

PostEurop views on the opening up of the UPU to wider postal sector players in perspective of the upcoming 4th Extraordinary Congress



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ABOUT POSTEUROP

POSTEUROP is the association which represents European public postal operators. It is committed to supporting and developing a sustainable and competitive European postal communication market accessible to all customers and ensuring a modern and affordable universal service. Our Members represent **2 million employees** across Europe and deliver to **800 million customers daily** through over 175,000 counters.

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CONTEXT

A few months ahead of the 4th Extraordinary Congress that shall review the proposals regarding the opening up of the UPU and with a view to preparing S3, PostEurop considers that it is worth reminding key-decisions and fundamental principles and providing recommendations.

Reminder of key-decisions and fundamental principles

The Abidjan Congress has adopted two resolutions that set the path to carry out the opening up of the UPU in a gradual and controlled manner.

Resolution C 11/2021 instructed the Union's bodies to continue the work on proposals aimed at engaging towards "further reform and opening of the Union to wider postal sector players (WPSPs)". It is requested to abide by the Union's mission to stimulate the lasting development of efficient and accessible universal postal services, to keep the Union as an intergovernmental organization and it is underlined that increased access of wider postal sector players to the Union's products and services could contribute to reinforcing and strengthening the mission of the Organization.

Resolution C 12/2021, about holding "an Extraordinary Congress", states the addressing of "the examination of proposals associated with the further opening up of the Union to wider postal sector players (...)" in order to cope with the dramatic ongoing challenges in the postal sector.

Since the start of the Abidjan cycle, much work has been dedicated to the opening up of the Union process (in particular on the Workstream 1 (WS1) - institutional framework and Workstream 2 (WS2) - opening of products and services), with the objective of drafting consensual proposals to be submitted to the Extraordinary Congress, which will be held in October 2023.

At S1 (April 2021), the CA approved the delegation of the technical review under workstream 2 to CA Committee 2, through a newly formed expert team, along with pursuing the work on Workstream 2. It also approved the list of additional UPU products and services for a technical review.

At its November 2021 session (S2), the CA formed a new task force (TF) to carry out the mandate on the opening up given by the Congress. In January and February 2022, with the support of the International

Bureau (IB), the TF Co-Chairs drafted more detailed terms of reference for the TF and converted the resolutions adopted by the Congress into specific deliverables, which were in turn grouped into major workstreams: 0) TF management; 1) institutional framework (WS1); 2) products and services (WS2); and 3) reform as a continuum.

On the basis of those fundamental principles and key-facts, PostEurop would like to highlight the following views for the preparation of S3 reports and proposals to the 4th Extraordinary Congress:

WS 1 - Institutional Framework: Consultative Committee (CC) enhancement

- Maintaining the UPU as intergovernmental organization by clearly outlining the responsibilities and roles of all entities involved.
- The CC, supported by the decision taken at the Abidjan Congress, has been working on a deep reform of its structure to get closer to the POC/CA structures. This process has already allowed to reach a good leverage for empowerment. Therefore, this aspect of the opening up of the UPU can be considered accomplished for the time being.
- Expansion of CC membership to include some other notable entities such as academia and research institutions could be an added value providing for a knowledge focus on the work of the CC, also facilitating structured input and technical discussions between relevant WPSPs and the CA/POC.

WS 2 - Technical review of UPU products and services

This review has been split into different prioritized packages of products and services. However, PostEurop prefers to focus on the main principles applicable in connection with different specific UPU areas of interest:

With respect to interconnectivity and interoperability, in consideration of the need to keep the spirit of the Abidjan Resolutions and the risks that have been constantly pointed out within the different TFs, PostEurop recommends withdrawing the attention altogether from these two principles, due to the

sensitive products and services they refer to, such as IMPC codes or remunerations systems. These two have already been considered unsuitable to be opened to the private sector for different reasons:

- A lack of devoted risk analysis results,
- The possible negative impacts in regard of the provision of the universal postal service,
- It has never been proved that the different models of interoperability suggested were beneficial for the lasting provision of universal postal services.

For a long time, some DOs and private carriers have had a fruitful collaboration on a voluntary, commercial, bilateral basis. There is thus no rationale to justify the introduction of a new regulation.

Moreover, the discussion on interconnectivity and interoperability implies both reciprocity and other regulations outside the UPU, and any step forward should be thoroughly studied and analysed.

In view of the upcoming Extraordinary Congress, PostEurop recommends focussing on different principles other than those outlined above, which are related to other UPU products and services, considered easier to define and for which a larger consensus is found among the members. In this regard, we would emphasize that research, communication, and industry performance measurement are already suitable to be opened to WPSP's.

With regards to research and communication services, PostEurop estimates they would be suitable to be opened, provided the principle of reciprocity between DOs and WPSPs is applied, combined with a thorough and deep discussion. As far as industry performance measurement services are concerned, PostEurop considers it would be beneficial to open up all tools which will best serve the UN sustainability goals in terms of global environmental concerns. WPSP's would also benefit from tools that will allow to increase the quality of service, reduce carbon emissions, and improve security. Technical interoperability between WPSP's and DOs could be enhanced mainly by focusing on the issues respectively stated above so that citizens could benefit from better services. This would also meet governmental requirements.

With reference to mobile payment services, it is worth recalling the postal sector is the second largest contributor to financial inclusion worldwide. It is thus

very urgent to take steps to open up the UPU postal financial services to WPSP's as the current services do not meet the customers' needs. Developing these services would strengthen financial inclusion worldwide and would translate into creating new business opportunities for DOs and WPSP's.

The UPU helps its member countries introduce or develop inclusive and sustainable financial services (savings, payments, money transfers, insurance, credits). The UPU is an ideal partner for lending institutions and donors a hand, in the effort towards making postal financial services accessible to the most disadvantaged populations, and with the aim of building a stronger and global network including the private sector, and strengthening financial inclusion worldwide, by also creating new business opportunities both for DOs and WPSP's.

CONCLUSIONS*¹

Finally, PostEurop would also like to recommend that further work should be done in order to include the definition of clear goals, benefits assessment and the setting up of a clear roadmap for the UPU opening up process beyond the 2023 Extraordinary Congress.

**1 All that considered, PostEurop, recognizing the results recently achieved by the CA C2 Expert Team meeting, appreciates that the work is progressing in the desired direction. Obviously, PostEurop will further monitor the developments in order to pursue a win-win solution.*

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