

PostEurop Position Paper on the UPU Dubai Strategy



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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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ABOUT UPU

Established in 1874, the Universal Postal Union (UPU), with its headquarters in the Swiss capital Berne, is the second oldest international organization worldwide.

With its 192 member countries, the UPU is the primary forum for cooperation between postal sector players. It helps to ensure a truly universal network of up-to-date products and services.

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EXECUTIVE SUMMARY

1- Insufficient Focus on Global Postal Network Crisis:

The current UPU Strategy document (Document CA C3 2024.1 Doc 8 Annex 1) overlooks the severity of the ongoing global postal network crisis, posing a significant risk to the relevance of both UPU and DOs. Additionally, private logistics companies are increasingly attracting customers, highlighting the need for traditional postal services to address this trend.

2- Global Strategy adapted to Designated Operators:

Strategic goals must include a more realistic and business-focused approach to address the shifting volumes from DOs to other actors. This approach should encompass competitiveness, new business models, and sustainable development opportunities in the long term.

A global strategy must consider the diverse characteristics of Designated Operators to understand different needs and situations and provide local value.

The strategic framework should encompass the need to enhance customer service and satisfaction, to promote a balanced cooperation with WPSP stakeholders for funding, innovation, and modernization. This entails fostering increased cooperation to regain volumes, establish synergies in transports, distribution, and technical solutions, and address financial needs.

Ensure DOs stay ahead of technological advancements and address Global Postal Network Challenges.

3- Sustainable Practices:

Elevating the importance of SDGs including climate change, gender equality, and social and economic inclusion is imperative as well as necessary to comply with the UN-SWAP 2.0 requirements.

Transitioning to sustainable practices is paramount for maintaining the UPU's relevance and accessing international green funds. Ignoring climate change could significantly diminish the UPU's relevance. Additionally, seizing opportunities for gender equality is crucial.

4- Increased Focus on Vision, Mission, and Goals:

It is imperative to prioritize the revision of the vision, mission (which is presently two decades old), and goals, while also clearly delineating the purpose and scope. In this context it has to be recognized that financial, digital and social inclusion are now considered by member countries and DOs as part of their core business and need, therefore, also be reflected in the mission statement.

This involves dedicating a concise page to core issues, effectively structuring the executive summary, and reviewing the mission and vision statements.

1. Introduction

As the UPU is heading for the 28th Congress in Dubai, PostEurop would like to share some views on the 2026-2029 UPU strategy.

The UPU has started the work since May 2023. The methodology was presented in S3, then a survey was sent last summer to Member countries (Ministries, Regulators, DOs) and stakeholders; first outcomes of the questionnaire are presented in S4; virtual Regional Consultations took place early 2024 and a first draft - CA C3 2024.1 Doc 8 Annex 1, was presented to CA C3 in S5.

PostEurop would like to underline the efforts to provide transparency and inclusivity in the process to define the future UPU strategy. As there was a clear call to continue to foster the reflection, PostEurop is keen on sharing general considerations as well as more precise comments and suggestions on the first draft.

2. Remarks on the global approach

The document CA C3 2024.1 Doc 8 Annex 1 contains a comprehensive analysis of the postal sector, risks, opportunities, threats and weaknesses, and recommendations for the future. This complete overview is remarkable as it gives a good basis to streamline the future strategy.

In this regard, we consider that given the **increasingly negative developments** shown repeatedly in particular in the “trends and drivers of international postal volumes”, **the UPU risks losing its relevance if the appropriate decisions were not taken in Dubai**. This should be the main starting point of the reflection on the UPU strategy.

The postal sector needs a strategy that really focuses on the **priorities**, giving a **direction** and a **movement**. The strategy has to be understandable and relevant to all member countries. It should clearly set the path and provide solutions to get the momentum going.

In addition to these first considerations about the global dynamic that could be strengthened, PostEurop has identified a couple of requirements that should be integrated in the strategic framework with the aim of enhancing its relevance.

2.1 Need to adopt a more business-oriented approach

2.1.1 Recognize the crisis

PostEurop deems it necessary to recognize that the postal sector is facing a significant crisis, threatening its middle to long term relevance and possibly even the survival of (some) Designated Operators (DOs) in their current form. The volumes of parcels handled by private logistics companies are attracting more customers' interest than DOs. All strategic goals must better address this situation.

2.1.2 Take full consideration of innovation and digitalization.

Innovation and digitalization represent two fundamental drivers that go hand in hand for strategic progress. PostEurop would like to underscore the need to **fasten the innovation capability** of the UPU in terms of products and services: set **goals for decision-making timeframe** (if only for voluntary participation).

2.1.3 Underline the need to intensify the cooperation capability of the global postal sector

Network integration among all players along the supply-chain is essential to maintain the competitiveness of the global postal network, including transport operators, customs, security agencies and wider postal sector players (WPSPs). UPU has a major role to play in the development of common standards to facilitate EDI and cross injection (e.g with APIs) to regain volumes to international postal channels.

Increased cooperation may for example favor consolidation of DO & WPSP volumes for transportation and final distribution, permitting cost and emissions reductions beneficial for all partners and a shift back of volumes to the global postal network. The development of the necessary framework as provided for in the “Riyadh solution” would however, require financial participation of CC members.

Exchange of best practices, in particular making existing and working IT solutions available to all UPU member countries (instead of new developments), for example IPC solutions instead of developing parallel solutions could save costs, promotes standards, etc. This implies finding a financing model compatible with the resources of developing countries.

2.2 CSR should be put as an essential component at the core of the UPU strategy

2.2.1 Climate change

PostEurop notes with satisfaction that the environmental topics are mentioned in several parts of the strategic document. Nevertheless, there is a need to **increase the visibility of environmental sustainability** as a common element to all the objectives of the UPU strategic plan. It is crucial to keep the UPU, as a UN agency, updated with global developments aligning the postal sector towards social and environmental sustainability. The shift towards green practices is essential. Ignoring climate change could reduce the UPU's relevance and access to international green funds.

2.2.2 Gender equality



photo by An Post

In the context of actions to promote fundamental rights and freedoms, we need to focus more the UPU strategy in supporting the principle of gender equality in all its forms and activities. Globally, achieving gender equality and empowering all women and girls is one of the 17 Sustainable Development Goals that states have committed to achieve by 2030. It's a common commitment for all parties. To date very few Member Countries have achieved equality between men and women.

Progress is slow and gender gaps persist in the world of work, in management positions and participation in political and institutional life. The UPU as intergovernmental organization should give greater emphasis on this in its strategic plan through concrete objectives and actions to make tangible progress on this issue and achieve the SDGs.

2.3 The global postal network requirements should be underlined

2.3.1 Customs issues

Evolving **customs and security requirements are necessary** in today's world, but they have a significant **impact on the efficiency** of international flows and the single postal territory.

Cooperation and exchange of best practices between member countries is important but is not sufficient to overcome obstacles. The political aspect versus regulation divergences is creating the urgency for relevant actors to find operational and legal solutions. As **UPU has a privileged position** with other relevant international organizations (WCO, WTO, IATA...), an increased cooperation would be a key to streamline procedures for the benefit of all members.

In addition, it is important to address the possible infrastructural and technological deficiencies: DOs need to stay up to date with technological advancements. It is also necessary to keep the efficiency of the international mail network, coping with complex procedures like customs, as well as natural disasters.

2.3.2 Quality of service

More emphasis to put on **"how to grow the business"**. A **concrete strategy action** to address the current competitive market is needed like, for example, the reorganization of distribution networks in consideration of lower postal volumes and higher parcel volumes, the improvement of the quality of customer service and the increase in customer satisfaction.

2.4 The Dubai strategy should identify UPU core value and priorities in a more dedicated manner

Considering the ongoing efforts within the UPU to define its **vision, mission, and goals** for the strategy period of 2026-2029, it may also be important to **add the “Purpose/Scope”** of the Union that reflects the identity and the core values of the Union in line with the SDGs.

All UPU stakeholders are committed to **environmental protection**, aware of the need to use resources responsibly in order to minimise negative environmental impacts and pursue sustainable development aimed at creating value for the UPU communities and territories. Each stakeholder is committed, also through **collaboration with WPSPs, to offer cutting-edge technological solutions** supporting local communities and promoting the wellbeing of citizens and socio-economic development.

Promoting activity programmes relating to **social inclusion** issues that have a positive impact and bring benefits to the community, in order to further support social and economic cohesion and reduce the digital divide.

Postal services play a crucial role in social inclusion, business development, and long-term sustainability, making government support vital.

While the importance of reactivity to adapt to **ever changing market requirements** is widely acknowledged, the UPU should **set new ways forward: tighten deadlines** of decision making to 2-3 sessions and fasten implementation of multilateral pilot tests for new products / services.

3. Propositions to make the strategic framework document (CA C3 2024.1 Doc 8 Annex 1) better fitted for its purpose

PostEurop would like to enter in more detailed observations and suggestions to reflect and translate the comments made above.

3.1 Add a one-page sheet

The objective would be to set the most important to be retained and the priorities first for the postal sector and second for the UPU as an organization.

3.2 Executive summary

This should be structured and drafted in a more realistic way. The paragraph on challenges, risks, weaknesses should come first, before the paragraph on opportunities. It is necessary to be realistic if we want to take the appropriate steps. In the same way, it should be made clearer that opportunities are also recommendations to cope with the challenges, meaning that they will not automatically bring prosperity and success. In this regard, the paragraphs 7, 8 and 9 look too affirmative and should be nuanced.

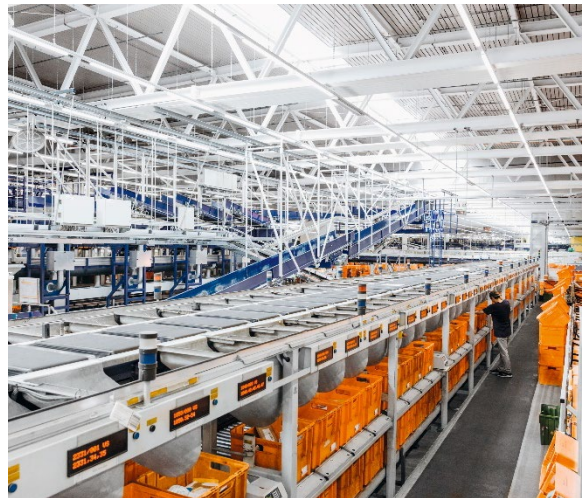


photo by Austrian Post

3.3 Background (CA C3 2024.1 Doc 8 Annex 1 – I)

3.3.1 Context of the global postal sector in 2024 (I-A)

On paragraph 4: it is a little bit restrictive to say that collaboration within the postal sector was limited. Paragraph 6 and 10: properly speaking, there is no transition phase in the postal sector (that would be over) but rather a continued evolution that never stops.

3.3.2 What might the postal sector of the future look like (I-B)

At paragraph 1, PostEurop would prefer to talk about dynamic postal ecosystem as an objective to be reached rather than an already existing one. Some « ingredients » are missing to secure successful and profitable postal services: urgent

need to be able to follow the quick changes in the market, speed and agility.

On paragraphs 9 and 10, again, it is more appropriate to write « should position » rather than « is positioned ». PostEurop considers that the end of the chapter (from paragraph 12) gives a too idyllic vision of the postal sector.

3.3.3 Global sector forecast (I-C) to be put before I-A and I-B

Postal decoupling: this is the **main current challenge**. This chapter should come before A and B because those are strongly related to this postal decoupling.

It would be relevant to add the growing constraint of the need to reduce carbon emissions. We all know that carbon emissions put the planet at risk. Equally it would be relevant to add other external factors that need to be considered like growing concern as regards security and safety requirements (supply-chain).

At paragraph 5, it is very relevant to say that to recouple economy with general economy, it is crucial to **leverage emerging technologies** to enhance efficiency, expand services and improve customer experience.

Paragraphs 7 and 8: it is appropriate to talk about aligning postal services with sustainability and social inclusion objectives, and about the role of postal services during pandemics and other situations of catastrophe.

3.4 Macrosectoral assessment by UPU stakeholders (II)

3.4.1 Stakeholders centric assessment of the future of the global postal sector (II.A)

We take note that IB has **not adopted a multiple scenarios** approach with various pathways and that the opinions from the survey were further augmented by those of a group of cross-thematic IB experts.

Would a **worst-case scenario** (ever increasing competition, further deregulation, abandon or questioning USO, governments selling regional postal licenses to private operators, disappearance of DOs in their current form, etc.) contribute to and **stimulate the reflection?**

Promote cooperation among WPSP stakeholders to obtain funding, innovation, and modernization.

3.4.2 The global postal sector in 2029 (II.B)

Whereas the assessment of risks is very comprehensive and reflects reality, it could be more realistic to write that there are « several » opportunities not « abundant ». In addition, some of the described opportunities should be mentioned as requirements. For example: IT improved standards, optimized labour models. Since the financial constraint is indicated among the risks, this seems not to be considered - but should be.

3.4.3 Future state of the UPU in 2029 (II.C)

On paragraph 1, for the sake of being **realistic and more operative**; it could be better, considering the postal decoupling, that the UPU is still relevant and could (instead of will) be relevant in 2029.

Whereas the identification of key-risks for the UPU is relevant. The objective of strategies is not to **“mitigate”** the risks (too weak) but to **“overcome”** them.

The opportunities that are listed are interesting but 3 of them (2, 3 and 4) still need to be leveraged.

Collaborate with organizations like WCO, WTO, IATA, and the EU to address complex issues and maintain UPU’s global authority.

3.5 Strategic framework (III)

3.5.1 Vision (III.B)

While the vision as proposed is very valuable and includes most important aspects, it lacks the inclusion of the UPU as an organisation. In fact, the vision just describes an idealized picture/state of a future society, but **it is not clear what role the UPU itself is playing in this society**. Therefore, we propose a rewording from “A society that is interconnected, inclusive and sustainable, empowered by a seamless, innovative postal network” to “UPU enables a seamless and innovative postal network contributing to a society that is interconnected, inclusive and sustainable”.

3.5.2 Mission (III.C)

In relation with our general comments about what should be more prioritized and about the direction that should be given to the UPU, PostEurop considers that Dubai will be the right time to adapt the current **mission that was not updated for 20 years**.

Our proposal is as follows:

“To stimulate the lasting development of efficient and accessible universal postal services of quality to facilitate communication and the exchange of goods between the inhabitants of the world by:

- guaranteeing the free circulation of postal items over a single postal territory composed of interconnected networks;
- encouraging the adoption of fair common standards and the use of technology respecting efficiency principles;
- ensuring cooperation and interaction among stakeholders;
- promoting effective technical cooperation;
- ensuring the satisfaction of customers' changing needs.
- identifying and leveraging business opportunities,
- integrating sustainability in a social, economic, and ecological sense into all aspect of the Unions activities and goals”.

3.5.3 Goals (III.C)

3.5.3.1 Goal 1 (III.C.1)

PostEurop would like to underline that for the first of the 3 strategic outcomes, it is necessary to keep in mind that the future of DOs and USO **depends upon their national regulations**, and it is not directly in the field of the UPU.

On the contrary, the second strategic outcome should be **given the highest priority: strengthening cross-border postal supply-chain is the most crucial issue** for at least 2 reasons: security and customs requirements are increasing and shall be tackled, and for doing that, only an international organisation can deal with matters that concern several not to say all countries.

3.5.3.2 Goal 2 (III.C.2)

It is very important to **add the sustainability dimension** at the goal level. It is logic as there is a strategic outcome related to this.

Comments on the 8 Strategic Indicators: 1 to 6 are very adapted. 7 and 8 seem less in relation with the goal. At least, there is a need to add a Strategic Indicator related to sustainability.

3.5.3.3 Goal 3 (III.C.3)

As it is underlined in the strategy framework, it is essential to facilitate the postal development through enhanced cooperation.

PostEurop wishes to promote Goal 3's commitment to strengthening collaboration and cooperation among Restricted Unions (RUs) and stakeholders which play a significant role in postal development. PostEurop underscores the importance of collective action, partnership building, knowledge sharing, and technical assistance in addressing common challenges and realizing mutual benefits.

UPU & PostEurop Regional Cooperation has been very fruitful with the current concrete example of ORE3 Project (Operational efficiency & e-commerce development) which falls under the Regional Development Plan (2022-2025). Future activities, workshops, meetings, and projects organized under the new UPU Strategy 2026-2029 (Dubai Cycle) within the UPU-PostEurop Regional Cooperation Framework should be complementary to avoid overlapping and duplication within the same regions and countries.

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