

UNION POSTALE

September 2008

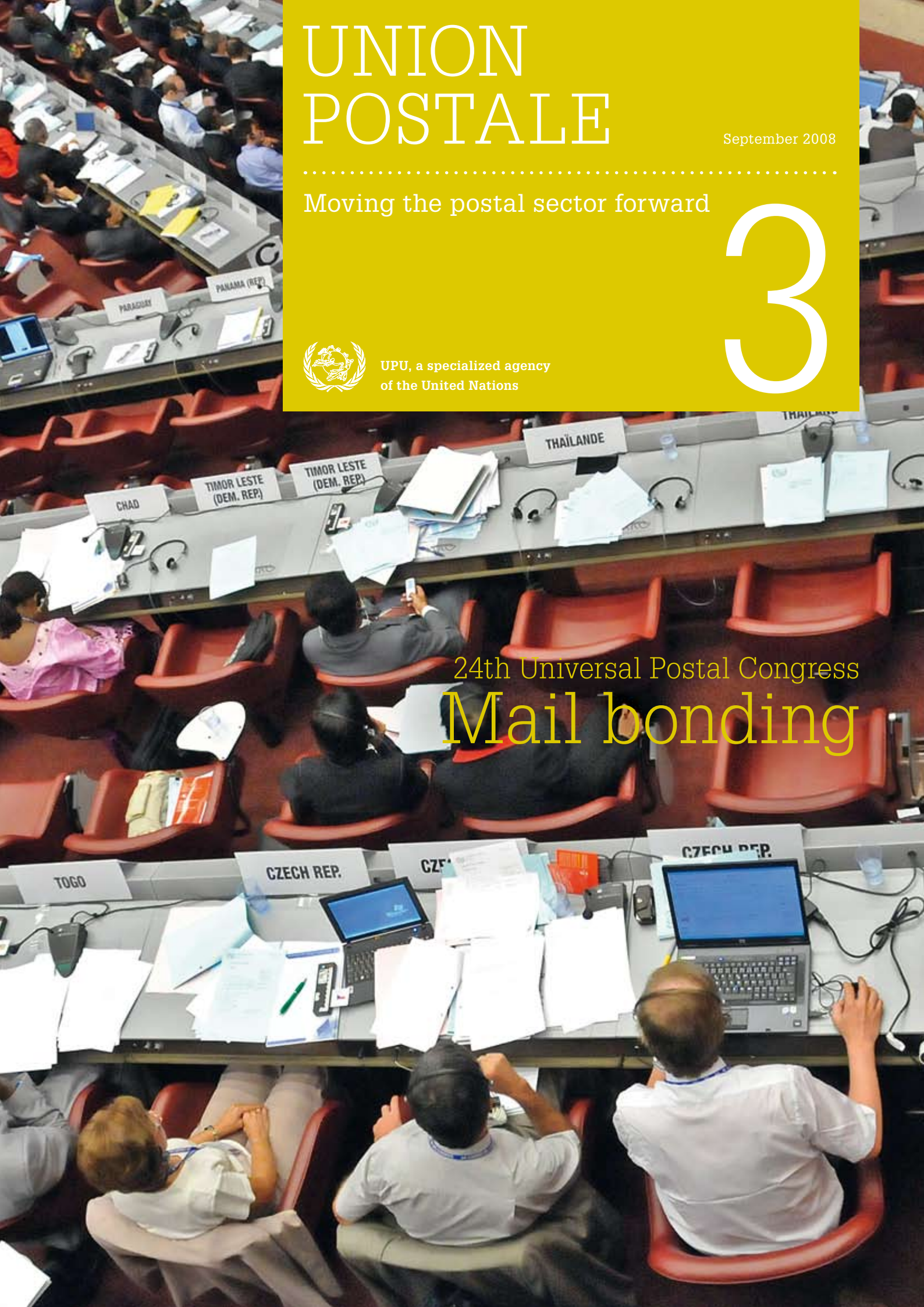
Moving the postal sector forward

3



UPU, a specialized agency
of the United Nations

24th Universal Postal Congress
Mail bonding



The key to correct addressing and accurate delivery

Universal DataBase



Worldwide postcodes

- ✓ Ready-to-use data
- ✓ A unique, permanent format
 - ✓ Quarterly updates
- ✓ For address validation software

Universal Postal Union – POST*CODE
P.O. Box – 3000 BERNE 15 – SWITZERLAND
www.upu.int

Contact us!

postcode@upu.int

Contents



To better respond to market needs, the UPU has just modernized its agreement on postal payment services. This international treaty includes clearer provisions on issues such as responsibilities, security and consumer protection. It is expected to help bring back into official channels – such as the postal network – money transfers currently circulating through informal networks that leave consumers, especially migrant workers, at risk.

In brief Short news items about the UPU	4
Editor's note Open to the world	5
Cover story Special report: 24th Universal Postal Congress An agreement like no other A new agreement on postal payment services adopted at Congress will enable designated operators to switch to better defined, faster and more secure and accessible money transfer services	8
Focused on the future A look at the key decisions of the 24th UPU Congress	14
Congress photo album Some of the highlights of Congress in pictures	20
Quality funds Developing countries are delighted that the Quality of Service Fund has been extended until 2016. Find out why	22
Perspective Posts not innovative? Kristian Sund, of Lausanne's <i>Ecole Polytechnique Fédérale</i> , begs to differ	26
The Interview Dual purpose Kenya's Bishar Hussein and Greece's Andreas Taprantzis, the new chairmen of the Council of Administration and Postal Operations Council, talk about the challenges they face during the next cycle	28
Market focus A look at what's going on in the worldwide postal sector	30

134th year
September
2008

Union Postale
International Bureau
Universal Postal Union
P. O. Box
3000 BERNE 15, SWITZERLAND

Phone: +41 31 350 33 10
Fax: +41 31 350 31 77
E-mail: rheal.leblanc@upu.int

www.upu.int

Published since 1875, *Union Postale* is also available in Arabic, Chinese, French, German, Russian and Spanish.

Director, Executive office and communication: Juliana Nel
Editor-in-chief: Rhéal LeBlanc
Assistant editor: Jérôme Deutschmann
Editorial assistant: Deborah Langenegger
Contributors: Kristian Sund, Laurent Widmer
Translation: Gary Long, Mark Prosser, Ann Williams
Revision and proofreading: Mark Prosser
Design: Die Gestalter, St. Gallen (Switzerland)
Printer: Weber Bentelli AG, Biel (Switzerland)
Subscriptions: publications@upu.int

The opinions expressed in the articles are not necessarily those of the UPU. Material may be reproduced with an acknowledgement: © *Union Postale* (UPU)

in brief

New international reply coupon unveiled

Rob van Goor, a graphic artist from the Luxembourg Post, won the UPU's competition to find a design for the next generation of international reply coupons (IRC). His work was selected from among 10 designs presented by member countries.

The new IRC, known as the Nairobi model, will go on sale on 1 July 2009. Postal customers, collectors and philatelists will be able to exchange it until the end of 2013. It will replace the current coupon, known as Beijing 2, which first went on sale on 1 July 2006 and will remain valid until 31 December 2009.

The international reply coupon is exchangeable in every UPU member country for one or more postage stamps representing the minimum

postage for an ordinary priority letter-post item or an ordinary airmail letter sent abroad for the reply. Some 2.2 million reply coupons are sold each year by 121 postal operators. While not all countries sell IRCs, all the postal operators of the UPU's 191 member countries, and their territories, are required to exchange them.

More than a century after it first appeared in 1907, the international reply coupon remains a useful item. Aside from its traditional use for letters, students use it for exchanging correspondence with academic institutions, and amateur radio enthusiasts use coupons when exchanging their "QSL cards" confirming radio reception. **LW**



In line with the theme of the contest, "The postage stamp: a vehicle for exchange", the new international reply coupon depicts the world being cradled by a hand, and the perforated outline of a postage stamp.

The quote

"You are nobody without an address... Without an address, you simply can't get a registration card, a driver's licence or even less open a business. Everything depends on the address."

Nicholas You, executive director of the United Nations Human Settlements Programme (UN-Habitat), during the UPU Congress General Debate on 25 July 2008 in Geneva. Addressing is a key factor for economic growth, particularly in the least developed countries. By encouraging governments to set up national and regional addressing projects, the UPU wants to become the reference point for addressing.

Editor's note

Open to the world

The main focus of the 24th Universal Postal Congress, which took place in Geneva from 23 July to 12 August 2008, was, as ever, the smooth transmission of mail and parcels between countries. But more so than ever before, these issues were placed in their wider context, with the Congress discussions clearly highlighting the unique nature of postal services and their contribution in a constantly changing world.

What emerged above all was how closely the world postal sector is tied up with the major challenges facing today's world: economic and

social development; poverty reduction; aid for international trade; UN mission activities; climate change and sustainable development; support for migrants in need of effective money transfer services; the fight against money laundering; protection of intellectual property... the list goes on and on.

The UPU's work over the coming four years will be built around the new world postal strategy. The importance of speeding up this work in order to develop and reinforce a physical, electronic and financial network corresponding to market needs is widely recognized. But

achieving this goal depends on the willingness of governments, regulators, designated postal operators and other sector players to follow through.

To quote Hamidou Nouhou, director general of the Chad Post: "Posts need to be restored to their proper place in the economic fabric of each country. To achieve this, we must be self-reliant. If assistance is offered, that is all well and good; but we must first and foremost rely on our own strengths."

Rhéal LeBlanc, editor-in-chief

Quality of service management: eight operators certified



Gertruda Ratnykova receives the certificate awarded to the Ukrainian Post from Edouard Dayan, UPU director general. This is the second time Ukrpochta has received the award, having been the first operator to be certified by the UPU in 2004 for its quality process management.

In August, the UPU awarded quality certification to eight postal operators.

The UPU's certification programme, which comprises the rankings A (gold), B (silver) and C (bronze), measures how well Posts apply quality management processes in their operations.

The recipient countries were Botswana (C), Mauritius (A), Malawi (A), Namibia (B), Saudi Arabia (A), South Africa (C), Swaziland (C) and Ukraine (A).

The certification process involves a comprehensive assessment of the organization, operations, customer information and after-sales service relating to ordinary international mail. Quality is not measured on the basis of absolute values such as speed and regularity, putting all postal operators, independent of their level of development, on an equal footing for obtaining the certification.

Seventeen postal operators have been certified since 2004. **LW**

POST-EXPO London-bound

The UPU will once again be present at POST-EXPO, the postal sector's premier trade event. For the eighth year in a row, the organization is joining forces with the organizers of POST-EXPO, UKIP Media & Events, to host a World Postal Business Forum on 30 September and 1 October, at the ExCeL conference and exhibition centre in London.

Heads of major Posts and other postal sector players will discuss strategic issues affecting the future of the sector and share their views on where the market is headed. The factors influencing their businesses,

the latest technological innovations, new forms of access and impact on customers and operators will also be analyzed. The provisional list of speakers includes Edouard Dayan, director general of the UPU; Adam Crozier, CEO of Royal Mail; the heads of the South Korean, Mexican and Tunisian Posts; and experts in marketing, product development and e-commerce. **JD**

African boy wins 37th letter-writing competition

The winner of the 2008 UPU/UNESCO international letter-writing competition is 15 year-old Moïse Luther Hoza from the Central African Republic. His letter to a friend, explaining why the world needs tolerance, was judged the best of the 60 or so entries received from UPU member countries. It is the first time that an entry submitted by the Central African Republic's Post has won the competition since its inception in 1972. The second prize went to Romane Chikhline of Belarus, and the third prize to Mónica Albino of Portugal. Special commendations were also awarded to Filip Latkovic (Montenegro), Claudia Goina (Romania), Hachie Vychedsky (Ukraine), Yousef Bin Ahmed Al-Ghamdi (Saudi Arabia) and Thi Que Chi Ho (Viet Nam). It is estimated that over 3 million children participated in the national stages of the competition. The winning letter will be published in the next edition of *Union Postale*. The top three entries can be read in the section of the UPU website devoted to the letter-writing competition. **JD**

A red-letter day for Posts

World Post Day, marking the anniversary of the signing of the founding act of the UPU in 1874, is celebrated on 9 October each year.

This year's theme is a postal sector looking resolutely towards the future. Following the recent Universal Postal Congress, the world postal sector, in a context of competition, globalization and market liberalization, is now focused on the implementation of a new world postal strategy, aimed at further consolidating a worldwide physical, electronic and financial distribution network which is like no other.

For postal operators and their staff, World Post Day provides the

perfect opportunity to showcase postal products and services, along with the activities of the UPU. It also serves to raise awareness, among the public and customers, of the essential role of postal services, which complement other public services, interconnected through a worldwide communications network.

For example, some operators are now offering invaluable e-commerce services, while micro-enterprises in developing countries are selling their products through the Post. And let's not forget that, in many countries, the Post still forms the vital link with the outside world for those who lack access to new technologies. **JD**

Poste Italiane helps pave the way for the delivery of electronic postmarks

Poste Italiane has provided the UPU with an application to enable Posts the world over to deliver electronic postal certification marks.

With this application, the UPU could eventually provide designated postal operators wishing to offer electronic postal certification marks with the necessary infrastructure to do so.

The plug-in developed by Poste Italiane with the help of Microsoft applies an electronic postal certification mark that provides evidential proof of an electronic event, in a certain form, at a certain time, and involving one or more parties. This certification mark can be seen as the electronic equivalent of a registered letter. It brings all the benefits of the

traditional paper-based postmark to electronic documents. Features such as date and time stamping, digital identity capture, content verification and encryption prove that the content of an electronic message has not been altered. The electronic postal certification mark acts as evidence of who signed what and when.

The advanced electronic services user group, part of the UPU's Telematics Cooperative (an association of member countries that work together to develop technical applications for the benefit of the postal world), contributed its expertise to the project, along with countries currently using electronic postmarks. **RL**



Massimo Sarmi, Poste Italiane's director general, handed over the plug-in to Edouard Dayan, UPU director general, on 30 July in Geneva.



Nasir Hamidov, from Azerbaijan Post, receives a gold-level award from Guozhong Huang, UPU deputy director general, and Israel's Wendy Ethan, chair of the EMS Cooperative Board.

EMS Cooperative announces good results

At its extraordinary general assembly held during the UPU Congress, the EMS Cooperative announced that volumes had risen by 23% between 2004 and 2006; that 88% of items were delivered on time; and that the EMS Cooperative now boasts a membership of 149.

Several countries, whose performance was analyzed by independent consultants, were also awarded certificates for the excellence of their EMS services (deliveries, tracking of items and customer service). For 2007, Azerbaijan, Hong Kong (China), Japan, the Republic of Korea and Singapore took gold; the

Czech Republic, Great Britain, New Zealand, Sweden and the United States were awarded silver; and Australia, Brazil and Canada received bronze awards.

Cooperative members also gave awards to Hungary, Russia and Spain for their exceptional customer service.

The EMS Cooperative was created in 1998 to develop and strengthen the EMS service, a high quality, competitive, affordable international express postal service for sending documents and goods the world over. **LW**

An agreement like no other

.....

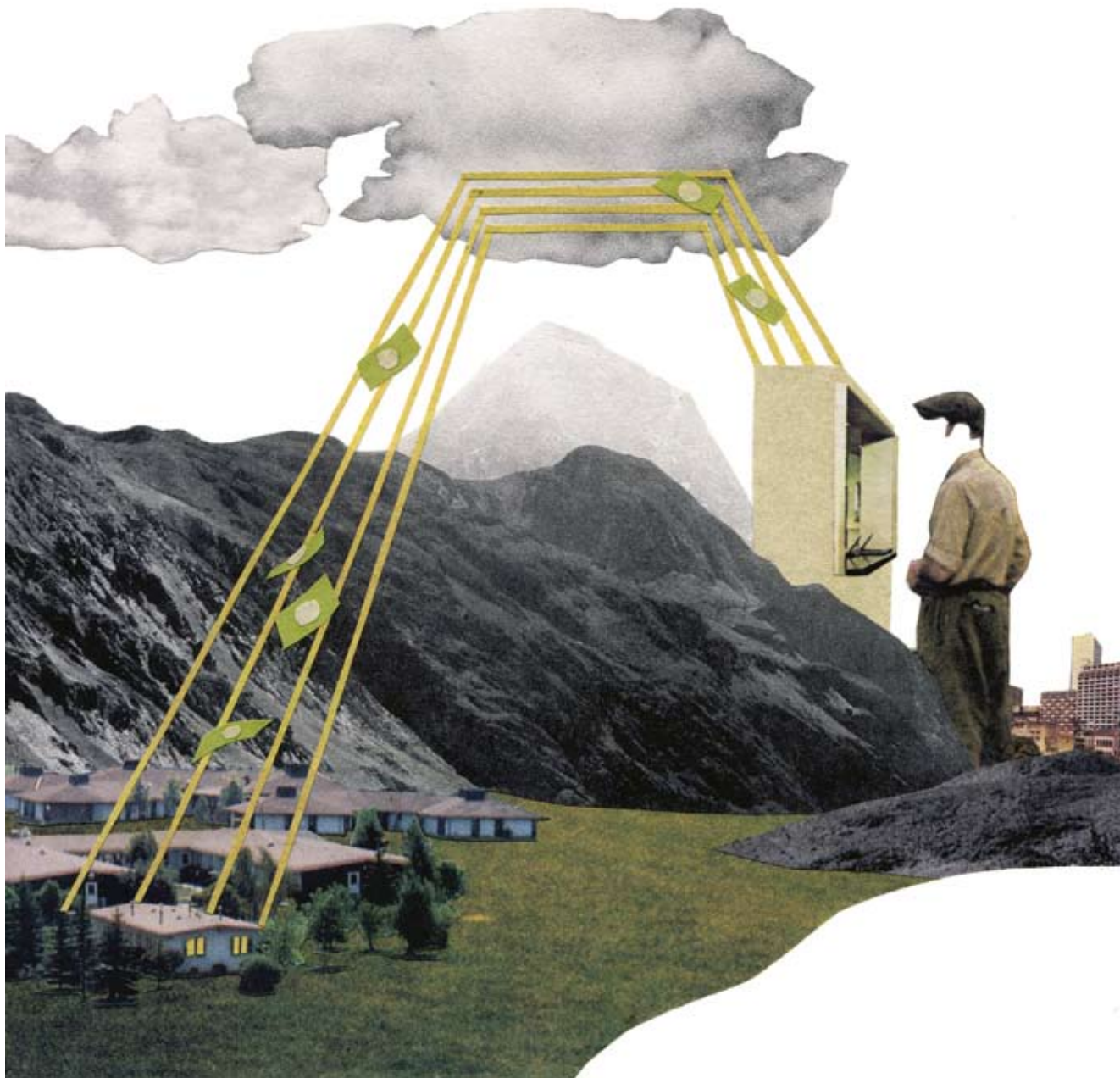
Farewell paper-based money orders, hello electronic money transfers. Postal operators have taken a decisive step towards a more clearly defined, more rapid, more secure money transfer service accessible to all.

.....
By
Rhéal LeBlanc

.....
Illustration:
Daniel
Lachenmeier

The wait is finally over! At the 24th Universal Postal Congress the UPU adopted a new, more modern Postal Payment Services Agreement. The new agreement takes more account of the specific nature of these services (see box), as well as United Nations principles such as technological neutrality (designated postal operators can use the technology of their choice to perform money transfers, although their systems must be compatible with others to allow interconnection of networks and systems). It also boosts data confidentiality, money-laundering prevention, secure processing and transmission of payment orders, consumer protection and reliability of payments between operators.

The Agreement is an international treaty and provides the necessary basis by which the operators designated by UPU member countries to provide postal payment services can exchange money transfers on a multilateral basis. At the same time it responds to a Council of Administration resolution to replace paper-based services by their electronic equivalent. And it clearly defines the role of signatory countries, which have a duty to ensure continuity of service in the event of performance



failure, and the obligations and risks of the designated operators. The plenipotentiaries of 108 UPU member countries signed the agreement before leaving Geneva on 12 August 2008, and others are planning to join them over the coming months.

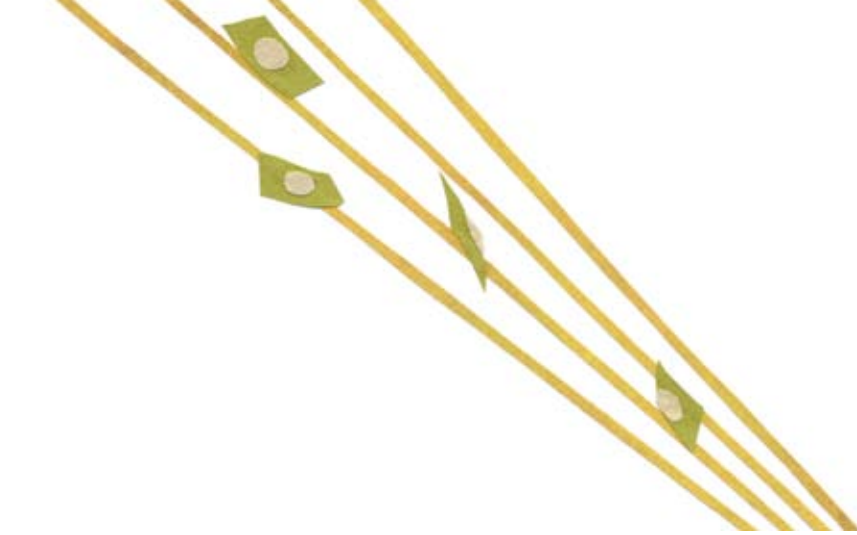
The new agreement will come into force officially on 1 January 2010. Some regional agreements among designated operators already comply with the provisions of the treaty, which should be incorporated into any new agreements in the future.

P.T.S. Kumar, deputy director general (global business) of India Post and chairman of the Postal Operations Council's Postal Financial Services Group in the last cycle, welcomes the new Agreement, describing its adoption by Congress as a "historic" step and encouraging postal operators to make moves to offer an electronic money transfer system. "[The Agreement] is a springboard towards a new age. Postal operators must continue to be the leading players in the money transfer market by modernizing the existing product (paper-based money orders)".

To help postal operators move towards electronic money transfer services, the UPU has made its electronic network more reliable and more secure. Furthermore, through its International Financial System application, the backbone of the electronic payment network used by Posts, the UN agency has opened more than 150 corridors, already linking 36 countries. Some 60 other countries are currently testing the application.

Serving the migrant community

The aim is not only to modernize an existing product but also meet the needs of migrants for more accessible and affordable money transfer services, the subject of much debate in a number of international and United Nations organizations, including the UPU. In the space of a few years, migratory trends linked to globalization have made money transfers a major, worldwide issue, given their positive impact in developing countries. The total amount sent by migrants to their home countries is greater than direct foreign investment and development aid combined. Moreover, these payments help reduce poverty and boost economic development in destination countries.



As summed up by Jean-Paul Forceville of France, who chaired the committee responsible for this question at Congress, modernization of the Agreement had become necessary to meet the needs of the market.

“Paper-based money orders no longer satisfy customer needs. The private sector offers products that are expensive. Migrants in particular do not always have access to products that are sufficiently attractive to them and resort to other, sometimes illegal, means of transferring money. By offering an electronic service, the Posts feel they can bring such money transfers back into official circuits and provide a real service throughout their countries at a more affordable price than that currently found on the market. The UPU has started this development by implementing regional projects. In the long term, all these hubs will be interconnected thanks to the new Agreement negotiated within the UPU.”

Indeed, following the success of projects conducted in countries of the Commonwealth of Independent States, Africa, and Asia and the Pacific, other regions are increasingly joining the UPU international payment network. On 28 July, Spain, Uruguay and Chile launched a new electronic money transfer service linking their respective

countries, opening the door to the rest of Latin America. A few days later, Spain, with half a million Moroccan nationals on its territory, concluded an agreement with Morocco.

With three million immigrants in Spain, who sent 8.1 billion euros back to their countries of origin last year, the Spanish Government and its designated postal operator, Correos, intend progressively to make postal networks “modern financial circuits” allowing rapid and secure dispatch of money transfers, according to a recent article in the newspaper *Cinco Dias*.

There is activity in the Arab countries as well. Also during Congress, the postal services of Egypt, Jordan, Morocco, Qatar, Syria, Tunisia, the United Arab Emirates and Yemen signed a multilateral agreement and announced they would be starting exchanges in the near future. Other Arab countries are due to join this initiative towards the end of 2008.

In the opinion of Ricardo Cordero, an expert with the International Organization for Migration (IOM), these agreements are important as they help his organization achieve its own objectives. IOM endeavours to ensure

Postal payment services explained

Postal payment services are a special type of financial service. They are postal rather than banking services, defined according to four types of exchange: cash – cash; cash – account; account – cash, and account – account. Commoner than bank services, these payment services are the dominant model existing on the market,

as they respond best to the needs of consumers, and migrants in particular. Their popularity has led to an explosion of money transfers in recent years (300 billion USD in 2006 compared with 96 billion in 2001, according to the World Bank).

Protection and reliability

that migrants work in decent conditions so that the effects of migratory trends are beneficial not only for migrants but also for their families and members of the societies they come from. "The objectives of the UPU and IOM are complementary, and a strategic cooperation between our two organizations will enable us to launch other similar projects elsewhere in the world," he said. The UPU and IOM are also working together on a project in Uganda and Tanzania.

Accessibility

The 660,000 post offices worldwide form an unrivalled network capable of ensuring local access to secure and affordable money transfer services for those sectors of the population who lack access to banking facilities, including millions of migrant workers.

As Nasser Fathi Qaddoumi of Emirates Post explained in an article recently published in his country's press, "One of the weaknesses of private providers of money transfer services is that they are present only in major towns and metropolitan areas. Post offices, however, are to be found everywhere". His country has more than half a million non-nationals from the seven Arab countries taking part in the new exchanges.

Migrants quoted in the same article reacted favourably to the news, like the Moroccan woman resident in Abu Dhabi, who complained that it often takes a week for her family to go to the nearest branch of a private operator to collect the 275 USD she sends them each month, even though the actual transfer takes just an hour. "The process is too long," she observes.

For her part, Marie-Odile Pilley, who has helped pilot the modernization of the agreement at the International Bureau, points out that the postal payment service is a winning model because it is simple and open to all.

"A customer can go to a post office to make a money transfer without being registered there, unlike a bank, where it is usually necessary to hold an account. The majority of the world's population, and most immigrants in particular, do not hold bank accounts."

.....
Many elements of the Agreement enhance consumer protection and render financial relations between designated operators more reliable.

Right from the start, the process is completely transparent and as simple as possible. The sender pays all the costs relating to a transaction, and knows in advance the amount the addressee will receive, as the exchange rate is known, and the person receiving the transfer incurs no additional costs for receiving the money. The sender can recall the payment order up until the time payment is made. In addition, the rules of liability in the event of disputes are clearly set out; the sender knows his rights and who to contact. Lastly, the funds paid are ring-fenced, i.e. the designated operator may only use them for the payment order sent by the customer. The amount sent is available immediately or within a set period of time. Moreover, measures have been taken to make payment orders between operators safe. As sums relating to orders are ring-fenced, they can only be used for settlement by operators paying out. Also, the latter receive part payments which they use to execute orders to the payees of money transfers. With the upcoming introduction of a UPU centralized clearing system, procedures will make settlement of payment among operators providing the service even more reliable.



Future developments

Now that the agreement has been adopted, it is the turn of the Postal Operations Council to adopt the related Regulations at its October/November 2008 session. These will further specify the common rules in a multi-lateral context. UPU work will then focus on harmonization of procedures associated with the proposed services, such as processing of payment orders at the counter and back office, handling of inquiries, and developing the interoperability of networks.

The introduction of a centralized clearing house, as the final link in making financial transactions between designated operators secure, will be another priority. The clearing house will be governed by strict procedures and will reduce the number of settlements to a minimum, ensuring greater efficiency at lower cost.

The registration of a collective brand clearly identifying the modernized postal payment services is a further challenge. In the money transfer field, studies show that there are at least 14 major brands worldwide which are extensively recognized. The competition that postal operators must confront on the market is therefore fierce, to say the least. Operators are aware that they need a distinctive image conveying UPU values to effectively market services on a worldwide scale. This emerges from replies to a questionnaire, with 115 operators expressing their support for a collective brand.

South Africa, which chaired a group on this issue, has already developed and tested a brand for postal payment services. Studies have confirmed that this image would allow services to distinguish themselves from others on the market and gain customer confidence. "A brand constitutes an identification and symbolizes the values of the organization," explains Marietjie Lancaster, chairperson of the group.

The challenge today is to register the brand worldwide before unveiling it. The UPU therefore invites its member countries, particularly designated operators, to participate in registering the mark by offering their financial support.

Safer transfers



.....

Faced with the high cost of private operator transfers, or the absence of services near their home or work, many migrants send money back to their home countries through informal networks. A family member or acquaintance setting off for a home visit to Quito, Rabat or New Delhi is passed an amount of money to hand over to someone's father or wife upon arrival. In this way *hawala* (the term means "trust" or "exchange" in Hindi) prevails; informal, century-old payment systems which get around official exchange rates and offer alluring solutions to migrants.

According to the World Bank, the amount of money circulating through informal networks in different parts of the world is estimated at over 50% of official traffic. With no effective regis-

.....

tration or transfer checks and no tracing possibilities, senders – migrants in particular – face significant risks, and the authorities are afraid that such funds might be linked to money laundering or the financing of terrorism.

Bringing the money transfers currently dispatched through such informal networks back to post offices is therefore one of the main objectives of the new Agreement, which provides the necessary rules and procedures to ensure that any money transfer can be duly documented and checked.

Postal payment services include tracking and tracing measures. This necessary postal technique contributes to the fight against money laundering, and improves quality control

.....

of financial operations and management of services. The UPU has also incorporated the recommendations of the Financial Action Task Force (FATF), an intergovernmental organization, aimed at combating money laundering and the financing of terrorism, as far as the different countries' domestic legislation allows. Thus Posts are required to obtain precise information on sender and addressee as well as to inform the relevant authorities of any suspicious transfers, or to ask for further information from the sender concerning any transfer above a certain amount. Also on the basis of FATF recommendations, the UPU is to define its own anti-money laundering policy to make transfers even more secure.

A resolutely forward-looking Congress

By
Rhéal LeBlanc



.....

The 24th Universal Postal Congress devoted three weeks to discussions resulting in decisions that would serve as a roadmap for the development of the world postal sector over the next four years.

In addition to unanimously adopting the new Nairobi Postal Strategy (see *Union Postale*, June 2008), Congress discussed such core themes as quality of service, terminal dues, postal security, philately, customs, e-services and sustainable development, which the Council of Administration (CA), Postal Operations Council (POC) and Consultative Committee (CC) will examine further for the period 2009–2012. Here are the highlights of the 24th UPU Congress.

Quality of service

An integrated programme will be adopted for improving the quality of the international postal service. For 2009–2012, the UPU will give priority to the physical networks connecting the world, the interconnection of electronic networks and the use of information and communication technologies (ICTs), covering the development of infrastructures, on the one hand, and products and services, on the other. Ten projects are planned aimed at reaching the target set by Congress of 80% of international letters delivered in less than five working days (J + 5) by 2012. Congress also approved the project to implement the UPU Global Monitoring System (GMS), designed to measure quality of service for inward priority mail and establish the link between this quality and the payments received by countries for handling inward international mail from other countries (terminal dues). The system will also be used to gauge the degree of success of the projects financed by the UPU Quality of Service Fund (QSF), which has been extended to 2016. The Fund finances projects for improving postal service quality in developing countries. All member countries, except for the least developed, contribute to the QSF through an increase in terminal dues payments.

Terminal dues

Congress adopted the new terminal dues system, designed to cover more of countries' actual costs of handling inward international mail. This will keep the UPU on track towards its goal of adopting a target system that provides country-specific rates and links terminal dues payments to quality of service. A quality measurement system is already in place for industrialized countries and some developing countries choosing to take part in it. Moreover, developing countries, most of which are mail importers, will see their net revenues increase by 2.8% per year, based on the terminal dues rates in effect for the next cycle. Lastly, for purposes of both the terminal dues system and the QSF (see article on page 22), Congress adopted a methodology for classifying countries into five groups, based on the value of their postal development indicator. This indicator, in turn, is based on gross national income per capita and the normal average unit cost per letter. The funds contributed to the QSF will increase by more than 20% during the next cycle.



Budget ceiling raised

Congress gave final approval to the 2004–2006 UPU accounts and adopted a new three-pillar financing system for the Union. Aside from the regular budget, maintained by member countries' contributions, the first pillar now allows member countries to make voluntary contributions. The second pillar covers all extrabudgetary activities (Postal Technology Centre, EMS Unit, worldwide numbering system for postage stamps, etc.) while the third includes the additional financing of activities directly linked with the world postal strategy. This third pillar can also be maintained by private funds, an innovation for the UPU. This new financing system gives the Union greater flexibility, particularly by enabling member countries to contribute to a real increase in its regular budget. While the annual expenditure ceiling stays at 37 million CHF for 2009 and 2010, it increases to 37,235,000 CHF for 2011 and 2012, thus allowing the UPU International Bureau to adjust the annual ceiling to inflation and salary increases. The Council of Administration will need to endorse the 2009–2012 budget at its October 2008 session. This budget will be prepared in direct relation with the world postal strategy and its implementation. Recognizing the need for these changes, Congress indicated its support for adjusting the Union's finances, and the new CA will be asked to confirm this direction.

Postal security

UPU priorities up to 2012 will focus on the treatment of dangerous goods, security in developing countries, e-commerce and strategies for financial services and for combating money laundering. The UPU will also be expected to prepare minimum security standards and procedures to reinforce the overall security of the international mail transport network. These standards will serve as guidelines only, so as not to be incompatible with countries' national laws. Furthermore, Congress added counterfeit and pirated items to the list of items not admitted to the mail, appearing in article 15 of the UPU Convention. Countries agreed to find ways of cooperating more closely with the relevant national authorities during the UPU's next work cycle on measures to discourage the transmission of counterfeit or pirated items by post, a violation of intellectual property rights.

Customs

The customs clearance of international parcels continues to be a major challenge for postal sector stakeholders, particularly as it relates to quality of service. The UPU and the World Customs Organization have greatly strengthened cooperation in recent years and are committed to making further progress. Some of the main challenges they face include the need for designated operators and Customs authorities to exchange more

data before the arrival of goods in a particular country, the need for Posts and their customers to comply with Customs requirements to provide necessary information on cross-border items and the effectiveness of Customs procedures to ensure faster treatment of postal items. The two organizations also plan to cooperate on ways to discourage the transmission of counterfeit and pirated articles through the post (see also postal security).

Reform of the Union

Long used in the Acts, Constitution, Regulations and other official UPU documents, the term "postal administration" has been replaced with the terms "designated operator" and "member country" to define more clearly the specific responsibilities of governments and designated operators in providing the universal postal service and how they relate to the UPU. Congress adopted more than a hundred proposals to replace the term "postal administration" with "designated operator" or "member country", depending on the context. Another proposal was adopted with a view to studying the UPU's mission, following the rejection of new text proposed for the Constitution's preamble. Finally, Congress decided on new structures for the CA and POC, whose committees, groups and subgroups will now correspond more closely to the objectives of the new world postal strategy. Congress also adopted a recommendation on greater transparency for the designation of countries chairing committees. Countries were able to express their interest in chairing particular committees and the decisions taken as a result. (See articles on the CA and POC).

Electronic services

Congress adopted the UPU's first action plan for electronic services. Closely linked with the world postal strategy, electronic services play a key role in facilitating access to the information society and narrowing the digital divide. Less than 50% of the 660,000 or so post offices in the world are connected to a network. The action plan for 2009–2012 includes various activities for developing e-services, such as certified registered mail, document archiving and management, administrative services, multimedia access to postal services and hybrid mail. Various means of financing are envisaged, including creating a fund for modernizing the postal sector, public-private partnerships or funds available from the UPU or other organizations. Two proposals concerning the Post's role in expanding e-services were also adopted: Kenya's proposal asking that developing countries benefit from training or cooperation projects for developing e-commerce, and Sweden's proposal recommending the implementation of specific programmes allowing postal operators to benefit more from new technologies and having a greater impact on postal exchanges. It asked the UPU to strengthen ties with var-



.....
Achim Steiner, executive director of the UNEP, welcomed the cooperation with the UPU begun in 2008.



.....
“Between Bucharest and Geneva, the UPU has travelled far. We have embarked upon profound change. Around these values of universality, solidarity and unity of the world postal family, the Universal Postal Union has, in recent years, successfully embraced change,” declared Edouard Dayan immediately after his election. Next to him is Guozhong Huang.

ious international organizations in order to launch such projects.

Sustainable development

Congress highlighted the postal sector’s awareness of the adverse effects of its activity on the environment, with member countries urging the UPU to continue work on developing a greenhouse gas reduction programme. The International Bureau is currently analyzing the results of a far-reaching survey of designated postal operators designed to produce a map of postal pollution relating to CO₂ emissions. The UPU plans to work with PostEurop and the United Nations Environment Programme (UNEP) to propose recommendations for reducing these emissions and measuring their impact. Taking part in the General Debate at Congress, Achim Steiner, executive director of the UNEP, welcomed the cooperation begun in 2008 with the UPU to find a “range of solutions to shrink its carbon footprint” and eventually transform the UPU into a climate neutral institution. He went on to say: “With some 660,000 postal establishments; 250,000 motorcycles, over 600,000 cars, vans and trucks and hundreds of aircraft, the opportunity [for the world’s postal sector] to influence energy-significant industries and green the procurement, manufacturing and marketing chains (from automobile and aero-engine manufacturers to those that produce appliances, inks, adhesives and paper) is huge.”

UPU leadership

Congress elected by acclamation Edouard Dayan of France and Guozhong Huang of China (People’s Rep.) to serve as director general and deputy director general of the UPU International Bureau for 2009–2012. This will be their second term, having been elected the first time at the 2004 Bucharest Congress.

Council of Administration 2009–2012

Elected on the proposal of member countries, Kenya will act as chairman of the Council of Administration (CA), while Trinidad and Tobago, Great Britain, Qatar and Ukraine will share vice-chairman duties. The CA will comprise four committees: Committee 1 (Governance Issues), chaired by Germany, Joint Committee 2 (Development and Cooperation), chaired by China, Committee 3 (Finance and Administration), chaired by Tunisia, and Joint Committee 4 (Union Strategy), chaired by Canada. The responsibilities of the joint committees are shared by the CA and POC. A management committee will organize the CA’s work. The Consultative Committee will continue to report to the CA.

Countries elected to the Council of Administration

Algeria, Argentina, Azerbaijan, Bangladesh, Belgium, Benin, Botswana, Cameroon, Canada, China (People’s Rep.), Colombia, Congo (Rep.), Cuba, Egypt, France, Germany, Great Britain, India, Indonesia, Kazakhstan, Kuwait, Libyan Jamahiriya, Lithuania, Malaysia, Nigeria, Panama (Rep.), Qatar, Russian Federation, Saudi Arabia, Senegal, Sweden, Thailand, Tanzania (United Rep.), Trinidad and Tobago, Tunisia, Turkey, Ukraine, United Arab Emirates, United States of America and Uruguay.

Postal Operations Council 2009–2012

The Postal Operations Council (POC) has been restructured to better meet the objectives of the world postal strategy. It will comprise four committees. The first three will deal primarily with the core postal products, i.e. letters (co-chaired by Great Britain and Switzerland), parcels (chaired by New Zealand) and financial services (chaired by India), while the fourth will focus on technical standards and technology (chaired by Italy). Other areas or bodies, including postal security, the Telematics and EMS Cooperatives, the QSF Board of Trustees and UPU*Clearing, will report directly to the POC plenary, managed by a management committee. The Consultative Committee will also take part in the POC's work. The Direct Mail Marketing Board and the World Association for the Development of Philately will both report to the committee responsible for letter post.

Countries elected to the Postal Operations Council

Algeria, Argentina, Azerbaijan, Bangladesh, Belgium, Brazil, Canada, China (People's Rep.), Costa Rica, Cuba, Denmark, Egypt, France, Germany, Great Britain, Greece, India, Indonesia, Israel, Italy, Japan, Korea (Rep.), Libyan Jamahiriya, Mexico, Morocco, Netherlands, New Zealand, Nigeria, Poland, Portugal, Russian Federation, Singapore, South Africa, Spain, Switzerland, Tunisia, Turkey, United Arab Emirates, United States of America and Uruguay.

Consultative Committee

The Consultative Committee (CC), created in 2004 to represent the interests of postal sector stakeholders other than governments, regulators and designated operators, hopes to enhance its contribution to the work of the UPU by focusing its efforts over the next four years on important areas like addressing and standardization. Nineteen organizations currently sit on the Consultative Committee, which would like to make the representation of sector players more regional. According to Charles Prescott of the Direct Mail Marketing Association in the United States, who will chair the Committee for a second term, the CC intends to be "ambitious" and focus on the most fundamental aspects of a postal network. "We will research and report on the state of addressing, forwarding and change-of-address systems

worldwide. We hope to organize a Global Addressing Summit in 2009 that will highlight the problems we have uncovered, the critical importance of addressing systems for their many other societal purposes, and our proposals for solutions." And Prescott does not intend to stop there. He would also like to see the CC help Posts launch revenue protection projects. "It is little appreciated how much revenue rightly owing to Posts escapes collection through poor systems and controls." He adds that the CC will actively seek partnership opportunities with the private sector to enable Posts to improve and expand their services, especially financial services.

Parcels

The past few years have seen growth in the volumes of parcels worldwide. Not only growing e-commerce, but also quality of service and more rigorous standards, have enabled the parcels sector to expand. Still, some regions find it difficult to make progress. Despite notable improvement in item tracking and quality of service in general, Africa continues to struggle, while Asia has not yet developed its full growth potential. The UPU will maintain the strategy adopted during the last cycle and speed up its implementation. The Union will try to bring developing countries up to standard by encouraging them to play a more active role in this strategy. It will also emphasize regional training activities and measures stressing the importance of item tracking. If the proposal is adopted by the new POC, performance targets could be tied to the remuneration that countries receive for handling inward parcels, by 2010.

Philately

Who would have thought the term "postage stamp" difficult to define? And yet, with the development of technologies now making customized stamps possible and changes in the way a stamp's face value is expressed, article 8 of the UPU Convention, which defines a postage stamp, has had to be revised. In particular, Congress specified that a postage stamp may include other identification marks, in addition to the name of the issuing country or territory. Furthermore, the face value may be expressed in the official currency or represented by a letter or symbol. All of these changes reflect the reality of the modern postage stamp. For example, some countries, like South Africa, use words specifying level of service to indicate the value, while others, like Belgium, express values using circled figures.

Palestine to exchange mail directly



.....

An important event took place at Congress on 6 August, when Israeli and Palestinian postal authorities issued a joint statement agreeing to facilitate direct mail exchanges between Palestine and UPU member countries through Amman, Jordan.

This agreement was in response to Beijing Congress resolution C 115/1999, affirming Palestine's rights of "directly exchanging postal services with Union member countries."

At present, all mail entering or leaving Palestine transits through Israel.

Palestine, which has managed its own postal services and issued postage stamps since 1995, operates 102 post offices. Mahmood Diwan, director general of the ministry of telecommunications and information technologies of the Palestinian Authority, welcomed the new development: "This agreement places considerable onus and responsibility on the International Bureau in terms of measures to continuously monitor and verify implementation of its various aspects. The same applies to the success of the International Bureau's efforts and plans for restructuring and preparing projects for the development of efficient postal services in Palestine, which will help to support efforts to achieve economic development, social cohesion and a quality postal infrastructure."

.....

For his part, Avi Hochman, president and CEO of Israel Post, said his company had always done its best to ensure the efficient transfer of mail and would continue to do so.

"We are ready and willing to work in full cooperation for the benefit of all postal administrations and customers, in the spirit of the UPU."

For Director General Edouard Dayan, this declaration represented an "important development" in International Bureau efforts to help the Palestinian postal service become "better integrated into the world postal community". He added that the announcement would help to prepare the way for work to develop and improve the quality of Palestine's postal service, and welcomed the "spirit of dialogue and total cooperation" shown by both parties.

The technical and operational solutions being considered will enable the Palestinian postal service to proceed with direct exchanges, thus conferring on it the rights and obligations associated with terminal dues and the UPU Quality of Service Fund.

The international postal community is being urged to give the UPU the financial support needed to help modernize Palestine's postal services.

The 24th Universal Postal Congress in photos



30 July 2008

25 July 2008

30 July 2008

23 July 2008 – Congress officially opened

Musalia Mudavadi, Kenya's vice-prime minister, officially opened the 24th Universal Postal Congress, which was given a special African focus to demonstrate the UPU's priority of strengthening the postal sector in developing countries, especially on that continent. That same evening, Kenya hosted a very colourful reception with a distinct African flavour.

25 July 2008 – A hot debate

John Potter, head of the United States Postal Service, was among many high-level participants at a general debate organized to highlight the main issues affecting the worldwide postal sector today. After the day's three round tables, postal services clearly emerged as an inseparable part of globalization. Quality of service, customs, the role of postal services in creating a more inclusive society as well as their role at the heart of e-commerce, logistics and money transfers, global warming and the importance and evolution of the universal postal service were among the themes broached by representatives of international and United Nations organizations as well as those of the private sector. The general debate enabled delegates to make more informed decisions during Congress.

30 July 2008 – Adoption of the Nairobi Postal Strategy

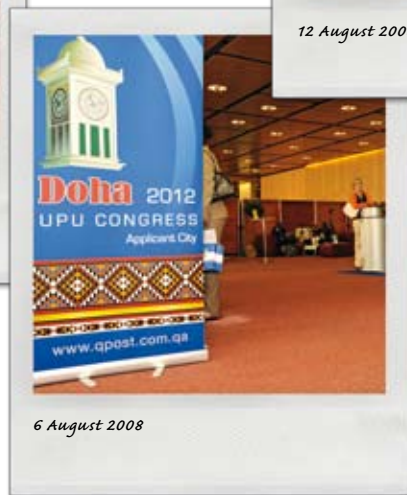
Belgium's Jean-Luc Dutordoit presented the new four-year road map for the worldwide postal sector. After wide-ranging consultations over the past few years to pinpoint the sector's future challenges and objectives, the UPU formally adopted its next world postal strategy, called Nairobi as a mark of respect for Kenya, which was initially scheduled to host the 24th Congress. The member countries unanimously adopted the strategy, which will be implemented using a regional approach. Kenya will now host the 2010 UPU Strategy Conference, where member countries will evaluate the progress made on implementing this strategy at the half-way point between Congresses.

30 July 2008 – Voting time

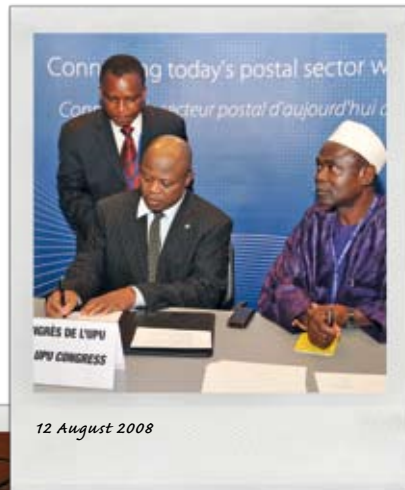
Congress delegates attended the meetings of eight committees and eleven plenary sessions, and adopted more than 300 proposals and resolutions. When countries disagree on proposals, Congress proceeds to a vote. Proposals to amend the UPU Constitution require the support of two thirds of member countries with the right to vote, while other proposals are adopted with a simple majority.



6 August 2008



6 August 2008



12 August 2008



12 August 2008

6 August 2008 – Election Day

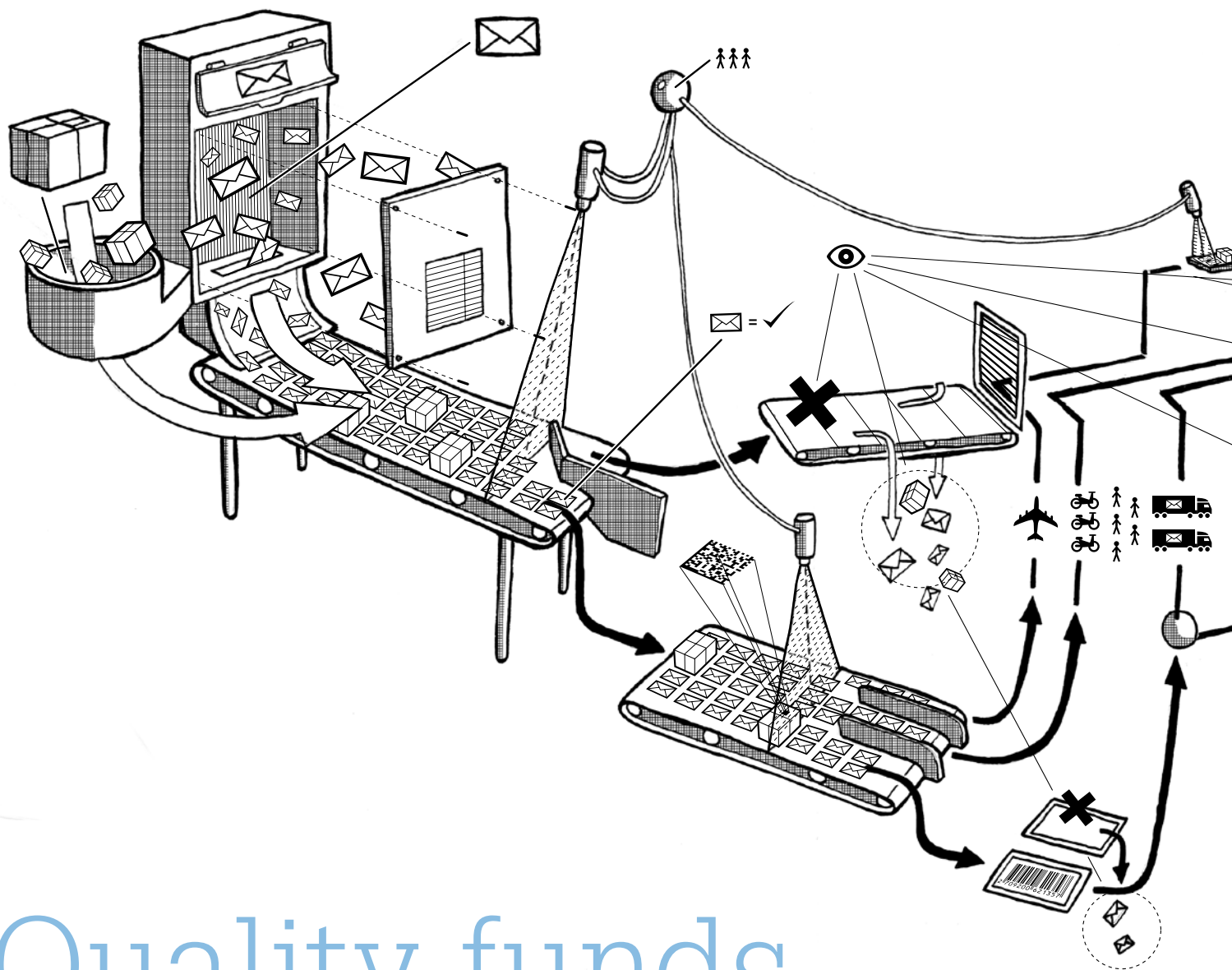
Névine El-Labban, of Egypt, deposits her country's ballot for the election of 40 member countries to the Council of Administration. That day, the director general of the International Bureau and his deputy were also elected by acclamation for a second term; elections were also held for the 40 member countries of the Postal Operations Council. Congress confirmed Kenya's chairmanship of the Council of Administration.

6 August 2008 – Next Congress... Doha

Qatar won the right to organize the 25th Universal Postal Congress in Doha in 2012. Once a Congress is finished, preparations for the next one start almost immediately as the logistics required to host more than 2,500 people over three weeks must be well planned and coordinated.

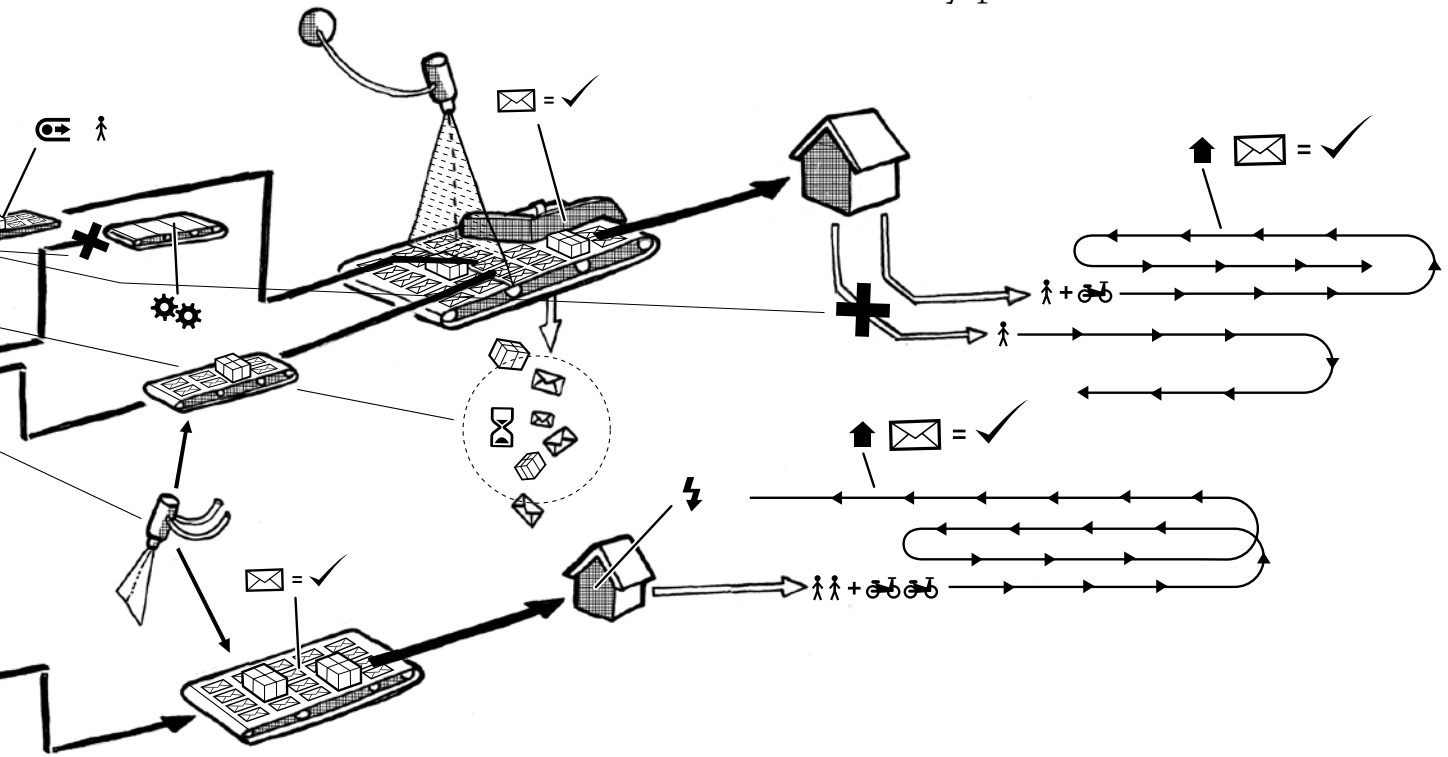
12 August 2008 – Official signatures

Ibrahim D. Nakande, Nigeria's minister of state for communications, signs the UPU Acts, as other members of his country's delegation look on. Meanwhile, Nobuyasu Abe, Japan's ambassador to Switzerland, signs the new Agreement on Postal Payment Services. On the last day of Congress, plenipotentiaries took their turns signing these two treaties, which regulate the international postal services and postal payment services provided by their countries' designated operators.



Quality funds

Originally due to operate until 2012, the Quality of Service Fund (QSF) has been extended to 2016. The assistance scheme, the only one of its kind in the UN system, has certainly proved its effectiveness.



In Kampala, Uganda, not so long ago, an entire day was still needed to transport inward mail from the airport to the nearest office of exchange. The delay that began with the conveyance of this international mail to its first destination was only made worse if the letters had to be delivered anywhere other than in the capital. Well aware of the problem, the Ugandan Post invested more than 40,000 USD in QSF funds to acquire a truck and 10 motorcycles. Since then, the delivery times for domestic and international mail have been reduced by one day (from J+2 to J+1).

Financed by a supplement in terminal dues payments, the QSF is used to carry out projects that can lead to measurable and sustainable improvements in quality. The Fund was launched in 2001, at a time when quality of service was taking on increasing importance for the UPU and the idea emerged of linking remuneration to the quality of service provided by the country delivering the mail. A very relevant question, given the decision by the last Congress to introduce a worldwide system for measuring quality of service by 2010.

By
Laurent Widmer

Illustration:
working-
classhero.ch

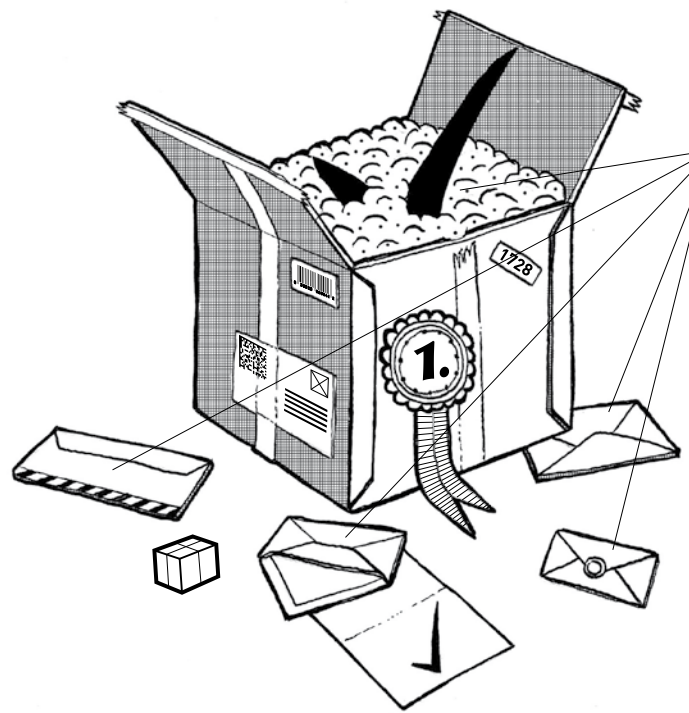
The QSF clearly has a place in the new Nairobi Postal Strategy, one of its aims being to improve the quality and efficiency of the international postal network. The QSF will continue to be an invaluable source of funding for activities in such areas as the interoperability, interconnection and integrity of networks, quality of service measurement, the security of items and the deployment of cost accounting systems, to name just a few.

Developing and least developed countries benefiting from the QSF are not waiting until then, however, to use their funds for improving mail transmission times and delivery quality. As Giandev Moteea, CEO of Mauritius Post, explains, "Without good quality of service, some countries might no longer want to pay terminal dues. As long as there is no control and no one behind urging them on, people sometimes don't feel the need to improve. We know that it is our money and we want to put it to good use."

Recognizing the best projects

Since 2007, completed projects that have undergone a formal evaluation are eligible for the QSF Award. The prize is awarded to Posts that have demonstrated outstanding performance in conducting their projects. The first eight countries to receive the award are:

Belarus	introduction by Belpochta of a quality service system based on international standard ISO 9000
El Salvador	reorganization of transport network
Fiji	conveyance of mail from office of exchange to main sorting office
Jordan	creation of a unit responsible for mail collection and delivery in the Amman region
Kenya	improvement of international mail circulation
Mozambique	reinforcement of basic operational capacities
Trinidad and Tobago	installation of community cluster boxes
Uganda	improvement of mail transmission from airport to offices of exchange and main post offices



Over 450 projects

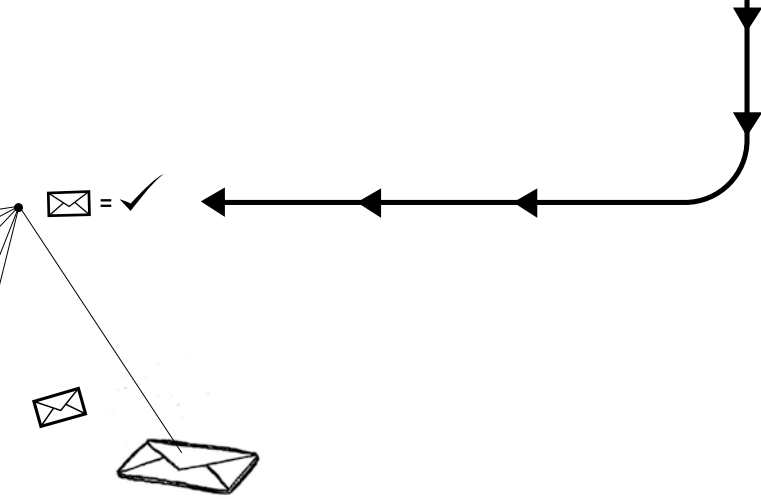
Since 2001, the QSF has financed more than 450 projects, totalling over 70 million USD. Most of the projects are aimed at identifying weak links in the mail processing chain and improving the speed, reliability and security of delivery. Pakistan Post, for example, purchased motorcycles for postmen who normally had done their rounds on foot or by bicycle. As a result, mail is now delivered every day in rural areas, instead of once or twice a week. The operator also acquired CCTV cameras for the main sorting centres and post offices, in response to complaints of theft.

The Niger Post purchased eight motor scooters to shorten mail delivery in the capital by one day and collect mail from letter boxes twice a day instead of only once. For Hassoumi Saley, its director general, "the overall concern is to reduce transmission times, and the QSF gives us the means to make improvements."

Other projects seek to increase customer satisfaction by improving access to service and how inquiries and requests for information are handled.

Benin has just opened a domestic quality monitoring centre that provides heads of units with all the statistical data they need for developing their particular sphere of activity. Parfait Agblondon, director of production at Benin Post, says "when an enterprise receives money, it tends to invest it in operations. It should also be invested in measures to increase speed and reliability. We can invest QSF money in quality of service on the basis of the problems that we ourselves have identified."

The QSF provides beneficiary countries with funds in proportion to their inward mail traffic. For some countries, these sums can be substantial (in 2007, one country received more than 750,000 USD and five others received between 500,000 and 750,000 USD). For other



countries, these amounts can be quite low (43 countries received sums of 10,000 USD or less). Nevertheless, nearly all countries that have accumulated funds have submitted at least one project since 2001. At 31 December 2007, only five countries had not yet submitted any QSF project proposal, and more than 60 million USD overall remained to be spent. Since projects often differ very little from one country to the next, the QSF secretariat publishes a list of standard projects for beneficiary countries to consult as they see fit. Training is also provided to explain how operators can make use of their QSF resources. Besides national projects, the QSF also finances regional and global projects. For Sommanogo Koutou, the current chairman of the QSF Board of Trustees, this approach makes perfect sense. "Postal services are connected in a chain-like fashion. If there is poor quality anywhere along that chain, then the entire process suffers. Problems must be viewed at national, regional and even worldwide level. The project to develop road transport in West Africa to reduce surface mail transmission times is a good example of regional development. If this project succeeds, there will be tangible improvements in delivery throughout the region."

A group of countries can therefore commission a restricted union to carry out a project, as is now the case with the Asia Pacific Postal Union which is overseeing a regional project to improve the international postal system of island countries.

Improving quality in a meaningful way

Projects conducted under the QSF during its eight years of operation have had a considerable impact on efforts by more than 150 postal operators to improve the quality of their service, making the fund an indispensable component of the UPU's development cooperation system.

According to Denise Vreuls, QSF project manager at the International Bureau, "in most cases, an assessment of project results shows regular, and sometimes significant, improvement in the quality of services provided by the different postal operators concerned." As regards mail forwarding and transport, these projects have most often resulted in a reduction in domestic delivery times of one to two days. Projects involving mail sorting have helped operators to increase productivity and reduce mail processing times to one day at most. Projects to improve delivery, mainly by installing letter boxes in remote rural areas or equipping postmen with bicycles or motorcycles, have proved successful, to the point where operators can now even offer home delivery. "Nevertheless, it's not easy to evaluate the results of QSF projects in terms of global improvements," Denise Vreuls goes on to say. "All the same, these projects have made notable progress possible on a domestic level, and that they will certainly have a positive direct effect on the quality of international mail."

Link maintained

In extending the QSF, Congress decided that projects would continue to focus on improving quality of service for inward international letter post items subject to terminal dues. It also decided to have elections held from 2010 to choose new members of the Board of Trustees, the managing body that approves the projects. Nine countries are currently represented on the Board. In addition, it was agreed that the *raison d'être* of the QSF, i.e. the link between quality of service and terminal dues, should be maintained. A new terminal dues system will come into effect in 2010, with new supplement percentages and an additional group for the classification of countries. And beneficiary countries will be guaranteed revenues of at least 20,000 USD per year, thus enabling countries with low mail volumes to improve their quality of service with QSF funds as well.

Strategies and barriers to innovation

.....

In a study conducted in early 2008 among 12 major postal operators across the globe, from industrialized and developing countries, *Ecole polytechnique fédérale de Lausanne* sought to better understand where the potential for innovation lies and what generic strategies operators could adopt. Kristian Sund explains.

.....

**By
Kristian Sund**

It is an adage these days that innovation is the key to success in the “new” competitive postal sector. Almost every industry event in the past few years has focused on innovation and the role of technology in driving growth for the sector. Industry suppliers have been keen to introduce modern technologies into the process, such as in sorting centres. More and more operators are recognizing the need to reach and serve their customers more effectively.

Potential for innovation

One of the key trends affecting the postal sector is changing customer demands. Not surprisingly, over 90% of survey respondents indicated customer service as an

area with many opportunities for innovation. New services as well as promotion and marketing were also identified as areas with great potential. Changing customer demands thus represent both a challenge and a source of opportunity for operators. But the ability to acquire, serve and retain customers does not necessarily come naturally and may, in some cases, require profound changes.

Operators are increasingly recognizing that creative staff members are key to becoming innovative. Unfortunately, in developed countries, the postal sector has to cope with its relatively poor image as a place of employment. Furthermore, some operators have not yet managed to create a culture of innovation. In our survey, 50% of respondents said they strongly agreed with the statement that “people in the organization are penalized for new ideas that do not work”.

Not surprisingly, the survey revealed that difficulty in attracting skilled and creative workers is one of the main barriers to innovation in the postal sector. Furthermore, the traditional model of employment, with many hierarchical levels and lifetime employment, is no longer compatible with the current job market. Success in the marketplace depends largely on the organization’s ability to adapt to changing environments, and this adaptation is made possible by the organization’s members. Operators must not only seek out and encourage creative employees, but also update their skill sets through training, particularly creativity and soft skills training. At Google, for example, engineers can spend 20% of their

time freely pursuing their own ideas. As one employee wrote on his blog: "It is a well-known part of our philosophy here... Engineers can use the time to develop something new, or fix something that's broken."

Strategy and innovation

In a changing environment, organizations need to strike the right balance between exploiting competitive advantages (for example through optimizing existing processes) and exploring new markets, products and services. It is this exploration that requires innovation within the organization. Management researchers have observed large variations in the strategies and levels of innovation adopted by firms within the same industry. Not every strategy will necessarily be successful, but it is possible to adopt different positions within the same industry. Some firms are more innovation-oriented, others less so. Some compete on price, others on quality, and so forth. One way of categorizing innovation strategies is by looking at a firm's level of innovation and the link between that innovation and the market.

Market or customer orientation can be defined as a firm's ability to understand and serve its customers' needs. Some firms exhibit low innovation and market orientation. This is the so-called *isolate* strategy. Such firms typically remain focused on themselves, seeking operational efficiency and short-term profit. Little new product development takes place.

The *follow* strategy relates to a firm that has a low innovation, but high market orientation. Customers drive innovation. It is a direct response to their demands and usually aims to improve existing products and services.

Some firms choose to be highly innovative, but are not necessarily market-oriented. This *shape* strategy results

in innovation shaping markets. Such firms tend to create new customer needs, rather than respond to those of current customers.

Some firms manage to focus on both innovation and market development, resulting in an *interact* strategy. In this case, the firm typically works closely and proactively with its customers to develop new products and services.

According to our survey, all strategic types seem to be represented in the postal sector. In general, empirical studies from other industries suggest that, in a stable environment, the *isolate* and *follow* strategies may yield superior performance, while in a more dynamic environment, the *shape* and *interact* strategies give better results. The survey showed that, with one exception, Posts pursuing either a *shape* or *interact* strategy also showed the best performances. We might conclude that, in the postal sector, these are the best strategies to adopt. Nevertheless, the particular context of each Post might be different and there are variables other than rate of change to consider when choosing a particular strategy.

The future will tell

Posts are not innovative? On the contrary, our research found that postal organizations are increasingly embracing innovation as a way to create new competitive advantages. Given the enormous changes affecting the sector, many operators are naturally taking steps to innovate. Nevertheless, some operators are still adopting defensive strategies, trying to protect their markets. The future will tell us which strategies will prevail in this new postal sector.



.....
Kristian J. Sund, PhD is a senior research associate at the College of Management of Technology of the Ecole polytechnique fédérale de Lausanne and managing director of the executive master in postal leadership programme. Complete results of the research reported in this paper can be downloaded at <http://postal-leadership.epfl.ch>

.....
Ambassador Bishar Hussein, of Kenya, and Dr Andreas Taprantzis, chief executive officer of the Hellenic Post (ELTA), will respectively chair the UPU's next Council of Administration (CA) and Postal Operations Council (POC), which will hold their first sessions following the 24th Universal Postal Congress at the end of October and beginning of November.



Dual purpose



.....
By
Laurent Widmer

Congress confirmed Ambassador Hussein's nomination by Kenya, following a UPU proposal in February that the country should chair the next CA. Dr Taprantzis was elected during Congress by the member countries themselves elected to the new Postal Operations Council.

The CA's 41 member countries manage the UPU's work between Congresses (the next one is in Doha, Qatar, in 2012), supervise its activities and study regulatory, administrative, legislative and legal issues. The CA also approves the Union's biennial budget and its accounts.

With 40 member countries, the POC deals with technical and operational issues. It promotes the introduction of new postal products and makes recommendations concerning standards for technological, operational or other processes. Above all, the Council aims to help postal services to modernize and upgrade their postal products.

Both new chairmen bring a wealth of experience to the UPU. Before joining his country's diplomatic corps, Ambassador Hussein was postmaster general of Postal Corporation of Kenya between 1999 and 2001. Dr Taprantzis joined the Greek Post in 2001 and was successively promoted to various positions before becoming its CEO in 2005.

Union Postale asked them to share their thoughts on the work facing the UPU over the next four years.

What are your impressions of this most recent UPU Congress?

Bishar Hussein (BH) The 24th UPU Congress was very successful. In addition to being attended by more than 2,500 participants from 180 countries, including the vice-president of Ecuador, Kenya's deputy prime minister and minister for local government, and 70 other ministers responsible for posts and communications, the Congress approved more than 300 proposals, including 60 resolutions, within its scheduled timeframe. I consider this a remarkable success.

The event was also historic because it was a Congress for Africa with an African flavour, despite the change of venue from Nairobi to Geneva. Kenya is delighted to have chaired Congress, that the world postal strategy has retained the name Nairobi, and that the name of our capital was also given to the new international reply coupon (see article on page 4).

Having chaired the Congress, Kenya will now lead the 2009–2012 Council of Administration. The country will also host the 2010 UPU Strategy Conference. These roles are very significant for Kenya and the African continent at large.

Andreas Taprantzis (AT) It was indeed a successful Congress. I feel a new wind is blowing over the UPU. There was very strong interest from all stakeholders, and the decisions made will certainly guarantee a better future for the postal industry. The approval of a new world postal strategy and new UPU reform plan are very important for the future of both the Union and the postal industry worldwide.

What do you see as the challenges for the next CA and POC?

BH Postal organizations worldwide face many challenges. Nonetheless, the implementation of the Nairobi Postal Strategy will be a major challenge for the UPU members during this next cycle. The strategy is the roadmap for the development of postal services and focuses on four objectives and 18 projects, all of which will enhance the quality of postal services worldwide. The UPU members must embrace this strategy and implement it in their respective countries in order for the international postal service to achieve the required standards.

The Council of Administration will provide the technical support and the resources at its disposal to make sure member countries implement the strategy. Our success will only be determined by the success we achieve in implementing the Nairobi Postal Strategy.

AT The challenges were set during the Congress. The biggest is to successfully implement the Nairobi Postal Strategy, as Ambassador Hussein has said. In my view, all

four objectives are key to making the postal industry more effective and efficient in terms of interoperability and quality of service, but also in promoting the social and economic character of postal services. We must also focus on ongoing and new issues, such as fostering the universal postal service and the impact of postal services on the environment, which has become a major priority worldwide. We need to develop a plan for how we can best implement this ambitious strategy in order to deliver concrete results.

Ambassador Hussein, in what areas will you focus your efforts?

BH My main role is to ensure all Congress recommendations and proposals are implemented before the 2012 Doha Congress. I will also work closely with the chairman of the Postal Operations Council and the International Bureau to deal with matters of mutual interest to the two Councils.

I will place emphasis on the implementation of the Nairobi Postal Strategy by encouraging all UPU member countries and the restricted unions to ensure this is done. I also want to identify and strengthen the weak links in the international postal services.

One focus of the UPU is to use a regional approach to achieve the objectives of the world postal strategy. How do you see this approach unfolding?

BH The restricted unions can play a very important role in encouraging the member countries to adopt and implement the strategy. They should be able to organize seminars and conferences for their member countries to discuss and plan modalities of implementing the strategy. The International Bureau can also deal collectively with the member countries and provide the necessary support.



.....

“We must help developing countries fill the gaps that exist between them and industrialized countries in order to build a strong global network where all links are equally strong.”

Dr Taprantzis, during your campaign, you said you would encourage more senior participation in the POC. How will you do this?

AT We have an opportunity to make the POC more relevant to the top management of all postal operators and steer its work toward a more efficient, pragmatic and results-oriented direction. However, we need to develop a clear focus and realistic agenda in order to make the POC an attractive platform for top management involvement. Given the objectives of the new world postal strategy, we need to engage top-level management to implement the strategy and make effective decisions. That will improve the POC's and the UPU's efficiency in achieving the expected results. My target is to bring as many chief executive officers as possible to participate in POC sessions. Obviously they won't represent all UPU members, but in order to move towards that, we need to organize our work in such a way that it attracts top management involvement in key strategic

issues and objectives we want to promote in regions or globally. I'd like to give the POC a fresh perspective and focus by achieving concrete results at every session.

The worldwide postal sector is changing rapidly, especially with the opening up of markets. How can the UPU help its member countries meet such new challenges?

AT Customers are constantly asking for more innovative and adaptable services. The UPU and the POC must help designated operators to respond more effectively to these needs by adding value to their services and make cross-border mail services more attractive. Quality of service is critical for developing operators' competitiveness and ensuring their growth. Linking quality of service results with the compensation countries receive for processing incoming international mail is an important tool for bringing improvement, and we must continuously develop this tool. Many countries have enjoyed the benefits of quality measure-

ment tools, and this expertise should be shared with as many other countries as possible. As markets open up and more operators come on board, the application of common international standards also becomes important to ensure the efficient exchange and processing of cross-border mail. We must help developing countries fill the gaps that exist between them and industrialized countries in order to build a strong global network where all links are equally strong. We must promote more cooperation and development initiatives, and make optimal use of the Quality of Service Fund.

There are great challenges ahead, and I firmly believe that the UPU is the only international organization and platform capable of dealing with such issues globally. As an intergovernmental organization, all stakeholders participate, including postal operators, governments, private sector stakeholders and regulators. It is self-evident that we need to upgrade the role of this truly global postal



organization and instil a new perspective and vision.

What role do you see for new technologies in the development of postal services?

AT New technologies are catalysts for the development of postal services and add value to existing ones. On the one hand, they have had a negative impact on physical mail volumes. But on the other, they also provide huge opportunities for the postal sector, including the development of e-commerce, an industry that needs the postal sector's collaboration in terms of meeting the needs for physical delivery. We also have the capability to build new information-based services based on track and trace. So we need to focus our efforts on how new technologies can create opportunities for the postal sector and its customers. Electronic postal financial services, which are strongly linked to the future of the postal retail networks, are also feasible due to new technologies. At the same time, we can use new

technologies to reduce the digital gap, especially in developing countries. It is important to use such technologies to overcome problems we have with basic infrastructures. This is important for both developing and developed countries.

How will you both ensure an effective working relationship between the CA and the POC, but also with the Consultative Committee and the International Bureau?

BH In the UPU structure, there is a coordination committee responsible for looking into all areas of common interest to the bodies of the Union. We will work closely together to ensure that the interests of all stakeholders are addressed.

AT As Ambassador Hussein has said, there is a structured process designed to ensure an effective collaboration between these bodies. We also need some time to study the Congress resolutions for the distribution of powers and work among the UPU bodies. But

what is far more important than the processes are the people and their determination to contribute and succeed. I am confident we already have the proper "chemistry" that will drive the progress and accomplishment of our work.

What do you expect from the International Bureau as you undertake your new duties?

AT The International Bureau has the right people, the accumulated experience, the knowledge and the professionalism to support our work. I expect only great teamwork and an efficient cooperation with its management and key executives. In fact, I very much look forward to that.

BH The International Bureau has always provided professional and technical advice in the management of the affairs of the Union. I look forward to their continued support and cooperation.

Market focus

Japan and France to cooperate

French operator La Poste and its Japanese counterpart Japan Post Service have signed a new three-year cooperation agreement, covering business parcel mail between Japan and Europe, deployment of logistical solutions and a new development plan for express mail. Other

areas of cooperation will include information-sharing, joint studies on sustainable development, and regular exchanges of information on major UPU issues such as changing international regulations.

Source: La Poste press release

New addresses for South Africa

The past three years have seen the creation of 5.7 million new postal addresses, according to the South African Post Office. This is the result of a project aimed at providing formal addresses to thousands of South Africans, enabling them to benefit for the first time from a host of public and commercial services from which they were previously excluded. Two thirds of the new addresses (3.76 million) are in rural areas, with the remaining 1.94 million in towns and cities. The country now has a total of 12.5 million addresses. In the face of a multiplicity of address identifiers, illogical numbering, incomplete data and general confusion, SAPO designed a household identification structure which was simple to implement and manage, standardized and simple enough to be used by public services and other service providers, and by the general public. A six-digit postcode is used. Rural address allocation includes registering villages within areas, identifying sections and dwellings in villages, customer details (head of each dwelling, etc.), and postal data (local post office, delivery round and postcode).

Source: South African Press Association

Stamps via your mobile phone

German postal customers can now buy postage with their mobile phone. Deutsche Post's new HANDYPORTO service offers senders a convenient way to pay for postage at any hour of the day or night, without the need for a stamp. Users simply send a text message with the word "Brief" (letter) or "Karte" (postcard) to 22122, or make a voice call to the same number. Within seconds, they will receive a 12-digit code which they simply write onto the envelope or postcard to show that the postage has been paid. This

service has been available on a trial basis since 15 August, in conjunction with mobile operators T-Mobile and Vodafone. No registration is required. This innovative service is designed to meet the needs of customers who are increasingly mobile. On top of the HANDYPORTO postage charge users have to pay the standard cost of the SMS or voice call; the total amount is added to the user's phone bill.

Source: Press release, DPWN

Market focus

Brazilian reliability

For the seventh year in a row, Correios, the Brazilian postal operator, was named the most reliable business in Brazil in the *Reader's Digest* "Trusted brands 2008" survey. The business earned an 86% approval rating in the "organizations" category, ahead of the Brazilian Central Bank (70%) and the country's armed forces (64%).

The aim of the survey is to gauge Brazilians' trust in brands, institutions and professions. The Brazilian Post was also the top-ranking postal administration, and the second-highest logistics business, in *Forbes* magazine's "Reputation Institute Global 200".

Source: Press release, Empresa Brasileira dos Correios

Mobile money transfers

According to forecasts by Juniper Research, money transfer and remittance services based on mobile phone technology will be earning service providers more than 5 billion USD a year by 2013. This new form of money transfer, due to be rolled out from 2010 onwards, holds enormous potential for phone operators. The study shows in particular how mobile money transfers will enable "underbanked" populations and migrant workers to make remittances, using their mobile phone as an electronic wallet. The report says prospects are excellent in both industrialized and developing countries, with transactions of this kind set to increase tenfold between 2009 and 2013.

Source: Public Technology

Royal Mail on target

According to Royal Mail's quality of service report for the spring quarter of 2008, over 90% of mail met or exceeded delivery targets. The UK operator's Mailsort and Presstream bulk mail services beat their targets, as did all categories of second class mail, along with standard parcels and first and second class "postage paid impression" mail. The report

showed that 91.9% of priority domestic mail arrived the next working day after posting, while 98.7% of economy mail arrived within three working days. And according to the very latest figures, first class mail too beat its target of 93% in July.

Source: Royal Mail Group press release



Respect the planet by choosing materials that comply with the rules of an Environment Management System (ISO 14001 certified).

Be more competitive.



Photo Graphic Obsession

S O L Y S T I C , A 6 0 Y E A R P A R T N E R O F T H E P O S T A L S E R V I C E S .

The liberalization of the postal market makes the volume to be processed by every operator smaller. Because of this market dynamics, SOLYSTIC is proposing to its customers a full range of services and high throughput mail processing equipment.

Selecting the SOLYSTIC solutions it is to rely on the skills of a main supplier and therefore to be more and more competitive.

www.solystic.com



SOLYSTIC
a **NORTHROP GRUMMAN** company

Future postal solutions

bb&b



Mail Daters and Mail Roller Dater

1 Mail Daters Type 26 and 242

Standard head
diameters:
30 and 35 mm Ø
Figure size: 3 mm
Various date
configurations

2 Ink Pad for Mail Daters Type 123

Plastic case with
removable cover,
135 mm Ø

3 Dater D28c with Textplate

Date in figures,
full year, stylo set.
Figure size: 3 mm
Textplate
of steel: 29 mm Ø

4 Mail Roller Dater Type 130

Figure size: 3 mm
Diameter of
Roller: 26 mm Ø
Diameter of
postmark: 29 mm Ø max.

REINER