



THE FUTURE AFTER ABIDJAN

Outcomes of the 27th Universal Postal Congress







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Message from the UPU Director General

From Doha to Abidjan - Reflections on the road

It has been an honour to lead the Universal Postal Union (UPU) through some of the most tumultuous years of the UN specialized agency's history.

I am particularly pleased that my last Universal Postal Congress as the UPU Director General was held in Africa and celebrated the region's advances in postal development.

As an organization, we have delivered on almost all the targets of the Doha Postal Strategy and the Istanbul Postal Strategy. Indeed, in the last four years, the Deputy Director General Pascal Clivaz, myself, and with the full support of member countries, have delivered almost 99 per cent of all our targets.

Due to the extensive and inclusive preparations for the Abidjan Postal Strategy, I am confident that the next cycle (2022-2025) will be just as constructive as the last. One of our most enduring achievements in the past two cycles has been the breakthrough in the remuneration discussion made at the Third Extraordinary Congress in Geneva. Thanks to the hard work of International Bureau staff and the commitment of member countries, we found a solution.

Another success was the agreement on Small Island Developing States (SIDS) decided in Addis Ababa. The UPU finally reduced the financial contribution rates provided by SIDS. This will increase their capacity, allowing them to be fully involved in the UPU decision making.

In Addis Ababa, members finally agreed on the longstanding debate on the reform of the Union. With that decision, the Union will now have a more balanced regional representation in its decision-making bodies. The Integrated Index for Postal Development (also known as 2IPD) has also promoted greater recognition of Posts among governments. It has shown nations that Posts can help them meet their socioeconomic development goals, if they receive the necessary funding.

Posts have also offered an incredible response to the recent challenges of the COVID-19 pandemic. Everyone involved in the international postal sector has shown courage, innovation and resilience during these difficult times. In doing so, Posts have reinforced their role and relevance not only in national development of individual countries, but also in world trade in general.

I am also delighted at the way Posts have played a role in contributing to the Sustainable Development Goals, as well as promoting their incisive role in generating e-commerce and trade.

Nevertheless, as we transition to Abidjan to forge new agreements and resolutions, there are also fresh challenges ahead. One of these is the need for our postal family to reflect the tremendous changes that have occurred in the industry. Today, the industry is not what it was 20 years ago; in fact, it is not the same industry a mere two years ago.

The industry is changing fast, so must we. This is why I have dedicated the final years as Director General to encouraging the UPU to embrace the wider postal sector players. I have done so not only as a means of upholding our single global postal network, but also as a means of promoting UPU's products and services that are the keystone of this extraordinary UN specialized agency.

It will be a win for the entire industry to come and work together. It will be a win for UPU and, certainly, a win for customers for whom we all work to serve better. This decision will be taken at the 2023 Extraordinary Congress. As we are commencing the Abidjan postal cycle, I invite you to take a look at this and other key outcomes of the three weeks of our intensive work - the outcomes that will define the future of the postal sector.



Bishar A. Hussein

Director General of the Universal Postal Union



NEW CHANGES TO ENHANCE THE POSTAL SECTOR

The 27th Universal Postal Congress – held in Abidjan, Côte d'Ivoire – closed on 27 August, welcoming new changes to enhance the postal sector between 2022 and 2025.

Speaking at the closing ceremony of the Congress, Côte d'Ivoire's Prime Minister Patrick Achi congratulated participants for “finding innovative solutions that effect the long term viability and survival of the Union.”

The Congress reviewed more than 200 proposals on a range of issues aimed at improving the effectiveness and efficiency of international postal services and the operations of the UPU. Member countries convening at Abidjan meeting took key decisions on the organization's strategy, opening the UPU to wider postal sector players, defining a new remuneration system and improving postal development.

“I have always known change is never easy and that the pace of change in the postal sector was not going to allow us to become complacent.”

The Abidjan Congress was the last for current UPU Director General Bishar A. Hussein and Deputy Director General Pascal Clivaz. The pair were first elected during the 2012 Doha Congress, receiving a second mandate in 2016 in Istanbul. In January 2022, they will pass the torch to Director General-elect Masahiko Metoki, from Japan, and Deputy General-elect Marjan Osvald, from Slovenia.

Speaking on achievements made in his two mandates during the closing ceremony, the Director General said, “I have always known change is never easy and that the pace of change in the postal sector was not going to allow us to become complacent.”

Mr. Hussein thanked member countries for their “respect, guidance and support.” Speaking about the incoming UPU leadership, he said, “I have no doubt they will fly this organization to new heights.”

Key achievements

The Congress made headway on a number of issues that will see improvements to the postal industry and the work of the UPU.

One highlight was the approval of the Abidjan World Postal Strategy, a guiding tool that will see the UPU strengthen its position as a forum for postal development, a provider of innovative solutions and an industry knowledge centre. The strategy forms the basis for the UPU's work over the 2022-2025 period.

Member countries advanced their work on opening the UPU to wider postal sector players during the Congress, agreeing to hold an Extraordinary Congress in 2023 to take concrete decisions on the organization's opening strategy. In the meantime, the Congress approved a series of changes to strengthen the Consultative Committee – an arm of the Council of Administration, through which wider postal sector players are able to participate in UPU dialogue.

Remuneration was another hot topic for the Congress, which reviewed and adopted a new Integrated Remuneration System that will set the basis for a more integrated, modern and forward-looking postal remuneration system. The system will take effect in January 2022.



“I have no doubt they will fly this organization to new heights.”

The 2022-2025 cycle will also usher in improvements to the UPU's development cooperation efforts. The Congress adopted a new development cooperation policy allowing the UPU to engage in larger-scale projects that will be incorporated into national development policies. An additional Quality of Service Fund (QSF) account approved by the Congress will allow the UPU to carry out additional development projects in the least developed countries.

The Congress was the first regular quadrennial meeting to be held in Sub-Saharan Africa, as well as the first to be held in a hybrid format, with more than 1,000 delegates participating in person and another 1,000 online.

The next Universal Postal Congress will be held in 2025 in Dubai, United Arab Emirates.

A ROLE MODEL ON GENDER EQUALITY

On 27 August 2021, the Universal Postal Congress approved a proposal meant to make the UPU a gender champion of the postal sector and encourage Posts throughout the world to adopt gender-sensitive approaches when it comes to recruitment and decision-making.

Gender equality and the empowerment of women (GEEW) is not only the main focus of SDG 5 cutting across the whole of the sustainable development agenda, but also an organization-wide policy within the United Nations System, which is committed to lead by example. In order to champion the long fight for a more equal world, the UN strives to achieve employment parity among its staff, as well as mainstream gender across all of its programming.

As a specialized agency of the United Nations, the UPU adheres to the UN System-Wide Policy on GEEW, adopted by the Organization in 2006. However, while many agencies use this Policy as a broader framework for more concrete action plans tailored to their respective thematic areas, at the moment, the UPU has no organization-wide policy related to gender.

The absence of such a policy does not mean the absence of interest in the related issues. Back in 2012, the Doha Congress established momentum in this area by adopting a resolution aimed to achieve more diversity in staffing – momentum that has been retained throughout the last Istanbul cycle and reflected in the nature of consultations held as part of the development of the new Abidjan World Postal Strategy.

Susan Alexander, Postal Regulation and UN Policies Expert at the UPU's International Bureau (IB), is convinced that the UPU is exceptionally placed to serve as a role model on gender within the postal sector. "Designated operators employ huge numbers of people, providing an opportunity to directly increase gender equality through improved working conditions and by seeking a gender balance amongst postal employees," she said.

And the opportunities do not end there – they extend well beyond the industry. "Due to the high public visibility of mail carriers and post office workers, increasing the number of women employed in trusted positions sends a clear message to the broader community," continues Alexander, who was among those leading the development of a new proposal. A proposal that was put on the table of the 27th Congress in Abidjan last week.

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The universal reach of the Post – its unique characteristic – can also help remove persistent barriers to the empowerment of women, for instance, those related to access to healthcare services, and protection against violence. Alexander provides an example of the Bulgarian Post, which has used its network of post offices in a national campaign to inform customers about the risk of becoming victims of human trafficking and labour exploitation.

The proposal submitted for the attention of the Committee 3 “General Policy and Management of the Work of the Union” and titled “Gender equality and the empowerment of women at the UPU and in the postal sector,” tackles two interlinked aspects: fair recruitment practices and the use of a more gender-neutral language. In relation to the first, it proposes, for the first time in history, to incorporate gender-balance requirements as one of the criteria to be used in the recruitment of staff members; in relation to the second, it aims to remove outdated restrictive references that could potentially discourage women candidates from applying.

The accompanying memorandum goes further by touching upon a desirable linguistic revision of the Union's documents to ensure the use of inclusive terminology. It also requires the UPU to proactively meet the requirements under the UN System-Wide Action Plan on GEEW (UN-SWAP) reporting as well as to encourage its member countries to increase the participation of women in leadership and decision-making positions, both in their national postal sectors and in their delegations to the UPU. Finally, the adoption of an agency specific GEEW policy is suggested as one of the first deliverables.



“Women’s participation and representation shown to strengthen economic growth, improve business performance, and reduce poverty within communities and households.”

Both the current UPU leadership and member countries have demonstrated a remarkable consensus when it comes to the importance of this proposal. “The whole area of gender equality is accepted globally, and it is the right thing to do,” commented Bishar A. Hussein, the UPU Director General, while the representatives of Canada and Austria noted that this was the most important issue to be discussed during the 27th Congress.

Submitting the document for the Congress’ consideration, the representative of Australia once again reiterated that, “Society as a whole benefits from equal participation of women and men in policy development and decision-making, with women’s participation and representation shown to strengthen economic growth, improve business performance, and reduce poverty within communities and households.”

Now that the proposal is adopted, the extensive and challenging work required for the successful implementation of the whole range of activities meant to make the UPU a true gender advocate has just begun. However, backed by the commitments and political will of the UPU members, and driven by the dedication of the IB’s staff, this ambitious and laudable undertaking clearly has all the chance of going forward.

The approval of this proposal has once again highlighted the distinctive, and systemic vision behind the new Abidjan Strategy and the upcoming cycle – the one that will make the Union and the entirety of the postal sector an integral part of the movement towards a more sustainable and equal society.

COOPERATION ON CLIMATE ACTION

UPU member countries unanimously adopted a resolution focused on greater action and cooperation in the fight against climate change.

The resolution – co-authored by Austria, France and Germany – commits the UPU to investigate possible emission reduction targets and carbon-neutral cross-border services in the postal sector. It will also encourage knowledge sharing on emission reduction strategies, climate finance and climate adaptation.

Although many posts have already undertaken measures to reduce their carbon footprint, the UPU resolution will help define a coherent sector-wide policy on the issue.

“If the global community, and that includes the postal sector with all its emissions through delivery, sorting and long-haul transport, does not change its behaviour, our children and grandchildren will not have to worry about a postal network, they will have to worry about their existence,” said Felix Blach, Head of International Postal Relations at Deutsche Post, who presented the resolution on behalf of Germany.

UPU Director of Policy, Regulation and Markets, Siva Somasundram, said, “I am delighted that Congress has reached a consensus and approved this important resolution, which further expands the extensive work of the UPU on environmental and social sustainability.”

“In particular, I am convinced that this will strengthen the ability of the postal sector to access funding for low emission and resilient infrastructure,” he added.

Delegations from numerous UPU member countries spoke to support the resolution, emphasizing both the importance of environmental sustainability to the postal sector, and the need for universal and equitable action on the issue of climate change.

Posts operate the largest physical network in the world with more than 5 million staff, 650,000 post offices and half a million vehicles in their fleets.

As a UN specialized agency, the UPU has a role to play in achieving the sustainable development goals, which includes climate action. The organization already supports carbon reporting across the postal sector through its Online Solution for Carbon Analysis and Reporting (OSCAR). The resolution comes at an opportune time, as countries prepare themselves for the COP 26 Climate Change Conference in Glasgow.

Over the next UPU work cycle, which spans 2022-2025, the Postal Operations Council (POC) will study greenhouse gases emitted by the postal sector, as well as mitigation and adaption measures. The POC will also investigate how carbon neutral cross-border postal services can be developed for posts interested in offering them.

The UPU’s Council of Administration will be responsible for developing recommendations on greenhouse gas reduction targets to present to the next UPU Congress. It will also report on ways UPU member countries can improve knowledge sharing across the sector.



NEW INTEGRATED REMUNERATION PLAN AND SYSTEM FOR 2022-2025

An updated remuneration plan and a new remuneration system adopted at the Congress mark an important step forward in the rationalization, modernization and integration of the UPU's remuneration systems.

The new Integrated Remuneration System (IRS) will be implemented throughout the 2022 to 2025 Abidjan work cycle. The Integrated Remuneration Plan (IRP), which was first devised at the beginning of the Istanbul work cycle provided the strategic direction and roadmap to deliver proposals for the IRS. The work prescribed in the updated IRP is to be conducted throughout 2022 to 2025 and should result in the submission of proposals to the 28th Congress in Dubai in 2025 for a fully Integrated Remuneration System applicable from 2026 to 2030.

The new IRS builds upon the landmark decisions made by the Third Extraordinary Congress held in Geneva, Switzerland, in 2019, where the terminal dues remuneration for small packets were reviewed and self-declaration of those rates within certain limits and conditions was introduced.

"The new IRS is a concrete step towards full integration of the current UPU remuneration systems, namely the terminal dues system, the inward land rates, ECOMPRO rates, and the remuneration system for EMS items, which all evolved independently from one another over time," said Altamir Linhares, Coordinator of the Remuneration Governance, Development and Integration Programme at the UPU.





“The new IRS is a concrete step towards full integration of the current UPU remuneration systems.”

“This situation resulted in lack of rate alignment across letter-post items, lightweight parcels, and EMS items. At the same time there was a need to modernize the UPU remuneration systems, in particular the rates and conditions applicable to items containing goods, to provide for more flexibility and to better respond to the important aspects of cost coverage and changing market needs,” Linhares added.

The IRS for the Abidjan Cycle reflects a balance between market-based evidence and varying political economy interests, such as affordability and levels of economic and postal development.

“One of the key benefits of the new system is an improved level of cost coverage for designated operators in the destination country through increased remuneration rates while focusing on making significant improvements in quality of service, as well as customer and operational visibility of postal items traveling through the global postal network,” Linhares explains.

“It also recognizes the needs of the designated operators in developing countries with small mail volumes by extending protection mechanisms that ensure a continued access to affordable remuneration rates in the destination country.”

The IRS provisions and rates will take effect on 1 January 2022. The UPU International Bureau will, in coordination with the restricted unions, organize and conduct workshops and training sessions for UPU members to fully understand and correctly apply the IRS, along with the usual calculation and publication of the relevant IRS rates every year.

REDEFINING THE UPU'S ROLE IN POSTAL FINANCIAL SERVICES

A new study entitled Postal Financial Services Vision 2030 is to be undertaken by the UPU to review, reassess and redefine its role and position in the postal financial services (PFS) sector, as well as its relations with posts, policymakers and regulators.

The study, which is currently in the planning stage, will be undertaken over a six-month period. Sergey Dukelskiy, Coordinator of PFS and Financial Inclusion at the UPU, commented, "Through this study, the UPU wishes to assess the relevance and effectiveness of its treaty framework and supporting functions in relation to postal payment services and, in more general terms, postal financial services."

"In order to respond to the regulatory obligations, the UPU's Acts need to evolve as well and provide clear guidance to posts and their partners."

The study has five main goals. First it will assess the nature of PFS, including postal payment services, offered in UPU member countries in the context of prevailing market trends and public policy objectives, including, but not limited to, financial inclusion, e-commerce development, small and medium-sized enterprise growth and the United Nation's Sustainable Development Goals.

"The study will help the UPU to engage its stakeholders and broader financial system partners in an innovation-focused discussion and formulate clear policy recommendations."

"The study will also identify the key regulatory challenges faced by posts in the provision of PFS, identify potential areas where the UPU can support posts in the provision of PFS, and identify any shortcomings associated with the UPU's current treaty framework as it pertains to PFS, as well as the UPU's associated PFS activities," Dukelskiy added.

The final goal of the study is to prepare policy and strategy recommendations for the UPU to update its current PFS treaty framework and associated support services and to offer market-relevant PFS to the benefit of Union member countries and their designated postal operators.

Another point to address in the coming cycle, according to Dukelskiy, is anti-money laundering and combating the financing of terrorism.

Currently, according to the Postal Payment Services Agreement (PPSA), which regulates Postal Payment Services (PPS), signatories are responsible for anti-money laundering and countering terrorism financing checks, both issued or paid-out.

"Nowadays with the development of electronic postal payments and digital financial services at a global scale, operators have to pay more attention to the security of the transactions they are responsible for," Dukelskiy explained. "In order to respond to the regulatory obligations, the UPU's Acts need to evolve as well and provide clear guidance to posts and their partners. UPU, through the Postal Technology Center, as a provider of PFS systems, needs to provide necessary tools to the users of those systems."

Dukelskiy concludes, "The study will help the UPU to engage its stakeholders and broader financial system partners in an innovation-focused discussion and formulate clear policy recommendations to strengthen the UPU's role in the PFS sector, enabling the UPU to provide relevant support to its member countries and their designated postal operators in that regard."



DEVELOPING NEW RULES ON ETOEs

The UPU is set to carry out an analytical study on the regulations and procedures concerning Extraterritorial Offices of Exchange (ETOE) to assist member countries in developing clear and concise rules for their national ETOE policies.

ETOE are offices or facilities established for commercial purposes and operated by designated operators or under the responsibility of designated postal operators on the territory of a member country or territory other than their own, with the objective of drawing business in markets outside their respective national territory.

According to Shuangming Han, Regulatory Affairs Expert at the UPU, the current ETOE policy involves various aspects, such as legal, regulatory and operational perspectives of the UPU, which have an important impact on postal regulation and operations in member countries in the context of new market developments. There are, however, some regulatory concerns, which the analytical study aims to identify.

“The practice today is based on the UPU Convention,” he says. “It implies that the allowance or legitimacy of ETOEs is the responsibility of member countries, not of the UPU. There are some concerns with this practice. They include operational concerns and issues around the clarification of the status of ETOE operations – in particular, regarding the use of the UPU’s mail and operations systems and documentation.”

Some other operational concerns resulting from the complex matrix of rules governing ETOEs include the handling of returned and non-deliverable mail, as well as determining fair remuneration for the delivery of received items.





“The study will provide members with an updated analysis of ETOE policies and latest developments with regard to ETOEs in other union member countries.”

“Another concern is the appropriateness of member countries or designated operators determining the applicability of the UPU Acts for ETOE mails, which are commercial in nature and may originate in or be delivered to another member country,” Han adds.

The new study, which was approved at Congress in Abidjan at the end of August, will provide information, analysis and recommendations on ETOEs for member countries. The UPU will also continue to publish member countries’ ETOE policies on a regular basis, as has been done in past cycles.

“During the coming cycle, the CA will identify current practices and potential issues surrounding ETOEs from policy and regulatory perspectives based on Congress decisions and latest developments on ETOEs, in particular, the impacts of ETOEs on treaty obligations, postal regulation and operations, in order to develop theories and advisory conclusions to member countries,” Han explains.

The CA will also examine whether the current UPU regulatory framework on ETOEs meets the needs of UPU member countries, their regulators and posts in the context of market developments, which may lead to potential changes to the current UPU policy.

“The current situation reveals a wide disparity in the ETOE policies of UPU member countries. The study will provide members with an updated analysis of ETOE policies and latest developments with regard to ETOEs in other union member countries. This will help meet the needs of UPU member countries, their regulators and designated postal operators to establish national policies on ETOEs in the context of the new and changing environment,” Han concludes.

THE FOURTH EXTRAORDINARY CONGRESS 2023

The 27th Universal Postal Congress unanimously approved the hosting of an Extraordinary Congress to decide on plans for opening up the UPU to wider postal sector players (WPSPs).

Hosting an Extraordinary Congress was one of a series of proposals put forward by a special UPU task force created in 2019 to study the possibility of engaging wider postal sector players in the UPU's activities. As part of the approved proposal, the UPU's Council of Administration (CA) will be responsible for presenting a concrete, step-by-step opening plan considering future structural changes, wider postal sector participation methodology, and a corresponding financial contribution model. That plan will be presented to the 2023 Extraordinary Congress for a decision.

Mutua Muthusi, Director of the UPU's Executive Office and Secretary of the Congress Committee that passed the proposal said, "The decision made by Congress shows that countries are now united on the importance of opening up the UPU so that the organization can keep pace with transformations taking place across the sector. I expect the 2023 Extraordinary Congress will provide a clear way forward for the UPU to embrace the entire postal industry."

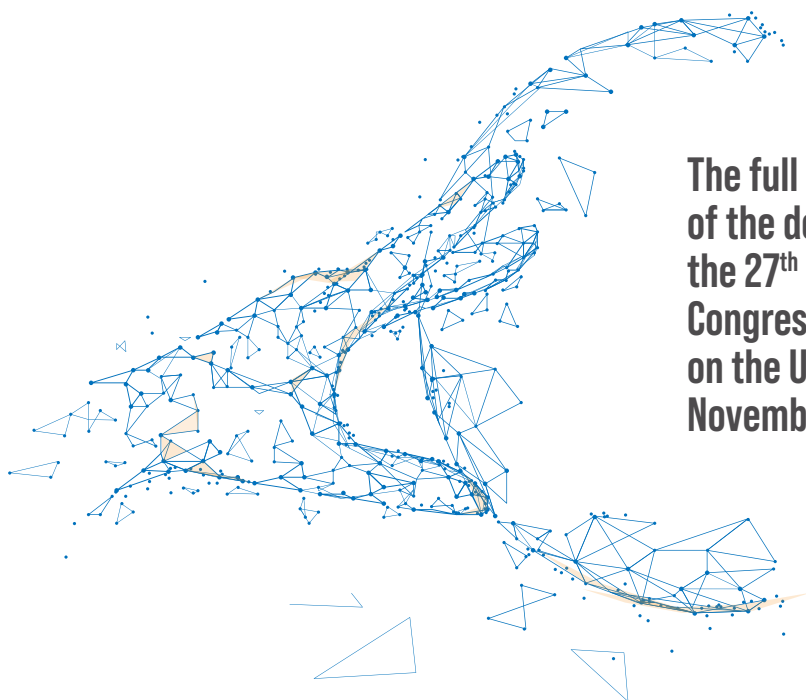
More immediately, the UPU will reform its Consultative Committee – a UPU body that allows wider sector players to contribute to UPU dialogue, but without participating in decision-making processes – to allow more flexibility to those wider postal sectors wishing to participate. This includes the introduction of additional membership groups.

As an intergovernmental organization, the UPU's membership has traditionally been restricted to government entities and postal operators designated by governments – also known as designated operators. However, the sector has broadened, with many non-designated operators entering the market and taking on the bulk of new business opportunities such as parcels and express services. Postal operators also need to work with many other wider postal sector players across the supply chain, such as transport and customs partners.

"I expect the 2023 Extraordinary Congress will provide a clear way forward for the UPU to embrace the entire postal industry."

Discussions on opening the UPU to wider sector players have developed over more than 20 years. The discussion was initiated during the 1999 Congress in Beijing, with members taking the first concrete step in 2004, establishing the Consultative Committee during the Bucharest Congress. The 2016 Istanbul Congress relaunched the discussion, approving a resolution on access to UPU products and services by other players.

Though the Istanbul Cycle initiated the opening of UPU products and services, the work was more complex than envisioned and could not be completed before the most recent Congress. However, the UPU did succeed in opening up several products and services to wider sector players, namely supply chain-related IT services to priority partners whose access to them would improve the efficiency of transport and security across the postal network.



The full and detailed list of the decisions made by the 27th Universal Postal Congress will be available on the UPU's website in November 2021.





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POSTAL MATTERS

The UPU's blog "Postal Matters" offers fresh insights into the international postal sector, as well as its technological advances and latest innovations. Postal operators and other postal sector players are welcome to send us their contributions containing reflections, views and perspectives on the postal future, e-commerce, sustainable development, financial inclusion and other related areas.

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