

UNION POSTALE

Moving the postal sector
forward since 1875

December N°2/18



UPU | UNIVERSAL
POSTAL
UNION

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Together with the World Customs Organization (WCO), and with the support of the Postal Union of the Americas, Spain and Portugal (PUASP), Correo Uruguayo and Uruguayan Customs, the UPU organized a joint Customs-Post Workshop for Latin America aimed at enhancing cooperation between postal operators and Customs agencies.

UNION POSTALE

UNION POSTALE is the Universal Postal Union's flagship magazine, founded in 1875. It is published quarterly in seven languages and takes a closer look at UPU activities, featuring international news and developments from the postal sector.

The magazine regularly publishes well researched articles on topical issues facing the industry, as well as interviews with the sector's leading individuals. It is distributed widely to the UPU's 192 member countries, including thousands of decision-makers from governments and Posts, as well as other postal stakeholders. All regard it as an important source of information about the UPU and the postal sector at large.

UNION POSTALE is also published in French, Arabic, Chinese, German, Russian and Spanish.

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10 REASONS WHY THE UPU EXISTS

#1 GUARANTEEING THE SINGLE POSTAL TERRITORY

The UPU's 192 member countries and the postal networks they administer make up the world's largest distribution network. Freedom of transit for postal items is guaranteed within the single territory, and UPU members agree to respect the rules for international mail exchanges.

#2 LINKING NETWORKS

The interconnection of postal networks is crucial to the effective operation of international postal services. The UPU plays a major role in standardization and the creation of technical solutions to exchange electronic data, payments and other information.

#3 IMPROVING QUALITY OF SERVICE

Without quality of service, it is impossible to develop markets and gain customers' trust. The UPU has developed a number of systems, solutions and capacity-building initiatives to help Posts improve their quality of service.

#4 DRIVING SOCIO-ECONOMIC DEVELOPMENT

The postal network is a motor driving a country's economy, facilitating hundreds of millions of physical, electronic and financial transactions all over the world each day. The UPU assists its member countries in introducing or developing inclusive and sustainable financial services.

#5 FACILITATING TRADE

With globalization and the growth of e-commerce, Posts are ideal partners in facilitating trade – particularly for micro-, small and medium enterprises (MSMEs). The UPU provides a legal, regulatory, and technical framework to support the development of MSMEs through the postal infrastructure.

#6 IMPROVING ACCESS TO POSTAL SERVICES

The concept of universal postal service is fundamental for the UPU. The right to quality basic postal services, covering a country's entire territory and at an affordable price, matters now more than ever. Through workshops and expert missions, the UPU is helping countries define the universal postal service and introduce a regulatory framework for the sector.

#7 WORKING TO REFORM THE SECTOR

Postal sector reform remains a major priority for development cooperation. The UPU works in many areas to offer countries structured assistance with reforms, raising the profile of postal reform among international financial institutions; facilitating the exchange of best practices; and developing guides for the monitoring, support and assessment of reform.

#8 DEVELOPING MARKETS

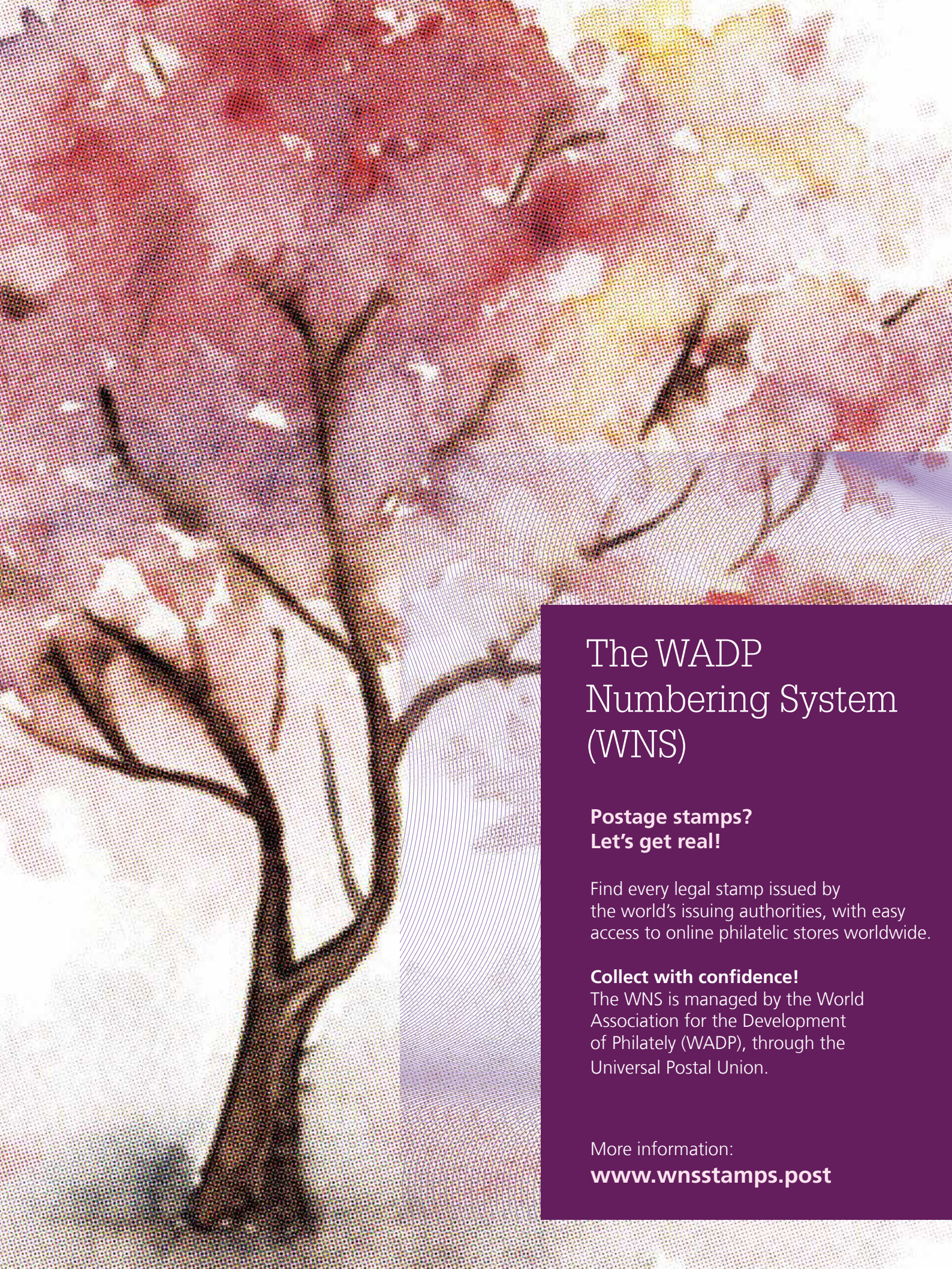
The postal market is changing rapidly as it adapts to the opening up of competition and technological advances. The UPU analyzes these changes, and publishes economic and other studies to ensure that member countries and the main sector players have a clear vision of regional and global trends, and identify the factors helping or hindering the development of postal services.

#9 SUPPORTING SUSTAINABLE DEVELOPMENT

A deeply woven part of their countries' socio-economic fabric, postal services play their role in sustainable development for both the sector and the planet. The UPU supports postal operators in their efforts to incorporate sustainable development into their activities.

#10 COORDINATING WITH INTERNATIONAL PARTNERS

As an intergovernmental organization and specialized agency of the United Nations, the UPU is the only body representing and negotiating on behalf of the postal sector in its entirety. The UPU responds to a number of global issues in cooperation with other specialized institutions.



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“ There can be no doubt now that the UPU’s reform is the postal sector’s reform, but if the UPU is to be effective and efficient – the very heartbeat of the industry – we also need your continuing help. ”

UPU Extraordinary Congress: signed, sealed, delivered!

After five days of intense discussions and decisions in Ethiopia, I believe the Universal Postal Union has emerged with a renewed sense of its role and responsibility. Our discussions, held against the inspiring backdrop of the African Union’s Nelson Mandela Hall, have helped reinvigorate an industry that has toiled over rough terrain in recent years but continues to deliver successfully to its billions of customers.

I was conscious throughout the week that the discussion of subjects left over from the Istanbul Congress in 2016 could be viewed as UPU housekeeping; however, I was heartened by the passion of delegates and their wisdom. All of the delegations seemed to realize instinctively that discussions on the health of this organization were linked to the overall hardiness of the international postal sector. The two are indivisible in so many ways.

Changes to election procedures and the provision of adequate regional representation are good examples of decisions that will have far-reaching effects. The UPU will now have nimbler procedures and a more integrated portfolio of services to better serve the industry. Resolution of the difficult question of the UPU Provident Scheme is now also in its final stages. The UPU gained forward momentum on the contribution system, and we seem to be moving towards an ultimate solution on this issue in 2020.

I was also moved by the agreement on Small Island Developing States (SIDS) – one of the most important decisions ever taken by a Congress. This landmark decision will reduce the contributions provided by SIDS, allowing them to be fully involved in UPU decision making. It has long worried me that countries with populations under 200,000 were struggling to pay their membership dues and risked losing their voice. SIDS have found their voice thanks to the Addis Ababa decision, and I look forward to it being heard at future Congresses.

For all these reasons, I believe that the Extraordinary Congress was a huge success, thanks in large part to the hard work of the Ethiopian Post and the Ministry of Communication and Information Technology. There can be no doubt now that the UPU’s reform is the postal sector’s reform, but if the UPU is to be effective and efficient – the very heartbeat of the industry – we also need your continuing help.

Bishar A. Hussein, Director General,
Universal Postal Union



EDITOR'S NOTE

KEEPING THE MOMENTUM

With our last issue of UNION POSTALE, we gave you a peek into the discussions to come at the Extraordinary Congress in Addis Ababa. This time, we have the pleasure of sharing its results.

From our cover story, our readers will glean the key achievements of the five-day meeting, which saw our Union move ahead on key topics related to the sustainability of the UPU and the postal sector. Other features within the pages of this issue will give readers a glimpse into some of the Congress' side events, including the Ministerial Strategy Conference and an awards ceremony celebrating the first Posts to participate in the UPU's new security certification programme.

This issue also provides us with the opportunity to share an update on the state of the sector, based on the UPU's latest postal statistics.

We hope you enjoy it.

Kayla Redstone, Editor-in-chief



Workshop participants visit Kazpost

UPU provides Posts with map for their journey along the digital Silk Road

TEXT: David Dadge

More than 800 years ago, the Italian merchant and explorer Marco Polo trekked through central Asia on his way to China.

He recorded his experiences in his Book of the Marvels of the World, highlighting the diverse trade between Asia and Europe.

If the great Italian explorer were alive today, he would recognize the movement of physical goods along the trade routes – the Silk Road – although fast moving trains and trucks have now replaced the long, winding caravans of horse-drawn wagons.

In the 21st century, a new route exists, one invisible to the naked eye and containing thousands of miles of cable. Due to the rise of the Internet and e-commerce, there is now a digital Silk Road encouraging new explorers.

Capitalizing on this new digital route, while continuing to leverage physical trade, is a primary concern of Central Asian countries and postal operators.

To help Posts play their role, the UPU has created a highly innovative new programme, designed to stimulate digital transformation and regional postal development.

This October, in Astana, Kazakhstan, the UPU brought together senior managers from the region's designated postal operators to discuss diversification and the postal sector's digital transformation.

The Astana meeting was the first phase of a three-phase programme. The second phase will measure progress, leading to a final phase in 2020 to evaluate the programme's overall success. Similar programmes have been launched in the Arab region, the Commonwealth of Independent States, and the Caribbean.

These programmes form part of the UPU's overall global work, and are designed to facilitate the business diversification and digital transformation of Posts. When viewed collectively, the regional programmes are raising awareness among Posts about the UPU's central role in enabling the postal sector.

Each participating operator receives direct assistance from a consultant, and is provided with case studies and reference information. To enhance postal operations, a basic mobile application is offered where necessary. The starter kit works at the 2G level and offers digital connectivity and an e-commerce platform.

“The UPU's role is to encourage the digital transformation and diversification of Posts, so they are in the best possible position to take advantage of e-commerce and fully contribute to their country's economy,”

Each operator receives a standard rollout of e-services, regulations and standards, as well as training on how to improve services through these advances.

In Astana, senior representatives of postal operators shared information and experiences and conducted a needs assessment.

The programme will empower senior postal executives and provide them with the necessary tools to transform and diversify their Posts.

Self-assessment also stimulates Posts to take the next steps in their digital transformation.

“The UPU's role is to encourage the digital transformation and diversification of Posts, so they are in the best possible position to take advantage of e-commerce and fully contribute to their country's economy,” said Paul Donohoe, UPU Programme Manager for Digital Economy, E-Commerce and Trade. **DD**

UPDATE ON THE UNITED STATES OF AMERICA'S DECISION TO WITHDRAW FROM THE UPU

In a letter received on October 17, 2018, the Government of the United States of America informed UPU Director General Bishar A. Hussein of the country's decision to withdraw its membership to the Union. The withdrawal will be effective one year after the date of receipt.

Mr Hussein expressed his regret over the decision, noting that, "The UPU remains committed to attainment of the noble aims of international collaboration by working with all its 192 member countries to ensure that the treaty best serves everyone."

The Director General noted that the concerns underpinning the United States of America's decision have also been voiced by other member countries and that the UPU has been working towards addressing them in time for the 2020 Congress.

"The UPU remains committed to attainment of the noble aims of international collaboration by working with all its 192 member countries to ensure that the treaty best serves everyone."

For his part, Deputy Director General Pascal Clivaz expressed optimism that a solution could be reached to reverse the decision: "The decision of the United States of America to withdraw from the UPU treaties is a serious one, but I believe, with the support of other members, we can resolve the matter amicably."

During the October 2018 meetings of the UPU's Council of Administration (CA), members took a decision to fast-track discussions with a view to finding solutions to be presented to the April 2019 CA session.

Inclusive capacity building with Trainpost

TEXT: Pooran Parampath, *Training Expert, UPU*

Having one of the most labour-intensive operations in the world means that the Post must promote the development of its staff to turn this heavy reliance on human resources into an asset for the sector.

Posts have long recognized this need, and there are many initiatives geared towards capacity building at the national level. The UPU has undertaken various human resource development projects to complement these efforts. One such example is its online distance-learning solution, known as Trainpost, which offers online training courses for the benefit of postal staff.

Building capacity

The UPU's Development Cooperation Directorate launched Trainpost in 2004 as a means to share training techniques with managers in postal operators. Since then, Trainpost has developed into a full-fledged distance-learning platform, offering free modular courses on a range of topics, including postal reform and regulation, postal products, financial services, management of postal operations, postal technologies, and human resource management techniques.

The UPU's development cooperation strategy emphasizes the importance of capacity building across the global postal network. Under that strategy, the UPU carries out a number of training activities in the regions, including organizing train-the-trainer workshops, lending support to

regional and national training centres, and funding fellowships for staff in developing countries to attend UPU workshops.

Trainpost is a key tool of that development cooperation strategy and complements the on-the-ground work, allowing for more cost-effective and wider-reaching training. Learners can overcome geographical boundaries with just an Internet connection.

Indeed, the figures show that Trainpost's reach is truly global. Some 19,000 postal staff in 190 countries have used the tool to further their professional development, amounting to more than 420,000 study hours. The Arab region, followed by Africa, have the highest participation rates on the platform.

The platform has equalized the training experience across all regions, regardless of level of development, by allowing the staff of operators that cannot afford costly classroom sessions to benefit from the same content. Postal operators and regulators in some regions have even linked Trainpost to their performance appraisal system.

Going digital

In an effort to streamline the Trainpost certification process for the benefit of global learners, the UPU recently introduced automated digital certification on the platform. This will ensure that learners receive their certificates as soon as they have successfully completed each course and will allow the UPU training team to dedicate more time to learner support.

Learners can access digital certificates for courses completed from January 2018 onwards by logging into their Trainpost account and clicking on the notification message alerting them that their certificate is ready.

In the future, the UPU hopes to move toward a fully immersive digital learning experience, with plans to offer online tutoring, multimedia support and a user-friendly discussion platform. **PP**

To access Trainpost, visit upu-trainpost.com. For more information, please write to us at UPU.Trainpost@upu.int.

Testimonial: Emirates Post learner

Emirates Post employee Sayedul Hoque Mohammad Jahangir achieved the highest scores for the most Trainpost courses in 2017, achieving certificates in Cost Accounting, Dangerous Goods and Lithium Batteries, Philately, and Postal Financial Services. Mr. Jahangir, who has worked in the Post's operations for 16 years, shared his experience using Trainpost with UNION POSTALE.

What made you interested in Trainpost?

Currently, I work in distribution. I also have experience in handling registered mail and EMS items, sorting post, sealing international mailbags and data entry. When I found out about Trainpost, I realized its courses would be helpful to my job. My supervisor also recommended that I take them.

How do Trainpost courses help you in your daily work?

I have learned so many things on Trainpost, especially about EMS. These courses are very helpful to my job.

How did you prepare for the tests?

These tests require some preparation time. I would first read the slides at my office after work. Then, after completing a module, I would download all the necessary materials and bring them home to study and revise.

Are you planning to take more courses in the future?

In my opinion, Trainpost courses are very useful and I would certainly like to take more in 2019.

What would you like to say to encourage other Trainpost learners?

I would say that if you are working in the postal industry, you must try the Trainpost courses because they are very helpful. The information you learn can help you to perform your job better. All the courses are well designed and make learning easy. **OM**





Countries forge



spirit of solidarity



The UPU's second-ever Extraordinary Congress in Addis Ababa proved to be a pivotal moment for moving the organization forward on several fronts.

TEXT: Kayla Redstone

Speaking to journalists during an opening press conference, UPU Director General Bishar A. Hussein underscored the Union's value as a multilateral organization capable of bringing together 192 different postal networks.

"No matter how much technology progresses, if you order goods from China or eBay, the technology cannot deliver that mail to its recipients. Someone still needs to physically do that, and that is the UPU's invaluable experience," stressed Mr Hussein.

"We, the UPU, are the engine, so we have to be efficient and structured so that the postal sector at large not only continues to exist, but also develops and improves for its customers," he added.

The Director General's words highlighted an overarching theme of the Extraordinary Congress: solidarity, which is the only way to move ahead on issues so critical to the future of the Union and the Post. Delegates from the governments, regulators and postal operators of 141 of the UPU's member countries travelled to the September meeting to carry on discussions regarding reform of the UPU, the Integrated Product Plan and Integrated Remuneration Plan, reform of the UPU's contribution system, and the sustainability of its Provident Scheme.

Opening the Extraordinary Congress, then Ethiopian President Mulatu Teshome drew attention to the weight the decisions made in Addis Ababa would hold for the sector. “The agenda for Addis Ababa is one of the most important in the UPU’s long history and the Congress can lay the foundation for a better future for the global postal network,” said the President.

Ethiopian Minister of Communication and Information Technology Ubah Mohammed Hussien, who chaired the Extraordinary Congress, added that the meeting was “most crucial for the sustainability of the UPU and the future of the postal sector as a whole.”

After five intense days of meetings – many of which lasted late into the evening – members managed to find consensus on most of the topics, and decided a way forward for those that could not be wrapped up over the course of the week.

Reform breakthrough

The Extraordinary Congress managed to achieve consensus on one of the UPU’s longest-standing discussions: UPU reform.

The idea of organizational reform has already been under discussion in various forms for more than 40 years. The current structure of the UPU – comprising the Council of Administration (CA) as the governmental pillar of the UPU, and the Postal Operations Council (POC) as its operational pillar – was decided by the 1994 Congress, and each successive Congress has instructed the CA to study options for

“We, the UPU, are the engine ... so that the postal sector at large not only keeps existing, but also develops and improves for its customers”

restructuring the organization and improving its working methods. The CA brought forward a reform proposal to the 2016 Congress in Istanbul and, although member countries managed to make significant headway in implementing changes to the Union’s working principles,

they could not agree on the necessary structural changes. After two years of intense work, the UPU’s Ad Hoc Group on Reform, led by the People’s Republic of China, presented a new package of proposals focused on speedier decision making, improving the UPU’s efficiency and management of resources and instituting a system of qualified, equitable distribution of member countries on the UPU’s bodies, as well as enhancing the UPU’s role and relevance. Its recommendations were broadly adopted in Addis Ababa.

Ms Hongtao Gao, Deputy Director General, Department of External Affairs, at China’s State Post Bureau, who served as the topic leader on UPU reform, noted that those who undertook the work to build the proposals had “overcome differences in regions, countries and levels of development” to finally achieve consensus. Ms Gao added that the measures adopted would “contribute to improving the governance of the Union”.

Some of the decisions reaffirm the foundational aspects of the UPU, such as its role as an intergovernmental organization and UN specialized agency and the functional, but not legal, separation of its two working bodies. Others markedly

Q&A: **Hongtao Gao**, Deputy Director General, Department of External Affairs, State Post Bureau of China, topic leader, UPU reform



UNION POSTALE: Could you please explain all the work that has gone into the reform proposals since we last met in Istanbul?

Hongtao Gao: UPU reform was a very heavy responsibility. Thanks to the support of member countries, China was appointed to assume the chairmanship of the Ad Hoc Group on UPU Reform in 2016 during the Istanbul Congress. Ever since the ad hoc group was introduced, its 76 member countries and observers have made active contributions to the progress of its tasks. Four ad hoc group meetings were held, and one survey covering all the member countries was conducted. Then a smaller working team was organized to resolve the most challenging pending issues. The working team held three physical meetings in Berne before the CA session last October [2017] in order to deliver a consensus-based reform approach. This year, a special session was held in Shanghai, to finalize all the reform proposals and documents to be submitted to the Extraordinary Congress.



improve the electoral process, expanding membership to the POC to ensure that all regions are equitably represented in the Union's work between Congresses, as is already the case in the CA.

As a result, the POC will now have 48 seats rather than 40, with the additional seats divided between Africa, Southern Asia and Oceania, Eastern Europe and Northern Asia, and the Western Hemisphere. At least one third of the members of each geographical group will be renewed at each Congress to provide every member country with the possibility of being elected as a member of the POC.

Members also agreed to consider the need to introduce a permanent mid-term Congress, based on an assessment of the 2018 Extraordinary Congress. The CA will be responsible for creating a new task force to study the issue and prepare recommendations for the 2020 Congress.

Modernizing postal products

The Union also made significant progress toward modernizing postal products and their associated remuneration structures during the five-day Congress.

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

During the Istanbul Congress, member countries had already accepted the first phase of the IPP, which saw member countries adopt changes in the product portfolio that addressed a growing number of goods being shipped in the letter-post stream. This included reclassifying postal items by content and requiring the application of a standard barcode to all letter-post items containing goods.

The second phase built on this new categorization, proposing the reclassification of several other products and introducing an IPP implementation roadmap. The roadmap included a timeline for reviewing the menu of supplementary and add-on services, the mandatory exchange of electronic advance data (EAD)

“The POC will now have 48 seats rather than 40, with the additional seats divided among Africa, Southern Asia and Oceania, Eastern Europe and Northern Asia and the Western Hemisphere”

on postal items by 2021, and plans for reviewing the UPU's product portfolio on a more regular basis. Apart from a proposal to introduce a mandatory tracked service by 2020, all of the POC proposals were accepted by the Extraordinary Congress.

I have to say that an inclusive and transparent working methodology also contributed greatly to the success of this work because it helped our ad hoc group to reinforce trust among member countries, since consensus cannot happen without commitment to the right direction and trust among the different parties.

You managed to achieve consensus on every point. How would you describe the discussions that took place in Addis Ababa?

We can see that the discussions on the reform of the Union were conducted smoothly and that most of the reform proposals were adopted by consensus. I must say repeatedly that it was the joint efforts of all the member countries that led to consensus on every point. Although we [the ad hoc group] played our role, the decision was in the hands of the member countries. They showed their good faith to the Union and to China. I highly appreciate this spirit of cooperation.

Can you explain the importance that the decisions taken on reform will have on the future sustainability of the UPU?

I believe that the new structure will help to improve the functioning and efficiency of the decision-making processes of the Union bodies by involving more members in the operational pillar, by simplifying the election mechanism and reinforcing the authority of the governmental pillar on cross-cutting issues. All this will definitely contribute to improve the governance of the Union.

What I hope most is that the success of this structural reform can help boost trust and cooperation among member countries that will help lead to consensus on other very hot topics.

(Edited for length and clarity)

"I think these decisions are a sign of the global postal community's willingness to adapt to changes in the market, to the reduced mail volumes and the e-commerce boom on all continents," said Jean-Paul Forceville, Director of International and European Relations for La Poste France, who co-lead the discussions on the plan.

Based on the decisions taken, the POC will carry on developing the plan with a view to bringing recommendations on add-on and supplementary services and a new proposal on a mandatory tracked service to the 2020 Congress. It will also be responsible for carrying out the IPP's plan to ensure that all Posts are ready to implement the new EAD requirements by 2021 – a major achievement that will bring all Posts' operations in line with advance data legislation being implemented around the globe. To ensure that operators are ready, the POC will be responsible for overseeing the development of products, regulations and standards, and capacity-building activities to support and incentivize the uptake of EAD, as well as a plan to assess compliance. It will collaborate with the Quality of Service Fund for implementation support.



Integrating remuneration

Presented alongside the IPP was the Integrated Remuneration Plan (IRP). In addition to offering remuneration responses to product changes proposed by the IPP, the IRP sets out a roadmap for modernizing and rationalizing the complex set of systems currently used to compensate designated operators for processing and delivering inbound international postal items.

Though remuneration is a sensitive topic that generates healthy debate during each

Congress, it is also a prime example of multilateralism at work, as countries work together to find a compromise. This Extraordinary Congress was no different: after discussion and a working session outside of the meeting hall to amend a proposal on the implementation of the IRP, countries were able to agree on a compromise proposal.

The Extraordinary Congress adopted the IRP through Congress resolution C 6/2018, instructing the two UPU councils to carry out



Q&A: **Jean-Paul Forceville**, Director of International and European Relations, La Poste France, topic co-leader, IPP and IRP

UNION POSTALE: Can you explain the work that has gone into the IPP and IRP proposals since we last met in Istanbul?

Jean-Paul Forceville: Based on the instructions laid down by the Istanbul Congress, we worked with the standing groups and various task forces to develop proposals, which were adjusted by the Postal Operations Council and Council of Administration and then submitted to the Addis Ababa Congress. I believe there was a lot of listening to each other and shared views. I think the discussions helped us make good progress and bridge diverging views. We saw during the Congress in Addis Ababa that gaps had been bridged, and I think now, what was launched in Istanbul is really coming to fruition.

How would you describe the discussions carried out in Addis Ababa?

In my opinion, when the Congress delegates arrived, there was some tension. My role along with the Vice-Chair was to lower this tension and allow members to express themselves, debate and then guide them to



solutions and decisions, because solidarity is a key principle of Congress, and Congress does what it believes it needs to. After very thorough and responsible discussions, conducted in a spirit of mutual listening, we arrived at sound decisions, both on the product range and on deciding a way forward to propose a new remuneration system to the Abidjan Congress.

What impact will the decisions made here have on the UPU's future and the future of the Post?

I think that these decisions are a sign of the global postal community's willingness to adapt to changes in the market, to the reduced mail volumes and the e-commerce boom on all continents. The postal sector wants to be part of this revolution, so delegates reflected this willingness and took decisions to adjust the product range to this new environment and to develop competitive remuneration systems that enable Posts to serve everyone, which only Posts do.

(Edited for length and clarity)

studies and market impact analysis and hold regional and world round tables to seek input on proposals for an Integrated Remuneration System to be discussed by the 2020 Congress. Should the proposals be adopted by that Congress, the Union will already be able to implement a revamped remuneration system for the period of the Abidjan Acts (2022–2025).

Post Second Extraordinary Congress Update

At its 2018.2 session in October, the Council of Administration decided that a review of the rates of small packets (letter-post items containing goods) is urgently needed. In accordance with that decision, work on remuneration of small packets in both the POC and CA has been expedited, and implementation proposals will be brought to the POC and CA for approval at their 2019.1 session in April.

Burden lifted

Financial matters also captured their share of Congress's attention, with member countries deciding on proposals to reform the system applied to member countries' contributions and ensuring the sustainability of the UPU Provident Scheme.

Countries agreed that a new system of contributions would be required to secure the long-term sustainability and stability of the UPU, but ultimately could not reach a consensus on a fair model to achieve this. They therefore decided to defer their



Q&A: **Joseph Murphy**, Chief, International Postal Policy, U.S. Department of State, topic leader, sustainability of the UPU Provident Scheme

UNION POSTALE: **Can you explain the work that has gone into the UPU Provident Scheme proposals since we last met in Istanbul?**

Joseph Murphy: In Istanbul, the Congress made a decision to try to tackle the challenges facing the Provident Scheme. They directed the Council of Administration to bring a proposal back to this Congress to address the issue. The council established a task force that considered all the different issues and ways to make the Provident Scheme stable and sustainable. We settled on a number of initiatives after examining a variety of possibilities, and brought back some concrete recommendations to this Congress for ways that we could ensure that the employees of the International Bureau, who are busy working for all of us, can be assured that their pensions are secure. This Congress was eager to hear what we had to say and accepted our recommendations.

What were your impressions of the discussions that took place in Addis Ababa?

I was very impressed by statements that members made in support of the employees of the International Bureau, the renewal of their commitment to those employees and their determination to ensure that the promises that have been made to them will be kept.

In your view, what effect will the decisions made on the Provident Scheme at the second Extraordinary Congress have on the UPU's future?

It helps the staff have assurance for their future, which gives them peace of mind as they go on working on our behalf. That is certainly an important outcome. The Provident Scheme and its financial challenges – its undercapitalization – have been a worry for members and the Swiss auditors for a number of years. For us to ensure the viability of the Scheme, we need to shore up its finances, and that means finding a way to make the members' guarantee to the Provident Scheme both affordable and credible. The actions that we took at this Congress do that – they make our guarantee affordable to the members, but they also make it credible so that the Provident Scheme and its members have assurance that our guarantee actually means something.

(Edited for length and clarity)

decision to the 2020 Congress. Between now and then, a task force will continue to study possible models, potential sources of revenue for the UPU, and a way to recover outstanding membership payments.

However, in a show of solidarity, member countries did agree to lift the disproportionate financial burden imposed on small island developing states (SIDS), some of which are under sanctions, meaning that they cannot participate in the UPU's work.

Bearing this in mind, members decided to introduce an additional contribution class reserved for countries recognized by the UN

“The IRP sets out a roadmap for modernizing and rationalizing the complex set of systems currently used to compensate designated operators for processing and delivering inbound international postal items”





as SIDS and with a population of less than 200,000, allowing them to pay just 10 percent of a regular contribution unit.

The Director General applauded members for recognizing the financial plight of these countries.

“Your decision on SIDS is one of the most important decisions taken at any Congress, at any time in the UPU’s history,” said Mr Hussein.

“SIDS have struggled to pay their membership fee to the UPU, which sometimes exceeds their annual postal budget. I am proud that this Congress has rallied behind them to ensure that they can participate in this Union,” he added.

The Congress also addressed concerns over the short- and long-term sustainability of the Union’s pension fund, known as the Provident Scheme.

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

“For us to ensure the viability of the Scheme, we need to shore up its finances, and that means finding a way to make the members’ guarantee to the Provident Scheme both affordable and credible, and the actions that we took at this Congress do that,” said Joseph Murphy, Chief of International Postal Policy with the U.S. Department of State, who led the Provident Scheme discussions.

Onto 2020

Closing the Extraordinary Congress, the UPU Director General remarked on members’ efforts to find common ground.

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

He reminded members that the close of the meeting marked the halfway point to the 2020 Universal Postal Congress in Abidjan.

“Due to your collective efforts we are well prepared, but there is much to be done before we meet in Côte d’Ivoire,” said Mr Hussein.

This work will be carried out by the Council of Administration and Postal Operations Council over the next two years. Stay tuned to UNION POSTALE for the latest developments. **KR**

Ethiopia captures historical moment

As hosts of the first UPU Congress to ever take place in Sub-Saharan Africa and only the second-ever Extraordinary Congress held by the UPU, Ethiopia has captured a moment in postal history.

Ubah Mohammed Hussien, Ethiopia's Minister of Communication and Information Technology and Chair of the Second Extraordinary Congress, spoke to **UNION POSTALE** about what hosting this pivotal postal event meant to her country.

INTERVIEW BY: Kayla Redstone



How would you describe your experience hosting this Second Extraordinary Congress?
This UPU Extraordinary Congress is the first of its kind in Africa. As you know, this Second Extraordinary Congress is being held in Addis Ababa 100 years after the previous Extraordinary Congress, so we have chosen a historical moment to host this event and we are very proud to have been chosen as the host.

We have developed steering committees at the national level, and we are working with different ministerial institutions – such as the Ministry of Foreign Affairs, Ministry of Finance and Economic Cooperation – with banking institutions, as well as with security to ensure the event is well prepared. Everyone was working very strongly to make this Extraordinary Congress a very historical moment. Ethiopia is not the first to host a UPU Congress, but an Extraordinary Congress is very unique in its nature. We are hosting and welcoming different ministers, postal institutions, international companies and governmental institutions to participate to this very important Congress.

“We have chosen a historical moment to host this event and we are very proud to have been chosen as the host.”

What do you hope the outcomes of this Congress will bring to the UPU, as well as the postal sector?

After evaluating our experience over the past few days, it was very important that we shared different experiences with different institutions. We are exploring our different efforts and the issues that we have in each country. When you talk about the postal service, it needs cooperation and collaboration with regional as well as international institutions.

The UPU helped us in different aspects, especially when it came to hosting this Congress and transforming the postal service as a whole. I believe we have learned a lot from this Extraordinary Congress and we believe that we will come out of it with very fruitful resolutions and decisions by the Congress members. We have different agendas to be discussed during the Congress, for example the transformation of postal services, the UPU contributions system, remunerations and the strategic plans for the postal service. These resolutions will be named after the Addis Ababa Second Extraordinary Congress, so we will be part of the historical moment of this Congress.

In your opinion, what is the value of gathering all the ministers of the Post together in one place for a Ministerial Strategy Conference?

When we think about the Ministerial Conference, we have to think on and discuss very strategic issues and how we can lift up and build the contribution of the postal services to our national development. I believe the ministers in attendance give priority to this Extraordinary Congress and that is why they came here. We can learn from each other, from the experience that each of us has, and we can gather a variety of knowledge and expertise to improve our services.

“We can learn from each other, from the experience that each of us has, and we can gather a variety of knowledge and expertise to improve our services.”

The postal service is not only participating in economic affairs but also in social issues as well. For instance, the postal service in Ethiopia helps deliver blood samples from different districts into town. They are participating in the social reform of the country in collaboration with the Ministry of Health and they are working to enable accessible services for the community. Those kinds of experiences will come together here so we can learn and upgrade the services we are providing as a sector. I believe that will be the advantage of meeting. The outcomes of this meeting will be transformational and help the postal industry take a step forward in the global market, as well as in the regions and at the national level. **KR**

“The postal service in Ethiopia helps deliver blood samples from different districts into town. They are participating in the social reform of the country in collaboration with the Ministry of Health and they are working to enable accessible services for the community.”

This interview has been edited for length and clarity.



UPU CONFERENCE
ON POSTAL
REGULATION
2019

CALL FOR PAPERS

The UPU Council of Administration is launching a public consultation on the UPU remuneration systems through the Conference on Postal Regulation, which will be held on Tuesday, 9 April 2019 under the theme:

UPU remuneration systems – new frontiers for an old world?

The conference will be organized as a forum for broad consultation with all UPU stakeholders. As part of the consultation process, all interested parties are invited to submit research and policy papers within the scope of the conference topics, which include:

- **Competition and universal access;**
- **Market drivers in cross-border postal services;** and
- **Remuneration governance**

Authors can submit two types of papers: short papers (up to 10 A4 pages in length) and full papers (up to 20 A4 pages in length). All papers received by the International Bureau by **8 March 2019** will be published on a dedicated web page. Following a review process, a number of papers will be selected for publication in the conference volume titled UPU Remuneration Systems – New Frontiers for an Old World?

For more information on the conference programme and submission guidelines, please visit: www.upu.int/en/cpr

Ministers advocate Post as a key to development

Ministers responsible for the Post from around the globe recognized the postal network as an asset in boosting national socio-economic development during the UPU's 2018 Ministerial Strategy Conference.

TEXT: Kayla Redstone

Held during the Extraordinary Congress in Addis Ababa, Ethiopia, under the theme "Gearing up the postal sector to drive socio-economic development", the conference brought together some 30 ministers and other high-level guests to discuss the policies, investments, regulations and partnerships that could bolster the Post's role as a national development infrastructure.

"Your discussions here will enrich the process of crafting the postal vision for the 2021–2024 cycle," said UPU Director General Bishar A. Hussein, referring to the four-year world postal strategy that will be decided during the 2020 Congress in Abidjan, Côte d'Ivoire.

A will and a way

The conference's first panel zeroed in on developing effective policies for a strong postal sector, with ministers from Algeria, China, Côte d'Ivoire and Tunisia leading the discussions.

There was no doubt that continuing technological evolution has shifted the needs of postal customers and changed the makeup of the postal stream and its delivery modes, bringing new opportunities, as well as new challenges, including the decoupling of postal and economic growth. However, speakers agreed that one thing had remained constant: governments widely consider the Post as a public service and an engine for sustainable development.

Though each country determines the universal service obligation of its Post separately, Algeria's Minister of



Post, Information Technology and Communication, Houda-Imane Faraoun, noted that there was a common basis for its definition.

“It is the service that each government feels the citizen has a right to, not necessarily free of charge, but it has to be affordable and accessible,” Ms Faraoun explained.

Each panellist recognized the postal network’s positive impact on development.

“Customer, market, service: these three words are very important to us and only by understanding them do we have a future.”

The Tunisian Minister of Communication and Digital Technologies, Mouhamed Anouar Maarouf, said his country was working to make the Post a “trusted link for inclusion”. For example, the Post is offering digital administration services, such as a new digital registration system for college students, and leading a de-cashing commission to provide digital financial services to all citizens.

In addition to delivering inclusion to the public, the Post can also have a notable impact on a country’s economy. The Director General of China’s State Post Bureau, Junsheng Ma, noted that in his country, for example, the postal sector now accounts for 0.9 percent of GDP. This is particularly thanks to growth in parcels and express deliveries, as well as financial services, he explained.

Mr Ma pointed out that, in order to harness the economic power of the Post, countries would have to focus on customer service. He stressed, “Customer, market, service:

these three words are very important to us and only by understanding them do we have a future.”

Côte d’Ivoire’s Minister of Digital Economy and Post, Claude Isaac Dé, underscored that there needs to be “strong political will” to ensure that countries continue to develop their Posts. Mr Dé said his government has focused on putting such policies in place, including legislation that fosters public–private partnerships. The Post there is already working with a private bank toward financial inclusion.

Ensuring investment

Will is one matter, but who should pay for the development of the postal network? That was the question posed to the next group of panellists.

Nigeria’s Minister of Communications, Abdur-Raheem Adebayo Shittu, stressed that governments should continue to play their role as an “intervention mechanism” by taking the lead on investing in services that serve excluded populations. This involves collaborating with all relevant branches of government on investments in the network.

As an example, he noted that Nipost is working with the Central Bank of Nigeria on the country’s financial inclusion strategy, ensuring ATMs are placed in postal outlets, even in the far reaches of the country.

“Our philosophy is that the government has no business in business, so the government will not try to compete with the private sector,” said Mr Shittu. He added that once the government can show that these services are not only necessary, but also profitable, the private sector would join in.

In Belarus, the liberalization of the postal market in 2013 meant increased competition, with 19 private operators vying for postal customers.

“We recognize that you have to invest in order to make a profit,” explained the country’s Deputy Minister of Communications and Informatization, Natalya Gordeenko.

The government is now focusing its investments strategically, working on automating operations to improve service quality and modernizing its ICT infrastructure to provide banking services, mobile services and an Internet portal for its citizens.

Ms Gordeenko added that the Post is also looking more toward international partners, particularly when it comes to cross-border e-commerce.

Vietnam Post has also turned to international partnerships for alternative sources of investment since losing government subsidies after being separated from telecommunications 10 years ago, explained Nguyen Minh Hong, Deputy Minister of Information and Communications for Viet Nam. Mr Hong said his government is working with the government of Japan, the Bill & Melinda Gates Foundation, and the UPU. He noted that the Post is taking advantage of the UPU’s technical assistance programmes and Quality of Service Fund wherever possible.





Rkia Derham, Morocco's Secretary of State to the Minister of Industry, Investment, Trade and the Digital Economy, said her country was focusing on building international partnerships for the Post's Al Barid Bank. The country is also in the midst of implementing the UPU's Easy Export Programme, which aims to give micro, small and medium-sized enterprises an easy and affordable means to sell their wares on the international e-commerce market.

Rethinking regulation

The conference's third panel discussed how to strike a balance between fostering innovation and providing stability through regulation. The quick pace of technological change has changed consumption models, providing opportunities for Posts that are ready and empowered to seize them.

Kenya was quick to take advantage of its soaring mobile and Internet penetration rates, explained Fatuma Hirsi Mohamed, Principal Secretary of the country's State Department of Broadcasting and Telecommunication. Posta Kenya now offers a mobile post service, allowing customers to use their phone as an address to receive correspondence, as well as a mobile money transfer service.

"The question is how we transfer this trust that we already have from our people in the modernization of our services, and I think postal services can do with blockchain what they already did in many countries with financial services. They can be the agents of modernization."

Switzerland has also been active in forging ahead with its digital strategy for the Post. Swiss Post has recently taken on a number of new, high-tech services, such as e-voting, autonomous postbuses and drone delivery. The government has even set up a working group to study artificial intelligence, to be prepared for developments on that front.

Philipp Metzger, State Secretary and Director General of the Swiss Federal Office of Communications, cautioned against stifling innovations by rushing to regulate them, adding that governments must consider a multi-stakeholder approach – especially when it comes to privacy.

"What is absolutely key is we must not ignore the fears, the concerns, the worries that we hear from our users, particularly with regard to data security," said Mr Metzger. *"If the users do not trust the new services that we are offering, they simply will not take them up."*

That trust is something that has been a unique selling point for Posts for many years, noted Maria-Manuela Catrina, Romanian Secretary of State within the Ministry of Communications and Information Society.

"The question is how we transfer this trust that we already have from our people in the modernization of our services, and I think postal services can do with blockchain what they already did in many countries with financial services. They can be the agents of modernization," said Ms Catrina.

When it comes to drafting regulations for innovations, Ethiopia's Minister of Communication and Information Technology, Ubah Mohammed Hussien, noted the importance of keeping them specific to the technology in question so that operators have more certainty while implementing new services.

"When drone regulations were improved, the industry saw dramatic growth because the rules were designed for drones and not just as an extension of aircraft regulation," she said.

Relevance

The conference's final session focused on building partnerships to sustain the postal sector's relevance. Panellists agreed that, whether it be local or international, private or public, cooperation would be critical to ensure the postal network could continue to deliver; and with a network of more than 677,000 post offices worldwide, the Post is an ideal partner.

For public partners, the postal network is an essential vessel for delivering social services. Japanese municipalities are taking advantage of the Post's physical network to deliver services to those left in rural areas as more of the population moves toward metropolitan centres, explained Katsuya Watanabe, Japan's Vice-Minister for Internal Affairs and Communications. A partnership agreement signed between the Post and municipal governments will promote public safety and security using the postal network. In Russia, the postal network is used to deliver telemedicine, especially in rural areas.

Partnerships with the private sector have also proven to be mutually beneficial. In South Africa, for example, the Post is collaborating with telecommunications companies, exchanging retail space for the renovation of ICT infrastructure in post offices. The Minister for Telecommunications and Postal Services, Siyabonga Cwele, also noted the South African Post's partnership with a

private bank to offer financial services while the Post works on obtaining a licence to offer its own.

While the sector continues to work on harnessing the opportunities offered by e-commerce, panellists noted the importance of international cooperation.

The Secretary General of the Intergovernmental Organisation for International Carriage by Rail (OTIF), François Davenne, underscored the importance of improving rail systems worldwide. While rail networks cover the globe, they are not necessarily adequately connected.

The organization is already cooperating with the UPU on a rail corridor connecting Europe and Asia, which will be a major route for transporting parcels. He urged African countries in particular to work with OTIF so that investments in their rail networks are focused on international compatibility.

Virtual networks are just as important as physical when it comes to offering the kind of e-commerce and digital services the postal customer of today demands.

“It’s not enough just to look at logistics if you really want to establish the kind of ecosystem I think we need. In isolation, it’s not possible for any one player to create the kind of e-commerce environment that is required,” said Russia’s Deputy Minister of Digital Development, Communications and Mass Media, Oleg Voitenko. Mr Voitenko said his country was working with e-tailers in Russia and internationally.

Moctar Yedaly, Head of the Information Society Division of the African Union Commission’s Department of Infrastructure and Energy, supported this view, adding that the digital evolution was “changing everything”.



“It’s changing our human and social organization, it’s changing the frameworks, it’s changing our way of behaving and producing goods and services,” he said, projecting that the future of the postal industry would be based on intangibles and electronic networks.

Forging ahead

Though there are still two years left in the Istanbul World Postal Strategy, UPU Deputy Director General Pascal Clivaz said the discussions held during the Ministerial Strategy Conference would help form a basis for beginning work on the organization’s strategy for 2021–2024.

“For us the challenges and opportunities are clear. The challenges we face have been felt throughout this week. You have placed these very much on the table. But we also have an opportunity to create tomorrow’s roadmap,” said Mr Clivaz during the closing session.

In his closing remarks, Mr Hussein added, “One thing came out quite clearly for me: the role and relevance of the UPU has been confirmed by all the ministers who have spoken here the last two days.”

A series of strategy forums will be held in each of the UPU’s developing regions in 2019, where member countries will be able to provide additional insights and feedback on a first draft of the proposed strategy for 2021–2024. **KR**



Latest UPU figures signal potential for growth

A promising increase in international postal volumes suggests that the postal market may finally be reaping the rewards of digital transformation, explains UPU economist Mauro Boffa.

TEXT: Kayla Redstone

INFOGRAPHICS: Sonja Denovski

While the UPU's Postal Economic Outlook, published earlier this year, showed promising double-digit volume growth for international postal exchanges in 2016, more recent data shows these figures have accelerated faster than expected.

International postal volumes by tonnage were up 10 percent in September 2018 compared with the same period last year. The results are an encouraging sign, considering important e-commerce events – such as Singles' Day, Black Friday and the Christmas season – had not yet taken place, suggests UPU economist Mauro Boffa.

The UPU's long-term analysis has shown that GDP growth has accelerated at a faster pace than growth in postal revenues, with average postal revenue growth marked at 2 percent per year and GDP growth at an average of 3.4 percent. The phenomenon – known as "postal-GDP decoupling" – has been a cause of concern for the postal sector for several years.

"It used to be that postal supply was a complement to the economy, but digitization brought along the challenge of digital substitution," says Boffa, referring to the replacement of letters as the Post's primary business. Global figures show that the parcels market's share in revenues grew from 14.3 percent in 2006 to 22.8 percent in 2016, while letter post's share fell from 48.3 to 38.9 percent during the same period.

Over the last several years, Posts have been changing up their business models, diversifying their portfolios and developing products that would allow them to take advantage of the quickly changing e-commerce market. Consolidation and restructuring are likely responsible for the lag in short-term growth but are an investment in the Post's long-term prosperity.

Boffa explains that the accelerated growth in international postal exchanges could mean that the postal sector is back on track to reap the rewards of its complementary role in e-commerce, provided that trade policy uncertainty and geopolitical tensions do not cloud next year's economic growth. This is a risk already acknowledged by the International Monetary Fund, which revised its October estimates on 2018 GDP growth downward to 3.7% (0.2 percentage points lower than the organization's April forecast).

Emerging models

Though there is no uniform model for revenue segmentation, the UPU's figures show three emerging business models.

The Africa, Arab and Asia-Pacific regions have demonstrated a trend of diversification beyond parcels and logistics, toward financial and other services.

On the other hand, industrialized countries and Latin America are moving toward diversification into parcels and logistics while maintaining letter post as their core business.

Eastern Europe and the Commonwealth of Independent States have increased their reliance on letter post driven by e-commerce-related small packets.

Surprising market

While digitization has led to the decline in the letters business, it seems to have created a surprising boom in philately. The Internet has made it easier for stamp collectors to find what they are looking for and has connected Posts to a global philatelic market.

Though philatelic products represent only a small portion of revenue for most Posts worldwide, data collected by the UPU since 2004 shows that philatelic revenues have continued to grow, representing 1.8 billion SDR (2.5 billion USD) of global postal revenues reported by designated operators in 2016.

The trend is especially prevalent in Asia-Pacific, likely thanks to an emerging upper middle class.

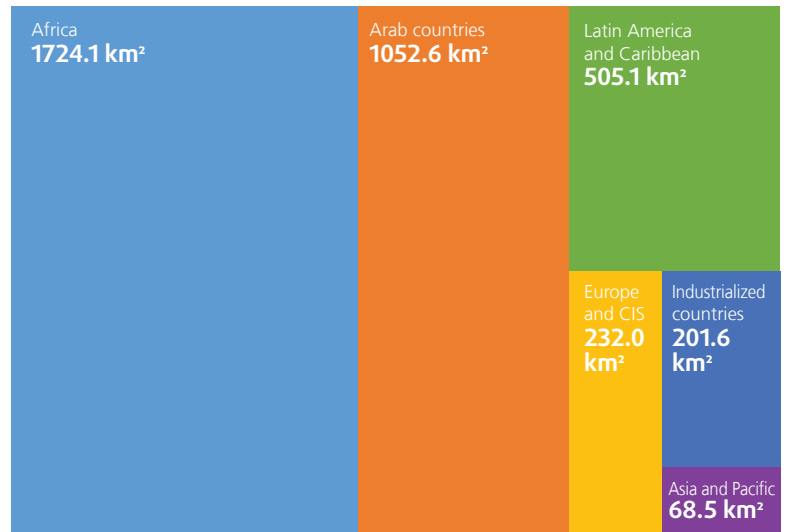
“Philatelic products are seen as a luxury collectible,” explains Boffa.

For a more in-depth review of the latest UPU postal statistics and a look at where the sector is heading, check out the UPU’s Postal Economic Outlook 2018: www.upu.int/en/resources/postal-statistics/latest-results.html.

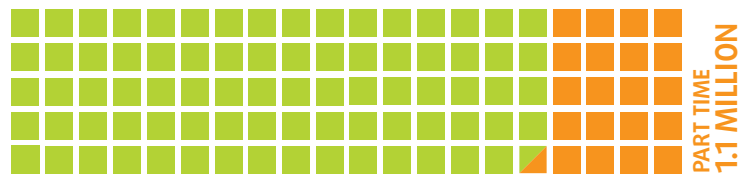
Postal statistics overview

The following infographics reflect the UPU’s 2016 postal statistics.

AVERAGE AREA COVERED BY ONE PERMANENT POSTAL OFFICE



POSTAL STAFF

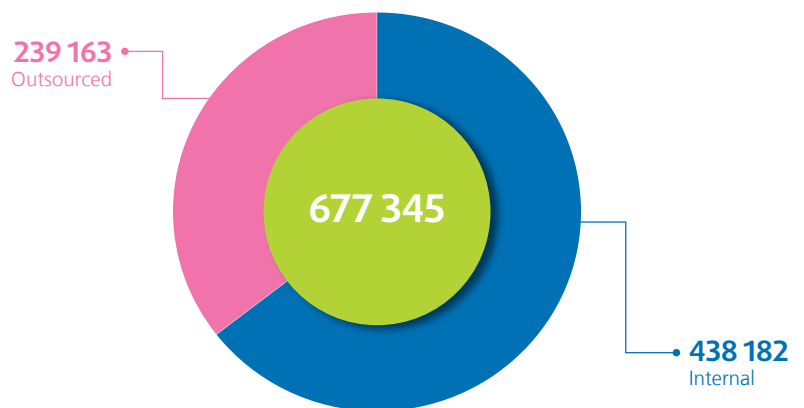


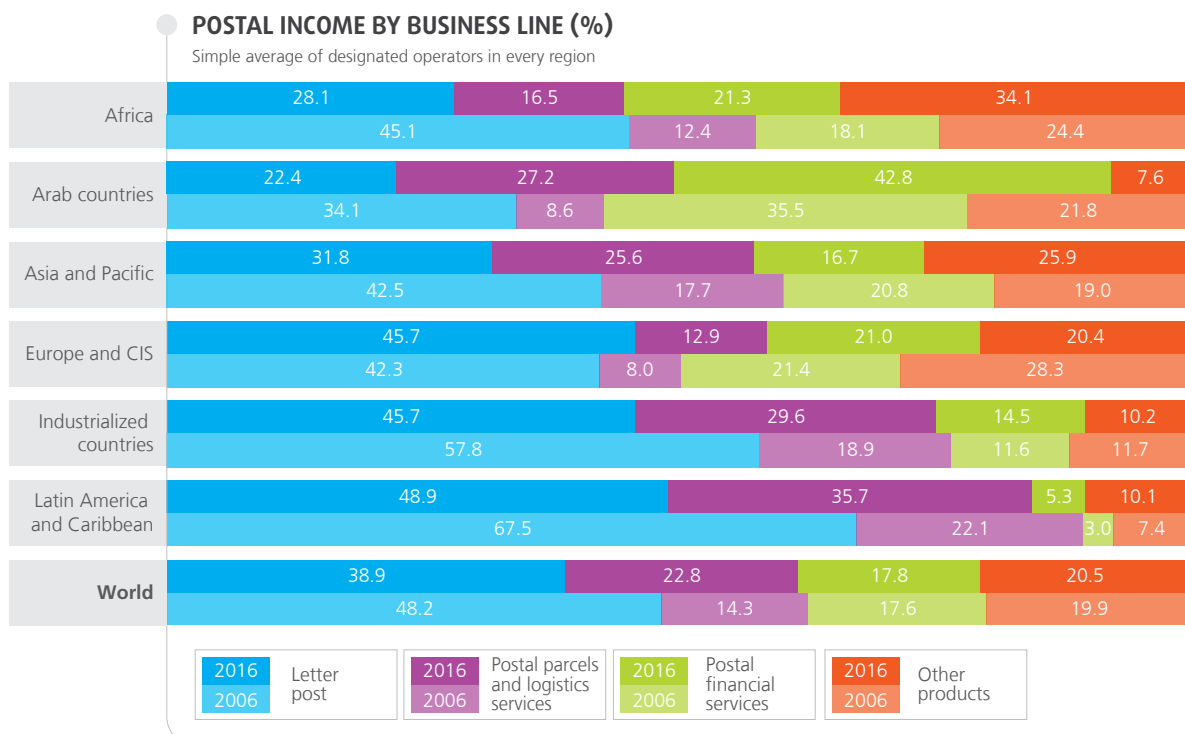
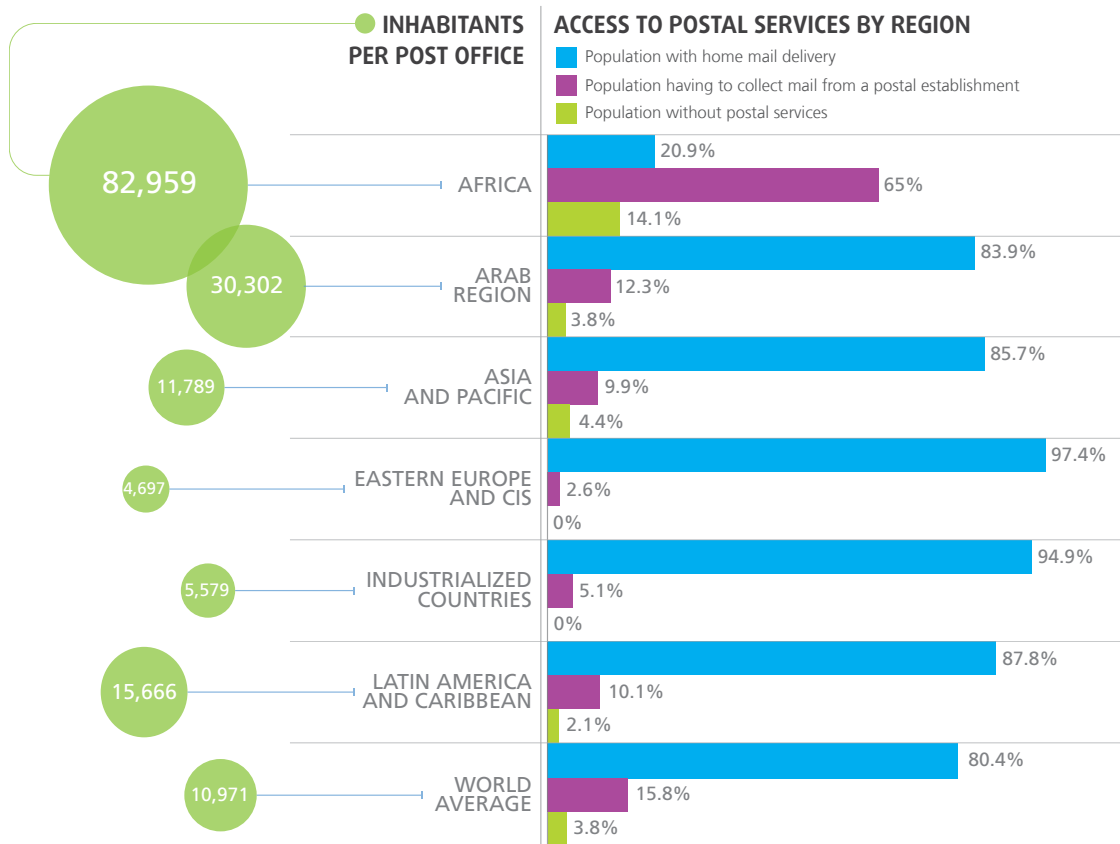
TOTAL 5.32 MILLION EMPLOYEES

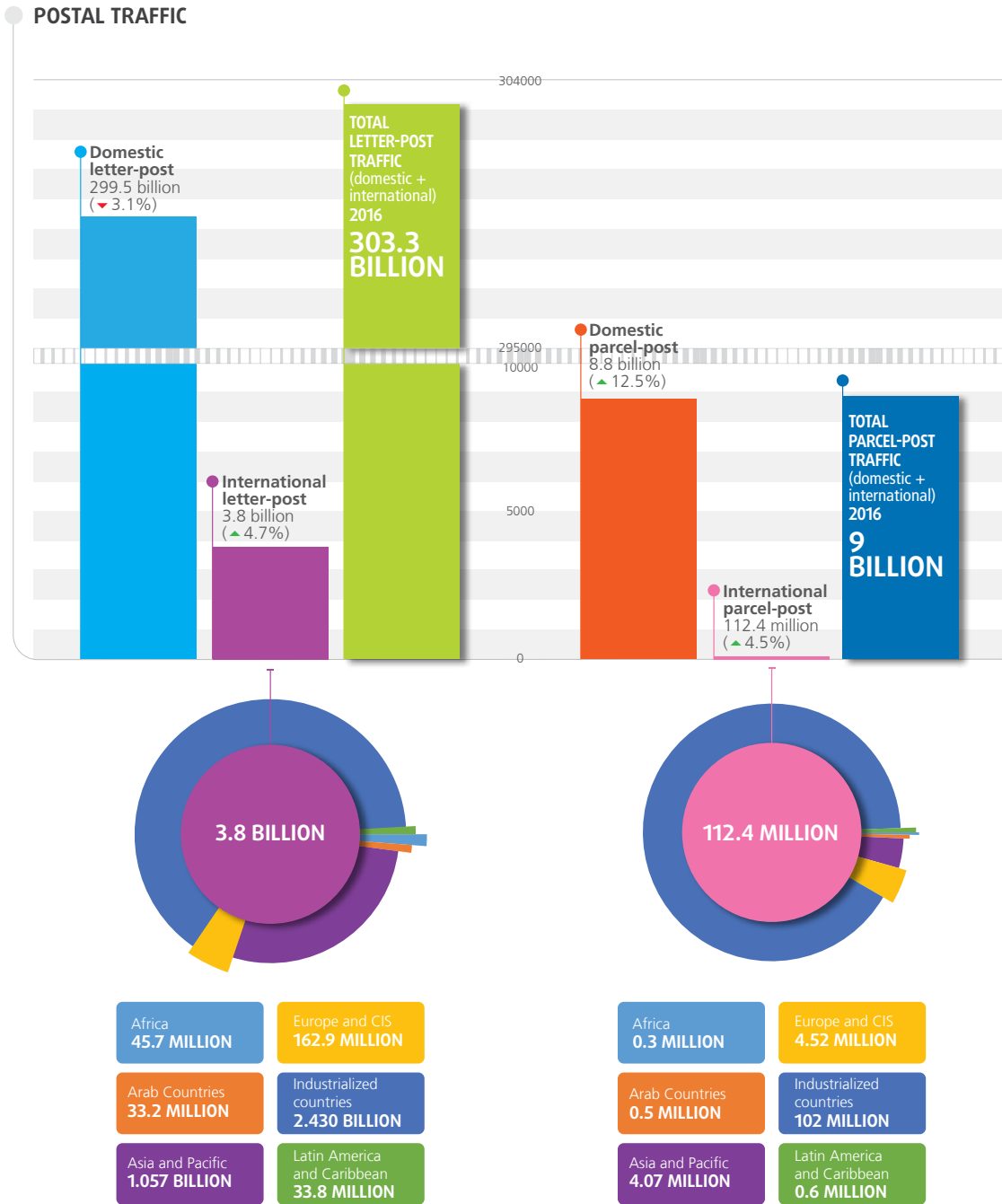
World estimate 2016

POST OFFICES

World estimate 2016







World estimate 2016

Postal security compliance celebrated

TEXT: Kayla Redstone

The first participants in a new UPU programme to certify designated operators' compliance with UPU security standards were celebrated during the Extraordinary Congress in Addis Ababa, Ethiopia.

UPU Director General Bishar A. Hussein presented eight Posts with their certification during the ceremony, referring to it as a "very significant achievement" for each operator.

"I would like to congratulate these members on this historic accomplishment and also encourage all Posts to participate in the security certification programme," remarked Mr Hussein.

The UPU Postal Security Group developed the certification programme to recognize adherence to the UPU's mandatory S58 and S59 standards, which define minimum security requirements for critical postal facilities and the transport of international mail, explains UPU Postal Security Manager Tripp Brinkley.

"There's great value in Posts demonstrating that they are in compliance with UPU security standards. It assures their employees and their customers that they are taking proper responsibility to protect the mail, protect the supply chain, and protect the public," explains Brinkley.

He adds that Posts must show external stakeholders – such as the International Civil Aviation Organization, International Air Transport Association and World Customs Organization – that postal security standards aligned with standards across the rest of the supply chain are maintained so that mail can move quickly and safely to its destination.

For certification, Posts must first conduct a self-assessment using established UPU

guidelines to determine if they are ready to be certified. This gives them time to consult the UPU for guidance and make any necessary adjustments. Next, an independent team conducts a site visit to examine all aspects of a Post's security measures and practices, including its dangerous goods prevention programmes and business resiliency plans.

"There's great value in Posts demonstrating that they are in compliance with UPU security standards. It assures their employees and their customers that they are taking proper responsibility to protect the mail, protect the supply chain, and protect the public"

Once the team is satisfied that the Post is in compliance, it will issue one of the three certification levels: gold if the operator has met every requirement listed under each standard; silver if all sections of the standards are largely met; and bronze, which is reserved for least developed countries, as recognized by the UPU.

The bronze level allows some flexibility for physical barriers (fencing and walls), employee and visitor parking, and secure delivery vehicles. The UPU is preparing to introduce a platinum certification to recognize operators that also provide electronic advance data for outbound postal items.

Though the process sounds simple, it is the result of several years of refinement and development in cooperation with the Postal Union of the Americas, Spain and Portugal, which helped launch the first pilot project across Latin America.

The designated operators of Argentina, Chile, Costa Rica, Ecuador, El Salvador, Mexico, Paraguay, and Venezuela have offices of exchange certified under the programme. Barbados, Jamaica, and Thailand have also received certifications.

"We're now implementing the programme worldwide," says Brinkley, who encourages restricted unions to promote and support the certification process in their respective regions. **KR**

To learn more about the UPU's postal security certification programme, please contact: Ms Dawn Wilkes, incoming UPU Postal Security Programme Manager, at dawn.wilkes@upu.int.

Case study: PUASP

The UPU's postal security certification programme has just finished its first pilot with success after a fruitful cooperation with the Postal Union of the Americas, Spain and Portugal (PUASP). **UNION POSTALE** connected with the restricted union's Secretary General, Roberto Cavanna, to learn more about the benefits certification has brought PUASP member countries and his advice to other regions.

UNION POSTALE: *PUASP has an active regional postal security group, and those security experts help each other prepare for the UPU's security certification. What does PUASP do to encourage such successful peer participation?*

Roberto Cavanna: PUASP understands the importance of fluid communication and active interaction with between security experts.

Within our website, we created an exclusive working space for the region's Postal Security Action Group. This platform is used to upload all the information and documents necessary to help each other prepare for the certification process. They can make comments or observations, express their opinion on a message board and also have remote access from any computer, tablet or smartphone, helping them stay connected in one place.

We also hold videoconference calls with the Postal Security Action Group to address the latest developments, plan our strategy and set our goals for the short, medium and long term.

How have Latin American Posts with even limited budgets been able to demonstrate compliance with UPU security standards?

Our region has shown a great commitment to ensure that the UPU's security standards are met. Since the project was approved in 2015, our member countries have agreed to finance and include the Security Certification Project in PUASP's yearly Action Plan. This has enabled PUASP to finance the certification missions with little to no cost to each country involved.

What do you see as some of the business advantages of being certified?

There are several business advantages of being certified. For example, certification gives clients greater confidence in postal operations, shows a greater quality of service and increases confidence in the global postal network as a whole.

In the short term, we have seen that several designated operators that achieved certification are receiving better feedback from their clients and partners in regards to the reliability and timeliness of their operations.

We have also noticed that it boosts productivity because the security standards affect all areas of a designated operator's operations. The security standards help a designated operator to align not only their internal processes, but also those with external partners, such as aviation and customs agencies, leading to an improved and more secure workflow.



Have any PUASP members successfully used QSF resources to help implement security enhancements?

Several PUASP members, such as Costa Rica, Chile and Venezuela, have successfully used QSF resources to help them implement security enhancements. Our members have used QSF resources to purchase equipment such as biometric access control systems, X-ray machines, metal detectors, closed-circuit television systems, electric fences and GPS systems for vehicles.

What are some common hurdles or areas of improvement for Posts seeking certification?

A common hurdle that we face is that many Posts do not have a postal security department or team. Usually these responsibilities fall under other areas that do not have the necessary knowledge, time or resources to carry out the actions needed to implement and sustain the security standards. Each Post must have its own postal security department or team that can focus on security aspects and reports directly to the highest authority in the organization.

Personnel training is another key area that needs reinforcement. The UPU security standards focus on protecting employees, customers, and assets of Posts and safeguarding mail from fraud, theft and misuse. Such information needs to be institutionalized and communicated frequently to ensure every single employee knows how to act, who to contact and what steps to take in each situation, especially in case of an emergency.

How has the certification process improved security of the postal supply chain within PUASP and made the postal network safer for employees and the public?

Implementing the standards has allowed postal operations to flow better, not only within the postal network but also with external partners, such as Customs and civil aviation authorities, improving the postal supply chain within our region and the world.

The security standards provide guidelines to ensure that Posts are well prepared in the event of an emergency, such as a natural disaster, personnel related incident or identifying high risk or dangerous shipments. This approach, accompanied by frequent personnel training, is extremely valuable because employees will be able to act immediately and appropriately to each situation, not only to safeguard their physical integrity but also to protect employees, clients and postal goods.

What would you say to encourage other restricted unions to have their Posts certified?

Unfortunately, the postal network is too often misused by people and criminal groups for drug trafficking, illegal arms trade, contraband, money laundering and fraud. These illegal activities affect public security and we have the duty to eradicate these issues.

We are responsible for the safety of our employees, clients and assets. Therefore, we have to take necessary action to ensure our Posts are taking a proactive approach and not a reactionary one. Postal security is a great investment that will pay dividends in the short, medium and long term.

The motto "Postal Security Makes Business Sense" is truer than ever. Our region is seeing significant improvements not only in our supply chain, but also in the confidence of our clients.

Would PUASP security experts be willing to assist Posts in other regions?

PUASP security experts are always eager to help any Post that is interested in being certified.

Our experts can support other regions by providing guidance and training to understand and implement the UPU security standards. We have several experts that can provide training in areas such as basic postal security and investigations, emergency planning and risk assessment, airport security coordination, quality of service, security reviews, identifying drug trafficking and money laundering through the post, and the procedures for accepting and controlling the induction of dangerous goods.

We take this opportunity to extend an invite to any Post that is interested and are in need of our assistance and expertise to contact us so we can help them through the process.

This interview has been edited for length and clarity.

UPU and WCO work together on Customs-Post cooperation in Latin America

Together with the World Customs Organization (WCO), and with the support of the Postal Union of the Americas, Spain and Portugal (PUASP), Correo Uruguayo and Uruguayan Customs, the UPU organized a joint Customs-Post Workshop for Latin America aimed at enhancing cooperation between postal operators and Customs agencies.

TEXT: Olena Muravyova



Nearly 70 customs and postal operators' officials representing 18 Latin American countries, as well as experts and facilitators from the U.S. Customs and Border Protection, La Poste France, the Caribbean Postal Union and Correos Spain, participated in the workshop, which was held from 24 to 28 September 2018 in Montevideo, Uruguay.

The main purpose of the workshop was to increase the participants' knowledge of postal-customs formalities, to enhance cooperation between Customs and Posts, and to analyze the impact of the growing role of e-commerce in Latin America. In addition, the workshop provided a perfect opportunity to promote the exchange of electronic advance data (EAD) and to explore how Customs and Posts implement various security and supply chain facilitation measures. The workshop also provided a space for participants to share their best practices, solutions, and new initiatives aimed at dealing with growing cross-border e-commerce volumes.

With more e-commerce items being sent through the Post, it is more vital now than ever for designated operators to have relevant, up-to-date information about country-specific customs procedures to notify their customers and to ensure fast customs clearance.

Experts from the UPU presented participants with several tools or resources they could use to facilitate cooperation, including the updated WCO-UPU Postal Customs Guide and UPU Customs Compendium. Moreover, the UPU experts made a presentation on the joint WCO-UPU guidelines for developing a memorandum of understanding between Customs and Posts at the national level. Participants also had the opportunity to share their experience using the UPU Customs Declaration System (CDS) for facilitating customs clearance.

World Customs Organization

As the primary institution for Customs cooperation, the WCO presented a general customs perspective on international postal traffic developments and current e-commerce trends. For example, the delegates learned about the advantages of pre-arrival information, pre-loading of advance cargo information, and the efficiency of return and refund processes. WCO experts also explained the need to establish national committees on trade facilitation including postal officials.

The workshop also focused on the latest developments in customs requirements, for example, the implementation of the UPU EAD Global Postal Model for seamless customs clearance. In particular, the delegates learned about the EAD exchange between Posts and Customs by using WCO-UPU EDI messaging standards and harmonized labels. Posts committed to initiating ITMATT exchanges and to increasing compliance of captured data.

One key topic the workshop addressed was common security threats and measures that could be used to overcome them. The WCO experts made a presentation on risk management, drugs, and dangerous goods. They explained the need to educate employees and customers in order to strengthen the safety and security of the postal supply chain.

Representatives from the US Customs and Border Protection representatives discussed the potential threats posed by new types of synthetic drugs in international mail, emphasizing the importance of the data quality improvement for detecting such postal items.

As part of the workshop, the delegates also visited the Exchange Office in Carrasco International Airport to watch customs clearance procedures on site.

E-commerce readiness

Finally, the participants discussed the UPU Operational Readiness for E-commerce (ORE) project's deliverables for the postal operators. The project aims at addressing issues with online cross-border transactions for consumers and helping Posts modernize operational processes by using available standardized IT tools. Each postal official explained its country's ORE action plan and discussed its priorities for cooperating with Customs.

At the end of the workshop, the delegates established that different levels of progress exist within the region caused by lack of technological readiness and policy coherence among Posts and Customs. They acknowledged that it was important to address these issues gradually with a coordinated strategy, which should include providing each other with accurate and timely data, facilitated by UPU and WCO tools and instruments. **OM**

Participating countries:

Argentina, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay and Venezuela.

Australia

AUSTRALIA POST has announced its profit after tax increased by 41% to 134 million AUD (97 million USD) during the 2017 fiscal year. The positive results were largely due to a substantial growth in parcel revenues and a continued focus on efficiency gains. Strong domestic and international parcel volume growth and improved operational and support functions led to this high result. Together this outbalanced the impact of an 11% decline in the domestic letter mail volumes.

Azerbaijan and Turkey

AZERPOST and **PTT TURKISH POST** announced plans to sign a bilateral agreement on the exchange of money orders. The transactions will be carried out on the basis of a new system of urgent money transfers and paid out at all postal facilities that belong to Azerpost. This postal operator will also issue Visa international payment cards, a new type of payment cards, which support PTT's e-commerce platform.

Estonia

OMNIVA will start installing 100 new high-tech parcel terminals across the country in early November. In order to do that, the postal operator is conducting a survey, asking its customers where they would like these terminals to be located. All respondents will be notified once the terminals appear near them. By the end of the year, the operator plans to have 250 automatic terminals installed.

Germany

DHL GLOBAL FORWARDING and **DHL FREIGHT DIVISIONS** of **DEUTSCHE POST DHL** have started building an ultra-modern freight hub for Austria and Eastern Europe at Vienna International Airport. The DHL Campus Vienna Airport will handle a greater volume of freight and provide better service. The new terminal and office building will offer around 12,000m² of warehouse space and 3,500m² of office space. Previously, the companies worked from three different locations in Vienna, which will now be merged into one new campus.

India

The recently launched **INDIA POST PAYMENTS BANK (IPPB)** is looking to equip postal workers with smartphones and biometric scanners for its Doorstep Banking service. The mail carriers will provide payment and remittance services, as well as basic financial products such as insurance and deposits.

Japan & Russia

RUSSIAN POST and **JAPAN POST** have launched regular train deliveries of international mail from Japan to 13 European countries via a transit route going through Russia. Russian Post's own postal train will be transporting mail on the Vladivostok-Moscow route daily. Mail will be shipped from Japan to Austria, Belgium, Hungary, Denmark, Italy, Latvia, Lithuania, Norway, Poland, Romania, Finland, the Czech Republic and Switzerland. The average delivery time from the Vladivostok Office of Exchange to a destination country will take between 11 and 15 days.

Mali

LA POSTE DU MALI is implementing major reforms aimed at regaining its customer base. The Post aims at strengthening and modernizing its parcel business by switching from manual sorting to machine-based sorting. The operator will also focus on developing new financial and digital products, in addition to the existing money orders, to stimulate financial inclusion across the country. In order to achieve these goals, the operator is looking for new Malian and foreign investors.

Panama

CORREOS Y TELÉGRAFOS NACIONALES DE PANAMA issued 120,000 stamps commemorating the expansion of the Panama Canal. The canal now allows even larger ships to pass through. With the new stamps, the postal operator recognized the titanic work of the Panamanians. They illustrate four iconic images of the canal: a nighttime transit, a container ship passing through new locks, the Visitor Center of Agua Clara, and a vessel with liquefied natural gas.

Qatar

QATAR POST has been recognized for its quality performance by international certification agency Bureau Veritas S.A, which awarded the designated operator three ISO certifications for quality, environment, and health and safety management. The postal operator has received the certificates after an extensive external audit, which showed it was in compliance with the global standards of the International Organization for Standardization (ISO) in these three areas. The accreditation will remain valid until 2021.

Spain

CORREOS has installed more parcel lockers across the country and invested in a new fleet of vehicles to expand its e-commerce services. Some 4,278 new CityPaq terminals are now located in train stations, car parks, gas stations, malls, outside post offices, and supermarkets in the biggest cities of Spain. Customers can choose their preferred locker for deliveries and collect their parcels at any time. Correos has also announced it would purchase more than 400 Renault vehicles with a payload capacity up to 750 kg.

Thailand

THAILAND POST plans to build two fully automated sorting centres to cope with its growing e-commerce business and to strengthen its position as an important logistics hub in South Asia. New sorting centers will be located in the Thai provinces Chon Buri and Ayutthaya. The operator has also allocated 4.4 billion THB (133.3 million USD) to install sorting systems for parcels and letter mail in its 19 existing logistics centers by 2022.

United Kingdom

ROYAL MAIL has introduced a new shipping tool and an Application Programming Interface (API) created to help big retailers manage orders and returns more simply across distributed sites. Its Pro Shipping solution allows for easier management of large lists of customers, printing outbound and return labels simultaneously, having a multiple user access from different locations, and printing of customs documentation automatically. Companies can integrate their systems with Royal Mail API Shipping, leading to a better user experience.

GUERNSEY POST has announced its plans to install the largest solar array in the Channel Islands in partnership with Guernsey Electricity. The project marks a step forward in the Post's goal to switch to renewable energy sources. For example, it has begun converting to a fully electric fleet, aiming to add 80 electric vehicles by the middle of 2019.

All items by Olena Muravyova



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GMS

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Measuring mail performance with RFID technology was just a dream for many UPU member countries. Not anymore. Thanks to GMS, Posts can now benefit from a state-of-the-art solution that uses passive RFID at a very affordable price.

For more information, watch the animation film
<http://www.tinyurl.com/gmsfilm>
or contact gms@upu.int.



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