



# 2020 Annual Strategic Review

Summary report



**UPU** | UNIVERSAL  
POSTAL  
UNION





**UPU** | UNIVERSAL  
POSTAL  
UNION

# **2020 Annual Strategic Review**

Summary report





<b>Table of contents</b>	<b>Page</b>
<b>MESSAGE FROM THE DIRECTOR GENERAL</b>	<b>4</b>
<b>KEY FACTS AND FIGURES</b>	<b>5</b>
THE POSTAL SECTOR	5
THE UPU	6
<b>I. THE UPU AND ITS ENVIRONMENT</b>	<b>7</b>
TRENDS AND RISKS	7
ORGANIZATION	9
STRATEGY	12
<b>II. IMPLEMENTATION OF THE STRATEGY</b>	<b>14</b>
IMPLEMENTATION AND MONITORING TOOLS	14
IMPLEMENTATION OF STRATEGIC GOALS IN 2020	15
ACHIEVEMENTS BY PRODUCT	16
<b>III. CORPORATE RESULTS</b>	<b>24</b>
HUMAN RESOURCES REVIEW	24
CORPORATE GOVERNANCE	24
FINANCIAL SITUATION	26

## Message from the Director General

---

In 2020, the Universal Postal Union (UPU) celebrated the 146th anniversary of its establishment. From 22 founding countries signing the Treaty of Berne in 1874 to 192 member countries today, the organization continues to be relevant to an ever-changing world.

The UPU seeks to provide solutions to its key stakeholders (governments, regulators, designated operators and other postal market players), while simultaneously playing its role as a specialized agency of the United Nations and supporting the achievement of the UN Sustainable Development Goals.

The year 2020 was due to mark the completion of the UPU's Istanbul strategy cycle (2017–2020). However, what ought to have been a successful closing year turned out to be rather more complicated than expected. The COVID-19 pandemic caused significant disruption to the calendar and forced the UPU to resort to remote working at short notice while continuing to support a global postal network of 618,000 postal establishments, 5.1 million staff and 291.86 billion SDR in revenue. As the pressure mounted, the 27th Congress, scheduled to take place in August 2020, was eventually postponed to one year later.

Facing all these challenges was a tall order. Nevertheless, the UPU was eventually successful in overcoming these obstacles, providing further proof of its enduring relevance and resilience. Indeed, as the world becomes ever more complex and macro-transformations accelerate under the impact of COVID-19, the UPU continues to provide a unique offering that includes treaties, policy advice, capacity building, IT solutions, standards and data analytics.

The 2020 Annual Strategic Review provides a snapshot of the organization's many achievements over the course of the year. The report commences with key facts and figures, followed in Section I by discussion of the overall macroeconomic trends impacting the sector and the UPU. In Section II, the report details the implementation of the Istanbul World Postal Strategy, and underlines the achievements by product. Finally, in Section III, corporate results for the organization are presented, with sub-sections for human resources and corporate governance. An overview of the UPU's financial statements is also provided for easy reference at the end of this report.

I hope you will find this publication useful.

Bishar A. Hussein  
Director General  
UPU International Bureau

## Key facts and figures

### The postal sector

Postal revenues			
<i>All segments, in nominal terms</i>		<i>Revenues by segment</i>	
292 billion SDR	Letters (share of total)	Parcels (share of total)	
2019–2020: 6.5%	2010: 47%	2010: 15%	
	2020: 33%	2020: 30%	
Postal traffic			
<i>2020 figures (billions of items)</i>			
Domestic letter post: 260 (-13.6%)			
Domestic parcel post: 25 (+17.7%)			
International letter post: 3 (-27.6%)			
International parcel post: 0.19 (-1.5%)			
Postal infrastructure			
Internal offices: 433,089 post offices 2019–2020: +0.1%	Outsourced offices: 185,327 post offices 2019–2020: -5%	Access to postal services: 86.5% of the world's population receives mail at home	Postal staff: 5,058,075 employees 2019–2020: -3.9%
Postal development			
Integrated Index for Postal Development (2IPD) ranking for 2020 (top three)			
1 Switzerland			
2 Austria			
3 Germany			

## The UPU

<b>Key strategic aims (2017–2020 cycle)</b>		
Improve interoperability, postal products and market functioning		
<b>Products</b>		
<b>Forum</b> Numerous events organized every year, including World Post Day and the World Leaders Forum Over 600 documents produced per year and 173 deliverables implemented per session since 2017 160 hours of official Council sessions per year 49 countries using UPU*Clearing 115 designated operators (DOs) in the target terminal dues system	<b>Technical solutions</b> Around 2,000 postal experts from 140 countries trained through Trainpost every year 52 standards managed and used by DOs 161 operator members of the Telematics Cooperative 173 users of Postal Technology Centre (PTC) logistics and customs solutions 71 DOs connected to the UPU electronic payments network	<b>Knowledge centre</b> Over 30 billion tracking events captured since 2013 Over 180 DOs exchanging electronic data interchange (EDI) messages thanks to the UPU Numerous publications on the state of the postal sector issued every year, such as the Postal Economic Outlook, the Postal Development Report and the Statistical Yearbook, plus a number of topical reports and analyses
<b>Stakeholders and regional presence</b>		
<b>Membership</b> 192 member countries 63 different countries represented on the Council of Administration and Postal Operations Council 16 members of the Consultative Committee	<b>Delegations</b> 600+ delegates attending semi-annual sessions of the Council of Administration and Postal Operations Council	<b>Regional presence</b> Headquarters in Berne, Switzerland Seven regional project coordinators
<b>Resources</b>		
<b>Staff</b> 266 employees <sup>1</sup> 42% female/58% male 62 nationalities	<b>Budget</b> 65.96 million CHF per year (2020), of which 44% is extrabudgetary	<b>Structure</b> Two councils and eight cooperatives/user-funded bodies

<sup>1</sup> As at December 2020.

# I. The UPU and its environment

---

## Trends and risks

### *Macroeconomic context*

The advent of the COVID-19 pandemic shattered all global economic prospects. A full year on from the global outbreak in 2020, the diagnosis is incontestable: in addition to its terrible impact in terms of health and the tragic death toll, the crisis has had devastating socio-economic consequences. Although governments, firms and citizens have adapted to the new reality, most macroeconomic aggregates have collapsed to unprecedented levels. The year 2020 delivered the worst economic performance measured since World War II.

According to estimates published by the World Bank, global growth contracted by 4.3% in 2020. The forecasts for 2021 (+4.0%) and 2022 (+4.0%) are encouraging, although the recovery appears to be uneven, amid inequalities around the globe in terms of access to vaccination. Global trade volumes experienced a strong contraction, with an overall decrease of 9.5% being recorded. Trade will likely rebound in 2021 (+5.0%) and stabilize in 2022 (+5.1%).<sup>2</sup> Nevertheless, all predictions should be taken with extreme care, as they are dependent on a successful vaccination campaign and the resumption of most economic activities.

The risks to future growth are greater now than ever. Government intervention to restrict mobility, while necessary, has limited the labour supply and caused much economic activity to come to a halt. Although governments have injected stimulus packages into the economy, the uncertain outlook has resulted in a shortage of investment and an erosion of both human and digital capital.

These trends will not necessarily limit the growth of e-commerce, but they will change consumer behaviour, at least in the short term. At the broad sectoral level, retail e-commerce sales were valued at 4,206 billion USD and the expected compound annual growth rate for 2021–2023 is 9% (Statista, 2021 figures). This implies that market players, including in the postal sector, can expect to see an increase in services that are complementary to retail e-commerce, from payments to parcels and logistics.

The remittances market has also exhibited significant changes in recent years. After a slight downturn from 2014 to 2016, inflows of personal remittances picked up during the 2017–2019 period, totalling more than 717 billion USD in 2019. Owing to the COVID-19 crisis, remittances declined in 2020 with respect to 2019 (-7.0%). This trend is expected to continue in 2021, falling to 619 billion USD, which would be a greater drop than that seen during the 2009 global recession.<sup>3</sup>

Despite the crisis, Internet connectivity is expanding and therefore further compounding the transformational impact of digitalization in all sectors. According to the latest estimates by the International Telecommunication Union (ITU), global Internet penetration stood at 51% in 2019. As Internet connectivity remains essential in providing alternative working conditions during the pandemic, ITU expects that demand will pursue its upward trend in the coming years.<sup>4</sup>

### **Key developments in the postal sector**

In recent years, postal revenues have grown in nominal terms. In 2020, revenues amounted to 291 billion SDR, i.e. 6.4% growth compared with 2019.

Although the largest source of financial income for postal operators remains the letter-post segment (32.7% in 2020), the proportion of revenue stemming from parcels and logistics continues to expand (30.2% in 2020). Despite a sharp decrease in letter-post items, COVID-19 has not dented postal operators' revenue. The diversification strategies currently in place have shielded the sector from the more adverse effects of the pandemic.

<sup>2</sup> World Bank (2021). Global Economic Prospects, January 2021. Washington, DC: World Bank.

<sup>3</sup> World Bank (2020). Phase II: COVID-19 Crisis through a Migration Lens. Migration and Development Brief No. 33, October 2020.

<sup>4</sup> ITU (2020). Measuring digital development: Facts and figures.

In particular, a record increase of 17.7% in domestic parcel-post flows has helped to sustain and expand operating revenues, especially in developed countries.

The events of 2020 accelerated the long-term trend of decreasing letter-post flows, marking a new contraction in both domestic and international letter-post flows. The volume of domestic letter-post items shrank by a record 13.6% with respect to 2019. This rate of decline was greater than the 10-year trend of -2.5% per year, suggesting an acceleration with respect to the long-term evolution. Volumes of international letter-post items have continued to decline owing to challenges relating to the international postal supply chain, with -27.6% recorded in 2020, exceeding the 10-year trend of -5% per year.

According to 2020 estimations, the global infrastructure of postal operators comprises approximately 618,416 post offices. This number has remained relatively stable over the last decade, with an estimated average annual decrease of 0.12%. Furthermore, around one third of these offices (185,327) are outsourced. The total number of staff employed by postal operators in 2020 has been estimated at 5.06 million. The workforce has gradually shrunk over the last decade and is now 7.4% smaller than 10 years ago.<sup>5</sup>

COVID-19 has exacerbated the pressures on postal infrastructure that had already been accumulating over the years. The disruption caused to postal supply chains and the subsequent losses in volumes must be added to the increasing costs of running such a large and dense network. The low-margin nature of parcel post and the decline in letter-post volumes combine to compound the impact on the economics of the sector. In this context, productivity gains will become all the more critical for the sustainability of postal operators in the medium to long run.

#### *Postal development*

In 2020, for the fourth year in a row, the UPU released the Integrated Index for Postal Development (2IPD) ranking. A total of 170 countries were assessed to produce the 2020 global 2IPD ranking, published in the Postal Development Report 2020. Switzerland, Austria and Germany topped the list, followed by the Netherlands and Japan. These countries owe their high scores to a consistently balanced performance across the four dimensions of the 2IPD: they have all managed to build reliable, well-connected, relevant and resilient postal services.

With the world facing major logistical challenges at the height of the “great lockdown”, postal reliability fell. The worldwide drop in air travel, combined with labour supply shortages, resulted in many mail items being “stranded” and international delivery times being stretched. As the necessary sanitary measures were progressively eased, the logistics supply chain eventually returned to normal.

However, as of late 2020, the connectivity of the international network had not been fully restored. Currently, fewer items are being sent internationally and to fewer destinations than in 2019. Some countries will struggle to regain the volumes generated prior to the pandemic. This crisis has put the relevance of the sector to the test, as the world still has to bridge the so-called “postal development divide”.

While postal services are at the heart of everyday business needs in most advanced economies, many developing countries are currently witnessing low levels of demand for letter post, parcels and logistics. In this context, those operators that had the most resilient business models prior to the crisis will fare better, but they will nevertheless remain highly dependent on the growth of e-commerce and on wider economic circumstances in their countries.

#### *UN system*

International organizations are also being affected by these global trends. Owing to the pandemic, leaders from around the world sent pre-recorded speeches to the General Debate of the 75th session of the United Nations General Assembly, which took place from 22 to 29 September 2020. The theme of the event was “The future we want, the United Nations we need: reaffirming our collective commitment to multilateralism – confronting COVID-19 through effective multilateral action”.

<sup>5</sup> Source: UPU official postal statistics (2020).

During the session, the UN Secretary-General reiterated the health-related and socio-economic effects of the pandemic, which have resulted in increased inequality. In particular, he noted that the world had suffered a “great leap backwards”. Several members echoed these remarks and emphasized the need to ensure that no-one is left behind and to embrace multilateral solutions to global problems.

Indeed, one example of the continued importance of multilateralism in a rapidly changing world has been the UPU’s accelerating pace of reforms during the 2017–2020 period. In October 2018, one of the organization’s most active (founding) members, the United States of America, announced its intention to consider withdrawing from the organization, owing to its disagreement with some provisions of the terminal dues settlement system for international letter-post exchanges. In order to face the challenges brought by this new situation, the UPU held an Extraordinary Congress in Geneva in September 2019. On 25 September 2019, the Congress approved by acclamation a solution to the issue, which reformed the current system of terminal dues and allowed the postal network to continue to function. The reform drive unleashed by this event continued to permeate the organization’s activities throughout 2020.

## Organization

The UPU is an intergovernmental organization with 192 member countries, whose 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”.<sup>6</sup> Established in 1874, it is the world’s second-oldest international organization, and, since 1948, it has been a part of the UN system, operating as a specialized agency.

Through close collaboration with other UN organizations and specialized agencies, the UPU has implemented a large number of projects that are critical to the postal sector and the achievement of the UN Sustainable Development Goals (SDGs). Through its International Bureau, the UPU fulfils three main functions:

- **It is a unique forum** that builds consensus and convergence, bringing together governments, regulators, DOs and other stakeholders from 192 countries with a view to sharing experiences and identifying multilateral solutions to global and regional challenges.
- **It is a provider of affordable technical solutions** that can support postal operators and other market players in their efforts to increase operational efficiency.
- **It is a knowledge centre** capable of fostering capacity development and knowledge and information sharing, and of providing high-value-added research and analytics to all stakeholders interested in using big data on 192 countries to seize the opportunities offered by global trends, such as the growth of e-commerce.

### *Congress and councils*

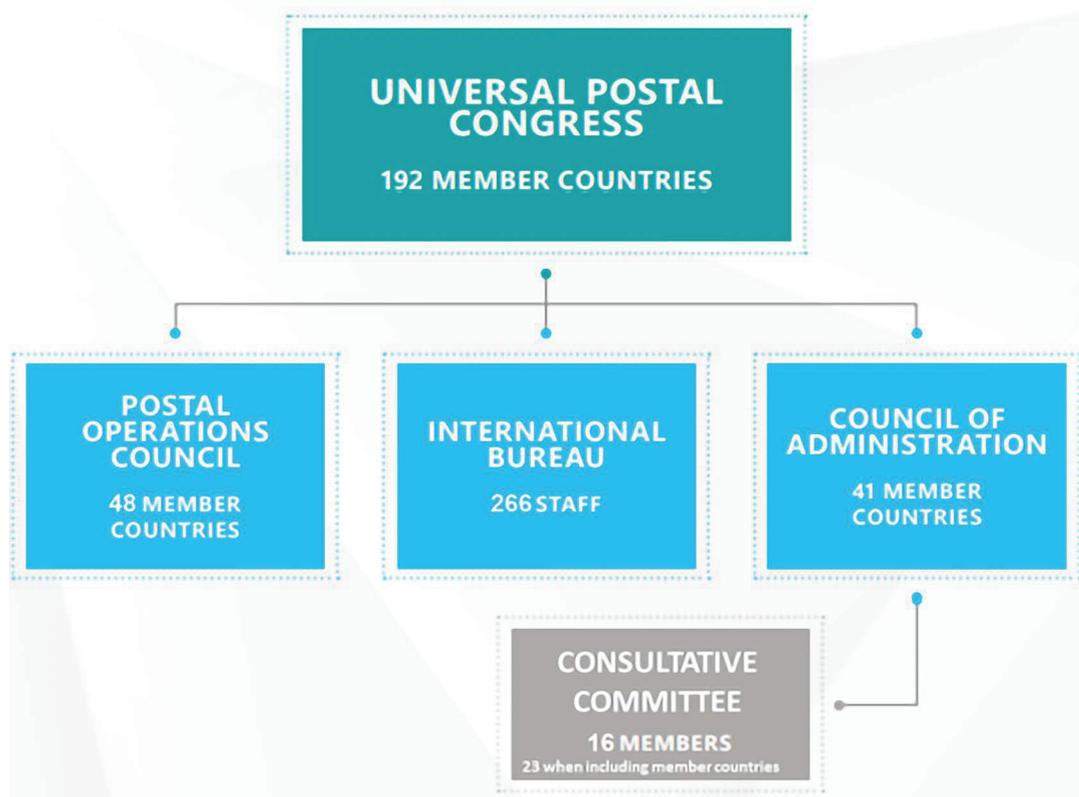
Congress is the supreme authority of the UPU and meets every four years. Plenipotentiaries from the UPU’s 192 member countries gather on this occasion to decide on a new world postal strategy and set the future rules for international mail exchanges.

Between Congresses, continuity of work is ensured by the Council of Administration (CA). This body consists of 41 member countries and meets twice a year. The CA supervises UPU activities and examines regulatory, administrative, legislative and legal issues.

The Postal Operations Council (POC) is the UPU’s technical and operational forum, consisting of 48 member countries<sup>7</sup> elected during Congress. The POC’s work programme is geared towards helping postal operators modernize and upgrade their postal products and services. It deals with the operational, economic and commercial aspects of the postal business.

<sup>6</sup> Preamble to the UPU Constitution.

<sup>7</sup> The number of POC members has been raised from 40 to 48 countries, following reforms that entered into force in 2021.



### *Committees and cooperatives*

In addition to the two main councils, smaller committees and cooperatives serve specific roles within the UPU. For example, the Consultative Committee (CC) aims to represent the interests of the wider postal sector and includes non-governmental organizations that have an interest in supporting the UPU's mission and objectives. Another example is the EMS Cooperative, which promotes cooperation between postal organizations to allow them to provide customers with a high-quality express delivery service on a global basis.

### *Regional presence*

The UPU has its headquarters in Berne, Switzerland. A total of seven regional project coordinators are in place to ensure technical cooperation in developing regions: two coordinators in Africa, one in Latin America, one in the Asia-Pacific region, one in the Caribbean, one in the Arab region and one in Europe and the CIS (at the UPU headquarters). As needed, official missions to countries around the world are carried out by a wide range of experts from the International Bureau.

### **International Bureau**

The International Bureau (IB) is a central office operating at the UPU headquarters under the guidance of the Director General and the control of the CA.<sup>8</sup> It serves as an organ of execution, support, liaison, information and consultation, thus fully supporting the UPU in fulfilling the functions highlighted above.

The IB is currently composed of nine directorates. The following is a summary of the key objectives of each of them:

- The Postal Operations Directorate (DOP) is responsible for the development, production and delivery of solutions for postal operators in the areas of letter post, parcels and express mail. Key focus areas include quality of service, supply chain management, standards and certification, addressing, physical services and EMS. The DOP also provides secretariat services to the POC.

<sup>8</sup> Article 20 of the Constitution.

- The Development and Cooperation Directorate (DCDEV) serves as an interface with member countries and implements the UPU’s development cooperation policy in the field. Its key areas of activity include regional development plans, multi-year integrated projects, integrated postal reform, capacity building and disaster risk management.
- The Policy, Regulation and Markets Directorate (DPRM) covers five areas of activity: the universal service obligation (USO) and regulatory and sustainability affairs; the digital economy and trade; financial services and financial inclusion; remuneration systems; and resource mobilization and stakeholder engagement. The DPRM also provides secretariat services to the CA, POC and CC.
- The Executive Office Directorate (DIRCAB) provides support and advice to the Director General and the Deputy Director General in their duties as the organization’s two top executives. It comprises four main areas: governance and internal control; research and strategy; communication and events; and cabinet and council affairs. The DIRCAB also provides secretariat services to various UPU bodies.
- The Postal Technology Centre Directorate (DCTP) is the operational arm of the Telematics Cooperative. It develops a range of technological applications and software solutions for UPU member countries. It also supports the IB’s technology and infrastructure.
- The Logistics Directorate (DL) is responsible for the maintenance and upkeep of the UPU’s headquarters. It also manages internal communication services and organizes logistics for the meetings of all UPU bodies. Moreover, the DL coordinates the interpretation of proceedings and the translation of documents into the UPU’s working languages. In addition, it manages the programme on philately and international reply coupons.
- The Finance Directorate (DFI) is responsible for the organization’s financial management. This involves preparing financial statements and the budget, and processing the UPU’s financial transactions, including bills, salaries, pensions, other payments and contributions from member countries. Furthermore, the DFI manages the organization’s clearing services and also provides secretariat services to the corresponding user-funded body of the POC.
- The Legal Affairs Directorate (DAJ) is the central legal service of the UPU. It provides legal advice to the UPU bodies and the IB. This extensive mandate includes *inter alia* contracts, agreements, intellectual property, the Acts of the Union, issues relating to international law, the legal security of staff rules, regulations and related rules, and matters relating to arbitration and administrative tribunals.
- The Human Resources Directorate (DRH) supports all other directorates in the day-to-day management of IB staff, and also organizes recruitment and training. It manages career paths, maintains relations with the Staff Association and implements staff regulations and policies. The DRH also provides secretariat services to the CA.

#### *Director General and Deputy Director General*

The Director General organizes, administers and directs the IB.<sup>9</sup> The functions of the Director General also include the preparation of the Union strategy, the quadrennial UPU business plan to be submitted to Congress, and the annual budget to be considered by the CA.<sup>10</sup>

The duties of the Deputy Director General are set out in article 128 of the General Regulations and essentially consist of assisting the Director General in his work and replacing him when necessary.

<sup>9</sup> Article 127 of the General Regulations.

<sup>10</sup> The functions of the Director General in the areas of personnel and finance are also set out in the IB Staff Regulations, in the Rules governing non-core staff of the IB and in the UPU Financial Regulations drawn up by the CA.

## Strategy

### Goals

In 2016, the Istanbul Congress adopted an ambitious strategy for the 2017–2020 cycle, inspired by the UPU's mission and the UN SDGs. With three main goals (interoperability, modern and sustainable products, and market and sector functioning) and one cross-cutting supporting lever (development cooperation), this strategy is formally known as the Istanbul World Postal Strategy (IWPS). It was approved along with a business plan containing further details on expected outcomes, targets and financial resources required.



### GOAL 1

**IMPROVE THE INTEROPERABILITY OF NETWORK INFRASTRUCTURE:** By ensuring quality of service, efficient and secure supply chains, the development of standards and of information and communication technologies (ICTs), and streamlined operational processes and regulations.



### GOAL 2

**ENSURE SUSTAINABLE AND MODERN PRODUCTS:** By modernizing and fully integrating the product portfolio and supporting remuneration systems, accelerating the development of e-commerce solutions, supporting the development of diverse products and services, and supporting trade facilitation through the postal network.



### GOAL 3

**FOSTER MARKET AND SECTOR FUNCTIONING:** By contributing to the definition and development of the USO, initiating and implementing relevant development cooperation measures, encouraging market and sectoral information, improving efficiency in the areas of policy and regulation, and mobilizing environmental and sustainable development.

#### *Goal 1 – Improve the interoperability of network infrastructure*

The regional asymmetries in postal development highlight the need to tackle bottlenecks in the postal supply chain, including by bringing different countries to the same level of operational performance in a variety of facets of their national infrastructure. Goal 1 of the IWPS is aligned with this ambition.

#### *Goal 2 – Ensure sustainable and modern products*

It is already widely recognized that e-commerce and the ensuing “explosion” of light logistics provides opportunities for postal operators to compensate for lost revenues in their historical activity of letter-mail delivery. Goal 2 of the IWPS therefore promotes product development in the postal sector for a variety of critical segments.

#### *Goal 3 – Foster market and sector functioning*

As the latest postal development figures show, the sector needs a holistic approach in order to bridge existing gaps so that regulatory bottlenecks, market knowledge gaps and sustainable development concerns can be addressed. The programmes under Goal 3 of the IWPS are aimed at providing postal sector stakeholders with the information and guidance they need to fulfil this ambition.

*Supporting lever*

As an additional lever to the strategy, the development cooperation programme is a cross-cutting activity supporting all areas of the strategic goals, and promoting convergence in postal development – a critical aim for the postal sector.

*Developing the future strategy: the Abidjan Postal Strategy for 2021–2025*

As already alluded to in the above section on trends, the postal sector, like the rest of the global economy, is facing unprecedented change as the decades-long trends of liberalization and digitalization continue to transform the world. Multilateralism is undergoing its own transformation too, as the United Nations system works towards the achievement of the 2030 Agenda and the SDGs. Furthermore, all of these long-term trends have been accelerated by the COVID-19 pandemic. As the UN agency for the postal sector, the UPU is called upon to play a role in this new environment. In order to do so, the organization needs a strategy that builds on past successes while opening a prosperous way forward.

It is in this context that the UPU drafted an ambitious roadmap, the Abidjan Postal Strategy, for the 2021–2025 period,<sup>11</sup> to be approved by the 27th Congress in Abidjan in August 2021.

This new strategy is the culmination of an extensive and inclusive process, which has seen a wide array of stakeholders from over 170 member countries and territories actively take part in various rounds of data analysis, consultation, outreach, discussion and drafting.

Furthermore, the new strategy reaffirms the UPU's mission enshrined in its Constitution, which 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”.

Achieving this mission in line with the SDGs requires a long-term vision, an advocacy message called Postal Vision 2030, which urges all key postal sector stakeholders to take action in a number of areas. Governments are thus invited to reduce gaps in postal development by utilizing the postal network for socio-economic development. Regulators are encouraged to harmonize and enhance the frameworks under their responsibility. Operators are expected to boost their performance through diversification and operational improvements. Other stakeholders are encouraged to integrate further with the postal world, which will also trigger changes in the UPU's role.

In order to support Postal Vision 2030 throughout the 2021–2025 period, the UPU, as a UN agency, must coordinate its action around three main strategic pillars: being the main forum, the provider of affordable technical solutions, and the prime knowledge centre of the postal sector.

Ensuring success through these strategic pillars demands a greater focus on new products and services, greater financial strength through new funding models, efforts towards building a diversified and highly competent workforce, and increased regionalization.

The Abidjan Postal Strategy was not in place by the end of 2020. The subsequent sections of this report dealing with implementation will therefore be entirely dedicated to the Istanbul World Postal Strategy (2017–2020).

<sup>11</sup> The strategy was initially drafted for the 2021–2024 period. However, owing to the postponement of the Abidjan Congress to 2021 and the corresponding postponement of the subsequent Congress to 2025, the period of consideration for the strategy has been extended to 2025, with 2021 being regarded as a transitional year.

## II. Implementation of the strategy

---

### Implementation and monitoring tools

A number of tools are used to implement and monitor the strategy. These include the business plan, the strategy implementation report and the deliverables matrix.

#### *Business plan*

In 2012, the Doha Congress introduced a new practice whereby a draft four-year business plan is developed and approved by Congress in order to guide the activities of the UPU throughout the ensuing cycle. The IWPS forms the basis of the 2017–2020 Istanbul Business Plan. Its aim is to provide high-level strategic guidelines that will enable the UPU both to respond to the key challenges that it faces and to seize existing and future opportunities.

The first chapter of the business plan focuses on key trends in the UPU's macro-environment that could influence the organization's activities. The second chapter outlines the organization's mission, vision and strategy for the 2017–2020 cycle. The third chapter revolves around the work proposals (over 40 in total), targets and resources on which the UPU will rely to manage and monitor the implementation of the strategy.

The business plan is updated regularly throughout the cycle. Soon after the Istanbul Congress, a revised version was prepared, with updates in line with Congress decisions and financials related to 2017. The version presented at the 2019 sessions of the CA included updated key performance indicators and targets, overall budget information, and the estimated funding gap for the remainder of the cycle.

#### *Strategy implementation report*

Istanbul Congress resolution C 23/2016, through which the strategy was approved, instructed the permanent bodies of the Union to "regularly examine the state of implementation of the Istanbul World Postal Strategy through active and ongoing measurement and evaluation" and to "regularly disseminate the results achieved to Union member countries".

In order to comply with this mandate, the CA and the IB are tasked with regularly monitoring and evaluating the IWPS. The strategy implementation report is the prime tool for this purpose. Issued twice per year, it comprises key information on the trends in the macro-environment of the UPU, on the achievement of strategic targets and on the execution of deliverables by the CA and POC.

#### *Deliverables matrix*

The deliverables matrix constitutes a key tool for monitoring the implementation of Congress decisions by the UPU bodies during the cycle and reflects the direct conversion of mandates given by Congress (through Istanbul Business Plan work proposals and Congress resolutions) into specific deliverables.

Accordingly, for each CA and POC body (Plenary, committee, standing group, task force, etc.), the deliverables matrix contains the following information:

- Reference to Congress decisions (i.e. work proposals and resolutions);
- Deliverables and sub-deliverables;
- Deadlines for all deliverables using standardized codes for each session;
- Confirmation as to whether the deliverable requires a decision from the Plenary or corresponding committee;
- Reference to the working body in charge of implementing the deliverable;
- General remarks;

- Reference to any linkages to other projects;
- Status of completion.

The matrix is presented at every CA and POC session as part of the official agenda and includes the status of completion of the deliverables. The bodies responsible for these deliverables present their reports to the councils and explain any delays. The Plenary and committees thus have the opportunity to validate reported achievements and confirm suggested changes in scope, time or cost. In this manner, at the end of each session, the provisional agenda for the next one will already be drafted.

## Implementation of strategic goals in 2020

The strategic targets that apply to the different Congress resolutions and Istanbul Business Plan work proposals were approved at the first session of the CA in March/April 2017. These targets are monitored closely through the above-mentioned strategy implementation report and can be calibrated, if required, to ensure that the activities of the organization are aligned with key trends affecting the world economy and the postal sector. A summary is presented below.

**Goal 1** consists of five programmes aimed at bringing countries to the same level of operational performance. These encompass quality of service, supply chain and security, accounting and operational processes, information and communication technologies (ICT), and standards.

Based on information collected up to 31 December 2020, 25 out of 34 targets were either met or exceeded for Goal 1. For example, the number of countries with validated quality of service delivery standards for parcels reached 153, versus a target of 80 for the year. Moreover, the Global Monitoring System (GMS) objective related to measurement and reporting for legs 1 to 3 for physical postal products in international links was greatly exceeded, with a result of 230 against a target of 45 by the end of 2020. Similar to previous years, the number of countries viewing direct broadcasts of CA and POC sessions greatly exceeded expectations, with a result of 71 countries against a target of 20. This number was undoubtedly driven upwards by the COVID-19 pandemic, which has made the use of remote tools for formal CA and POC sessions more of a necessity, thus accelerating a trend that had been gathering pace over the past few years.

**Goal 2** comprises programmes on e-commerce and trade facilitation, financial inclusion and financial services, product and service diversification and harmonization, integrated remuneration, and e-services.

For Goal 2, 13 out of 34 targets had been met by the end of 2020. The organization faced numerous challenges in completing this goal as the cycle drew to a close, with COVID-19 either exacerbating long-term issues or reversing a previously smooth trajectory. For instance, the number of DOs exchanging ECOMPRO parcels reached 71, i.e. more than in 2019 (65), but still less than the targets for 2019 and 2020 (i.e. 75 and 90 respectively). Moreover, although the number of worldwide electronic postal payment services network (WEPPN) users connecting to the UPU interconnection platform reached 16 (versus a target of 15), the number of WEPPN members using the UPU PosTransfer trademark stood at 15 (versus a target of 45). Similarly, the number of .POST Group members continued to decline, down from 51 in 2016 to 38 in 2020 (against a target of 67). Furthermore, the number of .POST domains under management stood at 90, versus an expected 100 for 2020.

**Goal 3** comprises five programmes, namely, universal service obligation; policy, regulation and strategy; market and sectoral information; sustainable development; and capacity development. All these programmes are intended to foster market and sector functioning.

In this case, 11 out of 18 targets were met or exceeded. For instance, the number of countries defining the USO in national regulations remained at 160, which was the target set for the year. The target number of references to the UPU and postal services in relation to the UN SDGs was far exceeded (12,600 references above target), as was the target number of staff trained through the Trainpost disaster risk management (DRM) module (86 staff trained against a target of 15). Furthermore, the number of countries having benefited from technical assistance and having implemented a new DRM policy based on the UPU DRM guide was 31 (29 countries above target).

The development cooperation **supporting lever** encourages developing countries to benefit from UPU support in the field of operational readiness for e-commerce (ORE), i.e. first-level key regional projects, and enables the formulation and implementation of second-level regional projects.

All targets for 2020 were met, with 20 second-level regional projects formulated and implemented (versus a target of 18) and 100% of UPU development cooperation activities implemented in the field of operational readiness for e-commerce (first-level key regional projects) for the benefit of developing countries.

## Achievements by product

### Forum

#### Events

##### *UPU high-level forum on wider postal sector engagement*

On 13 February 2020, in conjunction with the Council of Administration's regular sessions, the UPU high-level forum on wider postal sector engagement brought together senior representatives from governments, regulators, designated operators, international organizations and other private sector players, as well as civil society.

Divided into four panels, speakers discussed the need for the UPU to open itself up to wider postal sector players, the UPU's value proposition, and ways in which the organization could transform itself to fulfil the needs of its stakeholders.

The high level of participation and engagement in the forum by a wide array of stakeholders showed that the UPU has the potential to be the place where critical issues pertaining to the development of the sector are discussed.

##### *World Leaders Forum*

Leading figures in the postal industry gathered virtually at the UPU's World Leaders Forum on 12 October – the first day of Parcel+Post Expo 2020, organized by UKi Media and Events. The online forum followed the decision to hold a virtual Parcel+Post Expo, owing to the COVID-19 pandemic.

The global gathering discussed how to adapt postal operations in the face of digitalization and competition, meet consumer needs, and confront the global impact of the COVID-19 pandemic. Speakers at the conference included the UPU Director General and Deputy Director General; the CEOs of Emirates Post, Australia Post and Lithuania Post; the Chairman and Managing Director of Liban Post; and the Chief Operating Officer of Canada Post.

##### *World Post Day*

World Post Day is celebrated annually on 9 October. The event was originally created by the 1969 Universal Postal Congress in Tokyo as a means of marking the anniversary of the UPU's creation in 1874.

The year 2020 marked the 146th anniversary of the UPU, and the 51st anniversary of the establishment of World Post Day. The theme for 2020 was "More than mail", bringing awareness about the role of people engaged in postal services and the role of the sector in promoting development and resilience in times of crisis, such as in a pandemic like COVID-19. In order to celebrate this special occasion, a number of activities were conducted at UPU headquarters in Berne, as well as in most of the 192 UPU member countries.

The festivities included a special event to announce the winners of the 49th International Letter-Writing Competition for Young People. During the celebration at UPU headquarters, prizes were also awarded for the countries ranked at the top of the annual Integrated Index for Postal Development (2IPD), which provides an overview of postal development around the globe.<sup>12</sup>

<sup>12</sup> In 2020, Switzerland continued to top the 2IPD ranking, followed by Austria and Germany. Poland, Singapore, Tunisia, Brazil and Ghana were regional leaders for the year.

Finally, in his statement on the occasion of World Post Day, UN Secretary General António Guterres highlighted how in “these difficult times” caused by the COVID-19 pandemic, he had “found inspiration in the essential workers [of the postal sector] who have kept our communities and societies running smoothly in extremely difficult circumstances”. He added that “these workers have risked much, and they have delivered more than mail”. He then concluded his message by stating that “the United Nations will continue to build on our partnership with you and the Universal Postal Union in our efforts to achieve the 2030 Agenda for Sustainable Development”.

### *27th Universal Postal Congress*

The 27th Universal Postal Congress was initially due to take place between 10 and 28 August 2020. Yet, owing to the difficult situation caused by the COVID-19 pandemic, member countries eventually decided to postpone the event to 9–27 August 2021. As 2020 drew to a close, preparations were well under way for what was to be the first Congress in the UPU’s history to be held in Sub-Saharan Africa. Preparations for this event required an ability to innovate, including in terms of logistics, so as to accommodate a hybrid format, with approximately 1,000 delegates participating in person and another 1,000 remotely.

### Secretariat

#### *Council of Administration*

The UPU Council of Administration held its 2020.1 session (S7) in Berne from 24 to 28 February. Key topics and decisions included *inter alia* the following:

- note taken of the report of the task force on the reform of the system applied to contributions and of the fact that the task force would continue its work after the 2020.1 CA session, in order to finalize the relevant proposals for the 27th Congress;
- approval of the submission to the 27th Congress of a draft resolution on the sustainability of the UPU Provident Scheme;
- approval of a proposal to extend the provision of access to postal supply chain solutions to other mail transport stakeholders, namely, maritime, road and rail transport companies;
- endorsement of the submission to the 27th Congress of draft proposals aimed at ensuring legal stability, legal consistency and streamlining of the Acts of the Union (as well as the Rules of Procedure of Congresses);
- endorsement of the submission to the 27th Congress of proposals on the updated Integrated Remuneration Plan and the Integrated Remuneration System;
- note taken of the report on the activities of the Council of Administration, which outlined the main results of the work carried out by the CA over the previous four years;
- note taken of the Strategy Implementation Report 2017–2020, to be presented to the 27th Congress;
- approval of the submission to the 27th Congress of the draft Abidjan Postal Strategy and Business Plan and associated proposal of a general nature;
- approval of the document “Work proposals of the Abidjan Business Plan 2021–2024” for presentation to Congress;
- endorsement of the financial inclusion policy and the postal trade facilitation policy for the Abidjan cycle;
- approval of the e-commerce and e-services policy frameworks;
- examination of the draft work proposals relating to the development cooperation policy for 2021–2024 for inclusion in the Abidjan Business Plan;
- approval of the recommendations of the task force on opening up to wider postal sector players, with the instruction that work continue on this subject between March and July 2020, in line with the recommendations, so that a more concrete proposal could be presented to the Abidjan Congress.

The CA session of February 2020 was due to be the last one before the 27th Congress. However, as the Congress was eventually postponed, the CA met once again in October 2020 to agree on an exact timeline and process for the postponement. It also convened in December 2020 in order to, among other things,

approve a draft action plan and budget for 2021, report on the advancement of the task force on opening up to wider postal sector players, and take note of a number of regular finance and governance reports (e.g. financial statements and audit reports).

#### *Postal Operations Council*

The first POC session of the year was held from 17 to 21 February 2020. Key topics and decisions included *inter alia* the following:

- endorsement of the Integrated Product Plan for 2021–2024, the associated proposal of a general nature and related draft proposals to amend the Convention, and their subsequent submission to the 27th Congress;
- approval of the draft Congress document on the Integrated Remuneration Plan and the related draft proposals, and their subsequent submission to the 27th Congress;
- endorsement of the creation of a new Postal Payment Services User Group, in accordance with the proposed rules of procedure and associated basic framework outlined in the draft resolution, subject to further approval by the CA;
- endorsement of the dissolution of both the Postransfer Group and the PPS\*Clearing User Group, also in accordance with the draft resolution and subject to further approval by the CA;
- endorsement of the amendments to the .POST Group Rules of Procedure (as endorsed by the .POST Group General Assembly);
- approval of a draft Congress document on the Quality of Service Fund (QSF), the associated proposal of a general nature and the associated proposed amendments to the Acts of the Union, and their subsequent submission to the 27th Congress;
- review of the work needed for the implementation of the Global Postal Model for electronic advance data (EAD) and endorsement of the continuation of work by the POC groups on the priority items identified for 2020;
- note taken of various reports by cooperatives and user-funded bodies (e.g. EMS Cooperative update, .POST Group report, UPU\*Clearing User Group report, Telematics Cooperative report);
- note taken of the plans for continuing POC activities (transport, customs, postal security, standards, remuneration integration and quality of service) up until the first session of the POC after the Abidjan Congress.

As in the case of the CA, the POC session of February 2020 was due to be the last one before the 27th Congress. However, as the Congress was eventually postponed, the POC once more convened in December 2020 in order to *inter alia*:

- take note of the update of the draft UPU multilateral data-sharing agreement and agree to consider the adoption of the agreement at the 2021.1 session;
- request the Remuneration Integration Group to perform an analysis of costs, penalties and remuneration considering the different impacts on destination DOs;
- request the Quality of Service Group to study the implications for delivery performance of items lacking an ITMATT message;
- request the IB to introduce enhancements to its International Postal System software to support compliance at origin related to the S10, ITMATT and PREDES requirements at the time of dispatch;
- approve the principles of the UPU position paper on EAD flows 3 to 4 of the Global Postal Model and also request that the Standards Board complete its development of the ITMREF and REFRSP standards and codes to align with this approach;
- approve the IATA–UPU mail safety guidelines and “do not load” (DNL) guidelines;
- approve the proposed update to ITMATT V1;
- note the proposals on handling the global force majeure situation, implying non-application of penalty payments and quality links to remuneration (such as pay for performance);

- endorse the progress made in the work on compliance assessment of quality of service measurements according to the UPU GMS Technical Design;
- endorse the progress made in the work related to the future organization of the activities currently carried out by the Quality Link User Group;
- note the continuation of the work on the revision of the methodology for the UPU quality management certification during the next work cycle;
- approve the resolution on quality of service standards and targets;
- approve the changes to the Congress document related to the Integrated Remuneration Plan;
- approve the update of the Statistics and Accounting Guide;
- approve the use of the quality of service performance results for terminal dues purposes in 2020;
- review and approve an overview of the POC work programme from the 2020.2 POC session until the 27th Congress.

### Settlement mechanisms

#### *UPU\*Clearing and PPS\*Clearing*

UPU\*Clearing is an efficient, low-cost means of settling international postal accounts. It is a receivable-driven system, with the creditor billing the debtor. This secure system is accessible online and offers fast and free implementation.

With 49 members worldwide, the UPU\*Clearing system processed more than 329 million SDR in 2020, registering a 9% increase in transactions over the previous year.

The number of DOs using PPS\*Clearing rose to 28, with a 2.5% increase in transactions compared to the 2016 baseline.

#### *Remuneration*

The UPU ensures the provision of affordable and viable universal postal services through sustainable remuneration systems applied by DOs in their international postal exchanges. In this regard, it aims to implement a more integrated approach to remuneration across the full range of postal services, with a view to modernizing and unifying the system.

The year witnessed some achievements in this area. For instance, the number of members of the Quality Link User Group increased to 69. Although this was below the target of 100 for 2020, it still amounted to an increase from the baseline of 50 in 2016. On another front, the number of DOs notifying the IB of their ECOMPRO rates reached 62, falling short of the target of 80 for 2020, but still above the baseline of 52 in 2016, indicating that operators are still assessing the advantages and disadvantages of offering the service.

### **Provider of technical solutions**

#### Consulting and capacity building

Technical cooperation is a key tool for achieving the strategic objectives of the UPU. It helps to reduce the “postal divide” between industrialized and developing countries and enables the transfer of know-how. The IB’s DCDEV manages and implements technical cooperation and is involved in designing and developing UPU policy in this area.

In 2020, the CA committee responsible for this topic focused on preparing the new development cooperation policy for 2021–2024, with many member countries and observers taking an active part in the process. From the analyses carried out and lessons learned in recent years, it was concluded that the UPU development cooperation policy for the next cycle should shift its strategic focus towards field activities, increasingly taking into consideration changes in postal markets in an environment where a number of actors have a decisive influence on sector-wide development. It was thus recommended that cooperation activities give greater

consideration to new national strategies and the role of the key actors – governments, regulators and postal operators – in the market.

Moreover, the approach adopted with respect to integrating postal operations activities and e-commerce has proved to be a success. The formulation of national action plans as part of ORE projects has made it possible to monitor developments on a country-by-country basis and the progress made by beneficiary countries towards meeting their commitments. Indeed, cooperation has become more results-oriented and is based on a deployment approach favouring projects that impact countries in the priority areas adopted by Congress, promoting greater accountability on the part of beneficiary countries.

ORE projects have been carried out in all regions. The goal is to help DOs put in place an integrated portfolio of reliable, trackable and affordable UPU products that meet the needs of customers and e-retailers in order to ensure full alignment with e-commerce processes and exchanges.

Furthermore, the creation of a network of experts (regional project facilitators working with UPU regional project coordinators) has made it possible to strengthen operational activities in the field, provide more effective assistance to national ORE teams, and ensure ongoing monitoring of project activities.

### Training strategy

The IB developed a four-year training strategy for development cooperation covering the following areas: training in key strategic projects and priority areas of the IWPS, training for the least developed countries, modernization of the current Trainpost platform, and strengthening of the role played by restricted unions in regional training centre activities. For instance, in 2020 alone, in spite of the pandemic, 109 individuals from 40 countries obtained Trainpost certificates for the completion of security training modules.

### Information technology solutions

#### *Postal Technology Centre solutions for countries*

Operating under the auspices of the POC, the Telematics Cooperative was established to develop the UPU's IT activities and operations. The PTC, which is part of the IB, acts as an organ of execution, support, liaison, information and consultation for members of the Telematics Cooperative and for the UPU as a whole.

In 2020, the various PTC product areas included the following:

- The International Postal System (IPS), an integrated international mail management application that combines mail processing, operational management and electronic data interchange messaging in one application;
- The International Financial System (IFS), which uses EDI to send international money order data electronically;
- POST\*Net, aimed at providing electronic interconnectivity between participants in the postal supply chain by using state-of-the-art electronic messaging;
- Quality solutions, including electronic publications and big data and other analysis and reporting tools;
- Advanced electronic services, including global applications to run under .POST, interconnectivity solutions and applications for e-services;
- Supply chain integration, providing a comprehensive IT framework which can be used by DOs and their partners in the supply chain to provide customers with modern and innovative postal services;
- The Customs Declaration System (CDS), through which 88 users captured, transmitted and processed customs data in 2020 (up from 11 in 2018).

In 2020, 183 DOs exchanged EDI messages through the POST\*Net network. The total number of users of logistics and customs solutions stood at 173.

### Standards and certification

Standards are necessary for effective postal operations and to interconnect the global postal network. The UPU's Standards Board develops the technical standards and EDI message specifications that facilitate the exchange of operational information between postal operators. It also coordinates UPU standardization initiatives with those of other international standardization bodies and works closely with postal operators, customers, suppliers and numerous international organizations to this end.

In 2020, 7.14% of active standards (with a status below 2) moved to a different status within the standards approval process, versus a target of 5%. In addition, 100% of the proposals for standardization were treated within three months of formal submission to the body responsible for the handling of all UPU standardization activities.

### **Knowledge centre**

#### Data centre

The UPU plays an important role as a data centre. Through its mandate, the UPU gathers, consolidates and safeguards data on the postal sector that may be of interest to governments, regulators and DOs. The organization is specialized in two types of analytical data: postal big data and official postal statistics.

#### *Postal big data*

Postal big data results from EDI exchanged between operators worldwide. With over 30 billion records captured by the UPU since 2013, postal big data covers three important areas: personal data, transactional data and operational data. Personal data concerns the identities of and detailed information on senders and recipients of postal products. Transactional data relates to the volume of transactions between DOs, which communicate in real time the departure of mail receptacles or acknowledge receipt of dispatched items. Lastly, operational data concerns the quality of electronic interchanges and the efficiency of the postal supply chain. One product that has benefited from the availability of postal big data is the 2IPD, which uses tracking data to measure two of its four key dimensions (reliability and reach).

#### *Postal statistics*

The postal statistics compiled by the UPU are arguably one of the oldest products provided by the organization. Indeed, the UPU has been collecting this data on a regular basis from member countries since the last quarter of the 19th century. Today, these statistics are not only a requirement (article 132 of the UPU General Regulations, as well as article VIII of the Agreement between the UN and the UPU), but also constitute a key input for several crucial activities of the organization and sector.

UPU postal statistics consist of a comprehensive set of data on the activities of DOs worldwide, as well as indicators from regulatory authorities in charge of postal services. Over the past five years, updated data sheets have been compiled for 194 countries and territories, with different indicators on staff, post offices, delivery modes, revenue streams and postal activity. The immediate product of this data source is the Statistical Yearbook, issued on a yearly basis.

The rich combination of available data allows the UPU to pursue an ambitious research agenda in collaboration with other international organizations. Thanks to the granularity of the data, the UPU provides its members with reliable information and detailed analysis of the sector.

#### Focused analysis

Focused country analyses are also available on demand. These enable countries to thoroughly examine the status of their postal development and to identify areas of improvement to boost their performance. By the end of 2020, 10 comprehensive country projects drawing on the results of the 2IPD had been carried out.

#### Core research

*Postal Economic Outlook and Postal Development Report*

Postal services play a key role in promoting and enabling social and economic development. It is therefore useful for governments, regulators, DOs, electronic retailers, UN agencies, academics and the wider public to have access to in-depth knowledge about the key transformations affecting the postal sector, globally and regionally.

For the fourth year in a row, drawing on the data collected and analyzed by the UPU's research team, the annual edition of the Postal Economic Outlook reported on the latest statistics in the postal sector and put them into perspective within the current macroeconomic context.

In the Postal Development Report, also issued on a yearly basis, the UPU studies the situation of postal development around the world, drawing on a wide range of quantitative and qualitative information. The 2020 edition included the ZIPD ranking, spanning 170 countries. It also provided insights on the relation between postal development gaps and productivity, and the internationalization of postal services.

#### *Collaborations and research partnerships*

As a specialized agency of the United Nations, the UPU has a role to play in providing data, insights and recommendations that can enable governments and other stakeholders to promote socioeconomic development. To that end, the UPU has undertaken several collaborative projects with the UN and other international organizations.

#### *Measurement of e-commerce development (UNCTAD)*

Currently, the UPU is involved in a long-term partnership with the United Nations Conference on Trade and Development (UNCTAD), with the goal of improving the measurement of international e-commerce and its impact on development. For four consecutive years, the UPU has leveraged its wealth of postal data to calculate the postal reliability score, which is one of the four pillars of UNCTAD's e-commerce measurement index. This particular collaboration reveals how important UPU data has become within the context of global efforts directed towards improving the understanding of key drivers behind the growth of e-commerce worldwide.

#### *Estimation of international logistics constraints (ICAO)*

In its research collaboration with the International Civil Aviation Organization (ICAO), the UPU has tried to understand the role of logistics constraints in the development of cross-border e-commerce. By combining international shipping tonnage data with bilateral plane schedules, the project has estimated the logistics inefficiencies generated by delays in getting mail from planes to sorting centres. The research has shown that logistics inefficiencies constitute a hurdle to the growth of cross-border postal flows, and that their reduction would help to foster international e-commerce.

#### *Contribution to the Logistics Performance Index 2.0 (World Bank)*

The Logistics Performance Index (LPI) 2.0 project seeks to provide an improved version of the Logistics Performance Index, developed by the World Bank. To that end, the World Bank is using novel data sources and analytics to enable policymakers to benchmark a country's logistics performance. The current LPI, based on surveys, captures the complexity of supply chains and highlights the importance of supply chain reliability as the most pivotal outcome for achieving trade competitiveness and inclusive economic growth. For its part, and as a pioneer user of big data solutions in the UN system, the UPU has amassed vast quantities of data on international logistics. In this context, the UPU and the World Bank have joined forces for a project aimed at measuring logistics performance on a global scale.

#### *Measurement of international (official) e-commerce statistics (OECD, WTO and UNCTAD)*

The UPU has also joined forces with the World Trade Organization (WTO), UNCTAD and the Organisation for Economic Co-operation and Development (OECD) in an effort to establish a framework for official international trade statistics, encompassing indicators associated with e-commerce and the digital economy. In particular, the three organizations have begun to study the possibility of using postal data (e.g. information on e-commerce shipments, such as product options, track-and-trace and return options, and information on electronic customs declarations between postal operators) to measure digitally ordered merchandise trade broken down by business-to-business (B2B) and business-to-consumer (B2C) transactions.

### Philately

The UPU's philatelic activities are coordinated by a dedicated IB programme. Among other things, this programme acts as the secretariat of the World Association for the Development of Philately (WADP); organizes round tables and philatelic forums; and coordinates relations with the philatelic press, catalogue publishers, stamp dealers, security printers and philatelic associations.

It also supervises the WADP Numbering System (WNS) – a register of all official postage stamps issued by the 188 members of the WNS. In addition, the programme manages the universal postage stamp collection held by the IB, which includes thousands of postage stamps issued by DOs since the 19th century. The remit of the programme includes international reply coupons, which allow someone sending a letter to another country to pay for the postage for the reply in advance.

In 2020, the WADP organized its first philately webinar on the theme “Art in the philatelic business model”. The first panel, “Art as a way to promote philately”, was devoted to designated operators’ experience in this area. The second panel focused on the opportunities offered for this business model by the industrial sector. The presentations given by the various speakers – a firm specializing in philately and textile stamps, a security printer and the celebrated engraver Martin Mörck – as well as the presentation on the blockchain stamps project, were greatly appreciated by the more than 50 participants.

In terms of training, with the significant rise in remote activities during the pandemic, 2020 was marked by a special emphasis on the philatelic training offered through Trainpost. The remote course was completely revised and modernized to offer designated operators the best tools for developing their philatelic activities, especially in marketing and operational areas.

In the area of postage stamp distribution, in spite of the restrictions on international parcel traffic in 2020, the IB distributed more than one million philatelic items in accordance with article 06-002 of the Convention Regulations: 843,415 postage stamps, 179,070 miniature sheets, and 21,620 booklets.

The distribution system also adds to the universal postage stamp collection managed by the IB on behalf of its member countries and their territories. A total of 3,589 postage stamps were thus added to this collection in 2020.

## III. Corporate results

---

### Human resources review

In December 2020, the IB had 266 staff members,<sup>13</sup> including two elected officials. The majority of them were based at UPU headquarters in Berne, with seven staff serving as regional project coordinators in different parts of the world to facilitate technical cooperation. Forty-two percent of staff members were female, and a total of 62 nationalities were represented, up from 54 in 2012.

In terms of recruitment and training, performance evolved as expected for most of the 2017–2020 period, with the exception of 2020, during which COVID-19 weighed considerably on final results. Recruitment and selection meetings were conducted remotely rather than in person. The same method was used for on-boarding of new staff members and exit formalities, and the newcomer welcome brochure was updated accordingly.

Numerous training courses were cancelled, causing this number to drop from 465 in 2019 to 50 in 2020. In the same vein, the percentage of recruitment processes finalized within three months, from the first Appointments and Promotions Committee meeting up to submission of the selection report to the Director General, dropped to 22.22%, down from 87.5% in 2019.

In terms of appraisals, the mandatory performance evaluation at the end of temporary appointments continued to be implemented.

An interim audit by the Swiss Federal Audit Office in 2020 reiterated that the IB's DRH had improved its compliance and instituted greater accountability, including "four eyes" reviews relating to salary processes in the organization's salary system and the recruitment of a part-time staff member to ensure business continuity. In 2020, the DRH also moved forward with the development of an electronic filing and knowledge-based information system for human resource records.

In an effort to reduce staff absenteeism during the COVID-19 pandemic, staff were instructed to work from home, and the IB took a number of initiatives aimed at improving staff welfare and motivation while managing sick leave effectively. Measures adopted included working closely with the medical service in providing necessary support and medical attention to staff, authorizing employees to carry forward more than 60 days of accrued annual leave from 2020 to 2021, and issuing internal communications on COVID-19 protocols.

In addition, all duty-related travel was cancelled until further notice. Instead, authorized meetings worldwide were conducted remotely using various online communication platforms. No official travel was authorized from April 2020 onwards.

### Corporate governance

The UPU has a robust corporate governance framework, encompassing audit, control and ethics functions and mechanisms.

#### External audit

In 2020, various activities were conducted by the External Auditor. For instance, it confirmed that the 2019 consolidated financial statements were presented in conformity with the International Public Sector Accounting Standards (IPSAS), and that the accounting data published in the consolidated financial statements corresponded to the UPU accounts. Furthermore, follow-up carried out by the External Auditor showed the result of the efforts by the IB to accelerate implementation: there were 14 outstanding recommendations, 9 of which were new ones issued following the audit missions conducted in 2020.

<sup>13</sup> Source: List of individuals on the payroll maintained by the DRH (December 2021); consultants are not included in the total headcount.

## Internal audit

In 2020, the internal audit service followed up on outstanding recommendations and concluded that 13 of them had been implemented since the last follow-up, thanks to the IB's efforts.

The internal audit service conducted additional missions in 2020, based on the last risk analysis (carried out in 2017). The programme focused primarily on communication with member countries, IT security, and the IB's management of service continuity in the context of COVID-19. These missions led to the issuance of 12 new recommendations.

## Joint Inspection Unit

Together with 28 other organizations, the UPU helps to finance the UN Joint Inspection Unit (JIU) and thus benefits from independent system-wide evaluations, inspections and investigations. As it does every year, the JIU presented its work programme for 2020, which included seven system-wide projects and 38 new recommendations issued to all agencies. This situation was presented to the Internal Audit Committee, which issued an opinion on the status of acceptance and implementation of recommendations. The JIU's web-based tracking system, used to track recommendations electronically, is updated regularly to show the progress made in implementing recommendations.

## Internal control system

At the UPU, the internal control system (ICS) is defined as a set of activities, methods and measures, as established by the CA and management, aimed at ensuring operational compliance.

Internal controls are not grouped into a separate ICS function; rather, they are integrated into daily processes. The ICS is implemented at all levels of the organization and requires a strong sense of responsibility on the part of all employees.

The UPU's ICS was formalized for the first time in 2013 and is now overseen by a dedicated programme in the Executive Office: the Governance and Internal Control Programme. On a regular basis, this programme runs a risk and control self-assessment (or oversight loop), during which the operational risks and controls of every directorate are reviewed.

In 2020, the IB organized briefing sessions for the designated points of contact in each directorate in order to update the ICS through a risk and control self-assessment exercise within each directorate and unit. To ensure a sound ICS, the risks assessed in 2020 were general risks associated with the five components of the system.

## Ethics Office

The Ethics Office is tasked with helping the Director General to ensure that the staff of the IB act in accordance with their own missions and demonstrate the highest standards of competence and integrity as enshrined in the UN Charter, Staff Regulations and Rules, and Code of Conduct, by embedding a culture of ethics, transparency and accountability within the IB.

The Ethics Office may also intervene within the framework of administrative instructions 34 and 35, governing, respectively, "conflict resolution mechanisms related to discrimination, abuse of authority and harassment" and "protection of individuals who report misconduct and cooperate with duly authorized audits or investigations".

The 2020 ethics training was conducted via online platform owing to the COVID-19 situation. The training dealt with diversity and sexual harassment. A total of 273 staff and non-staff were invited to the training, which was held over four sessions, in English and French. The participation rate was 97.1%.

In 2020, with employees working from home, the Ethics Office conducted a survey among all employees on teleworking behaviour. A total of 123 staff members responded, and on this basis, the Ethics Officer issued a newsletter to raise awareness on the ethical challenges associated with telework and offer related advice, especially in the area of data protection.

## Financial disclosure programme

The UPU's annual financial disclosure programme consists of asking a number of staff members to file a financial disclosure statement. The aim of this exercise is to define the conflicts of interest that staff may encounter and propose ways to resolve them. These conflicts may arise from their holdings (assets or investments) or activities. Measures to resolve these conflicts may include advising staff members to divest themselves of certain holdings, cease a particular activity, or give up a particular aspect of their official functions.

In 2020, the exercise concerned 57 staff members, from the Director General to the members of the Tenders and Procurements Committee, as well as all other staff members with responsibilities involving potential conflicts of interest. There was a 100% response rate. The report did not identify any real conflicts of interest for the disclosure period (2019).

## Financial situation

### Overview

Beyond the key performance indicators and deliverables, the Istanbul Business Plan includes details about financial resources required in order to implement the planned work.

On this basis, a Programme and Budget (P&B) has been prepared and approved by the CA every year during the 2017–2020 period. Consequently, the evaluation of the Istanbul Business Plan must also include an analysis of budget execution in line with the annual P&B, comparing budgeted amounts against the actuals.

However, the budget prepared as part of the annual P&B does not cover a number of expenses which nonetheless impact the final net result reported in the organization's consolidated financial statements, and in particular in the statement of financial performance.

Therefore, the evaluation of financial resources must also include a reconciliation between the final budget result and the net result, as this may have a strategic impact that could endanger the proper implementation of the programme of work derived from the Istanbul Business Plan.

### Expenses by goal and programme relative to the budget

During the 2017–2020 period, actual expenditure was 28.07 million CHF lower than the budgeted amounts (226.95 million CHF vs 255.02 million CHF). This discrepancy relates primarily to savings and to variations in extrabudgetary resources that are dependent on donors and are usually planned over more than one year.

During this period, for Goal 1, actual expenditure was 13.91 million CHF less than the budgeted amount. The programmes showing the greatest variations are programmes 1.1 (Quality of service) and 1.4 (Information and communication technologies), which were below budget by 9.40 million CHF and 4.55 million CHF respectively. This is largely linked to the fact that expenditure for certain extrabudgetary activities, particularly those relating to GMS, addressing and Telematics Cooperative projects, was overestimated for most of the period. This was especially true for GMS projects, which primarily receive direct funding from the QSF.

For Goal 2, actual expenditure was 9.98 million CHF under budget. This was driven mostly by two programmes, namely, 2.2 (Financial inclusion and financial services) and 2.3 (Product and service diversification and harmonization), which together accounted for 6.73 million CHF in variation between the budget and actual figures. As with Goal 1, this discrepancy is partly attributable to overestimations concerning extrabudgetary activities during this period.

For Goal 3, a total of 1.66 million CHF was saved over the 2017–2020 period, primarily owing to two programmes: 3.2 (Policy, regulation and strategy) and 3.3 (Market and sectoral information).

For the supporting lever, i.e. development cooperation, savings of 1.89 million CHF were made during 2017–2020.

In the case of functional support, actual expenses were under budget by 0.63 million CHF during 2017–2020. This was mostly through savings made by two programmes, 5.1 (Executive office, strategy and communications) and 5.2 (Finance), which were under budget by 1.73 million CHF and 1.82 million CHF respectively, mainly thanks to staff positions remaining vacant and savings made on operational costs.

### **Reconciliation with the statement of financial performance**

The above-mentioned differences between the operational budget and actual expenditure must be put into perspective. Indeed, in order to reconcile the P&B with the statement of financial performance, a number of adjustments must be applied to the expenses.

The following expenses are not covered in the P&B: financial costs (14.40 million CHF), adjustments of long-term employee benefits (37.14 million CHF), and QSF project expenses (36.62 million CHF). This amounts to 87.85 million CHF from 2017 to 2020, i.e. 21.96 million CHF per year.

When these expenses are added to those included in the P&B, total expenses reach 314.80 million CHF (78.7 million CHF per year) for 2017–2020, compared with revenues of 299.34 million CHF (74.8 million CHF per year).

The net result was thus negative for 2017–2020, standing at a shortfall of 15.46 million CHF, i.e. an average of 3.9 million CHF per year.

In any event, as this reconciliation exercise shows, the financial resources required to implement the Istanbul Business Plan need to be considered in a comprehensive manner, taking into account not only the operational budgets expressed in the P&B, but also other factors on which the financial balance of the UPU depends. From this perspective, funding remains an issue, in spite of significant efforts to make savings in those expenses covered in the P&B.

In the long term, the main challenge for the UPU continues to be the need to service liabilities related to employee benefits of 280 million CHF (as at 31 December 2020). In the short term, the effects of the decades-long zero nominal growth rule applied to the regular budget continue to weigh on the organization's finances, weakening its overall revenue base. As a result, in 2020, the net result amounted to -1.7 million CHF, in spite of ongoing efforts to increase extrabudgetary funding as well as cost-containment measures.

These combined challenges (i.e. sizeable long-term liabilities and weakness of the revenue base) make the need for revenue growth a priority, regardless of any consolidating measures, all the more so because the demand for UPU services continues to grow. Indeed, the organization's main risks today still revolve around relevance and funding: with a total annual budget that is equivalent to less than 0.02% of the total operating revenues of DOs worldwide, the UPU would need a substantial increase in investment to respond in a timely manner to the needs expressed by its traditional stakeholders.

Statement I – Statement of financial position at 31 December 2020 (in CHF)<sup>14</sup>

	<b>2020</b>	<b>2019</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	60,075,614	42,461,675
Investments	56,465,725	50,229,628
Accounts receivable (non-exchange transactions)	34,999,129	26,068,385
Accounts receivable (exchange transactions)	19,632,603	25,256,520
Inventories	170,727	180,220
Other current assets	4,512,920	5,569,854
<b>Total current assets</b>	<b>175,856,717</b>	<b>149,766,282</b>
<b>Non-current assets</b>		
Investments	41,868,243	66,683,128
Accounts receivable (non-exchange transactions)	24,090,073	157,256
Equipment	1,091,089	1,815,758
Intangible assets	851,959	884,177
Land and buildings	21,875,053	22,762,410
Other non-current assets	15,500	32,490
<b>Total non-current assets</b>	<b>89,791,917</b>	<b>92,335,219</b>
<b>Total assets</b>	<b>265,648,634</b>	<b>242,101,501</b>
<b>Current liabilities</b>		
Accounts payable and accrued expenses	19,714,112	25,064,834
Employee benefits	3,141,459	2,293,326
Deferred revenue	81,083,881	78,661,756
Advance receipts	86,346,204	84,272,221
Funds-in-trust held for translation services	7,161,514	7,490,490
Loans payable within one year	0	375,760
Provisions	75,000	150,000
<b>Total current liabilities</b>	<b>197,522,171</b>	<b>198,308,386</b>
<b>Non-current liabilities</b>		
Employee benefits	280,224,531	278,820,259
Deferred revenue	24,000,000	0
Loans payable after one year	0	0
<b>Total non-current liabilities</b>	<b>304,224,531</b>	<b>278,820,259</b>
<b>Total liabilities</b>	<b>501,746,701</b>	<b>477,128,644</b>
<b>Accumulated surplus (deficit) Union funds</b>	<b>-220,995,992</b>	<b>-221,390,688</b>

<sup>14</sup> Source: Financial statements of the Universal Postal Union for 2020.

	<b>2020</b>	<b>2019</b>
<b>Accumulated surplus (deficit) other funds</b>	2,791,951	3,150,481
<b>Accumulated surplus (deficit) controlled entities</b>	-21,671,988	-20,809,472
<b>Reserves</b>	3,777,962	4,022,535
<b>Net assets</b>	<b>-236,098,067</b>	<b>-235,027,143</b>

**Statement II – Statement of financial performance from 1 January to 31 December 2020 (in CHF)**

	<b>2020</b>	<b>2019</b>
<b>Revenue</b>		
<b>Assessed contributions of member countries</b>	37,977,800	36,327,580
<b>Other annual contributions</b>	4,734,821	4,633,034
<b>Voluntary contributions</b>	23,360,973	13,382,917
<b>Sales</b>	11,370,730	13,165,267
<b>Financial revenue</b>	2,736,359	4,862,932
<b>Exchange gains</b>	1,889,731	1,027,836
<b>Other revenue</b>	677,651	1,186,585
<b>Total revenue</b>	<b>82,748,066</b>	<b>74,586,151</b>
<b>Expenses</b>		
<b>Staff costs</b>	53,186,506	49,333,746
<b>Travel</b>	190,810	1,422,732
<b>Consultants and external contracts</b>	4,940,550	4,418,758
<b>Project costs</b>	14,593,796	15,021,953
<b>General operating expenses</b>	1,112,658	1,350,101
<b>Materials and supplies</b>	195,465	347,972
<b>Maintenance and repairs</b>	1,879,334	1,701,113
<b>Depreciations</b>	1,919,042	2,283,623
<b>Financial costs</b>	1,734,151	1,036,352
<b>Exchange losses</b>	3,685,043	1,360,799
<b>Other expenses</b>	975,372	1,304,697
<b>Total expenses</b>	<b>84,412,728</b>	<b>79,581,846</b>
<b>Net result</b>	<b>-1,664,662</b>	<b>-4,995,694</b>

### Statement III – Execution of budget and link to the net result<sup>15</sup>

All figures in millions of CHF	2017			2018			2019			2020			2017–2020		
	Budget	Actuals	Diff.	Budget	Actuals	Diff.	Budget	Actuals	Diff.	Budget	Actuals	Diff.	Budget	Actuals	Diff.
<b>Expenses by goal and programme, relative to the budget</b>															
Programme 1.1 – Quality of service	7.77	7.02	0.75	10.56	6.80	3.76	9.63	7.93	1.70	9.95	6.75	3.20	37.90	28.50	9.40
Programme 1.2 – Supply chain and security	2.47	2.14	0.34	2.46	2.39	0.07	2.09	2.62	-0.52	2.44	2.68	-0.24	9.47	9.82	-0.35
Programme 1.3 – Accounting and operational processes	0.43	0.37	0.06	0.52	0.34	0.18	0.52	0.32	0.20	0.55	0.35	0.20	2.02	1.37	0.65
Programme 1.4 – Information and communication technologies	10.70	9.76	0.94	11.49	10.82	0.68	14.27	12.13	2.13	13.01	12.21	0.79	49.47	44.92	4.55
Programme 1.5 – Standards	0.32	0.53	-0.21	0.33	0.37	-0.04	0.31	0.36	-0.06	0.31	0.36	-0.04	1.27	1.62	-0.35
<b>Total for Goal 1 – Improve the interoperability of network infrastructure</b>	<b>21.69</b>	<b>19.81</b>	<b>1.89</b>	<b>25.37</b>	<b>20.71</b>	<b>4.66</b>	<b>26.82</b>	<b>23.37</b>	<b>3.45</b>	<b>26.26</b>	<b>22.35</b>	<b>3.91</b>	<b>100.14</b>	<b>86.23</b>	<b>13.91</b>
Programme 2.1 – E-commerce and trade facilitation	0.62	0.35	0.28	0.65	0.38	0.28	0.51	0.32	0.19	0.50	0.20	0.30	2.28	1.24	1.04
Programme 2.2 – Financial inclusion and financial services	2.08	1.59	0.49	1.97	1.21	0.76	3.02	1.37	1.66	3.30	1.41	1.89	10.37	5.59	4.79
Programme 2.3 – Product and service diversification and harmonization	2.61	2.19	0.42	2.40	1.76	0.64	2.23	1.74	0.49	2.02	1.63	0.39	9.27	7.33	1.94
Programme 2.4 – Integrated remuneration	0.77	0.71	0.06	0.77	0.76	0.00	0.78	0.94	-0.16	1.00	0.83	0.17	3.32	3.24	0.08
Programme 2.5 – E-services	1.35	0.92	0.44	1.21	0.75	0.46	1.03	0.48	0.54	1.11	0.42	0.69	4.70	2.57	2.13
<b>Total for Goal 2 – Ensure sustainable and modern products</b>	<b>7.45</b>	<b>5.76</b>	<b>1.68</b>	<b>7.00</b>	<b>4.86</b>	<b>2.14</b>	<b>7.57</b>	<b>4.84</b>	<b>2.72</b>	<b>7.93</b>	<b>4.50</b>	<b>3.44</b>	<b>29.94</b>	<b>19.96</b>	<b>9.98</b>
Programme 3.1 – Universal service obligation	0	0	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00
Programme 3.2 – Policy, regulation and strategy	0.64	0.45	0.19	0.59	0.50	0.09	0.79	0.57	0.22	0.75	0.48	0.27	2.77	1.99	0.77
Programme 3.3 – Market and sectoral information	0.60	0.57	0.03	0.63	0.33	0.30	0.63	0.54	0.09	0.67	0.64	0.03	2.54	2.08	0.46
Programme 3.4 – Sustainable development	0.66	0.41	0.25	0.66	0.47	0.20	0.70	1.05	-0.35	1.24	0.90	0.33	3.26	2.83	0.44
<b>Total for Goal 3 – Foster market and sector functioning</b>	<b>1.91</b>	<b>1.43</b>	<b>0.48</b>	<b>1.89</b>	<b>1.29</b>	<b>0.59</b>	<b>2.12</b>	<b>2.16</b>	<b>-0.04</b>	<b>2.65</b>	<b>2.02</b>	<b>0.63</b>	<b>8.57</b>	<b>6.90</b>	<b>1.66</b>
Programme 4.1 – Development cooperation	5.95	5.40	0.55	6.21	5.31	0.90	6.16	6.69	-0.53	6.30	5.33	0.97	24.61	22.72	1.89
<b>Total for supporting lever (4)</b>	<b>5.95</b>	<b>5.40</b>	<b>0.55</b>	<b>6.21</b>	<b>5.31</b>	<b>0.90</b>	<b>6.16</b>	<b>6.69</b>	<b>-0.53</b>	<b>6.30</b>	<b>5.33</b>	<b>0.97</b>	<b>24.61</b>	<b>22.72</b>	<b>1.89</b>

<sup>15</sup> Sources: UPU Programme and Budget 2017–2020; consolidated financial statements 2017–2020; Four-yearly report on implementation of the Istanbul World Postal Strategy.

All figures in millions of CHF	2017			2018			2019			2020			2017–2020		
	Budget	Actuals	Diff.	Budget	Actuals	Diff.	Budget	Actuals	Diff.	Budget	Actuals	Diff.	Budget	Actuals	Diff.
Programme 5.1 – Executive office, strategy and communications	3.87	3.28	0.59	3.89	3.30	0.59	4.06	4.05	0.01	4.15	3.61	0.54	15.98	14.24	1.73
Programme 5.2 – Finance	3.23	4.02	-0.79	3.13	2.27	0.86	3.44	2.14	1.30	3.07	2.62	0.45	12.87	11.05	1.82
Programme 5.3 – Human resources	2.52	2.55	-0.03	2.38	2.46	-0.08	2.32	1.87	0.45	2.40	2.01	0.39	9.61	8.90	0.72
Programme 5.4 – Legal and compliance/governance	0.94	0.55	0.39	0.96	0.90	0.05	0.96	0.68	0.28	1.01	0.52	0.49	3.86	2.65	1.21
Programme 5.5 – Logistics	8.73	9.09	-0.35	8.93	9.38	-0.45	8.56	9.00	-0.44	8.14	7.10	1.04	34.36	34.56	-0.20
Programme 5.6 – UPU councils secretariat and management	1.26	2.74	-1.47	1.25	1.99	-0.74	1.14	1.99	-0.85	1.34	1.78	-0.43	5.00	8.50	-3.51
Programme 5.7 – Translation	2.46	2.62	-0.16	2.48	2.79	-0.31	2.44	2.63	-0.19	2.70	3.18	-0.47	10.09	11.22	-1.14
<b>Total for functional support (5)</b>	<b>23.02</b>	<b>24.84</b>	<b>-1.83</b>	<b>23.02</b>	<b>23.10</b>	<b>-0.08</b>	<b>22.92</b>	<b>22.37</b>	<b>0.54</b>	<b>22.81</b>	<b>20.81</b>	<b>2.00</b>	<b>91.76</b>	<b>91.13</b>	<b>0.63</b>
<b>Total expenses relative to the budget</b>	<b>60.01</b>	<b>57.23</b>	<b>2.77</b>	<b>63.48</b>	<b>55.27</b>	<b>8.20</b>	<b>65.58</b>	<b>59.44</b>	<b>6.14</b>	<b>65.96</b>	<b>55.00</b>	<b>10.96</b>	<b>255.02</b>	<b>226.95</b>	<b>28.07</b>
<b>Reconciliation with the statement of financial performance</b>															
<b>Total expenses relative to the budget (-)</b>	<b>-60.01</b>	<b>-57.23</b>	<b>N/A</b>	<b>-63.48</b>	<b>-55.27</b>	<b>N/A</b>	<b>-65.58</b>	<b>-59.44</b>	<b>N/A</b>	<b>-65.96</b>	<b>-55.00</b>	<b>N/A</b>	<b>-255.02</b>	<b>-226.95</b>	<b>N/A</b>
Basis for differences – financial costs not included in the budget	N/A	4.17	N/A	N/A	2.41	N/A	N/A	2.40	N/A	N/A	5.42	N/A	N/A	14.40	N/A
Basis for differences – adjustments of long-term employee benefits	N/A	7.44	N/A	N/A	7.75	N/A	N/A	8.61	N/A	N/A	13.34	N/A	N/A	37.14	N/A
Entity differences – QSF project expenses	N/A	7.77	N/A	N/A	8.76	N/A	N/A	9.14	N/A	N/A	10.65	N/A	N/A	36.62	N/A
<b>Total adjustments for differences in expenses (-)</b>	<b>N/A</b>	<b>-19.38</b>	<b>N/A</b>	<b>N/A</b>	<b>-18.92</b>	<b>N/A</b>	<b>N/A</b>	<b>-20.14</b>	<b>N/A</b>	<b>N/A</b>	<b>-29.41</b>	<b>N/A</b>	<b>N/A</b>	<b>-87.85</b>	<b>N/A</b>
<b>Total expenses including adjustments (-)</b>	<b>N/A</b>	<b>-76.61</b>	<b>N/A</b>	<b>N/A</b>	<b>-74.19</b>	<b>N/A</b>	<b>N/A</b>	<b>-79.58</b>	<b>N/A</b>	<b>N/A</b>	<b>-84.41</b>	<b>N/A</b>	<b>N/A</b>	<b>-314.80</b>	<b>N/A</b>
<b>Total revenues (+)</b>	<b>N/A</b>	<b>67.73</b>	<b>N/A</b>	<b>N/A</b>	<b>74.27</b>	<b>N/A</b>	<b>N/A</b>	<b>74.59</b>	<b>N/A</b>	<b>N/A</b>	<b>82.75</b>	<b>N/A</b>	<b>N/A</b>	<b>299.34</b>	<b>N/A</b>
<b>Net result</b>	<b>N/A</b>	<b>-8.88</b>	<b>N/A</b>	<b>N/A</b>	<b>0.08</b>	<b>N/A</b>	<b>N/A</b>	<b>-4.99</b>	<b>N/A</b>	<b>N/A</b>	<b>-1.66</b>	<b>N/A</b>	<b>N/A</b>	<b>-15.46</b>	<b>N/A</b>
<i>As reported in the statement of financial performance</i>															





**UNIVERSAL POSTAL UNION**

International Bureau  
Weltpoststrasse 4  
3015 BERNE  
SWITZERLAND

Tel: +41 31 350 31 11  
Email: [strategy@upu.int](mailto:strategy@upu.int)



**UPU** | UNIVERSAL  
POSTAL  
UNION