
UNION

# **Thank you for your attention!**

## **Any question!**

**won-ja.lee@upu.int**