

The UPU E-Commerce Programme (ECOMPRO)

Frequently asked questions (FAQs)

1 What is ECOMPRO?

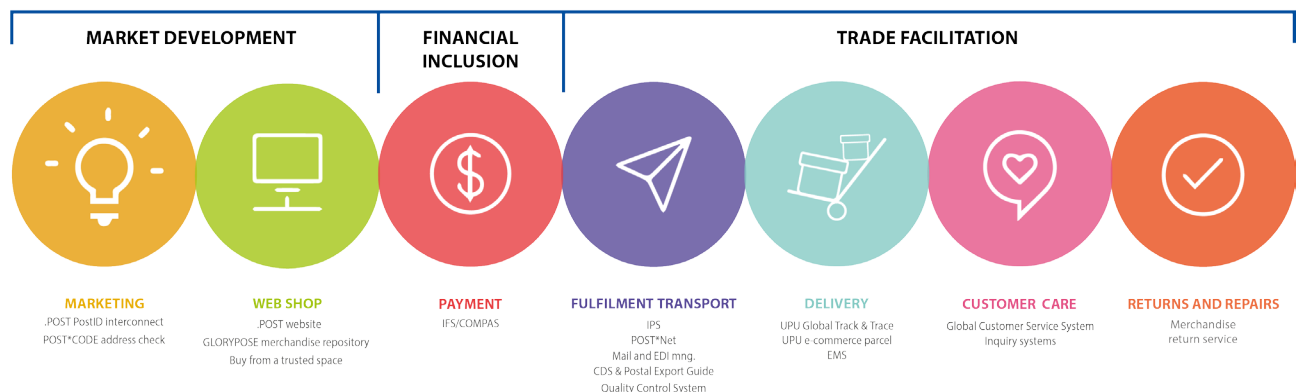
ECOMPRO is the UPU's programme of activities designed to coordinate and accelerate e-commerce development in the postal sector in order to facilitate cross-border trade. Following the 2014 Postal Operations Council (POC) E-Commerce Forum, the POC approved resolution CEP 1/2014.1, establishing ECOMPRO and charging the POC Management Committee to accelerate action to develop e-commerce in the UPU's international postal network, working within the existing POC structure and bodies. ECOMPRO is an integrated framework for UPU e-commerce actions encompassing both physical and non-physical services (electronic and financial).

The physical component includes all delivery services (letters, parcels and EMS) as well as the newly created ECOMPRO parcel (e-commerce parcel sub-category of parcel post), including the supporting operational processes, IT systems and electronic data interchange (EDI) exchanges, and an integrated remuneration model yet to be developed. The electronic or digital component of ECOMPRO is provided by online or web stores that are integrated with the postal network to provide support for postal online orders, payments and fulfilment (e-fulfilment).

The framework for e-commerce activities under ECOMPRO encompasses a total of five project areas and 42 actions. The five project areas are:

- i Pr01 – Market development
- ii Pr02 – Postal electronic services
- iii Pr03 – Logistics (physical services)
- iv Pr04 – Interoperability
- v Pr05 – Payment

UPU Global Value Chain



You can find more details in documents POC 2014.2–Doc 8 and Add 1, posted on the UPU website.

2 What regulations govern ECOMPRO and the newly created ECOMPRO parcel?

The provisions governing ECOMPRO are defined in article RC 116bis of the Parcel Post Regulations. The service features and corresponding bonus payments are defined in article RC 195 and resolution CEP 6/2015.1.

3 Is ECOMPRO the name of a programme and of a parcel sub-category?

Yes. ECOMPRO is the name of the e-commerce programme approved by POC resolution CEP 1 /2014.1 on accelerated integrated actions to facilitate e-commerce. To achieve this objective, the POC developed a dedicated e-commerce solution for the cross-border market, called the ECOMPRO parcel, based on the following basic principles:

- Simplicity for both the e-retailer and the consumer;
- Value for money and low costs for the e-retailer and the designated operator;
- Speedy implementation;
- Easy to implement using the available networks (letter, parcel and EMS) with limited requirement for additional investment;
- A sustainable solution for all customers and for sending and receiving designated operators.

The ECOMPRO parcel is an optional service within parcel post that designated operators may offer on a voluntary basis.

The 26th Congress approved proposals 20.31.1 and 20.34.1 to change the name of the e-commerce parcel delivery sub-category to the ECOMPRO parcel.

4 What are the minimum specifications of the ECOMPRO parcel?

The ECOMPRO parcel is subject to the specifications for this category approved by the POC (document POC 2014.2–Doc 5c) and the appropriate provisions of the Parcel Post Regulations. Aspects unique to the ECOMPRO parcel are set out in articles RC 195.1.1 and RC 116bis (please note that the article numbers are being updated). Any aspects not expressly covered by the specifications approved by the POC (document POC 2014.2–Doc 5c) will be subject to the appropriate provisions of the Parcel Post Regulations.

- i Designated operators shall accept and handle parcel-post items up to 30 kg carried under the e-commerce delivery category, unless their internal legislation restricts the maximum weight to 20 kg.
- ii Each parcel shall be identified by a unique item identifier specific to the service and conforming to UPU standard S10.
- iii Designated operators shall provide track-and-trace information in accordance with the provisions of article 16-216 and shall observe the indicative performance targets detailed in articles 16-217 and 16-218.
- iv Designated operators of destination that agree to deliver items under the ECOMPRO parcel shall endeavour to achieve the indicative delivery time target set at five days starting from the scanning and transmission of the relevant EMSEVT3 event approved by the POC for the measurement of delivery performance.
- v No signature shall be required upon delivery, and there shall be no liability between designated operators.
- vi Customer inquiries shall be handled in accordance with the procedures outlined in article 20-002.
- vii The inward land rates applicable to the handling of inward parcels under the e-commerce delivery category shall be fixed by the POC in accordance with the relevant provisions of article 31-201.

The detailed specifications of the ECOMPRO parcel can be found in document POC 2014.2–Doc 5c. Annex 1, posted on the UPU website.

5 What is the purpose of ECOMPRO EDI messaging?

The correct capturing and timely transmission of EDI messages on the ECOMPRO parcel as it moves along the delivery chain enables customers, destination operators, customs authorities and security agents to access both advance and historical data which is crucial for item tracking and processing. Designated operators implementing ECOMPRO will be required to implement and use EMSEVT3 and ITMATT as part of the compliance requirements for the ECOMPRO parcel category.

6 When can a designated operator implement the ECOMPRO parcel?

The ECOMPRO parcel came into effect on 1 January 2016. A designated operator can implement the ECOMPRO parcel any time after the effective date, as long as it meets the minimum requirements for offering the service. As it is an optional parcel-post delivery category, designated operators may agree between themselves to convey parcel-post items generated by e-commerce activities by air with priority and in accordance with the delivery specifications.

7 How can designated operators implement the ECOMPRO parcel?

Designated operators are reminded that ECOMPRO parcel delivery is an optional delivery category which they may offer on a voluntary basis. Designated operators opting to convey such parcel-post items generated by e-commerce activities are required to comply with the delivery specifications outlined in article RC 116bis of the Parcel Post Regulations. An explicit agreement with the partner designated operator also opting to provide the ECOMPRO parcel is required prior to starting the exchange of these items.

To assist designated operators willing to implement the ECOMPRO parcel, an operational-type user guide outlining the steps to be taken has been prepared.

The ECOMPRO parcel user guide can be found in document POC C 3 PSIG 2015.2–Doc 5c. Annex 1. Rev 1, posted on the UPU website.

8 What is the difference between the UPU E-Commerce Guide and the E-Commerce Parcel User Guide?

The UPU E-Commerce Guide is designed to help members develop their own e-commerce capabilities and services for domestic, regional and cross-border markets. It provides information, principles and practical recommendations that can help Posts when building e-commerce business models and services, taking into account specific business strategies, market situations, capabilities and other product management issues.

Any inquiries regarding the UPU E-Commerce Guide should be sent to the Remuneration Programme, to the attention of Mr Daniel Nieto, E-Commerce Expert, at daniel.nieto@upu.int.

On the other hand, the E-Commerce Parcel User Guide focuses only on the information, specifications and requirements to implement the ECOMPRO parcel, which is a parcel sub-category dedicated to e-commerce.

9 How will the newly created ECOMPRO parcel be remunerated?

To enable the launch of the new e-commerce parcel sub-category, the 2015.1 POC approved the remuneration model that will apply during the initial phase (phase I), subject to review at a later stage (phase II). During phase I, the following principles are to be observed when determining the rates for the new ECOMPRO parcel:

- the applicable rates concern only traffic identifiable through the S10 barcode using the dedicated range of service indicators HA–HZ. Items with a service indicator other than HA–HZ will not be considered as belonging to the ECOMPRO parcel service category;
- the final rate will comprise a base rate and a supplementary bonus payment, with the latter based on the same service features for the bonus scheme currently applicable to inward land rates (ILRs);
- the base rate will be country-specific and self-declared by the participating designated operators. The base rates will be composed of a rate per parcel and a rate per kilogramme (i.e. the same rate structure as for the current ILR system);

- the self-declared base rates per parcel and per kilogramme will not be higher than the ILRs currently applied by the designated operator concerned; and
- the global minimum base rates provided for in article RC 195.2 will not apply to the ECOMPRO parcel. Participating designated operators may wish to set their per-parcel and per-kilogramme rates at lower levels than the global minimum base rates, should it be in their commercial and financial interest.

In principle, since the self-declared ECOMPRO parcel rates will only be applicable to those designated operators with whom there is a bilateral agreement to exchange ECOMPRO parcels, and since such items have fewer operational obligations than ordinary parcels, it is expected that the ECOMPRO parcel rates will be lower than the ILRs for ordinary parcels. In setting more appealing rates, designated operators will achieve a competitive advantage with the ECOMPRO parcel by making the service commercially and financially more attractive to potential partners.

10 Where is the published list of ECOMPRO parcel rates?

The ECOMPRO parcel rates are published in the "circulars" section of the UPU document database website. The base rate is notified by the designated operator and validated by the International Bureau in accordance with the conditions set out in article RC 195.3 of the Parcel Post Regulations.

Any inquiries regarding ECOMPRO parcel rates and remuneration should be sent to the Remuneration Programme, to the attention of Mr Paul Schoorl, Remuneration Expert, at paul.schoorl@upu.int.

11 Who has already implemented the ECOMPRO parcel?

A number of designated operators are beginning to implement and exchange ECOMPRO parcels. The list of countries can be obtained from the UPU's Postal Operations Directorate.

12 Should designated operators stop using ordinary parcels, EMS and letter-post for e-commerce?

No. Air parcels, EMS and other letter-post services are also currently being used for e-commerce. The UPU Acts refer to three classes of service (letter post, parcel post and EMS), as follows:

- Letter-post items are letters, postcards, printed papers and small packages weighing up to 2 kg;
- Parcel-post items are items weighing from 0 to 30 kg;
- EMS is a postal express service for documents and goods weighing from 0 to 30 kg.

Customers (both buyers and sellers) have been using these three existing postal service classifications for e-commerce purposes, usually as follows:

- Small packets (within the letter-post service) are used for inexpensive, light-weight items (maximum 2 kg);
- Parcels are used for heavier items (over 2 kg) and/or more valuable items when some value-added tracking and responsibility/liability features are required;
- EMS is used for more valuable items or when the customer wants a more speedy delivery.

The ECOMPRO parcel is targeted at e-retailers transacting items in bulk.

13 Does the ECOMPRO parcel focus primarily on items that have been bought online?

Yes. The ECOMPRO parcel is targeted at business-to-business (B2B) and business-to-consumer (B2C) customers (e-retailers) transacting items in bulk. Online customers would not have access to it unless the e-retailer has an agreement with the designated operator.

14 What is ECOMPRO certification?

ECOMPRO certification is a concept and method for measuring the quality of ECOMPRO parcel exchanges, based on the ECOMPRO parcel characteristics. The concept is based on the UPU parcels quality measurement and bonus system. The general principles of ECOMPRO certification are as follows:

- Measurements are done monthly, per designated operator;
- For each measurement, the total count and the conformity count are reported, as well as the percentage and an indication of whether the target has been reached;
- This approach makes it possible to perform measurements for a longer period;
- If at least one measurement does not reach the target, then conformity is not reached.

The measurements would be done centrally, based on EDI exchanges. The ECOMPRO certification concept has yet to be approved by any of the UPU bodies and is still at the proposal stage.

15 What is the ECOMPRO community?

In February 2015, the Director General of the International Bureau invited UPU members to provide the contact details of senior representatives responsible for e-commerce in order to enable information sharing and exchanges about ECOMPRO. An encouraging number of responses were received and a distribution list was created. The members on this list form the ECOMPRO community. Today, there are a total of 43 designated operators in the ECOMPRO community, compared with 39 in 2015.

Summary of membership by UPU region as at 31 December 2016

	<i>Africa</i>	<i>Arab</i>	<i>Asia</i>	<i>Caribbean</i>	<i>Europe</i>	<i>Americas</i>	<i>Total</i>
<i>2016</i>	8	1	12	2	16	4	43
<i>2015</i>	7	0	11	2	15	4	39

If you are not yet a member of the ECOMPRO community but would like to join, please send the contact information of your senior representatives responsible for e-commerce to ecompro@upu.int.

16 How does the ECOMPRO parcel relate to the Integrated Product Plan?

The ECOMPRO parcel is a sub-category of the parcel service. The aim of the Integrated Product Plan (IPP) is to develop a fully integrated portfolio of physical products (letters, parcels and EMS) and adequate competitive remuneration systems that cover the costs of delivering the products. Since the ECOMPRO parcel is a sub-category of the parcel-post service, it will also be developed under the framework of the IPP to ensure product differentiation and proper alignment with the market.

17 How can ECOMPRO help me secure my online presence on the Internet?

.POST is a user-funded group that can support online e-commerce development. The .POST platform is a trusted Internet space administered and managed by the UPU. It helps postal organizations integrate the physical, financial, and electronic dimensions of postal services, providing a legal framework, a secure environment and cost-effective solutions to enable and facilitate e-post, e-finance, e-commerce and e-government services.

The unique values of .POST:

- *Growing trust and security:* .POST helps postal organizations make the best use of technology, delivering a more secure online experience.
- *Enhancing community value on the Internet:* .POST is the postal community's dedicated top-level domain, providing better engagement with customers and communities.
- *Enabling ecosystem integration:* .POST provides a platform for a customer-activated agenda and allows .POST Group members to integrate their e-services.

18 How can ECOMPRO help me set up a web shop?

As a first step to gain experience in e-commerce transactions, a philately web shop can be created by setting up a secure e-commerce site on .POST. These web shops can help increase philately sales. Cambodia, Uganda and Uruguay have already created such web shops, and Tanzania (United Rep.) is currently setting up its own.

Any inquiries regarding .POST products should be sent to secretariat@info.post.

19 How can ECOMPRO help me prepare my e-commerce strategy?

As part of ECOMPRO, the UPU regularly publishes the Measuring Postal E-Services Development report.

The report highlights developments in postal electronic services within and among countries and regions, providing a better understanding of the emerging patterns of countries' performance worldwide. It contributes to the ongoing discussions on the critical role of information and communication technologies (ICTs) in the postal industry, identifying countries and areas where ICTs and e-services are yet to be fully exploited.

20 How can ECOMPRO help me offer global tracking to my customers?

The global track-and-trace website (globaltracktrace.post) provides access to all UPU tracking data from one single portal. You can integrate this into your own website using an API.

For more information on how to integrate global track and trace into your website, please contact ptc@upu.int.

21 Where can I send inquiries regarding ECOMPRO?

Please send any ECOMPRO inquiries to ecompro@upu.int.

Berne, 26 January 2017