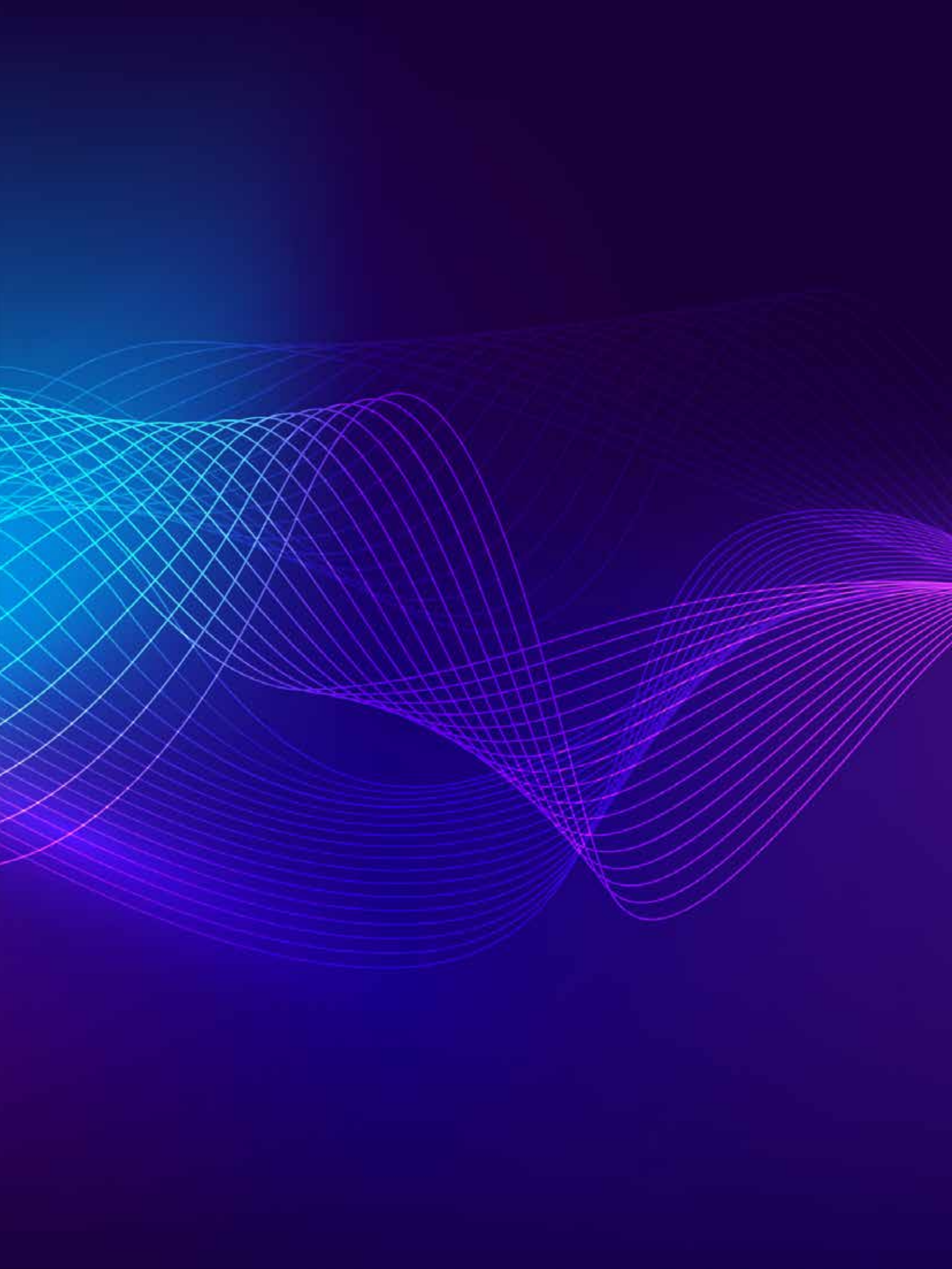




# PROMISES KEPT

The Office of the UPU Director General 2013–2021



# TABLE OF CONTENTS

- 4** Message from the UPU Director General
- 5** The beginning of an era
- 6** About UPU Director General Bishar A. Hussein
- 8** About Deputy Director General Pascal Clivaz
- 11** **The First Cycle: Doha Postal Strategy 2013–2016**
- 14** Promoting postal development through ZIPD
- 16** A climate-neutral UPU
- 17** Promises kept – equality and diversity
- 19** **The Second Cycle:  
Istanbul Postal Strategy 2016–2020**
- 22** The UPU’s commitment to the SDGs
- 23** World CEO Forums: bringing postal leaders together
- 26** E-commerce achievements
- 29** **Extraordinary Congress in Addis Ababa:  
modernizing the UPU**
- 32** Ad Hoc Group on Reform: the key to transformation
- 33** Postal together: keeping the UPU 192 members strong
- 35** **History made in Geneva: members find consensus  
on remuneration**
- 38** 146 years of delivering development
- 39** COVID-19: The Post’s public service role
- 40** Welcoming the wider postal sector

# MESSAGE FROM THE UPU DIRECTOR GENERAL

When Deputy Director General Pascal Clivaz and I took office at the beginning of 2013, we had many challenges on our action list, and many more unforeseen challenges to come.

It has been an honour and a privilege to steer the UPU through these eventful years, always upholding the principles of fairness, transparency, and a willingness to change.

There is no doubt that our efforts have brought greater visibility to the Union through collaboration with other intergovernmental and international organizations.

The addition of an annual forum to the UPU calendar of events dedicated to leaders of postal operators has enhanced communication, collaboration and decision-making efficiency.

As an organization, we have delivered on almost all the targets of the Doha Postal Strategy and the Istanbul World Postal Strategy. Thanks to the extensive and inclusive preparations for the Abidjan Postal Strategy, we are confident that the next cycle will be just as constructive.

Many of the reforms and initiatives implemented during my period in office are close to my heart.

It had long worried me that some countries were struggling to pay their membership dues and risked losing their voice in the Union. Thanks to the agreement on small island developing states (SIDS) reached in Addis Ababa, the organization finally reduced the financial contributions by those member countries, giving them the opportunity to be fully involved in UPU decision making. The SIDS can now afford to be fully paid-up members, thanks to the revised membership rates.

The Addis Ababa Extraordinary Congress also yielded outstanding results on structural reform, with no small thanks to the UPU's ad hoc group on reform.

That group's proposals helped to bridge differences between regions, countries and levels of development. The focus was on speedier decision making, improving the UPU's efficiency and management of resources, and instituting a system of qualified, equitable distribution of council seats among member countries of the UPU. This feat had eluded the Union for several decades.

I have also been very impressed by the impact of the Integrated Index for Postal Development (also known as 2IPD), which has successfully raised the profile of Posts among governments to show that our sector can help them meet their country's socioeconomic development goals, with the proper funding.

One of our crowning achievements as an organization in the past two cycles has been the breakthrough on postal remuneration rates made at the third Extraordinary Congress in Geneva. We finally managed to find consensus on this sensitive issue, which we had been trying to solve for decades.

The stellar response of Posts worldwide to the challenges of the COVID-19 pandemic will go down as one of the biggest victories that our industry has ever achieved. Courage, innovation and fortitude were called into play in the face of one of the biggest global challenges of all time. This success visibly demonstrated the new-found role and relevance of the postal sector in global business, as well as in countries' development.

As a family of 192 members, we are honoured to play our part in contributing to the UN Sustainable Development Goals, proud to have become a more representative organization, and determined to build our role as a key player in e-commerce and trade.

I hope this look back over the notable events and progress of the last two cycles will remind you that the work we do is worthwhile, and ultimately makes the world a better place.

Thank you for placing your trust in us.



**Bishar A. Hussein**

## THE BEGINNING OF AN ERA

As the end of the 2009–2012 cycle approached, more than 2,000 delegates packed their bags for the 25<sup>th</sup> Universal Postal Congress, which was hosted by the Government of Qatar, in association with its national designated operator, Qatar Post.

The plenipotentiaries of most of the UPU's 192 member countries came together to discuss the state of the global postal sector and decide on its future. They also had the task of electing a new Director General and Deputy Director General.

The Congress began on 24 September 2012, kicking off three weeks of intense activity, including the constituent assemblies of the new Council of Administration (CA) and Postal Operations Council (POC).

The ministerial conference was a key event at Congress. Many ministers, postal CEOs and other international stakeholders expressed their hopes for a rejuvenated postal sector, and spoke about how it could help governments roll out their social and economic policies, bring populations closer to inclusive financial services, and reduce poverty.

In an atmosphere of positive change and cooperation, Congress elected the UPU's new leadership for 2013–2016, selecting Kenya's Bishar A. Hussein and Switzerland's Pascal Clivaz to manage the UPU International Bureau (IB) as Director General and Deputy Director General respectively.

"I accept with humility the honour and privilege given to me today", said Mr Hussein shortly after being elected on 10 October. "Under my watch, the UPU will work to fulfil the mandates given to it by this Congress. We will take the UPU to the next level."

Mr Hussein, a former ambassador who represented Kenya as Chair of the CA from 2009 to 2012, took over from then UPU Director General Edouard Dayan in January 2013. A French national, Mr Dayan retired at the end of 2012 after eight years at the helm.

Mr Clivaz, who took over as Deputy Director General from China's Guozhong Huang, had been Director of Finance and Strategy at UPU headquarters since 2005.

"I am very honoured by the trust given to me by the 25<sup>th</sup> UPU Congress", he said after his election.

"I look forward to pursuing reforms at the UPU and supporting the new Director General in the initiatives that will be taken as the UPU faces various challenges."

A familiar face in the UPU community, Mr Hussein was the first sub-Saharan African to be elected to the top job. Shortly after his historic win, the former ambassador expressed "heartfelt appreciation" to his postal colleagues for "their confidence and faith throughout [his] campaign".

As Director General, Mr Hussein went on to run the day-to-day operations of the Union's secretariat, the UPU International Bureau, located in Berne, Switzerland. He also represented the UPU at major international meetings and acted as Secretary General for the meetings of the organization's governing bodies: the Council of Administration, the Postal Operations Council, and the quadrennial Universal Postal Congress.

Four years later in Istanbul, the two men were re-elected by acclamation for a further four-year mandate to lead the Union.

Mr Hussein and Mr Clivaz were credited with sterling performances during their first mandate, where they posted 98% achievement of the implementation of recommendations from the Doha Congress.



## ABOUT UPU DIRECTOR GENERAL **BISHAR A. HUSSEIN**

**From the beginning of his tenure in 2013, Bishar A. Hussein sought to establish strong and visionary leadership for the UPU International Bureau. He set out to build trust and confidence among IB staff and to encourage teamwork to achieve the best possible results with the available resources.**

When selected as Director General in Doha in October 2012, Mr Hussein was already a familiar face in the postal community, having chaired the UPU Council of Administration for the 2009 to 2012 cycle. Prior to that, he was also designated by the government of Kenya to chair the 24<sup>th</sup> UPU Congress held in Geneva.

At the beginning of his first term in office, the world was still recovering from the after-effects of the 2008 global financial crisis, and a lack of adequate financing for the development of the Post was one of the most pressing challenges facing many postal organizations.

One of Mr Hussein's key focuses was to identify new sources of finance for the Union while pursuing continuous reforms both within the IB and in the Union bodies. This included making the work of the Union more efficient.

As the Director General said at the time: "Technological advancement, rapid changes in the communications market and globalization have exerted serious challenges on the Post. Enhancing the ability of UPU member countries to keep pace with these changes requires substantial investments to modernize the postal infrastructure."

The UPU developed a resource mobilization unit in house and undertook a number of activities to raise the profile of Posts among governments as a way to bolster the funding argument.

Now, as Mr Hussein's second term comes to an end, a new global recession threatens. But Posts are in a stronger position, thanks to advances in the sector against a background of eight consecutive years of economic growth.

Among his many pledges, the former ambassador said he would uphold the principles of transparency, hard work, gender equity, merit and geographical representation in recruitment and promotion of staff in the Union.

The appointment of the first sub-Saharan African as Director General of the UPU was in itself a historic landmark for the organization.

Hussein is highly versed in postal matters with a background in diplomacy. He began his postal career with the Kenya Posts and Telecommunications Corporation, which he joined in 1984 as a management trainee. He rose through the ranks and became the first Postmaster General of the Postal Corporation of Kenya when it split from Kenya Posts and Telecommunications Corporation in 1999.

He led the postal entity from a loss-making to a profitable and self-sustaining postal enterprise.

In 2002, he was appointed ambassador of Kenya to the United Arab Emirates, covering the whole Gulf region, for a five-year period.

Mr Hussein holds a Bachelor of Arts Degree (Hons) in political science and sociology from the University of Nairobi.

In September 2010, he successfully chaired the UPU Strategy Conference held in Nairobi. That conference provided a forum for discussion of important global issues affecting the postal sector and paved the way for the development of the Doha Postal Strategy.

Mr Hussein promised to focus on enhancing cooperation among UPU member countries and other stakeholders, and this is something he has certainly delivered on, from solving the problem of the remuneration of small parcels to establishing the CEO Forum, an annual information-sharing event for postal leaders.

During his two terms, Mr Hussein pursued an inclusive agenda, engaging governments, regulators, restricted unions and other stakeholders involved in the development of the Post, to address the emerging concerns of the sector.

He has also enhanced the discussions to open up the Union to other external postal players, with the aim of creating a truly single postal territory under the mandate of the UPU. This was in recognition of the fact that the postal business had been liberalized in most member countries, with the licensing of multiple players. While Hussein clearly focused on the use of technology to create new innovations and the diversification of the postal business, he also sought to enhance traditional services.

Mr Hussein's tenure has been marked by significant reforms both for the UPU and for the postal business itself. He spearheaded the reform of the Union by rationalizing decision-making meetings so as to build greater efficiency and cost-effectiveness. These reforms also achieved greater balance across the organization.

In addition, the Director General helped to broker a consensus decision at the 2019 Geneva Extraordinary Congress.

Mr. Hussein's goals included:

**Promoting mutual cooperation among Union members**

**Encouraging technical support for the postal organizations of developing countries**

**Encouraging and supporting the interests of UPU member countries**

**Maintaining the neutrality of the UPU**

**Raising the UPU's visibility in the international arena.**

**Efficient use and management of the Union's resources**

**Promoting greater use of technology for postal sustainability and environmental conservation**

**Strengthening the expansion of the universal postal service**

**Reforming the UPU and global postal system to fit the changing global environment**

**Positioning the Post as a critical infrastructure to contribute to global economic development**



## ABOUT DEPUTY DIRECTOR GENERAL **PASCAL CLIVAZ**

Pascal Clivaz is a Swiss citizen from the alpine canton of Valais, who was elected Deputy Director General alongside Director General Bishar Hussein in Doha in 2012. Mr Clivaz was also re-elected during the 26th Congress in Istanbul, and now looks back on over eight years in this key role.

**Throughout his long career in the postal sector, Mr Clivaz has adhered to his values of respecting diversity, promoting multilateral cooperation, believing in integrity and transparency, and safeguarding balance and fairness.**

A former Swiss Post executive, from 2007 to 2012 Mr Clivaz was Director of Finance and Strategy at the IB, which he joined in 2005.

A law graduate, Pascal Clivaz has held numerous roles in both private and public organizations, as well as at the European Commission in Brussels.

He began his postal career at Swiss Post as a scientific advisor responsible for finance and strategy, before rising to become Director of International Affairs and a member of the Swiss operator's management team. He led the Swiss delegation at the UPU CA and POC sessions between 2000 and 2004.

On his reappointment for a second term as UPU Deputy Director General, Mr Clivaz said: "It is time to look to the future, to ensure continuity and focus our attention on the necessary adjustments... and I will anchor my mandate as Deputy Director General on these cardinal points: an ambitious, dynamic, reliable and totally renewed UPU in 2020."

Mr Clivaz has helped Posts redefine themselves in the age of the digital economy and e commerce. He made a valuable contribution to numerous projects and programmes, assisting both developing and industrialized countries.



In a rapidly changing environment, it was clear to Mr Clivaz that good results could not be achieved if the organization and its members remained static. Speaking at the Extraordinary Congress in Addis Ababa in 2018, he reminded delegates: “Change is not only necessary, but inevitable. Change should be a permanent feature of our work.”

With his financial background, Pascal Clivaz pledged to adopt a more rigorous approach within the UPU to maintaining a sound financial balance.

Despite the pressing imperatives of the digital area, Mr Clivaz has consistently recognized the important role that the physical network will always play in the sector.

In an interview after his appointment to the Deputy Director General post, he said it was important to define the appropriate postal economic model at the worldwide level, according to the different geographical areas and “types” of countries. Today, there is a better understanding than ever of the sector’s role as an essential component of economic development.

Through participation in numerous round-table forums, meetings and other collaborative efforts, Mr Clivaz has helped overcome significant stumbling blocks, such as the remuneration issue, and brought the UPU members closer together.





# THE FIRST CYCLE: DOHA POSTAL STRATEGY 2013–2016

Bishar Hussein and Pascal Clivaz assumed the leadership of the IB of the UPU in 2013, and immediately embarked on the implementation of the Doha Postal Strategy, a four-year roadmap for the postal sector.

**The strategy's core aim was to have the postal sector recognized as an essential component of the global economy. It was formally adopted by the UPU's member countries at the 25<sup>th</sup> Universal Postal Congress in 2012.**

As is traditional, the Doha Postal Strategy was crafted through a wide consultation process of UPU member countries and postal stakeholders around the world. It contained four broad goals, further developed into 18 programmes dealing with specific issues.

**The four goals were:**

- 1 Improve the interoperability of the international postal networks;**
- 2 Provide technical knowledge and expertise related to the postal sector;**
- 3 Promote innovative products and services; and**
- 4 Foster the sustainable development of the postal sector.**

The different regions of the world identified their own sets of priorities to ensure that the global postal network delivers results. These were then integrated by the UPU into regional development plans.

One by one, the regional activities to meet the ambitious objectives of the strategy by 2016 were launched.

Meanwhile, the UPU's official bodies focused on achieving the strategy objectives aimed at strengthening the three dimensions of the global postal network – physical, electronic and financial.

The strategy laid the foundation for modernizing and stimulating the development of postal services worldwide. It took into account the many factors that challenge the postal sector, including globalization, market liberalization, competition, electronic substitution, the advancement of new technologies, and regional and national inequalities, among others.

THE UPU'S VISION STATEMENT DURING THE FOUR-YEAR DOHA POSTAL STRATEGY WAS: "THE POSTAL SECTOR IS SEEN AS AN ESSENTIAL COMPONENT OF THE GLOBAL ECONOMY."

The UPU's vision statement during the four-year Doha Postal Strategy was: "The postal sector is seen as an essential component of the global economy."

While all members of the postal community were already well aware that the sector was a key component of the global economy, this view was not widely accepted by outsiders. Governments, businesses and the public were inclined to take a well-run postal service for granted, without appreciating its positive effects on the economy.

In adopting the Doha Postal Strategy, the UPU sought to raise awareness of the benefits brought by the sector and to position it as a major facilitator of economic and social activities in the future.

## NOTABLE ACHIEVEMENTS

Working together, the UPU and member countries made significant progress on all four goals.

With regard to the first goal – interoperability of international postal networks – it was a priority to improve the efficiency and integrity of the global supply chain through an integrated and coordinated approach for addressing the issues facing the movement of postal items.

To this end, 119 quality of service projects were approved for implementation, 114 designated operators joined the Global Monitoring System, and 21 messaging and 16 technical standards were updated.

In addition, 90 countries improved their mail performance, whether in terms of percentage of items delivered within one day, or better arrival times at delivery units.

The second goal of the Doha Postal Strategy was to provide technical knowledge and expertise related to the postal sector. The desire was to strengthen members' capacity to implement and manage their universal service and to foster cooperation among stakeholders.

Over the four-year time span, the UPU was able to exploit its expertise to position the organization as a key forum for the exchange of ideas and best practices and the development of analytical tools, such as statistics, related to the postal sector.

As part of this role, the UPU hosted 100 workshops for member countries, including 19 regional workshops on quality of service. Six new training centres were opened and 10,000 postal staff were trained through the Trainpost platform.

The UPU also developed the Integrated Index for Postal Development methodology, and 40 countries joined the Union's campaign to raise public awareness of dangerous goods in the mail.

Third, the strategy included the goal of promoting innovative products and services. It was clear that postal operators that had diversified their activities and invested in the postal network's three dimensions – physical, financial and digital – had fared better than other operators.

Notable achievements in this area include the launch of PosTransfer, the UPU's first global trademark for postal remittances.

By 2016, a total of 164 designated operators were sharing data through Global Track and Trace, and 29 new domain names had been registered on the .POST top-level domain.

The fourth and final goal was to foster sustainable development of the postal sector. Sustainable development was understood in its broadest sense to encompass the sustainability of postal business models, and not only environmental and social issues.

Encouragingly, more than half of all member countries moved to the target system of terminal dues over the four years. Some 40 member countries were using the UPU\*Clearing service to speed up the settling of accounts between Posts.

More than 23,000 rural post offices in Asia-Pacific were connected to the UPU financial network and 11 African countries benefited from a 7 million USD project to increase access to postal financial services in rural areas.

As regards the regional development plans (RDPs) at the heart of the Doha Postal Strategy, the regional postal bodies known as restricted unions drew up these documents in collaboration with the UPU.

All regions independently decided on "strengthening operational efficiency and e-commerce" as their primary or Level 1 priority, followed by financial services, postal sector development, and diversification as Level 2 priorities.





These priorities were included in subsequent RDPs and projects for each region during the 2017–2020 period.

During his tenure, Mr Hussein has always been conscious of the significant postal divide that continues to separate industrialized and developing countries, notably in terms of postal service quality. Reducing this divide requires a concerted international effort. This is the task of the UPU's Development and Cooperation Directorate (DCDEV).

The RDP projects are funded by the DCDEV and form the core of the UPU's development cooperation work.

Even with the global strategic focus, it is important to note that each country is free to set its own postal policy at

the national level. As noted in the Doha Postal Strategy, "designated operators may also define the best strategy for them based on the specific challenges and opportunities they face".

**From 2013 to 2016, the Doha Postal Strategy served as a source of inspiration and strategic guidance, creating momentum to move the postal sector forward in an efficient and equitable way.**



# PROMOTING POSTAL DEVELOPMENT THROUGH 2IPD

The UPU has undertaken a number of activities to raise the sector's profile among governments to show them that the Post can help them meet their socioeconomic development goals with the proper funding.

A leading example is the Integrated Index for Postal Development, which ranks postal development and draws connections between developed postal networks and achieving the UN 2030 Agenda for Sustainable Development.

The 2IPD provides an overview of postal development around the globe. Postal development can be defined as the ability of a country's postal network to perform based on a wide range of factors that enable socio-economic development.

In this regard, postal networks can be considered high-performing if they offer a reliable service, and have good connectivity, a high level of demand from citizens, and operations that are resilient to external shocks.

The computation of the 2IPD stems from the integration of UPU postal big data – with over 22.9 billion tracking records since 2013 checked and analyzed – official UPU statistics, and key UPU surveys. The richness of the data consolidation process makes the 2IPD the most comprehensive measurement of postal services on a global scale.

This index offers a benchmark performance score (from 0 to 100) along four dimensions of postal development: reliability, reach, relevance and resilience.

In addition to revealing the relative performance of postal operators around the world, the 2IPD sheds light on how to foster postal development and maximize the efficiency of postal infrastructure.

**This makes the 2IPD a unique tool for policymakers, regulators, postal operators and other sector stakeholders eager to understand the role that postal services can play in the era of e-commerce.**

The annual ranking is currently in its fourth year. The 2019 report found that the gaps in postal development had been increasing over the previous year, constituting potential hurdles in the development of cross border e-commerce, which is one of the fastest growth areas for postal operators.

The report found that closing these gaps, particularly between regions, helps to promote international parcel flows.

"Postal networks have the potential to lead the way in providing both citizens and businesses with affordable access to the economy through the delivery of e-commerce items; but for the entire sector to benefit from this opportunity it will have to work to reduce inequalities across the network", said the Director General at the 2019 2IPD award ceremony in Berne.

## THE 2IPD RANKING IS BUILT ON THE FOUR PILLARS OF THE POSTAL SERVICE:

**RELIABILITY** – OUR CUSTOMERS EXPECT A SERVICE THAT IS BOTH QUICK AND PREDICTABLE;

**REACH** – POSTS SHOULD HAVE A BROAD NETWORK SO THEIR CUSTOMERS CAN EXCHANGE GOODS INTERNATIONALLY;

**RELEVANCE** – MEASURING THE DEMAND FOR THE POST'S SERVICES; AND

**RESILIENCE** – ACCOUNTING FOR THE POST'S CAPACITY TO INNOVATE AND EVOLVE IN A CHANGING ENVIRONMENT.



“POSTAL NETWORKS HAVE THE POTENTIAL TO LEAD THE WAY IN PROVIDING BOTH CITIZENS AND BUSINESSES WITH AFFORDABLE ACCESS TO THE ECONOMY THROUGH THE DELIVERY OF E-COMMERCE ITEMS; BUT FOR THE ENTIRE SECTOR TO BENEFIT FROM THIS OPPORTUNITY IT WILL HAVE TO WORK TO REDUCE INEQUALITIES ACROSS THE NETWORK.”



# A CLIMATE-NEUTRAL UPU

The climate emergency is the most pressing global issue of our lifetimes. We all have to play our part in reducing emissions to meet the current targets. And the UPU has risen to this challenge.

**The UPU is a climate-neutral organization, one of 55 United Nations entities listed as such in the UN's latest environmental sustainability report. This achievement is the outcome of eight years of consistent efforts to minimize the environmental footprint resulting from the activities of the International Bureau in Berne, Switzerland.**

The measures taken by the UPU have focused on travel, building infrastructure and waste. Staff are now encouraged to travel by train instead of plane where possible. The IB has boosted its e-communication tools and facilities to decrease further air travel.

The renovation of the facade of the IB building helped decrease energy consumption by 45%. In addition, the IB sources all its energy from renewable energy sources. Waste is monitored and limited.

The remaining greenhouse gas emissions in 2018 were offset in full by the purchase of 1,021 Certified Emissions Reductions from the Adaptation Fund under the United Nations Framework Convention on Climate Change.

These emissions originate from two main sources: air travel (66%), and heating the IB building (32%).

The 2018 results also accounted for the organization's waste and water consumption, with each UPU staff member generating an average of 92 kg of waste and consuming 14,000 litres of water in 2018. Some 40% of the organization's waste was reused, recycled, recovered or composted.

From the beginning of this journey, the Director General wanted to make the IB a sustainable development showcase for the sector, saying "In leading by example through the implementation of greener approaches to managing our activities, resources and facilities, we will also prove that sound environmental management makes business sense."

But the UPU's responsibility extends beyond its headquarters. The organization is committed to supporting postal operators worldwide in moving towards a low-carbon future. To aid strategic decision-making in the area of environmental sustainability, the UPU developed an online tool for postal operators to measure their greenhouse gas emissions.

THE ORGANIZATION IS COMMITTED TO SUPPORTING POSTAL OPERATORS WORLDWIDE IN MOVING TOWARDS A LOW-CARBON FUTURE. TO AID STRATEGIC DECISION-MAKING IN THE AREA OF ENVIRONMENTAL SUSTAINABILITY, THE UPU DEVELOPED **OSCAR**, AN ONLINE TOOL FOR POSTAL OPERATORS TO MEASURE THEIR GREENHOUSE GAS EMISSIONS.

OSCAR, the Online Solution for Carbon Analysis and Reporting, is available to the designated operators of UPU member countries free of charge. This platform for measuring, reporting and reducing the impact of the postal industry on the climate has been widely adopted.

OSCAR allows postal organizations to quantify and analyze their annual greenhouse gas emissions, identify mitigation opportunities and track their progress over time.

Provided on the secure .POST domain, OSCAR can be accessed in six different languages. Users can choose whether they wish to enter raw data or report audited carbon emissions. Information entered into OSCAR and the individual country results generated are kept confidential.

**The tool provides each user with its individual carbon footprint and a detailed report on greenhouse gas emissions. Through 20 carbon key performance indicators, postal organizations can set business targets related to their carbon performance.**

OSCAR is proving to be a useful management tool for postal organizations. The UPU will continue to look for ways to build on progress in this crucial area.



# PROMISES KEPT – EQUALITY AND DIVERSITY

## **Director General Hussein and Deputy Director General Clivaz made it clear from the outset that they wanted to uphold the principles of gender equity, merit and geographical representation in recruitment and promotion of staff.**

In addition, the Director General made technical support for the postal organizations of developing countries a priority, while encouraging and supporting the interests of all UPU member countries.

The Deputy Director General focused on promoting equal rights for different cultures, genders and minorities. Looking at the human resources reports over the past eight years, there is clear evidence of improving gender and regional representation.

After favouring male candidates historically, the gender breakdown in recruitment has been close to parity since 2016 when the Appointment and Promotion Committee guidelines were updated. The figures reached parity in 2019.

The recruitment matrix used by the UPU's Human Resources Directorate shows various details, including country of origin, nationality, internal or external candidate and gender. This enables selection committees to make a thorough review, taking into account gender and regional representation.

The e-recruitment system is also accessible internationally, and UPU vacancy notices encourage applications from women.

Meanwhile, over the past decade, UN Women – the United Nations Entity for Gender Equality and the Empowerment of Women – has focused attention on female representation in UN organizations.

The UPU participates in the annual UN Women survey and takes its guidelines into account when promoting and improving gender equality in the IB.

A draft policy on gender parity is in the pipeline, and in February 2020 the CA adopted a strategic target for increasing the number of women staff members by 3% between 2021 and 2024.

THE DEPUTY DIRECTOR GENERAL FOCUSED ON PROMOTING EQUAL RIGHTS FOR DIFFERENT CULTURES, GENDERS AND MINORITIES.

In terms of increasing representation of women in management, women are still absent from the highest two grades, but there has been an improvement at P 5 level, where female representation increased from 18% to 27% between 2013 and 2019.

In the same period, the representation of African nationals among IB staff increased from 12% to 22%, while those from the Western Hemisphere now represent 20% of staff, up from 12%.

But the UPU's capacity to influence the lives of historically marginalized groups extends far beyond the IB, and is expressed through the UPU's participation in the UN's Sustainable Development Goals.

The cooperation and development function of the UPU provides technical assistance and capacity building to countries.

The UPU's regional development plans define actions and engagements with stakeholder groups at country and regional level, with specific projects in the six global regions focusing on capacity building in financial inclusion.

Access to financial services for women is widely recognized as a key driver for women's economic empowerment. A joint study by UN Women and the UPU demonstrates the non-discriminatory nature of Posts in the provision of financial services.

On average, in developing countries, postal financial institutions have twice as many female customers as other financial institutions. This phenomenon is even more marked in rural areas.

Greater financial inclusion of women is a win-win development strategy with the potential to positively impact growth and human development as well as women's social and economic empowerment. Both Mr Hussein and Mr Clivaz believe that postal services have a vital role to play in this process, ultimately achieving a positive impact for all.



Point 14 de l'ordre  
du jour

Révision générale  
Convention postale  
universelle

Congrès-Doc 15.Rev 1  
Proposition 01.Rev 1

Proposition 10.22.3

Présentation par l'Austr



# UNIVERSAL POSTAL CONGRESS



## THE SECOND CYCLE: ISTANBUL POSTAL STRATEGY 2016–2020

In 2016, the action moved to Istanbul for the 26<sup>th</sup> Universal Postal Congress. Some 2,000 representatives from 155 countries participated, giving their approval to an ambitious new strategy for the 2017–2020 cycle, the Istanbul World Postal Strategy.

Inspired by the UPU's mission and the UN 2030 Agenda for Sustainable Development, the strategy had three main goals – interoperability; modern and sustainable products; and market and sector functioning – with development cooperation as its crosscutting supporting lever.

It was approved along with a four-year business plan containing further details on expected outcomes, targets, and the financial resources required. This practice of developing a plan and Congress approving it alongside the strategy had first been introduced in Doha.

**Throughout the current cycle, the Istanbul Business Plan has provided high-level strategic guidelines enabling the UPU to respond to the key challenges it faces and to seize existing and future opportunities.**

The strategy is based on integration, innovation and inclusion.

“The message to us has been that the UPU must transform and the Post must be able to transform itself if we are to be relevant in the future,” the Director General said at the time.

## 2017–2020 ROADMAP

**GOAL 1: IMPROVE THE INTEROPERABILITY OF NETWORK INFRASTRUCTURE.**

**GOAL 2: ENSURE SUSTAINABLE AND MODERN PRODUCTS.**

**GOAL 3: FOSTER EFFECTIVE MARKET AND SECTOR FUNCTIONING.**

THE ISTANBUL  
WORLD POSTAL  
STRATEGY IS BASED  
ON INTEGRATION,  
INNOVATION AND  
INCLUSION.

Through a network of over 655,000 post offices, Posts provide fundamental services to citizens in even the most remote areas of the world. However, the UPU recognizes that the reach of the postal network needs to be bolstered by its efficiency: a seamlessly integrated and efficient network is a basic requirement.

This is the logic behind the **first goal** of the Istanbul World Postal Strategy, to improve the interoperability of network infrastructure. As stated in the strategy, this can be done 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.”

This has entailed strengthening the global postal network through its activities on quality of service, supply chain and security, accounting and operational processes, ICTs, and standards. All of this work has contributed to the sustainability of the postal network.

Which brings us to the **second goal** – to ensure sustainable and modern products. A large and efficient physical network is not enough in itself. In the Internet age, Posts have to innovate to be facilitators and integrators of new services. The 2017–2020 strategy foresaw the following path to delivering on this goal:

“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.”

Throughout the cycle, digital and financial services have been the key focus in terms of diversification. At the same time, Posts have been called upon to streamline and integrate existing services, with impressive results.

UPU-led activities on e-commerce and trade facilitation, financial inclusion and services, and integrated remuneration have contributed to this progress.

## VISION 2020

**THE ISTANBUL WORLD POSTAL STRATEGY WAS LINKED TO A NEW VISION FOR THE POSTAL SECTOR WHICH STILL GUIDES US TODAY. KNOWN AS VISION 2020, IT REFLECTS A POSTAL WORLD WHERE:**

**INNOVATION IS SHARED, PROMOTED AND DRIVEN – NOT AS A LUXURY BUT AS A REALITY FOR ALL;**

**FULL INTEGRATION OF NETWORKS AT THE NATIONAL, REGIONAL AND GLOBAL LEVELS IS A REALITY;**

**THE POSTAL SECTOR'S UNIQUE ABILITY TO INCLUDE POPULATIONS, ECONOMIC ACTORS AND TERRITORIES IS FULLY RECOGNIZED AND EXPLOITED BY GOVERNMENTS, DEVELOPMENT PARTNERS AND INTERNATIONAL ORGANIZATIONS.**

The **third goal** of the Istanbul World Postal Strategy was focused on big picture challenges. Building a strong physical network and diversified and integrated modern products and services is only part of the solution. It was and still is evident that regulatory bottlenecks, lack of market knowledge, and wider environmental, social and economic concerns can hinder the growth of the sector.

This is why Union members chose “Foster market and sector functioning” as the third goal. It involved:

**Contributing to the definition and development of the universal service obligation;**

**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.**

This final goal was divided into five programmes: the universal service obligation; policy and regulation; market and sectoral information; sustainable development; and capacity development.

Linking all these objectives in the Istanbul World Postal Strategy, the development cooperation programme provided an additional lever to the strategy. This 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.

These goals were the outcome of a joint effort, which evolved from discussions involving UPU members from all its five regions. Some of the debates took place at a series of seven regional conferences in 2015, revealing common priorities among countries worldwide. E commerce development and strengthening operational efficiency emerged as top priorities in all regions.



Fifteen programmes of activity were developed to implement the strategic goals, creating a clear structure to measure progress.

The 2016 Istanbul Congress saw the first opportunity for the UPU to take up its role in supporting the UN 2030 Agenda for Sustainable Development, approved by the UN General Assembly in September 2015.

The 17 Sustainable Development Goals (SDGs) are interrelated, universal (covering industrialized, developing and least developed countries) and integrated (encompassing the three dimensions of development: social, economic and environmental).

As the UN specialized agency responsible for the postal sector, the UPU made supporting its member countries in implementing the SDGs a core part of the Istanbul World Postal Strategy.

As it is, the digital age continues to be characterized by disparities in the socio-economic conditions of countries. In this context, the UPU can help provide solutions geared towards social inclusion, many of which harness digital technologies.

Throughout the four-year Istanbul cycle, the UPU has addressed these challenges through integrated structural reform. This has allowed for more efficient and effective decision making in order to enable UPU bodies to respond quickly to opportunities based on rapidly evolving trends and customers' needs.

The CA and POC closed in February 2020 with close to 100% of their respective deliverables for the 2017–2020 work cycle implemented.

## THE UPU'S COMMITMENT TO THE SDGs

An important milestone in the UPU's 145-year history was its inclusion in the United Nations family as a specialized agency in 1948. Since then, the UPU has contributed to the development of UN policies and activities, and is currently playing its part to achieve the UN 2030 Agenda for Sustainable Development through postal sector activities.

**Adopted by all UN member states in 2015, the 2030 Agenda provides a shared blueprint for peace and prosperity for all citizens of the world. At its heart are the 17 Sustainable Development Goals, "an urgent call for action by all countries in a global partnership".**

The SDGs recognize that ending poverty must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth. These strategies need to be underpinned by measures that protect our oceans and forests, while tackling climate change.

The UPU is well aware that Posts are an engine for sustainable development, thanks to their reach and their role as public service providers. As the UN specialized agency responsible for the postal sector, the UPU supports its member countries in implementing the SDGs.

Key activities for the UPU include identifying and analyzing the role of the postal network in implementing the SDGs, integrating the SDG framework with UPU strategic planning, involving member countries in assessing postal sector relevance at country level, and monitoring and evaluating the impacts of the postal sector for SDG implementation.

At an international level, the UPU vision of being "seen as an enabler of inclusive development and an essential component of the world economy" embodies the fundamental principles of the SDGs.

Through its direct and indirect contributions to the achievement of multiple SDGs and targets, the postal sector is a natural partner for governments in achieving their development objectives at a national level.

The UPU also enables a regional approach to be taken in addressing challenges, through joint projects geared towards achieving development objectives.

"EVERY DAY THE POSTAL NETWORK IS SUPPORTING BUSINESSES AND CONSUMERS, ADDRESSING THE NEED FOR RURAL INFRASTRUCTURE AND DEVELOPMENT, AND ENABLING HEALTH WORKERS TO REACH OUT TO DISABLED PEOPLE. ALL OF THESE ACTIVITIES ARE HELPING TO ACHIEVE THE 2030 AGENDA."

The UPU launched its 145th anniversary celebrations by looking to the future, inaugurating a special wall and staircase design displaying the 17 SDGs at its headquarters.

The wall, located in the building's Beat Fischer Room, displays the icons of each of the 17 goals on canvas extending from floor to ceiling. Each of the eight floors in the building's main stairwell features the 17 goals in a different language – all six UN official languages, plus Portuguese and German.

Speaking at the unveiling ceremony in May 2019, the Deputy Director General reminded staff of the important contribution the UPU was making to achieve the SDGs.

"Every day the postal network is supporting businesses and consumers, addressing the need for rural infrastructure and development, and enabling health workers to reach out to disabled people. All of these activities are helping to achieve the 2030 Agenda", he said.

The UPU aims to advance financial inclusion and drive the digitalization of postal financial services. The potential benefits are enormous. Affordable, efficient universal postal services substantially reduce transaction costs between economic agents, granting them access to a vast communications and infrastructure network – and ultimately a better life.

# WORLD CEO FORUMS: BRINGING POSTAL LEADERS TOGETHER

**A significant part of the UPU’s work involves organizing major global and regional events to advance the interests and collaboration of Posts worldwide. Among the highlights in the annual calendar is the World CEO Forum for postal chief executives, up and running since 2016.**

This is an exclusive CEO event enabling participants to discuss freely the various challenges and opportunities facing Posts. The attending CEOs are given time to concentrate on their own role and priorities in a collaborative setting.

The first World CEO Forum was held in Paris, followed by Moscow in 2017 and Istanbul in 2018. The forums have continued to build on the momentum of exchanging ideas.

The fourth and most recent World CEO Forum was held in Amsterdam, Netherlands, in September 2019, and the theme of the gathering was “New business models in an age of change”.

At each forum, there were opportunities for the captains of the postal industry to network with one another and respond to the panel topics with questions. This face-to-face interaction is a much-valued benefit of the annual event.

The Amsterdam forum began with a session on blockchain startups with postal services. Two experts in blockchain addressed the CEOs, outlining their vision for the role that the UPU and its members will play in the fourth industrial revolution.

The second session dealt with the issue of new postal services for an ageing population. And the final panel looked at the younger end of the market, and ways in which the postal sector can address the needs of the increasingly demanding youth segment.

Reflecting on the achievements of the 2019 World CEO Forum, the Director General said: “We are all aware that e-commerce, financial services and the digital space is where we need to compete if we are going to survive in the future. The forum allowed us to address the urgent issue of developing new business models in this competitive sector.”

THE UPU WORLD  
CEO FORUM FOR  
POSTAL CHIEF  
EXECUTIVES IS ONE OF  
THE MOST EFFECTIVE  
WAYS TO DISCUSS  
OPPORTUNITIES THAT  
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LEVERAGE TO BUILD A  
STRONG AND VIBRANT  
POST FOR THE FUTURE.

The Amsterdam forum was well attended, with representatives from more than 40 countries, three-quarters of whom came from beyond the European region.

Building on the progress of previous years, it served as the perfect tool for establishing a benchmark with peers and providing input for the postal sector’s 2030 Agenda.

At the 2018 World CEO Forum, a two-day event held in Istanbul, Turkey, CEOs discussed the global dynamics that affect the postal sector. Participants also deliberated on the ideal postal portfolio for meeting customer expectations, and examined the public service role of postal operators.

Under the theme “Postal digital dividends: A new portfolio, better performance or a redefined mission?”, the forum allowed an exchange of ideas on the direction which CEOs wished the industry to take for future growth. The timing – just a few months ahead of the Extraordinary Congress in Addis Ababa – was significant.

The 2018 forum encouraged CEOs to strategize on how to harness the opportunities presented by rapid digitalization. Participants reflected on lessons learned during the previous forum and examined current global and regional trends. They also focused on possible product portfolios, customer needs, and the Post’s public service role.

The 2017 World CEO Forum was held in Moscow, Russian Federation. It focused on the strategy development process, from diagnosing the current state of the global economy and postal markets, to examining successful business models for meeting the needs of Posts’ key stakeholders.







Under the title “Leading multidimensional growth: the hows and whys of postal strategy”, the forum spanned two days of discussion with high-level speakers from the postal sector and international organizations, in a total of six panels.

The first time the postal industry’s leading figures met in this way to reflect on its future was in Paris in 2016. The inaugural event saw the participation of more than 50 CEOs who came together to discuss “Leading postal growth in an environment of disruptive innovation”.

The Paris forum brought together prestigious speakers and participants from Posts, academia and beyond, including Jean Tirole, winner of the 2014 Nobel Prize in Economic Sciences.

They delved into several crucial topics for the industry, such as the profitability of e commerce, the relationship between Posts and e-retailers, the opportunities presented by postal financial services in the digital era, and the transformational role of big data for postal operators.

**The UPU World CEO Forum for postal chief executives is one of the most effective ways to discuss opportunities that the industry can leverage to build a strong and vibrant Post for the future.**

The focus on key trends, best practices and successful business models that could be adopted by Posts in order to seize market opportunities makes these events well worth the trip.

## E-COMMERCE ACHIEVEMENTS

**Over its long history, the UPU has ensured that the global postal network develops in tandem with the needs of society. In recent years, this has meant ensuring that the world's postal operators are equipped to deliver international e-commerce services.**

The postal business is changing rapidly. Declining volumes of letter mail, which has traditionally been the core business for most postal operators, coupled with an increasing demand for parcel delivery, are forcing postal operators to reassess how they do business.

In this context, the IB has developed capacity-building and technical assistance projects to coordinate and improve the digital capacity and capability of Posts.

The advent of e-commerce represents a business opportunity not only for the industry, but for citizens and small businesses around the world. Even the most remote locations now have access to the global online market, and the chance to contribute to the socio-economic development of their countries.



WITH MORE THAN 650,000 POSTAL OUTLETS COVERING MOST OF THE WORLD, THE POSTAL NETWORK IS WELL PLACED TO SUPPORT GOVERNMENT POLICIES FOR E-COMMERCE INCLUSION.

With more than 650,000 postal outlets covering most of the world, the postal network is well placed to support government policies for e-commerce inclusion.

Posts have responded by adapting services and business models to reflect the new possibilities. On one side, Posts support consumers by giving them access to products not otherwise available to them. On the other, Posts support micro, small and medium-sized enterprises (MSMEs), enabling them to sell online and move their goods across borders.

The UPU E-Commerce Guide, first published in 2014 and most recently updated in 2020, has been well received by UPU members, for which it is an important reference for preparing their e-commerce development plans.

The guide offers the latest information on postal e-commerce business models, delivery services and tools. It encourages Posts to develop fully integrated digital strategies for e-commerce, consolidating capability for integration between physical, digital and payment services.

The UPU also recognizes that the safety and security of the postal sector as part of the global supply chain is critical to supporting worldwide commerce and communication.

To facilitate the development and implementation of security standards and best practices among Posts, the UPU has established the Postal Security Group to improve physical security, and .POST – the secure cyberspace for postal services.

Other projects and programmes include the ground-breaking operational readiness for e-commerce project, the Ecom@Africa project, and the Financial Inclusion Technical Assistance Facility, or FITAF.



Since the United Nations appointed the UPU as a co-facilitator for its action line on e business, the UPU has strengthened its role as a knowledge centre for postal e-commerce development through studies and the development of standards, guidelines and regulations for the postal sector.

Facilitating inclusive e-commerce is a key contribution that Posts make to their countries' achievement of several of the UN Sustainable Development Goals.

The UPU needs to take a global approach, based on a market and customer focus, towards the development of an intelligent postal ecosystem for e-commerce, using multifunctional, integrated infrastructure for simple and reliable access to postal services worldwide.

The Trade Facilitation Agreement, for instance, aims to simplify and speed up customs procedures to make trade easier, faster and cheaper. It enables e-commerce by removing the bureaucratic barriers imposed on cross-border trade.

The UPU has developed new standards and regulations that enable an efficient global postal supply chain model, which includes exchanging information electronically between partners in the supply chain: Posts, transport providers and Customs.

Through trade facilitation, Posts support government objectives for e-commerce, economic and social development and inclusion, while at the same time positioning themselves as the trusted intermediary for MSMEs wanting to do cross-border business.

With each Post serving large numbers of people, the importance of e commerce to the SDGs cannot be overstated. UPU research shows that there is a strong positive correlation between a wide-reaching postal network and achievement of the SDGs.

One example is Goal 8, which promotes inclusive decent work and sustainable economic growth for all. The UPU postal development report for 2018 shows the postal sector making a major contribution towards the achievement of this goal through trade facilitation for MSMEs by offering products and services tailored to the needs of businesses.

To take another example, Goal 10 aims to reduce inequalities by achieving and sustaining income growth of the bottom 40% of the population at a rate higher than the national average.

**Posts can serve as a channel for economic and social inclusion by providing new e commerce technologies to deliver social inclusion. Digital postal services for e-commerce are helping to create a strong social inclusion tool to achieve social and economic progress for disadvantaged groups in society, a correlating factor for financial inclusion.**

It is clear that postal operators need to become competitive players in the parcel market if they are to sustain the core business and deliver universal services in the most economical way. The UPU makes it its business to understand all the external and internal challenges on the way to that goal, and provides the necessary support.



# **EXTRAORDINARY CONGRESS IN ADDIS ABABA: MODERNIZING THE UPU**

**A century after the UPU’s first Extraordinary Conference, circumstances called for a second historic gathering in 2018. A number of issues left over from the Istanbul Congress required the widest possible engagement from member countries to come to a decision.**

These issues included one of the UPU’s longest-standing discussions, UPU reform, as well as the Integrated Product Plan (IPP), the Integrated Remuneration Plan (IRP), the sustainability of the Union’s Provident Scheme, and reform of the UPU’s financial contribution system.

Ethiopia hosted the five-day event, the first ever UPU Congress to take place in Sub-Saharan Africa. Delegates stayed until late in the evening in the inspiring venue of the African Union’s Nelson Mandela Hall in Addis Ababa, keen to move ahead on these key topics related to the sustainability of the UPU and the postal sector.

The overarching theme of the Extraordinary Congress was solidarity. Delegates from the governments, regulators and postal operators of 141 of the UPU’s member countries travelled to the September meeting to carry on the discussion.

The Congress also included some significant side events, particularly the Ministerial Strategy Conference under the theme “Gearing up the postal sector to drive socio-economic development”.

For that conference, some 30 ministers and other high-level guests came together to discuss the policies, investments, regulations and partnerships that could bolster the Post’s role as a national development infrastructure. Their discussions went on to enrich the process of crafting the postal vision for the 2022–2025 cycle.

Among the most important decisions made by the Extraordinary Congress, changes to election procedures and the provision of adequate regional representation promised to have far-reaching effects.

The Director General was particularly satisfied by the agreement on small island developing states, which he described as one of the most important decisions ever taken by a Congress.

This landmark decision reduced the contributions provided by SIDS, island nations with populations under 200,000, allowing them to be fully involved in UPU decision making.

THE OVERARCHING  
THEME OF THE  
EXTRAORDINARY  
CONGRESS WAS  
SOLIDARITY.

As Mr Hussein noted at the time, “It has long worried me that countries were struggling to pay their membership dues and risked losing their voice. SIDS have found their voice thanks to the Addis Ababa decision, and I look forward to it being heard at future Congresses.”

The perennial goal of organizational reform had already been under discussion in various forms for more than 40 years. It was no small feat for the Extraordinary Congress to achieve consensus on this issue.

The CA had brought forward a reform proposal to the 2016 Congress, but member countries could not agree on the necessary structural changes in Istanbul.

This time, members had the benefit of the fruits of two years of intense work by the UPU’s ad hoc group on reform, led by the People’s Republic of China.

The group presented a new package of proposals designed to bridge disparities between regions, countries and levels of development. The focus was on speedier decision





making, improving the UPU's efficiency and management of resources and instituting a system of qualified, equitable distribution of member countries on the UPU's bodies. Its recommendations were broadly adopted in Addis Ababa.

Members also agreed to consider the need to introduce a permanent mid-term Congress, based on an assessment of the 2018 Extraordinary Congress. The CA was responsible for creating a new task force to study the issue and prepare recommendations for the 27th Congress.

Even as members celebrated the triumph over hurdles that had obstructed the Union's reform for decades, there still remained the dual challenge of modernizing postal products and their associated remuneration structures.

The CA and POC jointly sent forward a raft of proposals under the Integrated Product Plan. The measures aimed to update the UPU's portfolio of products to help Posts take advantage of the growing e-commerce market and meet the evolving needs of customers.

The first phase of the IPP, which included reclassifying postal items by content and requiring the application of a standard barcode to all letter-post items containing goods, had already been accepted during the Istanbul Congress.

The second phase proposed the reclassification of several other products and the adoption of an implementation roadmap. Apart from a proposal to introduce a mandatory tracked service by 2020, all of the POC proposals were accepted by the Extraordinary Congress

These decisions demonstrated the global postal community's willingness to adapt to changes in the market, to the reduced letter mail volumes and to the e-commerce boom on all continents.

Buoyed by the consensus-building spirit of the five-day event, delegates tackled the detail of the Integrated Remuneration Plan.

After discussion and a working session outside of the meeting hall to amend a proposal on the implementation of the IRP, countries were able to agree on a compromise proposal for modernizing and rationalizing the complex set of systems used to compensate designated operators for processing and delivering inbound international postal items.

Member countries also decided on proposals to reform the system applied to member countries' contributions and ensuring the sustainability of the UPU Provident Scheme.

There were some outstanding issues with regard to reaching a consensus on a fair model to achieve a new system of contributions. But enough groundwork was done, both on the product range and next steps, to be in a better position in time for the Abidjan Congress.

Subsequently, the CA decided that a review of the rates for small packets was urgently needed. The rocky and ultimately successful road to agreement on this aspect of remuneration is covered on pages 33 to 37.

Finally, the Congress also had time to address concerns over the short- and long-term sustainability of the Union's pension fund, known as the Provident Scheme.

In the short term, member countries adopted a proposal to reduce the guarantee threshold for the fund's degree of coverage from 85 to 80%, agreeing to initiate negotiations to join the UN Joint Staff Pension Fund to ensure long-term stability.

Closing the Extraordinary Congress, the UPU Director General lauded members' efforts to find common ground.

**"I welcome the close cooperation that I have seen throughout the Congress, and the consensus-building spirit that has been forged over these last five days," he said, adding that participants shared a collective vision for the international postal network.**



# AD HOC GROUP ON REFORM: THE KEY TO TRANSFORMATION

**The Istanbul Congress made significant progress on the challenging area of UPU reform in 2016, adopting a new set of working principles as a basis for the structures and decision-making processes of the Union's governmental and operational pillars.**

However, a number of reforms were left on the table, and member countries instructed an ad hoc group under the umbrella of the CA to complete studies on additional measures of reform.

Composed of 76 member countries and observers and led by the People's Republic of China, the ad hoc group on reform had the task of developing a proposal to present to the CA, and later to the 2018 Extraordinary Congress.

Ms Hongtao Gao, Deputy Director General, Department of External Affairs, at China's State Post Bureau, served as the topic leader on UPU reform.

Under her stewardship, four ad hoc group meetings were held, and a smaller working team was organized to resolve the most challenging outstanding issues. The group also carried out a survey of UPU member countries and observers involved in the reform discussions.

The survey focused on a number of questions then considered open regarding the UPU reform model to be developed, and the responses indicated that there was consensus on certain issues.

Ultimately, the group reported directly to the plenary session of the CA and went on to submit the following suggestions to the 2018 Extraordinary Congress:

**Maintain the intergovernmental nature of the UPU;**

**Keep a functional separation between the CA and POC;**

**Simplify the election process for the POC;**

**In addition to qualified representation, ensure equitable representation of each region in the POC, as is already done in the CA; and**

**Formalize a coordinating body between the CA and POC.**

THE NEW STRUCTURE HAS HELPED TO IMPROVE THE FUNCTIONING AND EFFICIENCY OF THE DECISION-MAKING PROCESSES OF THE UNION BODIES BY INVOLVING MORE MEMBERS IN THE OPERATIONAL PILLAR, SIMPLIFYING THE ELECTION MECHANISM AND REINFORCING THE AUTHORITY OF THE GOVERNMENTAL PILLAR ON CROSS-CUTTING ISSUES.

The group's recommendations were broadly adopted in Addis Ababa. Member countries agreed on a raft of related proposals, which had the effect of speeding up decision-making and improving the UPU's efficiency and management of resources.

The changes regarding qualified and equitable distribution of member countries on the UPU's bodies were also accepted. All of the above had the effect of enhancing the UPU's role and relevance.

Ms Gao said an inclusive and transparent working methodology contributed greatly to the success of this work.

**The spirit of consensus made these decisions possible, showing that the Union's membership was committed to ensuring its sustainability for years to come.**

The new structure has helped to improve the functioning and efficiency of the decision-making processes of the Union bodies by involving more members in the operational pillar, simplifying the election mechanism and reinforcing the authority of the governmental pillar on cross-cutting issues.

The result is improved governance of the Union.



# POSTAL TOGETHER: KEEPING THE UPU 192 MEMBERS STRONG

One of the greatest tests for the Universal Postal Union during the two terms of the outgoing Director General began with a letter. Received by Mr Hussein on 17 October 2018, the letter from the Government of the United States of America informed the UPU of the country's decision to withdraw its membership of the Union.

The US said its withdrawal would be effective one year after the date of receipt. Mr Hussein expressed his regret over the decision, noting that the concerns underpinning the US decision had also been voiced by other member countries.

The concerns centred on the postal remuneration system, which is designed to ensure that Posts are compensated for the cost of handling, transporting and delivering bulky letters and small packets across borders.

Several countries had previously questioned the system, arguing that it failed to provide cost coverage and led to market distortions.

The UPU had already been working towards addressing those concerns in time for the 2020 Congress. Suddenly, the issue was centre stage, reported by media around the world.

Later that month, during the meetings of the CA, members took a decision to fast-track discussions with a view to finding solutions to be presented to the April 2019 CA session.

**At the April session, the CA unanimously recommended that member countries convene an Extraordinary Congress in Geneva from 24 to 26 September 2019 to discuss the terminal dues rates for small packages. After a 100-year gap, the UPU faced its second Extraordinary Congress within the space of a year.**

In a hard-won September agreement at the end of the Geneva Congress (see page 35), member countries decided to accelerate rate increases to the system for remunerating the delivery of inbound international bulky letters and small packets, also known as the remuneration rate system. Self-declared rates were due to be phased in from 2020.

The story ended with another letter to the UPU, dated 10 October 2019, in which the United States wrote that the withdrawal would not take effect and that the country would "remain a party to the UPU Constitution and a member of the Universal Postal Union".

"I AM CONVINCED THAT THE MAINTENANCE OF THE WORLDWIDE POSTAL SYSTEM IS A VICTORY FOR EVERYONE ON THIS PLANET."

In a visit to the White House to meet the US President, Donald J. Trump, on 15 October 2019, Mr Hussein proudly displayed the letter revoking the US decision to withdraw from the UPU.

Speaking afterwards, Mr Hussein thanked President Trump for his warm welcome and generous hospitality and said, "I am convinced that the maintenance of the worldwide postal system is a victory for everyone on this planet".





## **HISTORY MADE IN GENEVA: MEMBERS FIND CONSENSUS ON REMUNERATION**

**Throughout its history, the UPU has ensured the provision of affordable and viable universal postal services through sustainable remuneration systems applied by designated operators in their international postal exchanges with each other.**

A well-functioning remuneration system, also known as the terminal dues system, is essential to fair and successful e-commerce. Over the years, the UPU's remuneration system has constantly been evolving. Reviewed regularly at UPU Congresses, the topic never fails to generate lively debate.

Changes to the remuneration system were agreed at the 2016 Congress in Istanbul. Two years later at the Extraordinary Congress in Addis Ababa, member countries approved the Integrated Remuneration Plan.

The IRP set out a roadmap for modernizing and rationalizing the different remuneration systems currently used to compensate designated postal operators for processing and delivering inbound international postal items – letters, small packets, parcels and EMS items.

The goal was to propose an Integrated Remuneration System to the 27<sup>th</sup> Congress, and the UPU's councils undertook to carry out studies and market impact analysis and to hold regional and global round tables to seek input on proposals.

As it turned out, the issue became more urgent in October 2018, when the CA had to respond to a call from the United States, supported by other UPU members, to review the rates of small packets (letter-post items containing goods).

In accordance with that decision, work on the remuneration of small packets in both the POC and CA was expedited. Proposals were brought to the POC and CA for endorsement at their first session of 2019 in April.

The aim was to submit those proposals to all UPU members for decision in between Congresses, in the course of 2019, to be ready for implementation in 2020. In June 2019, member countries voted by postal ballot to hold a third Extraordinary Congress in September to decide on the proposed changes.

Some UPU member countries had previously indicated that they did not receive cost-covering remuneration for the delivery of parcels sent from abroad. In view of the rapid growth of e-commerce, modernization of the remuneration system for international consignments of letters and small packets was clearly needed.

FINALLY, ON 25 SEPTEMBER, AFTER THE INITIAL THREE OPTIONS HAD BEEN REJECTED, AN AGREEMENT ON A NEW PROPOSED SOLUTION, "OPTION V", WAS APPROVED BY ACCLAMATION. DELEGATES STOOD TO APPLAUD THE AGREEMENT, WHICH RESULTED FROM DELICATE NEGOTIATIONS SPEARHEADED BY THE IB LEADERSHIP.

## A THIRD EXTRAORDINARY CONGRESS

With the clock ticking on the United States' withdrawal from the Union, there was no option but to convene an Extraordinary Congress, the third in the history of the UPU. This was held in Geneva from 24 to 26 September 2019.

The withdrawal of any member country endangers the fundamental concept of a single postal territory and risks serious damage to the integrity of the entire international postal network.

The Extraordinary Congress was the appropriate forum to facilitate the high-level discussions needed to find the best way forward to keep the UPU and its single postal territory intact, relevant and sustainable.

In its letter dated 17 October 2018, the US government had identified terminal dues remuneration for E-format letter-post items as its main concern. It officially notified the UPU of its intent to withdraw from the organization effective one year from that date.



Member countries had two days to reach a compromise, with three different options on the table: A, B and C.

In his opening speech at the Geneva Congress, on 24 September, Mr Hussein said to some 800 representatives from over 140 countries, "I call on all of you in the name of this historical Union to find the courage to choose the right path not just for yourselves, but for the entire industry".

As the UPU's host country, Switzerland provided significant support for the organization of the Congress. It made the International Conference Centre Geneva available as a neutral venue, which enabled the member countries to discuss the necessary reforms constructively, thereby strengthening the position of the UPU as a multilateral organization.

The Swiss delegation at the UPU's Extraordinary Congress in Geneva was led by the Federal Office of Communications and included representatives from the Federal Department of Foreign Affairs and Swiss Post.

Finally, on 25 September, after the initial three options had been rejected, an agreement on a new proposed solution, "option V", was approved by acclamation. Delegates stood to applaud the agreement, which resulted from delicate negotiations spearheaded by the IB leadership.

The breakthrough gave the UPU a new lease of life and avoided disruption of global proportions to supply chain management. There was a five-year period for phasing in new fees.

**"The Union is intact", Mr Hussein said at a press conference following the vote. "I think wisdom prevailed at the end of the day."**

The crux of the changes agreed to at the Extraordinary Congress in Geneva was that postal operators in the country where the consignments are received may in future determine the level of remuneration for final delivery of international mail up to 2 kg, within certain limits.

Under the agreed solution, member countries that meet certain requirements – including inbound letter-post volumes in excess of 75,000 metric tonnes – were able to opt in to self declare their rates starting 1 July 2020. Thresholds were included to protect low-volume, developing countries from the impact of the swift reform.



The Director General closed the Geneva Congress by congratulating the delegates on reaching an agreement on postal remuneration rates. “You came together, and you showed a sense of responsibility, and you proved this Union is resilient”, he said.

The positive outcome at the third Extraordinary Conference in Geneva meant that member countries could protect the integrity of the universal service obligation and be true to the UPU Constitution, the provisions of which can be directly traced back to the UPU’s founding document, the Treaty of Berne, which came into force in 1875.

**“The countries adopting this Constitution shall comprise, under the title of the Universal Postal Union, a single postal territory for the reciprocal exchange of letter-post items. Freedom of transit shall be guaranteed throughout the entire territory of the Union.”**



# 146 YEARS OF DELIVERING DEVELOPMENT

**In 2019, the UPU had the pleasure and the privilege of celebrating 145 years in existence. The Treaty of Berne, signed by 22 countries in 1874, was a landmark agreement, which unified a complex maze of postal services and regulations into a single postal territory.**

During the first Postal Congress in Berne, the International Bureau, operating under the supervision of the Swiss Confederation, was created to provide the secretariat for the new General Postal Union, as it was initially known.

Just five years later, the organization supported postal administrators in the introduction of post office savings banks, helping to reduce fees and ease access to financial services.

The Union's long and rich history of developing and sustaining the postal sector was always underpinned by a spirit of inclusion, as expressed in the universal service obligation, delivering one network, one world.

The theme chosen for the 145th anniversary year was "delivering development", and the celebrations included many special moments. The phrase highlighted the close links between the UPU and the wider UN family, including global efforts to achieve the 2030 Agenda for Sustainable Development.

In May, members of the Swiss diplomatic corps, local government and heads of intergovernmental organizations gathered with UPU staff for the ceremonial planting of a linden tree in the UPU's gardens. The linden has symbolic importance, as its bark was traditionally used for writing letters. Guests were treated to a special interlude on the post horn played by a local musician. The brass instrument was historically used to signal the arrival of mail coaches.

The anniversary year also provided a unique opportunity for the Union to produce a commemorative magazine that presented the most significant milestones of the past 145 years.

In addition, the UPU ran a campaign counting down 145 days to World Post Day, sharing one fact per day about each year of the organization's existence. The hashtag #UPU145 was widely taken up on Twitter, Facebook and LinkedIn.

There was a nice touch on World Post Day, 9 October, when members of the diplomatic community and other guests gathered for a breakfast at the same restaurant in Berne where the 22 countries signed the treaty back in 1874.

"WITHOUT THE TREATY [OF BERNE] AND THE 170 OTHER MEMBERS WHO FOLLOWED, WE WOULD NOT HAVE TODAY'S POSTAL NETWORK. A NETWORK SPANNING HUNDREDS OF THOUSANDS OF POST OFFICES, EMPLOYING MILLIONS OF STAFF AND DELIVERING BILLIONS OF LETTER MAIL ITEMS."

In a speech to guests representing many of the original founding countries, the Deputy Director General said, "Without the treaty [of Berne] and the 170 other members who followed, we would not have today's postal network. A network spanning hundreds of thousands of post offices, employing millions of staff and delivering billions of letter mail items."

Afterwards, guests and staff gathered at UPU headquarters to continue the celebrations. Events included two awards ceremonies and the unveiling of a time wall encapsulating the UPU's 145-year history.

The gathering first celebrated the winner of the UPU's 48th International Letter-Writing Competition for Young People, and afterwards, the leader of the UPU's annual ranking of postal development.

# COVID-19: THE POST'S PUBLIC SERVICE ROLE

**The year 2020 will be remembered as the year of COVID-19. The rapid spread of the virus across the world caused an acute health and economic crisis, forcing governments to take drastic measures not normally seen outside wartime.**

Borders were closed, domestic travel restricted and educational establishments shut down. Non-essential businesses either closed temporarily or had to rely on distance working. In this environment, the public service role of the postal sector came to the fore and was more valued than ever.

As governments sought to protect the health of their citizens, secure access to goods and services and limit the damage to the real economy caused by transport and supply chain disruptions, Posts were the obvious partner to help keep society safe and connected.

Operators adapted quickly to the new demands placed on them. Postal workers were actively engaged in the delivery of medicines, medical equipment, food and other important items to people's homes.

But their role went much further than that. Forming partnerships with government departments and other key actors, such as pharmacy associations, Posts were able to deliver a range of social and financial services, including wellbeing checks for the elderly, remittances, pension payments and other forms of cash transfers.

Postal sector employees risked their lives to help ensure the delivery of goods and services to their fellow citizens. They too were at the frontline of the global effort to fight COVID-19.

To safeguard the health of frontline postal employees, the IB worked closely with UNI Global Union to communicate the importance of workplace safety measures. The UPU also took the step of sourcing personal protective equipment to supply Posts in some of the least developed countries.

The crisis brought out the strengths of the postal network: the trust it enjoys with the public, its physical reach and reliability and, most importantly, local and community knowledge.

THE CRISIS BROUGHT OUT THE STRENGTHS OF THE POSTAL NETWORK: THE TRUST IT ENJOYS WITH THE PUBLIC, ITS PHYSICAL REACH AND RELIABILITY AND, MOST IMPORTANTLY, LOCAL AND COMMUNITY KNOWLEDGE.

Behind the scenes, the UPU looked for ways to mitigate the impact of the pandemic on the global postal supply chain. The Union worked with a variety of postal sector players on alternative transport channels – air, rail, road and sea – by which postal dispatches could be carried across borders.

The IB worked closely with other international organizations, such as the World Customs Organization and the International Air Transport Association, to address bottlenecks in postal supply chains.

Recognizing the dynamic response by postal operators to the health and economic crisis, the UPU set up a platform to gather and highlight information about real-life examples of social, financial, business and trade innovations.

Posts around the world engaged with the UPU's new knowledge-sharing platform, and this input was shared by the organization through news stories and technical commentaries. The platform proved to be a useful resource for those making the case to national governments that Posts are an essential service.

Back in Berne, the Director General closed the office for all non-essential personnel on 16 March, and cancelled travel and all meetings at the headquarters. Non-essential staff were sent home to work remotely.

UPU staff rose to the challenge, ensuring business continuity and delivering ground-breaking services and products to member countries throughout the crisis.

# WELCOMING THE WIDER POSTAL SECTOR

One of the key challenges facing UPU member countries is to recalibrate the relationship with wider postal sector players. With the surge of e-commerce, new players have become increasingly active in postal markets. This could be turned into an opportunity for the UPU and its members.

Over the course of the 2017–2020 work cycle, the UPU's councils have sought to strengthen cooperation and engagement among wider postal sector players. The UPU is on the verge of seeing the fruits of this work.

**As the UN specialized agency providing the primary forum for the postal sector, the UPU has defined and approved conditions for opening up UPU products and services to non-members.**

The Consultative Committee, the body that represents the interests of the wider postal stakeholders within the UPU, has begun to examine new operating models to bolster private sector participation in the organization's work.

All of this takes place against a background of increasing liberalization, privatization and digitalization, which is transforming the boundaries of the postal sector. The time has come to forge partnerships and alliances that can drive efficiency and greater interoperability.

As part of the preparation work on the strategy for the next cycle, the UPU hosted a high-level forum on wider postal sector engagement at its headquarters on 13 February 2020.

The forum brought together high-level representatives from governments, regulators, designated operators, international organizations and other private sector players, as well as civil society. The Director General described the discussions as "incisive, honest and innovative".

The forum brought UPU member countries one step closer to finalizing a roadmap for accelerating the opening up of the UPU to external stakeholders.

The issue is not new; it has been the source of numerous discussions among member countries over the decades. However, there is now a palpable momentum towards reaching agreement on the way forward, which would be a game-changing decision for the Union.

Some 80% of the UPU's products and services are currently closed to the wider postal sector. But a consensus has emerged that change is inevitable, and can be compatible with upholding the universal service obligation.

"I HOPE THAT THE END OF THIS PARTICULAR ROAD IS IN SIGHT AND WE WILL NOW BE ABLE TO MOVE FORWARD IN PARTNERSHIP WITH OUR COLLEAGUES FROM THE PRIVATE SECTOR."

A task force has been set up to propose the way forward and outline steps enabling the UPU to deepen private sector engagement. Its recommendations will be fed into the strategy developed for the next four years of the UPU's business cycle.

"I hope that the end of this particular road is in sight and we will now be able to move forward in partnership with our colleagues from the private sector" said Mr Hussein, reflecting on the progress made at the forum in Berne.

Fortunately, the UPU is not entering into completely uncharted waters, and it can learn from the experience of postal operators that have already worked with private sector companies to ensure a level playing field. Other international organizations such as the International Telecommunication Union and the International Air Transport Association have also shared their perspectives.

Finally, it is important to remember that opening up to the wider sector is just as much about the needs of customers as the needs of postal operators.







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