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# Recent developments in the UPU

– Major outcome of the 2015 POC session –

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## **Subjects concerned**

- Electronic advance data
- An integrated product and remuneration development plan
- E-commerce Parcel Delivery
- Interconnection of wider postal sector stakeholders to UPU products and services
- UPU Reform –Structure and Decision-making
- The Istanbul Congress in 2016
- The UPU Strategy Conference in 2014. Findings



## EU position

- The UCC implementing provisions will come into force on 1 May 2016. Transitional measures in place from 1 May 2016 onwards.
- Status quo to continue until requisite IT infrastructure in place, most likely in 2018/2019.
- EAD requirements likely to be formally enforced only from 1 January 2020/2021 onwards.
- Waiver for postal items > 250 grammes until 31 December 2020, with the EC review in 2019/2020.
- The EAD 7+1 data elements available on the CN 23 would be required for postal items.



## POC resolution

- Develop a roadmap for implementing EAD (capacity building, the approved global model, timelines by type of postal item based on the phased-in approach);
- Decided to seek the official views of the EC concerning:
  - How the destination designated operator where EAD requirements are in place to handle postal items having no EAD: refused, returned or processed?
  - Whether or not personal data protection measures in the EU and relevant jurisdictions permit the reciprocal exchange of EAD elements currently contained in the CN 23
- Provide all the member countries and their DOS with that information without delay in any case before the 2015 CA.



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# Integrated Products & Remuneration

## Background

- E-commerce is the key driving force for postal services;
- E-commerce customers wish and need for access to simple, affordable and reliable international postal services;
- Existing barriers must be lifted.

## Key areas of reform

- **Modernize:** services differentiated by *content* (document and merchandise), *speed of delivery* and *price*
- **Integrate:** remuneration, IT infrastructure, customer services
- **Sustain the network:**
- **Act:** flexibility to make faster changes.



## Tasks to be done by the POC MC

- 2016 POC: Presentation of an integrated product development plan
- 2016 CA & POC: Presentation of a road map for the implementation of electronic data (EAD)
- 2016 POC: Presentation of a plan for a integrated remuneration system developed by an ad hoc group composed of POC C 3, in consultation with the relevant CA bodies  
(CA?)
- 2016 POC: Draft Congress resolutions and/or identification of potential changes to the Acts, which might be required for the quick implementation of these plans after Istanbul  
(CA?)
- To ensure overall consultation and coordination with the relevant CA bodies for all matters within the competence of the CA



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## E-commerce parcel

Service features	E-commerce parcel	Parcel (current)
Weight	0-30 Kg	0-20 kg
Pay per performance	idem	Based on features
S 10 (item identifier)	Yes - with "H"	Yes
E-tracking for customs/security	Mandatory	Mandatory
E-tracking to delivery	Mandatory	Mandatory, except EMA
Internet-based inquiry system	Yes	Yes
EMSEVT version 3	Yes, mandatory by 2016	Yes, mandatory by 2016
ITMATT (item content data)	Yes	No
Delivery standard	EMD + 5	No
Signature	No	Yes
Liability	No, pending Congress	Yes



## Remuneration

- Phase I ILR for e-commerce parcels shall be based on the existing ILR structure comprising self-declared country-specific base rate. However, it shall not be higher than the current ILR base rate and bonus payments referred in articles RC 195. Further, the global minimum ILR base rates shall not be applicable for e-commerce parcels.

**CURRENT  
ILR**

≥

**e-commerce  
parcel**

≠

Global minimum  
ILR not applicable

- The IB invites all designated operator to provide its ILR for the e-commerce parcel.

*Ref. IB Circular Letter 0426 (DREM.REM) 1069 of 29 May*





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# Interconnection of wider sector stakeholders

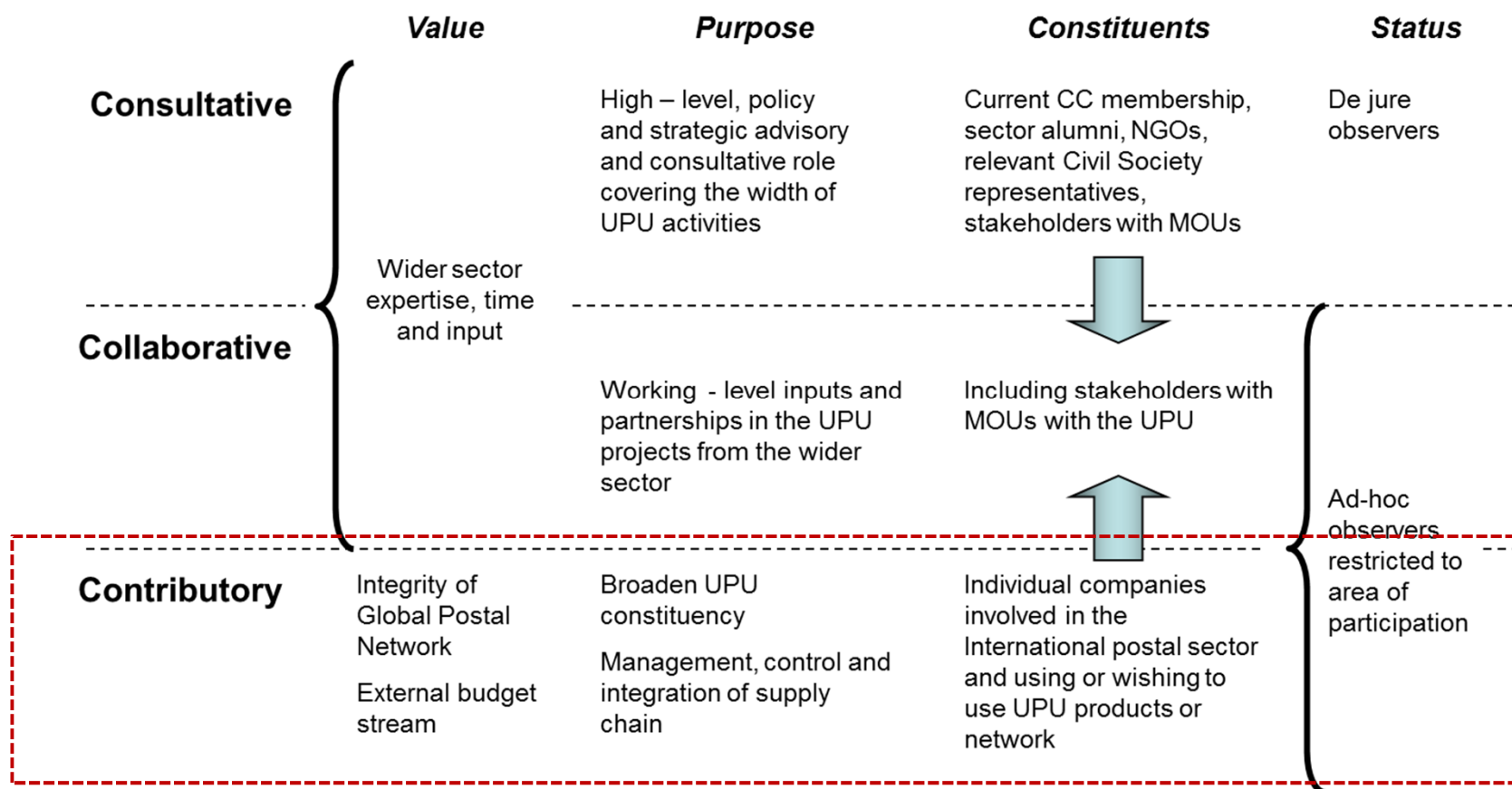
## Background – Resolution C 7/2012

- There was an increased number of bilateral agreements between DOs and wider postal sector players, and that these bilateral agreements complemented existing multilateral agreements between DOs and between DOs and non-DOs;
- It is time for the UPU to change and prepare an action plan for ways of *enhancing the involvement and contribution* of wider sector players in UPU activities, while preserving the UPU's actual strengths, such as independence, neutrality;
- There was an ever increasing demand for the interconnection to various UPU services and products of wider sector players, for example ETOEs, big mailers, customs, delivery agents, transport operators, as well as non-designated operators.



# Interconnection of wider sector stakeholders

## 3 Cs' model – Pay and Play principle





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# Interconnection of wider sector stakeholders

## Current situation of the study

- The CA conducted a full UPU product audit, by assessing the risks and benefits of allowing access to specify products and services to external stakeholders in the wider postal sector;
- An ad hoc group is reviewing and analyzing the recommendations made by the consultant and member countries comments on the study (*Bulgaria, China, France, USA, FEDMA, GEA* , Cuba, New Zealand, the Netherlands, Poland and Portugal);
  - To develop proposals on the governance principles and rules applicable to each product or service to make available to wider postal sector players, for consideration by the Regulatory Issues PG and Committee 1 of the CA.



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# Interconnection of wider sector stakeholders

<i>Stakeholders</i>	<i>Products and Services</i>
<b>Big mailers/clients/ mail handlers</b>	<ul style="list-style-type: none"><li>• may use the open interface to CDS</li><li>• may lodge their declaration directly in CDS (under the supervision of the DO who gives the access)</li><li>• <b>Trade facilitation as core reason</b></li></ul>
<b>Customs offices/ border control/ security authorities</b>	<ul style="list-style-type: none"><li>• may use directly CDS or use a standard interface with CDS (such as CUSITM / CUSRSP messages as agreed between WCO and UPU)</li><li>• Pre-advice, tax/duty assessment, automated selectivity and security alerts are supported</li><li>• <b>Trade facilitation as core reason</b></li></ul>
<b>Non-DOS</b>	<ul style="list-style-type: none"><li>• may use the UPU EDI standards. This does not imply that non-DOs must use the UPU forms. UPU documentation is only accessible for DOs.</li><li>• Example: a non-DO can exchange EDI data using EMSEVT, PREDES, CARDIT. PRECON, ITMATT with a DO.</li></ul>
<b>Delivery agents/ Transport operators</b>	<ul style="list-style-type: none"><li>• may use the open interface to CDS.</li><li>• may lodge their declaration directly in CDS (under the supervision of the DO who gives the access)</li><li>• <b>Trade facilitation as core reason</b></li></ul>
<b>ETOE</b> s	<ul style="list-style-type: none"><li>• The current legal framework is unclear whether ETOEs have access to IPS (PTC licence agreement for IPS products is limited to DOs). We submit that it is up to the Member country to decide whether the ETOE can be established on its territory.</li></ul>
<b>All stakeholders</b>	<ul style="list-style-type: none"><li>• Post*Net</li><li>• Interconnection with other EDI networks such as Eurogiro and GXS</li></ul>
<b>Non-DOs having contracts with DOs</b>	<ul style="list-style-type: none"><li>• UPU*Clearing and UPU PPS*Clearing</li><li>• Importance of remittance services and relevant for the world's development</li><li>• Relevant for <b>e-commerce fulfillment</b></li></ul>



## Major areas for UPU reform

### Structure

**“Too complex and heavy”**

- Heavy layers of hierarchy and too many bodies
- No clear cut of responsibility and accountability among bodies – governmental versus operational, duplication of discussion

### Decision-making

**“Slow and inefficient”**

- One-year cycle of decision - slow
- Lack of transparency, duplication of discussion
- Further delegation with clear accountability: from Congress to Councils and to the IB?

### Working method

**“Prioritization and rationalization needed”**

- Need for better agenda management and timely provision of meeting documents
- Better prioritization of the work is required
- Limited resources



## Current situation of the study

- The RUPG and its ad hoc group are developing a Congress resolution, with the leadership of Brazil and Belgium, which provides to the next CA with clear direction of UPU reform concerning:
  - A simplified structure?;
  - Faster decision-making (frequency of meetings of Councils, Congress, Strategy Conference, etc.)?
  - Rationalization of working-method?;
  - Modality of the study (by a special task-force or by?)?;
  - Immediate implementation after the 2020 Congress ?
- Support cost policy for user-funded subsidiary bodies
- Reform of the Consultative Committee



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# Congress

## Duration

- From 19 September to 10 October 2016 (16 working days)
- Meetings of the Congress bodies might take place between 13 to 14 working days, including the constituent meetings of the Councils.
- Other annexed meetings may be organized before Congress, such as Restricted Unions.
- The Draft Congress time-table can be presented at the next CA session, when we have better overview about Congress proposals and documents.

## Venue

- Hilton Istanbul Bomonti Hotel and Conference Center



## Committee structure

- 1 Credentials (Restricted)
- 2 Finance (suggested to be restricted, subject to CA approval)
- 3 General Matters and Policy Issues (Const. & GR)
- 4 Convention
- 5 Postal Payment Services (for Signatories to the Agreement)
- 6 Development Cooperation
- 7 Drafting (Restricted)





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# UPU Strategy Conference. Findings

## Situation Analysis

Key Global Trends	What can the UPU do?	
Escalating pace of change	Develop diverse, sustainable products and services for the global Customer of Tomorrow	Innovation
Increasing socio-economic and developmental disparity	Play a significant role in ensuring inclusion whilst creating a new base of stakeholders	Inclusion
Rapidly changing needs of governments, businesses and customers globally	Promote integration of interoperable solutions throughout its complex and extensive network	Integration



Overview of Trends: Annex 1. Piece 1



## SWOT Analysis

Key Objectives	What can the UPU do?	How can the UPU do this?
<b>Retain UPU and postal sector's relevance in the global economy</b>	Act much more quickly	Adapt to trends in all three dimensions: physical, financial, digital
<b>Respond quickly to current and future trends</b>	Address its 'Weaknesses' on a priority basis, without which it will be increasingly difficult to seize on current 'Opportunities' and will face the 'Threats' identified	<ul style="list-style-type: none"><li>a. <u>Integrated structural reform</u> to allow for more efficient and effective decision making</li><li>b. Greater involvement with and adoption of a <u>modern suite</u> of sustainable UPU products and services by member countries</li></ul>
<b>Seize 'Opportunities' and defend against 'Threats'</b>	Leverage 'Strengths' and address 'Weaknesses'	Adopt integrated, innovative, and inclusive implementation of the IWPS at global, regional and national levels





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## Vision 2020



- i. A postal world where **“innovation”** is shared, promoted and driven: not as a luxury, but as a reality for all;

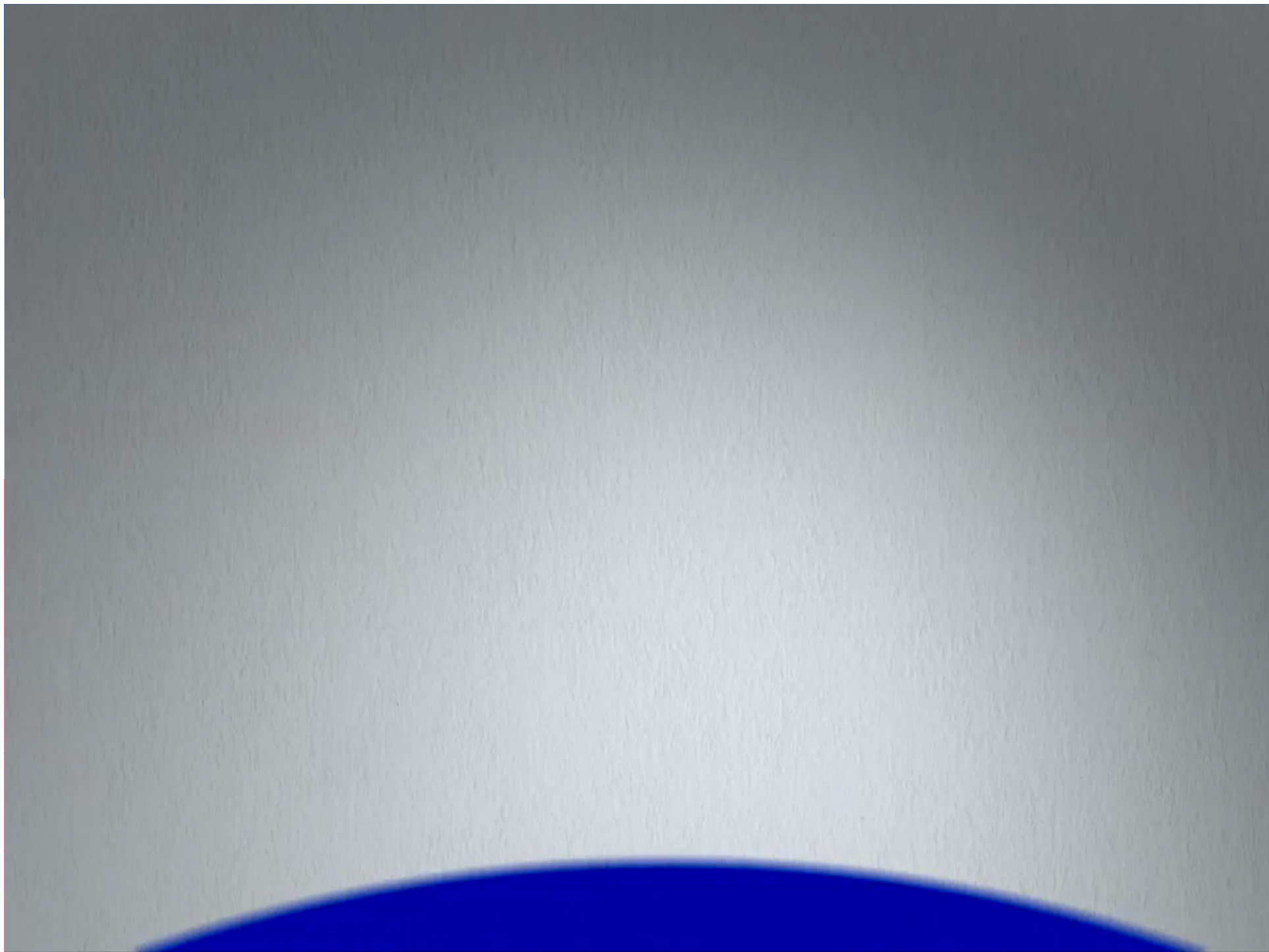


- ii. A postal world where full **“integration”** of networks at national, regional and global levels is no longer an objective but a reality;



- iii. A postal world in which our sector's unique ability to **“include”** populations, economic actors and territories is fully recognized and exploited by governments, development partners and international organizations.







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# Thank you for your attention!

## Any comments?

