

SECOND EXTRAORDINARY CONGRESS

Proposal of a general nature

01

COUNCIL OF ADMINISTRATION

Decision

Scope of member country proposals to be brought before the Extraordinary Congress

Congress,

Considering
the limited mandate of the 2018 Extraordinary Congress, which is empowered to address only the topics contained in Istanbul Congress resolutions C 15/2016, C 24/2016, C 27/2016, C 28/2016, C 29/2016 and C 31/2016;

Noting
that the Istanbul Congress limited the duration of the 2018 Extraordinary Congress to five working days at the maximum,

Decides

- to discuss and take a decision on only those proposals submitted to it by UPU bodies and member countries that relate specifically to the subjects covered by the following resolutions:
 - C 15/2016: Integrated Product Plan implementation;
 - C 24/2016: Draft Istanbul Business Plan (work proposal 024);
 - C 27/2016: Management of the work of the Union – Reform of the UPU;
 - C 28/2016: Organization of an Extraordinary Congress in 2018;
 - C 29/2016: Reform of the system applied to contributions by Union member countries;
 - C 31/2016: Future sustainability of the Union's Provident Scheme;
- that any proposal pertaining to other topics shall not be considered unless Congress decides, by a majority of the member countries represented at Congress and having the right to vote, that the proposal concerns an urgent postal sector issue.

SECOND EXTRAORDINARY CONGRESS

Proposal of a general nature

02

COUNCIL OF ADMINISTRATION and POSTAL OPERATIONS COUNCIL

Resolution

Implementation of updated Integrated Product Plan

Congress,

Taking note
of the work carried out by the POC since 2016 to develop the updated Integrated Product Plan (IPP),

Fully supporting
the implementation of the recommendations contained in the IPP presented in Istanbul Congress–
Doc 39.Rev 1 and in Extraordinary Congress–Doc 8,

Considering
that designated operators are best placed to exploit the potential of e-commerce, but that they must deliver reliably and continue to innovate in order to keep pace with the changing needs of consumers and e-sellers and be able to successfully compete in the market,

Noting
that competition in the postal market, especially for e-commerce delivery, is fierce and rapidly evolving,

Convinced
of the growth opportunities for designated operators in business generated through e-commerce,

Recognizing
that growth and growth opportunities are applicable worldwide,

Also recognizing, however,
that the ongoing development and growth of alternative networks is a clear signal that the UPU network is not meeting needs, and that if the UPU does not adapt there will be a continuing increase in the number of designated operators moving traffic outside the UPU network,

Acknowledging
that one of the challenges faced by the UPU in relation to customer needs and product features is how to satisfy market requirements by rationalizing, modernizing and integrating the existing framework of products,

Instructs

the Council of Administration to ensure that questions relating to governmental policies and regulatory issues are properly addressed, discussed and decided in the further development and implementation of the Integrated Product Plan,

Also instructs

- the Postal Operations Council to ensure that the UPU keeps pace with change by modernizing letter post, parcel post and EMS using an integrated approach to product development, and ensuring speedier decision making in response to market needs by implementing the recommendations contained in the updated IPP presented in Congress–Doc 8, namely:
 - group 3 recommendations 4, 5, 6, 7 and 8 (see Congress–Doc 8, paragraph 9, table 5, concerning add-ons), with consequential proposals, to be submitted to the 2020 Congress for approval and with the implementation date of the proposals set at 1 January 2022;
 - the electronic advance data–related recommendations listed in Congress–Doc 8, paragraph 17;
 - the development activities and timelines (outlined in the table in paragraph 18 of Congress–Doc 8) to be respected in order to ensure that implementation of the updated IPP is in line with the wishes of the UPU member countries,

Further instructs

the Postal Operations Council to continue:

- developing and implementing POC activities that are driven by product definition and development, with a view to further rationalizing and modernizing products and services, while at the same time recognizing customer, market and supply chain needs;
- ensuring close coordination between the UPU body responsible for providing the roadmap for the implementation of electronic advance data and the body responsible for the implementation of the IPP;
- ensuring the ongoing review of the IPP with the aim of submitting an updated version to the 27th Congress in 2020,

Invites

member countries to:

- take measures enabling designated operators to provide quality physical products as part of the universal service, to stimulate the economy and reinforce social cohesion;
- acknowledge the role of UPU physical product development activities in enhancing the quality of the services for citizens and businesses, particularly small and medium-sized businesses;
- take steps to ensure that designated operators better manage relationships with their customers in order to become commercial, competitive and efficient;
- ensure that designated operators focus not only on the challenges facing the development of international physical products, but also on the strategies needed to meet those challenges;
- participate actively in the UPU physical product development process;
- undertake activities aimed at increasing business by exploiting e-commerce opportunities,

Also invites

the restricted unions to lend their support to the development of e-commerce within their regions.

Reasons. – See Congress–Doc 8.

SECOND EXTRAORDINARY CONGRESS

Proposal of a general nature

03

COUNCIL OF ADMINISTRATION and POSTAL OPERATIONS COUNCIL

Resolution

Implementation of updated Integrated Product Plan

Congress,

Taking note
of the work carried out by the POC since 2016 to develop the updated Integrated Product Plan (IPP),

Fully supporting
the implementation of the recommendations contained in the IPP presented in Istanbul Congress–Doc 39.Rev 1 and in Extraordinary Congress–Doc 8,

Considering
that designated operators are best placed to exploit the potential of e-commerce, but that they must deliver reliably and continue to innovate in order to keep pace with the changing needs of consumers and e-sellers and be able to successfully compete in the market,

Noting
that competition in the postal market, especially for e-commerce delivery, is fierce and rapidly evolving,

Convinced
of the growth opportunities for designated operators in business generated through e-commerce,

Recognizing
that growth and growth opportunities are applicable worldwide,

Also recognizing, however,
that the ongoing development and growth of alternative networks is a clear signal that the UPU network is not meeting needs, and that if the UPU does not adapt there will be a continuing increase in the number of designated operators moving traffic outside the UPU network,

Acknowledging
that one of the challenges faced by the UPU in relation to customer needs and product features is how to satisfy market requirements by rationalizing, modernizing and integrating the existing framework of products,

Instructs

the Council of Administration to ensure that questions relating to governmental policies and regulatory issues are properly addressed, discussed and decided in the further development and implementation of the Integrated Product Plan,

Also instructs

- the Postal Operations Council to ensure that the UPU keeps pace with change by modernizing letter post, parcel post and EMS using an integrated approach to product development, and ensuring speedier decision making in response to market needs by implementing the recommendations contained in the updated IPP presented in Congress–Doc 8, namely:
 - group 2 recommendation 3 (see Congress–Doc 8, paragraph 9, table 4, concerning value-added services) to be submitted to the 2020 Congress for approval, with the date of implementation set at 1 January 2022, if approved;
 - group 3 recommendations 4, 5, 6, 7 and 8 (see Congress–Doc 8, paragraph 9, table 5, concerning add-ons), with consequential proposals, to be submitted to the 2020 Congress for approval and with the implementation date of the proposals set at 1 January 2022;
 - the electronic advance data–related recommendations listed in Congress–Doc 8, paragraph 17;
 - the development activities and timelines (outlined in the table in paragraph 18 of Congress–Doc 8) to be respected in order to ensure that implementation of the updated IPP is in line with the wishes of the UPU member countries,

Further instructs

the Postal Operations Council to continue:

- developing and implementing POC activities that are driven by product definition and development, with a view to further rationalizing and modernizing products and services, while at the same time recognizing customer, market and supply chain needs;
- ensuring close coordination between the UPU body responsible for providing the roadmap for the implementation of electronic advance data and the body responsible for the implementation of the IPP;
- ensuring the ongoing review of the IPP with the aim of submitting an updated version to the 27th Congress in 2020,

Invites

member countries to:

- take measures enabling designated operators to provide quality physical products as part of the universal service, to stimulate the economy and reinforce social cohesion;
- acknowledge the role of UPU physical product development activities in enhancing the quality of the services for citizens and businesses, particularly small and medium-sized businesses;
- take steps to ensure that designated operators better manage relationships with their customers in order to become commercial, competitive and efficient;
- ensure that designated operators focus not only on the challenges facing the development of international physical products, but also on the strategies needed to meet those challenges;
- participate actively in the UPU physical product development process;
- undertake activities aimed at increasing business by exploiting e-commerce opportunities,

Also invites

the restricted unions to lend their support to the development of e-commerce within their regions.

Reasons. – See Congress–Doc 8.

SECOND EXTRAORDINARY CONGRESS

Proposal of a general nature

04

POSTAL OPERATIONS COUNCIL

Resolution

Integrated Remuneration Plan (2019–2020)

Congress,

Taking note
of the work carried out by the CA and the POC since 2017 to develop the Integrated Remuneration Plan,

Recalling
the integrated remuneration principles as contained in Istanbul Business Plan work proposal 024, approved
by the 26th Congress through resolution C 24/2016,

Recalling also
that the 26th Congress, through work proposal 024, instructed the CA and the POC to accelerate actions to
modernize and integrate the UPU's remuneration systems,

Recognizing
the need to minimize the effects of distortions created by the current systems and to ensure that proposals are
developed for an integrated remuneration system in which the UPU remuneration systems are better aligned
and rationalized and which responds to any modifications to the UPU portfolio of physical products (letters,
parcels and EMS) brought about by the Integrated Product Plan,

Emphasizing
the importance of the modernization, rationalization and integration of the UPU remuneration system to unlock
the growth potential of UPU services in the e-commerce market,

Acknowledging
that a comprehensive analysis of the existing remuneration systems has shown a need to make adjustments
to the remuneration of items containing goods,

Encouraged
by the significant progress made since the 26th Congress, resulting in an Integrated Remuneration Plan which
identifies concrete areas in which better alignment, integration and rationalization of the remuneration systems
can be achieved,

Convinced
that the implementation of the Integrated Remuneration Plan in Phase III (2019 and 2020) will result in pro-
posals to the 27th Congress that are beneficial to achieving the objective of an integrated, modern and forward-
looking remuneration system,

Decides

to adopt the Integrated Remuneration Plan, to enable the continuation of work and studies with a view to developing a proposal for an Integrated Remuneration System to be proposed to the 2020 Congress,

Instructs

the Postal Operations Council and Council of Administration to ensure that work on the modernization, rationalization and integration of the UPU remuneration systems continues at an accelerated pace by:

- implementing all of the activities contained in the Integrated Remuneration Plan presented in Part II of Congress–Doc 8, namely in paragraphs 30 to 35 and in accordance with the timeline in paragraph 36, to ensure that implementation of the Integrated Remuneration Plan will result in proposals for an Integrated Remuneration System to be proposed to the 27th Congress in 2020;
- developing proposals in accordance with the product portfolio and on the basis of the product specifications of all basic and supplementary services, as well as for the services that can be added on to the basic services or supplementary services (add-ons);
- ensuring that all proposals of an Integrated Remuneration System adhere to the integrated remuneration principles adopted by the 26th Congress and contained in Istanbul Business Plan work proposal 024;
- developing a mandate to implement all proposals for an Integrated Remuneration System in the next work cycle, including the application of the methodology, the calculation of the effective rates and maintenance of guides, manuals and accounting procedures;
- developing work proposals to the 27th Congress in 2020 for a mandate to continue the work on the further development of the Integrated Remuneration Plan and the Integrated Remuneration System through modernization, rationalization and integration,

the Council of Administration to:

- monitor the work done by the Postal Operations Council on the development of the Integrated Remuneration System and ensure that, in accordance with the attributions of the Council of Administration as contained in article 107 of the General Regulations, the associated proposals for the 2020 Congress are in accordance with the integrated remuneration principles adopted by the 26th Congress and contained in Istanbul Business Plan work proposal 024;
- review and develop the integrated remuneration principles to be proposed to the 27th Congress in 2020 to guide the work on the development of remuneration systems during the next Congress work cycle,

the Postal Operations Council to:

- develop proposals for an Integrated Remuneration System, including associated proposals to amend the Convention and Regulations, to be proposed to the 27th Congress in 2020;
- ensure that such proposals respond to the requirements of the product portfolio and the product specifications defined in the Integrated Product Plan;
- review the remuneration of basic services for items containing documents and develop proposals for the period of validity of the Abidjan Congress Acts (2022–2025);
- review, for all mail flows, the remuneration of items containing goods, in particular the remuneration of parcels through the inward land rates system and the remuneration of bulky letters (E) and small packets (E) through the terminal dues system, and develop proposals that will result in better alignment between and rationalization of the two systems in the Abidjan Acts period;
- explore options that will lead to a more equitable, competitive and cost-based model as compared to the current inward land rate system, in particular within the lightweight segment below 2 kilogrammes;
- undertake a comprehensive review of the remuneration of value-added services (tracked, registered and insured services) on the basis of the product specifications associated with the new product portfolio, and develop proposals for appropriate remuneration for the Abidjan Acts period;
- develop, on the basis of the conclusions of the study on the costs of handling returned undeliverable letter-post items, proposals for the remuneration of such services, and present proposals to the 27th Congress in 2020;

- continue the work on the transition of countries from group IV of the terminal dues classification system for terminal dues purposes towards the target system;
- review the provisions governing the link between terminal dues and quality of service with respect to bonuses and penalties, as well as applicable standards and targets;
- develop proposals governing the link between inward land rates and quality of service with respect to bonuses and penalties;
- revise all operational, statistical and accounting procedures relevant to the proposed modifications to the UPU remuneration systems,

Further instructs

the International Bureau to:

- implement the Integrated Remuneration Plan;
- carry out the studies provided for in the work assigned to the CA and POC;
- support the work assigned to the CA and POC;
- undertake, in coordination with the restricted unions, the organization of regional round tables to familiarize all countries and/or regions with the proposals for an Integrated Remuneration System,

Invites

member countries to:

- support the implementation of the Integrated Remuneration Plan, in particular by responding to studies in support of proposals on a modern, forward-looking integrated remuneration system (see table 3 of Part II of Congress–Doc 8), and provide accurate information in a timely manner;
- take active part in the development of proposals for an Integrated Remuneration System;
- take active steps to invest in a modernized, rationalized and integrated remuneration system,

Also invites

the restricted unions to lend their support to the development of e-commerce within their regions.

Reasons. – See Congress–Doc 8.

SECOND EXTRAORDINARY CONGRESS

Proposal of a general nature

05

COUNCIL OF ADMINISTRATION

Resolution

Additional procedures concerning the election of member countries to the Council of Administration and the Postal Operations Council

Congress,

Noting

the decision of the Istanbul Congress through resolution C 27/2016 ("Management of the work of the Union – Reform of the UPU") to defer examination of reform issues to an Extraordinary Congress in 2018,

Also noting

the work undertaken by the Council of Administration's Ad Hoc Group on UPU Reform (as established by the above resolution), whose recommendations were conveyed to the Council of Administration and further submitted as formal proposals to the Extraordinary Congress,

Confirming

that consensus was achieved at the 2016 Istanbul Congress on a proposed way forward to increase the relevance and efficiency of the Union through a number of reform steps, particularly in order to cope with rapidly changing needs in the postal environment,

Acknowledging

that the UPU will remain an intergovernmental organization and a specialized agency of the United Nations whose aim is to secure the organization and improvement of the postal services and to promote in this sphere the development of international collaboration,

Also acknowledging

the various decisions adopted by this Extraordinary Congress with regard to reform of the Union and the related amendments to its Acts,

Taking into account

the relevant provisions of the General Regulations concerning the election of member countries to sit on the Council of Administration and the Postal Operations Council,

Decides

to henceforth apply the following additional procedures and geographical distribution parameters for the election of member countries to sit on the Council of Administration and the Postal Operations Council:

Council of Administration

- Without prejudice to the allocation of a specific seat to the host member country of Congress (as further detailed in the General Regulations), the seats for the Council of Administration shall be distributed on the following basis (equitable geographical distribution):
 - Group 1 (Western Hemisphere): eight seats;

- Group 2 (Eastern Europe and Northern Asia): five seats;
 - Group 3 (Western Europe): six seats;
 - Group 4 (Southern Asia and Oceania): 10 seats;
 - Group 5 (Africa): 11 seats;
- Election of members of the Council of Administration shall be based on the ranking order of votes obtained within each geographical region, subject to the renewal requirements and term limitations outlined in the General Regulations,

Postal Operations Council

- the seats for the Postal Operations Council shall be distributed on the following basis (qualified geographical distribution):
- Group 1 (Western Hemisphere): eight seats;
 - Group 2 (Eastern Europe and Northern Asia): six seats;
 - Group 3 (Western Europe): 12 seats;
 - Group 4 (Southern Asia and Oceania): 11 seats;
 - Group 5 (Africa): 11 seats;
- Election of members of the Postal Operations Council shall be based on the ranking order of votes obtained within each geographical region,

Also decides

To abrogate, with immediate effect and without prejudice to the current composition of the councils, all previous Congress decisions concerning the election of member countries to sit on the Council of Administration and the Postal Operations Council, including Congress resolution C 19/1994 and Congress resolution C 5/1999.

SECOND EXTRAORDINARY CONGRESS

Proposal of a general nature

| **06.Rev 1**

AUSTRIA, BULGARIA (REP.), CZECH REPUBLIC, DENMARK, ESTONIA, FINLAND, FRANCE, GEORGIA, GERMANY, HUNGARY, ITALY, LATVIA, NORWAY, POLAND, SLOVAKIA, SPAIN, SWEDEN, SWITZERLAND AND THE UNITED KINGDOM

Resolution

Reform of the system applied to contributions by Union member countries

Congress,

Considering

that, in accordance with article 21 of the UPU Constitution, the Union's expenses shall be jointly borne by its member countries, and that in accordance with the UPU General Regulations, each member country shall, on a voluntary basis, choose the contribution class to which it intends to belong,

Also considering

that, since the 2012 Doha Congress, the number of units contributed by Union member countries has decreased significantly and that, at the same time, the number of member countries under sanctions for non-payment of the contributions has increased significantly,

Noting

that the development of a sustainable contribution model constitutes both a priority and a cornerstone within the context of the reform of the Union, for which a task force was created by the Council of Administration in accordance with resolution C 29/2016, in order to seek innovative funding sources through dialogue with member country governments, regulators and designated operators, including the subject of fair compensation for use of the various solutions and tools created and managed by the Union,

Also noting

that extensive work has been performed by the task force in pursuing the objective outlined in Istanbul Congress resolution C 29/2016,

Recognizing

that still more work has to be done in order to evaluate options for a future contribution model that all member countries can endorse guaranteeing the Union's long-term financial sustainability,

Acknowledging

that the aforementioned initiatives undertaken in the area of sustainable financing of the Union have thus far not delivered sufficient results,

Also acknowledging

that the contribution model proposal must be based on consensus,

Realizing

that in full exercise of their sovereignty, member countries, particularly through the Council of Administration, should establish a fair and sustainable financing model aimed at ensuring the achievement of the Union's constitutional mission, scope and objectives,

Pro

23.8.2018

Convinced

that the voluntary basis of UPU funding and the establishment of a fair minimum contribution should be the key points of the new contribution system,

Also convinced

that the practices adopted within the United Nations system, in particular in the specialized agencies, mainly based on assessed contributions according to the relative capacity of each member country to pay (taking into consideration gross national income combined with other elements such as external debt and development levels), should be analyzed in detail as a possible basis for future Congress proposals,

Instructs

the Council of Administration to prepare, for submission to the 27th Congress in 2020, a contribution model proposal that would guarantee the Union's long-term financial sustainability,

Also instructs

the Council of Administration, with support from the International Bureau, to:

- identify and describe the main issues pertaining to the Union's long-term financial sustainability (including the recovery of arrears and improvements to the financial efficiency of the Union, along with an analysis of the various contribution models applied in the UN system), with a view to the preparation of the aforementioned Congress proposal;
- study possibilities for additional sources of revenue for the Union, including:
 - implementing cost recovery for specific categories of services provided to member countries by the International Bureau;
 - creating new forms of membership in exchange for contributions to the regular budget;
- develop a new approach that would lead the Union to recover outstanding payments from members.

| Supported by. – Liechtenstein

SECOND EXTRAORDINARY CONGRESS

Proposal of a general nature

| 07.Rev 1

COUNCIL OF ADMINISTRATION

Decision

Designation of member countries prepared to assume the chairmanships, vice-chairmanships and topic-leader positions for the Extraordinary Congress

Congress,

Decides

to approve the following list of member countries, designated by the Council of Administration, which are prepared to assume the chairmanship of Congress and the positions of vice-chairman/topic leader:

a Chairmanship of Congress

– Ethiopia (host country) (5)

b Vice-chairmen and topic leaders

<i>Topic</i>	<i>Country (geographical region)</i>
Finance (contribution system)	Kenya (5)
Reform	China (People's Rep.) (4)
Integrated Product Plan, Integrated Remuneration Plan and amendments to the Acts	France (3) and China (People's Rep.) (4)
Stability and sustainability of the Provident Scheme	United States of America (1)

c Restricted committees

<i>Name of committee</i>	<i>Country (geographical region)</i>
Committee 1 (Credentials)	Chairman: Tunisia (5) Vice-Chairman: New Zealand (4) Members: Indonesia, Romania, Slovakia, Turkey
Committee 2 (Drafting)	Chairman: Poland (2) Vice-Chairman: Canada (1) Members: Algeria, Cameroon, France, United States of America

SECOND EXTRAORDINARY CONGRESS

Proposal of a general nature

08

COUNCIL OF ADMINISTRATION

Decision

Entry into force of amendments to the Acts as adopted by the Extraordinary Congress

Congress,

Decides

to set _____ as the date of entry into force of the amendments to the Acts adopted by the Second Extraordinary Congress, which shall be formally inscribed in the relevant Additional Protocols to the Acts concerned (unless otherwise indicated in the same Additional Protocols).

Reasons. – In accordance with Istanbul Congress resolution C 28/2016, the 2018 Extraordinary Congress is being held under the key premise of faster, more timely decision making within the Union, with the goal of addressing various issues relating to the current and future World Postal Strategy, as well as any urgent postal sector issues.

Given this specific mandate, the decisions of the Extraordinary Congress, particularly those relating to any amendments to the Acts of the Union, must be implemented as rapidly as possible.

In practice, recent Congresses have set 1 January of the second year following the year of Congress as the date of entry into force of the new Acts, as indicated below:

<i>Congress</i>	<i>End of Congress</i>	<i>Entry into force</i>	<i>Period</i>
Beijing 1999	15 September 1999	1 January 2001	15.5 months
Bucharest 2004	5 October 2004	1 January 2006	Almost 15 months
24th Congress (Geneva)	12 August 2008	1 January 2010	16.5 months
Doha 2012	14 October 2012	1 January 2014	14.5 months
Istanbul 2016	7 October 2016	1 January 2018	16.5 months

By analogy with article 103.1.3 of the UPU General Regulations, and in view of the urgent issues to be addressed by the Extraordinary Congress, the date of 1 January 2019 appears to be the best solution.

If so decided by the Extraordinary Congress, and always bearing in mind that proposals of a general nature are not equivalent to treaty-level provisions, nor have binding force on Union member countries, the proposed date of entry into force will be formally inscribed in the relevant Additional Protocols to the Acts concerned, unless otherwise indicated in the same documents (e.g., if the Extraordinary Congress decides to apply different dates of entry into force for specific provisions of the Acts).

It should be further noted that the entry into force of decisions other than those amending the Acts will have immediate effect, unless otherwise decided by the Extraordinary Congress.

SECOND EXTRAORDINARY CONGRESS

Proposal of a general nature

09

COUNCIL OF ADMINISTRATION

Resolution

Reform of the system applied to contributions by Union member countries

Congress,

Taking note
of the work carried out by CA Committee 1 since 2016 to reform the system applied to contributions by Union member countries,

Fully supporting
the implementation of the recommendations contained in Istanbul Congress resolution C 29/2016 and the subsequent decisions of the Council of Administration during 2017 and 2018,

Considering
that the current funding model of the Union no longer meets present requirements and needs to be improved to stabilize the funding base for the benefit of the International Bureau and member countries alike,

Noting
that a dedicated task force with the above mandate has been in place since 2016, and proposed to the 2018.1 CA an exhaustive review of the available options and concrete recommendations for the future funding model,

Convinced
that it is right to put in place a funding system based on capacity to pay while protecting economies with low income per capita and high debt burden,

Recognizing
that such a funding philosophy has been used historically by the United Nations system,

Instructs

the Council of Administration to implement the new funding model within a timeline of two Congress cycles (2020 to 2028), in full accordance with the detailed transitional plan provided in the report on this matter,

Invites

member countries to:

- support efficient changeover to the new funding model by diligently following the transitional steps as set out in the implementation plan;
- continue to support the Union and each other through respectful adherence to the principle of solidarity.

Reasons. – See Congress–Doc 5.

SECOND EXTRAORDINARY CONGRESS

Proposal of a general nature

10

COUNCIL OF ADMINISTRATION

Resolution

Sustainability of the Provident Scheme of the Universal Postal Union

The Extraordinary Congress,

Taking note
of the work carried out by the Council of Administration since 2017 on the future sustainability of the Union's Provident Scheme, under the terms of Congress resolution C 31/2016,

Having considered
the terms of Congress–Doc 7 and its associated recommendations,

Cognizant
of the ongoing deterioration of the membership profile and demographics of the Provident Scheme, as well as of the enduring stagnation of financial markets, resulting in lower than expected returns on the investments of the Provident Scheme,

Aware
that the difficult scenario referred to above poses a substantial risk to the operating capacity of the Union and to the general sustainability of its funding base in the long term,

Convinced
that stable and sustainable funding of the Provident Scheme is essential for the effective and efficient functioning of the Union,

Instructs

the Chair of the Council of Administration and the Director General, as members of the Management Board of the Provident Scheme, to propose the adoption and implementation of the following recommendations by the latter body at its earliest convenience:

- Reduction of the guarantee threshold for the degree of coverage of the Union's Provident Scheme from 85% to 80%;
- Initiation of negotiations with the United Nations Joint Staff Pension Fund (UNJSPF), with a view to achieving the Union's participation in the UNJSPF and, to the extent possible, the migration of active and retired Provident Scheme members into the UNJSPF, without prejudice to the acquired rights of such members,

Further instructs

the Council of Administration to ensure that Union guarantees to the Provident Scheme are met through adoption of a “corridor” approach consisting of (i) a 2% immediate guarantee activation trigger (i.e. in case the degree of coverage falls two or more percentage points below the proposed statutory guarantee threshold of 80%) and (ii) a three-year amortization period for such guarantee payments once triggered. Such amortization shall take place through (i) use of treasury funds as described in the instruction provided below for the Director General of the International Bureau and/or (ii) allocation, by the Council of Administration in the Union’s Programme and Budget, of the necessary guarantee funds through adoption of any necessary adjustments to it in years when the deficit is reported in the official accounts of the Provident Scheme. In this regard, payment amounts shall be re-assessed and adjusted annually to account for any intervening fluctuation in the degree of coverage of the Provident Scheme. Notwithstanding the foregoing, any reallocation of budgetary resources to the Provident Scheme shall not exceed 10% of the annual expenditure ceiling of the Union,

Additionally instructs

the Director General to:

- use the Union’s treasury resources, only if such resources are available without prejudice to implementation of the Union’s Programme and Budget as approved by the Council of Administration, such as interest gains resulting from the investment of Union assets, in order to cover the Union guarantee referred to above or reduce the amount of regular budget funds required to meet that guarantee;
- make recommendations to the Council of Administration on further budgetary optimization measures, bearing in mind any Congress or Council of Administration decisions on prioritization processes and without prejudice to the Director General’s duty to execute the Union’s Programme and Budget and all activities requested by the bodies of the Union, as outlined in article 127.3.4 and 127.3.5 of the UPU General Regulations.

Reasons. – See Congress–Doc 7.

SECOND EXTRAORDINARY CONGRESS

Proposal of a general nature

11

Amendment to proposal 04

ARGENTINA

Resolution

Integrated Remuneration Plan (2019–2020)

Congress,

Taking note
of the work carried out by the CA and the POC since 2017 to develop the Integrated Remuneration Plan,

Recalling
the integrated remuneration principles as contained in Istanbul Business Plan work proposal 024, approved
by the 26th Congress through resolution C 24/2016,

Recalling also
that the 26th Congress, through work proposal 024, instructed the CA and the POC to accelerate actions to
modernize and integrate the UPU's remuneration systems,

Recognizing
the need to minimize the effects of distortions created by the current systems and to ensure that proposals are
developed for an integrated remuneration system in which the UPU remuneration systems are better aligned
and rationalized and which responds to any modifications to the UPU portfolio of physical products (letters,
parcels and EMS) brought about by the Integrated Product Plan,

Emphasizing
the importance of the modernization, rationalization and integration of the UPU remuneration system to unlock
the growth potential of UPU services in the e-commerce market,

Acknowledging
that a comprehensive analysis of the existing remuneration systems has shown a need to make adjustments
to the remuneration of items containing goods,

Encouraged
by the significant progress made since the 26th Congress, resulting in an Integrated Remuneration Plan which
identifies concrete areas in which better alignment, integration and rationalization of the remuneration systems
can be achieved,

Convinced
that the implementation of the Integrated Remuneration Plan in Phase III (2019 and 2020) will result in pro-
posals to the 27th Congress that are beneficial to achieving the objective of an integrated, modern and forward-
looking remuneration system,

Decides

to adopt the Integrated Remuneration Plan, to enable the continuation of work and studies with a view to developing a proposal for an Integrated Remuneration System to be proposed to the 2020 Congress,

Instructs

the Postal Operations Council and Council of Administration to ensure that work on the modernization, rationalization and integration of the UPU remuneration systems continues at an accelerated pace by:

- implementing all of the activities contained in the Integrated Remuneration Plan presented in Part II of Congress–Doc 8, namely in paragraphs 30 to 35 and in accordance with the timeline in paragraph 36, to ensure that implementation of the Integrated Remuneration Plan will result in proposals for an Integrated Remuneration System to be proposed to the 27th Congress in 2020;
- developing proposals in accordance with the product portfolio and on the basis of the product specifications of all basic and supplementary services, as well as for the services that can be added on to the basic services or supplementary services (add-ons);
- ensuring that all proposals of an Integrated Remuneration System adhere to the integrated remuneration principles adopted by the 26th Congress and contained in Istanbul Business Plan work proposal 024;
- developing a mandate to implement all proposals for an Integrated Remuneration System in the next work cycle, including the application of the methodology, the calculation of the effective rates and maintenance of guides, manuals and accounting procedures;
- developing work proposals to the 27th Congress in 2020 for a mandate to continue the work on the further development of the Integrated Remuneration Plan and the Integrated Remuneration System through modernization, rationalization and integration,

the Council of Administration to:

- monitor the work done by the Postal Operations Council on the development of the Integrated Remuneration System and ensure that, in accordance with the attributions of the Council of Administration as contained in article 107 of the General Regulations, the associated proposals for the 2020 Congress are in accordance with the integrated remuneration principles adopted by the 26th Congress and contained in Istanbul Business Plan work proposal 024;
- review and develop the integrated remuneration principles to be proposed to the 27th Congress in 2020 to guide the work on the development of remuneration systems during the next Congress work cycle,

the Postal Operations Council to:

- develop proposals for an Integrated Remuneration System, including associated proposals to amend the Convention and Regulations, to be proposed to the 27th Congress in 2020;
- ensure that such proposals respond to the requirements of the product portfolio and the product specifications defined in the Integrated Product Plan;
- review the remuneration of basic services for items containing documents and develop proposals for the period of validity of the Abidjan Congress Acts (2022–2025);
- review, for all mail flows, the remuneration of items containing goods, in particular the remuneration of parcels through the inward land rates system and the remuneration of bulky letters (E) and small packets (E) through the terminal dues system, and develop proposals that will result in better alignment between and rationalization of the two remuneration systems in the Abidjan Acts period;
- explore options that will lead to a more equitable, competitive and cost-based model ~~as compared to the current inward land rate system~~, in particular within the lightweight item segment below 2 kilograms;
- undertake a comprehensive review of the remuneration of value-added services (tracked, registered and insured services) on the basis of the product specifications associated with the new product portfolio, and develop proposals for appropriate remuneration for the Abidjan Acts period;

- develop, on the basis of the conclusions of the study on the costs of handling returned undeliverable letter-post items, proposals for the remuneration of such services, and present proposals to the 27th Congress in 2020;
- continue the work on the transition of countries ~~classified in from group IV of the terminal dues classification system~~ for terminal dues and Quality of Service Fund purposes, ~~towards the target system including the development of a proposal to maintain the same level of existing participation;~~
- review the provisions governing the link between ~~terminal dues~~ the remuneration of items containing documents and the performance evaluation and quality of service with respect to bonuses and penalties, as well as applicable standards and targets;
- examine and develop proposals governing tending to continue improving or establishing the governance of the link between inward land rates and the remuneration of items containing goods and the performance evaluation in relation to quality of service with respect to bonuses and penalties, as well as applicable standards and targets;
- revise all operational, statistical and accounting procedures relevant to the proposed modifications to the UPU remuneration systems,

Further instructs

the International Bureau to:

- implement the Integrated Remuneration Plan;
- carry out the studies provided for in the work assigned to the CA and POC;
- support the work assigned to the CA and POC;
- undertake, in coordination with the restricted unions, the organization of regional round tables to familiarize all countries and/or regions with the proposals for an Integrated Remuneration System,

Invites

member countries to:

- support the implementation of the Integrated Remuneration Plan, in particular by responding to studies in support of proposals on a modern, forward-looking integrated remuneration system (see table 3 of Part II of Congress–Doc 8), and provide accurate information in a timely manner;
- take active part in the development of proposals for an Integrated Remuneration System;
- take active steps to invest in a modernized, rationalized and integrated remuneration system,

Also invites

the restricted unions to lend their support to the development of e-commerce within their regions.

Reasons. – See Congress–Doc 8.

Supported by. – Australia, Brazil, Canada, Colombia, Cuba, Chile, Dominican Republic, Ecuador, El Salvador, Mexico, Panama, Peru, United States of America, Uruguay, Venezuela (Bolivarian Rep.).

SECOND EXTRAORDINARY CONGRESS

Proposal of a general nature

12

Amendment to proposal 02 and/or 03

BRAZIL, CHILE, UNITED STATES OF AMERICA

Resolution

Implementation of updated Integrated Product Plan

Congress,

Taking note
of ~~Congress–Doc 8~~ and the work carried out by the POC since 2016 to develop the updated Integrated Product Plan (IPP),

~~Fully supporting
the implementation of the recommendations contained in the IPP presented in Istanbul Congress–
Doc 39.Rev 1 and in Extraordinary Congress–Doc 8,~~

Recalling
Istanbul Congress resolution C 15/2016 and the mandate to implement the recommendations of Istanbul
Congress–Doc 39.Rev 1 contained therein,

Considering
that designated operators are best placed to exploit the potential of e-commerce, but that they must deliver reliably and continue to innovate in order to keep pace with the changing needs of consumers and e-sellers and be able to successfully compete in the market,

Noting
that competition in the postal market, especially for e-commerce delivery, is fierce and rapidly evolving,

Convinced
of the growth opportunities for designated operators in business generated through e-commerce,

Recognizing
that growth and growth opportunities are applicable worldwide,

Also recognizing, however,
that the ongoing development and growth of alternative networks is a clear signal that the UPU network is not meeting needs, and that if the UPU does not adapt there will be a continuing increase in the number of designated operators moving traffic outside the UPU network,

Acknowledging
that one of the challenges faced by the UPU in relation to customer needs and product features is how to satisfy market requirements by rationalizing, modernizing and integrating the existing framework of products,

Instructs

the Council of Administration to ensure that questions relating to governmental policies and regulatory issues are properly addressed, discussed and decided in the further development and implementation of the Integrated Product Plan,

Also instructs

- the Postal Operations Council to ensure that the UPU keeps pace with change by modernizing letter post, parcel post and EMS using an integrated approach to product development, and ensuring speedier decision making in response to market needs by implementing the recommendations contained in the updated IPP presented in Congress–Doc 8 (substituting Annex 1 to this resolution for the product matrix found in tables 1 and 2 of that document), namely:
 - group 3 recommendations 4, 5, 6, 7 and 8 (see Congress–Doc 8, paragraph 9, table 5, concerning add-ons), with consequential proposals, to be submitted to the 2020 Congress for approval and with the implementation date of the proposals set at 1 January 2022;
 - the electronic advance data–related recommendations listed in Congress–Doc 8, paragraph 17;
 - the development activities and timelines (outlined in the table in paragraph 18 of Congress–Doc 8) to be respected in order to ensure that implementation of the updated IPP is in line with the wishes of the UPU member countries, with the addition of development of proposals by the POC in 2019 to amend the Quality of Service Fund system to ensure that group IV countries are not negatively affected by the IPP and Integrated Remuneration Plan proposals related to the elimination of the small packets category of items containing goods from the product matrix.

Further instructs

the Postal Operations Council to continue:

- developing and implementing POC activities that are driven by product definition and development and the principles of the IPP, with a view to further rationalizing and modernizing products and services, while at the same time recognizing customer, market and supply chain needs;
- ensuring close coordination between the UPU body responsible for providing the roadmap for the implementation of electronic advance data and the body responsible for the implementation of the IPP;
- ensuring the ongoing review of the IPP with the aim of submitting an updated version to the 27th Congress in 2020 consistent with the product matrix in Annex 1,

Invites

member countries to:

- take measures enabling designated operators to provide quality physical products as part of the universal service, to stimulate the economy and reinforce social cohesion;
- acknowledge the role of UPU physical product development activities in enhancing the quality of the services for citizens and businesses, particularly small and medium-sized businesses;
- take steps to ensure that designated operators better manage relationships with their customers in order to become commercial, competitive and efficient;
- ensure that designated operators focus not only on the challenges facing the development of international physical products, but also on the strategies needed to meet those challenges;
- participate actively in the UPU physical product development process;
- undertake activities aimed at increasing business by exploiting e-commerce opportunities,

Also invites

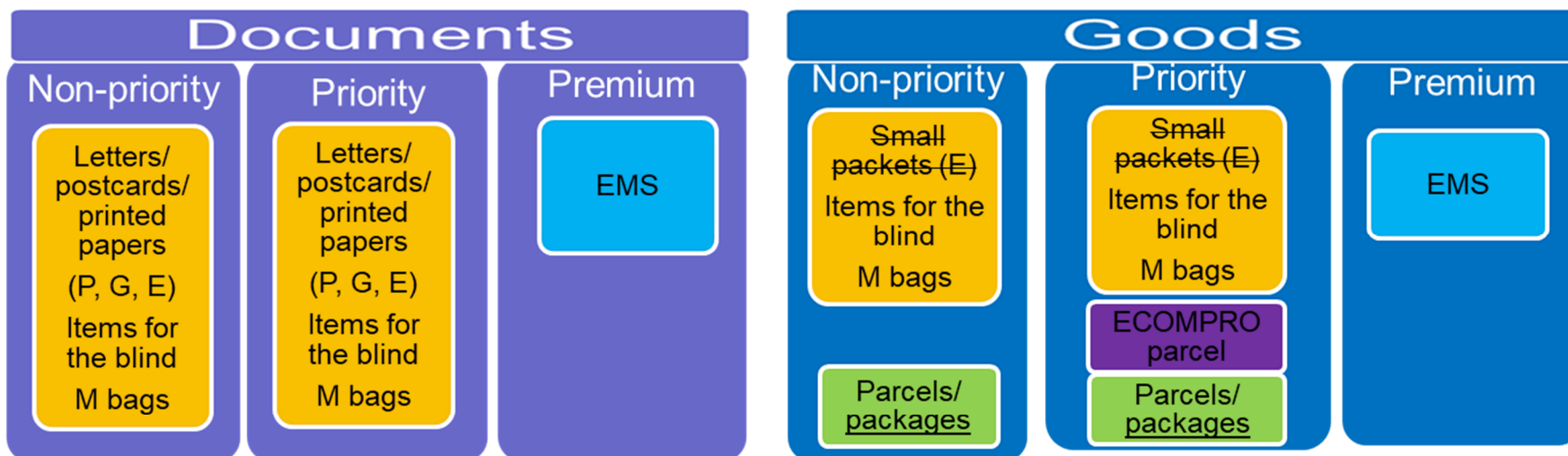
the restricted unions to lend their support to the development of e-commerce within their regions.

Reasons. – The Istanbul Congress gave a mandate to the POC to propose revisions to the UPU product portfolio that would further the IPP’s objectives and principles to better meet the needs of the market and of customers. The IPP recognized that the current product offerings are too complex and overlap extensively with each other. Consequently, two key principles were simplicity and differentiation. The matrix put forward by the POC and CA, however, is inconsistent with these principles, since it increases complexity and overlap and perpetuates a more unsustainable version of the status quo. In this sense, the POC and CA response to their C 15/2016 mandate is inadequate and indeed contrary to Congress’s intention. Most strikingly, the proposed product matrix retains small packets as a category of postal items containing goods even though Istanbul Congress–Doc 39.Rev 1, the implementation of which was fully supported by Congress, explicitly identified small packets as a product that is not sustainable on a long-term basis. The retention of small packets in the proposed product matrix will be confusing for customers and will perpetuate the distortions caused by the current system. Although existing arrangements may be profitable for some large volume exporters and a small number of DOs that have developed extensive alternative networks, they undermine the viability of the global network. If we are to adhere to the underlying principles of the IPP, we should be moving toward uniform product specifications for all non-premium items containing goods. As explained in Istanbul Congress–Doc 39.Rev 1, creation of a single packet/parcel product does not imply that this product will be covered by inward land rates, since work on the IRP could easily accommodate their consolidation in the product matrix with parcels. Lightweight items in this consolidated product category would then be termed “packages” when they needed to be specifically referred to in recognition of operational or other requirements. Likewise, the QSF system could also readily be adjusted to prevent negative impacts on group IV countries.

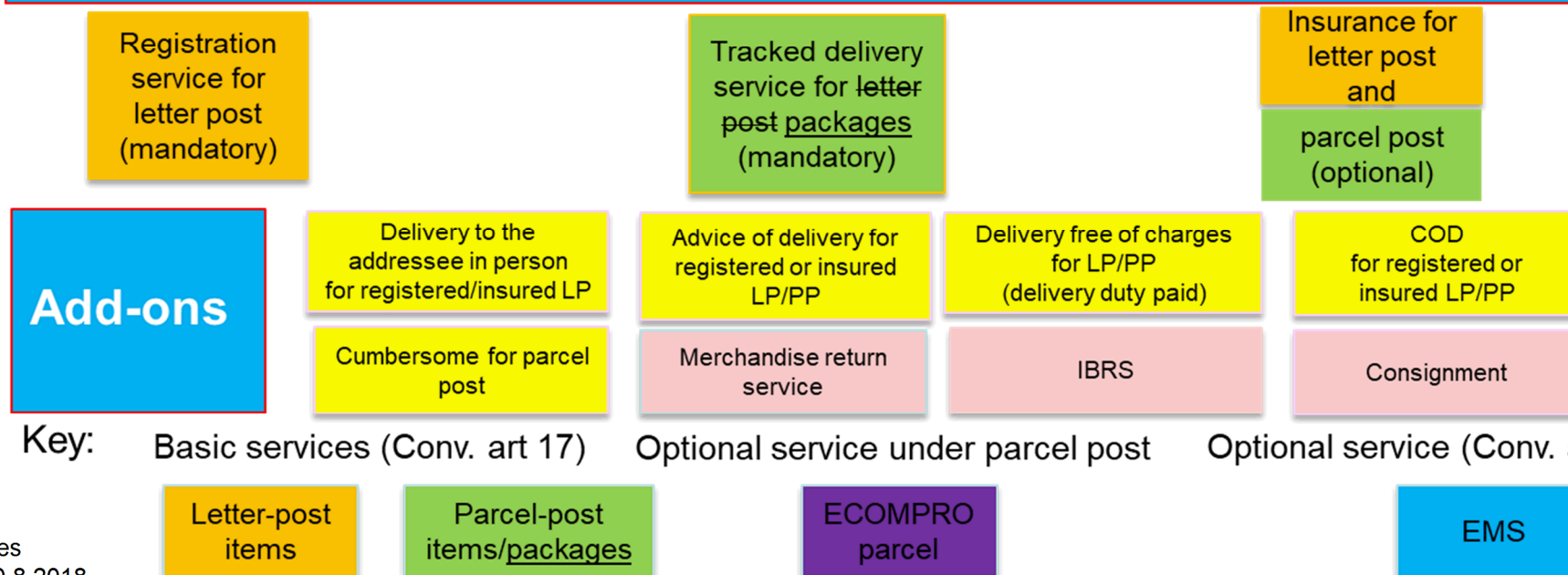


Postal items (Const. art. 1bis.1.6bis)

(Weight thresholds, dimensions and sizes are as defined in the Regulations – Art. 17-103 to 17-105 incl. and 17-203)



Menu of value-added services (supplementary services)



SECOND EXTRAORDINARY CONGRESS

Proposal of a general nature

13

Amendment to proposal 10

SPAIN**Resolution****Sustainability of the Provident Scheme of the Universal Postal Union**

The Extraordinary Congress,

Taking note

of the work carried out by the Council of Administration since 2017 on the future sustainability of the Union's Provident Scheme, under the terms of Congress resolution C 31/2016,

Having considered

the terms of Congress–Doc 7 and its associated recommendations,

Cognizant

of the ongoing deterioration of the membership profile and demographics of the Provident Scheme, as well as of the enduring stagnation of financial markets, resulting in lower than expected returns on the investments of the Provident Scheme,

Aware

that the difficult scenario referred to above poses a substantial risk to the operating capacity of the Union and to the general sustainability of its funding base in the long term,

Convinced

that stable and sustainable funding of the Provident Scheme is essential for the effective and efficient functioning of the Union,

Instructs

the Chair of the Council of Administration and the Director General, as members of the Management Board of the Provident Scheme, to propose the adoption and implementation of the following recommendations by the latter body at its earliest convenience:

- Reduction of the guarantee threshold for the degree of coverage of the Union's Provident Scheme from 85% to 80%;
- Initiation of negotiations with the United Nations Joint Staff Pension Fund (UNJSPF), with a view to achieving the Union's participation in the UNJSPF and, to the extent possible, the migration of active and retired Provident Scheme members into the UNJSPF, without prejudice to the acquired rights of such members,

Also instructs

the Council of Administration to establish a task force charged with studying the different options, advising on the negotiations with the UNJSPF, and submitting its conclusions and recommendations to the 2020 Congress,

Hd

4.9.2018 (1)

Further instructs

the Council of Administration to ensure that Union guarantees to the Provident Scheme are met through adoption of a “corridor” approach consisting of (i) a 2% immediate guarantee activation trigger (i.e. in case the degree of coverage falls two or more percentage points below the proposed statutory guarantee threshold of 80%) and (ii) a three-year amortization period for such guarantee payments once triggered. Such amortization shall take place through (i) use of treasury funds as described in the instruction provided below for the Director General of the International Bureau and/or (ii) allocation, by the Council of Administration in the Union’s Programme and Budget, of the necessary guarantee funds through adoption of any necessary adjustments to it in years when the deficit is reported in the official accounts of the Provident Scheme. In this regard, payment amounts shall be re-assessed and adjusted annually to account for any intervening fluctuation in the degree of coverage of the Provident Scheme. Notwithstanding the foregoing, any reallocation of budgetary resources to the Provident Scheme shall not exceed 10% of the annual expenditure ceiling of the Union,

Additionally instructs

the Director General to:

- use the Union’s treasury resources, only if such resources are available without prejudice to implementation of the Union’s Programme and Budget as approved by the Council of Administration, such as interest gains resulting from the investment of Union assets, in order to cover the Union guarantee referred to above or reduce the amount of regular budget funds required to meet that guarantee;
- make recommendations to the Council of Administration on further budgetary optimization measures, bearing in mind any Congress or Council of Administration decisions on prioritization processes and without prejudice to the Director General’s duty to execute the Union’s Programme and Budget and all activities requested by the bodies of the Union, as outlined in article 127.3.4 and 127.3.5 of the UPU General Regulations.

Reasons. – See Congress–Doc 7.

| Supported by. – Belgium, Denmark, France, Germany, Latvia, Lithuania, Norway, Switzerland.

SECOND EXTRAORDINARY CONGRESS

Constitution – Proposal

10.1.1

Article 1
Scope and objectives of the Union

COUNCIL OF ADMINISTRATION

Paragraph 1. Amend as follows:

1 The countries adopting this Constitution shall ~~comprise form~~, under the ~~title of~~ intergovernmental organization entitled the Universal Postal Union, a single postal territory for the reciprocal exchange of postal items. Freedom of transit shall be guaranteed throughout the entire territory of the Union, subject to the conditions specified in the Acts of the Union.

Reasons. – See Congress–Doc 6. Updating language in order to reiterate the intergovernmental character of the organization.

SECOND EXTRAORDINARY CONGRESS

Constitution – Proposal

10.8.1

Article 8
Restricted Unions. Special Agreements

COUNCIL OF ADMINISTRATION

Paragraph 2. Amend as follows:

2 Restricted Unions may send observers to Congresses, to the Council of Administration, to the Postal Operations Council, and to other conferences and meetings of organized by the Union,~~to the Council of Administration and to the Postal Operations Council.~~

Reasons. – See Congress–Doc 6. No substantive change; the aim of this proposal is simply to clarify language, reinforce the intergovernmental character of the organization, and ensure logical sequencing of the text (since, as bodies of the Union, the Council of Administration and the Postal Operations Council should be listed after “Congress”; moreover, the use of “other conferences and meetings organized by the Union” ensures that any other official event or meeting of the Union is covered while removing the previous inconsistency: sessions of the CA and POC were in any case “meetings of the Union”).

SECOND EXTRAORDINARY CONGRESS

Constitution – Proposal

10.18.1

Article 18
Postal Operations Council

COUNCIL OF ADMINISTRATION

Create the following new paragraph 2:

2 _____ Members of the Postal Operations Council shall carry out their functions in the name and in the interests of the Union.

Reasons. – See Congress–Doc 6. Reinforcing the intergovernmental character of the Union and ensuring consistency with the language already used for the Council of Administration, particularly bearing in mind that, among other important attributions, the Postal Operations Council is charged with adopting the Regulations (to the Convention and to other Agreements of the Union such as the Postal Payment Services Agreement) as well as UPU technical standards on behalf of all Union member countries.

SECOND EXTRAORDINARY CONGRESS

Constitution – Proposal

10.21.1

Article 21

Expenditure of the Union. Contributions of member countries

COUNCIL OF ADMINISTRATION

Amend as follows:

- 1 Each Congress shall fix the maximum amount which:
 - 1.1 the expenditure of the Union may reach annually;
 - 1.2 the expenditure relating to the organization of the next Congress may reach.
- 2 The maximum amount for expenditure referred to in paragraph 1 may be exceeded if circumstances so require, provided that the relevant provisions of the General Regulations are observed.
- 3 The expenses of the Union, including where applicable the expenditure envisaged in paragraph 2, shall be jointly borne by the member countries of the Union in accordance with the programme and budget of the Union adopted on an annual basis by the Council of Administration. For this purpose, each member country shall pay a contribution equal to or exceeding its minimum target level ~~shall choose the contribution class in which it intends to be included~~ as per the procedures laid down in the General Regulations and further detailed in the relevant Congress resolution. ~~The contribution classes shall be laid down in the General Regulations.~~
- 4 In the case of accession or admission to the Union under article 11, the country concerned shall pay its contribution as referred to in paragraph 3 above ~~freely choose the contribution class into which it wishes to be placed~~ for the purpose of apportioning the expenses of the Union.

Reasons. – See Congress–Doc 5.

SECOND EXTRAORDINARY CONGRESS

General Regulations – Proposal

15.103.1

Article 103
Functions of Congress

COUNCIL OF ADMINISTRATION

Paragraph 1.8. Amend as follows:

- 1.8 elect the member countries to sit on the Council of Administration and the Postal Operations Council, in accordance with, inter alia, the electoral procedures laid down in the Congress resolutions pertaining to this matter;

Reasons. – See Congress–Doc 6. The election methodology for both councils is historically set in Congress resolutions; the proposed language simply reflects such an approach and ensures flexibility in the event that further methodological adjustments are deemed necessary by Union member countries (without prejudice to the binding provisions of the General Regulations).

SECOND EXTRAORDINARY CONGRESS

General Regulations – Proposal

15.104.1

Article 104
Rules of Procedure of Congresses (Const. 14)

COUNCIL OF ADMINISTRATION

Create the following new paragraph 3:

3 Paragraphs 1 and 2 shall also be applicable by analogy to Extraordinary Congresses.

Reasons. – See Congress–Doc 6. In order to avoid interpretative confusion and ensure that decision-making processes are clear in a faster-moving international postal environment, this new paragraph reiterates that the Rules of Procedure of Congresses also apply to Extraordinary Congresses, and that they may also be amended as decided by an Extraordinary Congress.

SECOND EXTRAORDINARY CONGRESS

General Regulations – Proposal

15.105.1

Article 105
Observers to the Union's bodies

COUNCIL OF ADMINISTRATION

Paragraph 1.1. Amend as follows:

1.1 ~~representatives of~~ the United Nations;

Reasons. – It is legally inaccurate to refer to “representatives of” the United Nations as observers – similarly to other references in the same article, the entity “United Nations” is the observer (evidently represented by its duly authorized officials).

SECOND EXTRAORDINARY CONGRESS

General Regulations – Proposal

15.106.1

Article 106
Composition and functioning of the CA

COUNCIL OF ADMINISTRATION

Amend paragraph 4 and create a new paragraph 6 as follows:

4 Each member of the Council of Administration shall appoint its representative(s). The members of the Council of Administration shall take an active part in its work.

6 The CA shall define, formalize and/or set up the standing groups and task forces or other bodies to be established within its structure, with due regard being paid to the Union's strategy and business plan adopted by Congress.

Reasons. – See Congress–Doc 6. In paragraph 4, a minor edit is proposed to allow for more than one representative (as is often the case nowadays). The wording of paragraph 6 contains the most up-to-date terminology and references to internal CA structures following the adoption of resolution C 27/2016.

SECOND EXTRAORDINARY CONGRESS

General Regulations – Proposal

15.107.1

Article 107
Functions of the CA

COUNCIL OF ADMINISTRATION

Amend paragraphs 1.8, 1.10 and 1.11 and create a new paragraph 1.39 as follows:

- 1.8 Creates or abolishes International Bureau posts financed by the regular budget, taking into account the restrictions imposed by the expenditure ceiling fixed.
- 1.10 After consulting the Postal Operations Council, decides on the relations to be established with the organizations which are not observers within the meaning of article 105.1 and 105.2.1.
- 1.11 Considers ~~and approves~~ the reports by the International Bureau on UPU relations with other international bodies and takes the decisions which it considers appropriate on the conduct of such relations and the action to be taken on them.
- 1.39 Adopts its Rules of Procedure and the amendments to those Rules.

Reasons. – See Congress–Doc 6. The proposed amendments aim to speed up decision-making processes and avoid interpretive confusion. In paragraph 1.8, the aim is to clarify the fact that this provision applies solely to posts financed by the regular budget (i.e. simply reflecting the current situation of the organization). In paragraph 1.10, a reference is added that should enable the Union to more easily and quickly establish formal relations with specialized agencies of the United Nations and other intergovernmental organizations. In paragraph 1.11, there is a simple rectification of language to reflect the fact that reports are considered (i.e. taken note of), not approved. Lastly, a new paragraph 1.39 is inserted to reflect the language already used for Congress and to make it clear that the CA may always amend its Rules of Procedure (and not just draw them up at its constituent meeting).

SECOND EXTRAORDINARY CONGRESS

General Regulations – Proposal

15.108.1

Article 108
Organization of CA sessions

COUNCIL OF ADMINISTRATION

Paragraphs 1 and 2. Amend as follows:

1 At its constituent meeting, which shall be convened and opened by the Chairman of Congress, the Council of Administration shall elect four Vice-Chairmen from among its members (with the Chairman and Vice-Chairmen being member countries from each of the five geographical groups of the Union) and draw up its Rules of Procedure.

2 ~~On convocation by its Chairman, The Council of Administration shall meet in principle once~~ twice a year, ~~or additionally on an exceptional basis, at Union headquarters, in accordance with the relevant procedures set forth in its Rules of Procedure.~~

Reasons. – See Congress–Doc 6. In paragraph 1, inserting the principle that the Chairman and Vice-Chairmen shall be member countries coming from each of the five geographical groups of the Union. In paragraph 2, modification of the language to incorporate the new methodology stemming from resolution C 27/2016 and ensure overall legal consistency.

SECOND EXTRAORDINARY CONGRESS

General Regulations – Proposal

15.109.1

Article 109
Observers

COUNCIL OF ADMINISTRATION

Paragraph 2.2. Amend as follows:

- 2.2 Observers and ad hoc observers may, at their request, be allowed to cooperate in the studies undertaken, subject to such conditions as the Council may establish to ensure the efficiency and effectiveness of its work. They may also be invited to chair ~~Working Parties and Project Teams~~ standing groups and task forces when their experience or expertise justifies it. The participation of observers and ad hoc observers shall be carried out without additional expense for the Union.

Reasons. – See Congress–Doc 6. Modifying the language in order to incorporate the new methodology stemming from resolution C 27/2016.

SECOND EXTRAORDINARY CONGRESS

General Regulations – Proposal

15.110.1

Article 110
Reimbursement of travel expenses

COUNCIL OF ADMINISTRATION

Paragraph 1. Amend as follows:

1 The travel expenses of each representative of each of the members of the Council of Administration participating in its meetings shall be borne by his member country. However, ~~the one~~ representative of each of the member countries classified as developing or least developed countries according to the lists established, ~~respectively~~, by the Council of Administration and the United Nations shall, except for meetings which take place during Congress, be entitled to reimbursement of the price of an economy class return air ticket or first class return rail ticket, or expenses incurred for travel by any other means, subject to the condition that the amount does not exceed the price of the economy class return air ticket. The same entitlement shall be granted to each member of its Committees, ~~Working Parties~~ or other bodies when these meet outside Congress and the sessions of the Council.

Reasons. – There is no established convention for the designation of “developed” and “developing” countries or areas in the United Nations system. According to clarifications obtained from the United Nations, the only list formally established by the organization is that of “least developed countries” (as decided by United Nations General Assembly resolutions from time to time). Any other convention for “developing” countries will therefore be the Union’s own.

SECOND EXTRAORDINARY CONGRESS

General Regulations – Proposal

15.112.1

Article 112
Composition and functioning of the POC

COUNCIL OF ADMINISTRATION

Amend paragraphs 1, 2 and 3 and create a new paragraph 5 as follows:

1 The Postal Operations Council shall consist of forty-eight members who shall exercise their functions during the period between successive Congresses.

2 The members of the Postal Operations Council shall be elected by Congress on the basis of qualified geographical distribution. ~~Twenty-four seats shall be reserved for developing member countries and sixteen seats for developed member countries. At least one third of the members shall be renewed at each Congress.~~

3 Each member of the Postal Operations Council shall appoint its representative(s). The members of the Postal Operations Council shall take an active part in its work.

5 The Postal Operations Council shall define, formalize and/or set up the standing groups, task forces, user-funded subsidiary bodies or other bodies to be established within its structure, with due regard being paid to the Union's strategy and business plan adopted by Congress.

Reasons. – See Congress–Doc 6. In paragraph 1, it is proposed to include the updated number of POC members. In paragraph 2, the member country renewal and rotation requirements are deleted. In paragraph 4, there is a minor edit to allow for more than one representative (as is often the case nowadays). The wording of paragraph 5 contains the most up-to-date terminology and references to internal POC structures following the adoption of resolution C 27/2016.

SECOND EXTRAORDINARY CONGRESS

General Regulations – Proposal

15.112.2

Article 112
Composition and functioning of the POC

GREECE AND TURKEY

Paragraph 2. Amend as follows:

2 The members of the Postal Operations Council shall be elected by Congress on the basis of qualified geographical distribution. ~~Twenty four seats shall be reserved for developing member countries and sixteen seats for developed member countries.~~ At least one third of the members of each geographical group shall be renewed at each Congress.

Reasons. – While recognizing that the rules of the POC need to be revised and simplified, and supporting the relevant CA proposal, the countries sponsoring this proposal believe that the composition of the POC should be a critical consideration, to be treated with due care.

The POC is a very important platform for the business, operational and financial interests of the member countries' designated operators. It constitutes a forum for each and every member designated operator to speak out and express itself about the decisions taken. The POC is of paramount importance for designated operators, and each decision taken at its meetings is crucial to them. As such, every member country should have the right to be represented, and should be entitled to vote in these meetings.

This proposed amendment recognizes the need to simplify the election process while, at the same time and in compliance with similar procedures applicable to the CA, retaining and improving the wording of the "renewal" clause of the existing version. To provide every member country with the possibility of being elected as a member of the POC, it is important to maintain the principle of renewing one third of the countries in each cycle.

Supported by.– Austria, Azerbaijan, Denmark, Finland, Lebanon, Norway, Sweden.

SECOND EXTRAORDINARY CONGRESS

General Regulations – Proposal

15.113.1

Article 113
Functions of the POC

COUNCIL OF ADMINISTRATION

Amend paragraph 1.17 and create a new paragraph 1.20 as follows:

1.17 Prepares and issues, in the form of recommendations to member countries and their designated operators (or as binding provisions if the Acts of the Union so provide), standards for technological, operational and other processes within its competence where uniformity of practice is essential; it shall similarly issue, as required, amendments to standards it has already set.

1.20 Adopts its Rules of Procedure and the amendments to those Rules.

Reasons. – See Congress–Doc 6. In paragraph 1.17, the role of the POC is further clarified through the insertion of a necessary reference to UPU technical standards as potentially binding norms (if so provided in the Acts of the Union). Lastly, a new paragraph 1.20 is inserted to reflect the language already used for Congress and to make it clear that the POC may always amend its Rules of Procedure (and not just draw them up at its constituent meeting).

SECOND EXTRAORDINARY CONGRESS

General Regulations – Proposal

15.114.1

Article 114
Organization of POC sessions

COUNCIL OF ADMINISTRATION

Paragraphs 1, 2 and 3. Amend as follows:

1 At its first meeting, which shall be convened and opened by the Chairman of Congress, the Postal Operations Council shall choose from among its members a Chairman, ~~a Vice-Chairman~~ and four Vice-Chairmen (with the Chairman and Vice-Chairmen being member countries from each of the five geographical groups of the Union), and the Committee Chairmen/Vice-Chairmen/Co-Chairmen, and draw up its Rules of Procedure.

2 ~~In principle, The Postal Operations Council shall meet every twice a year or additionally on an exceptional basis, at Union headquarters, in accordance with the relevant procedures set forth in its Rules of Procedure. The date and place of the meeting shall be fixed by its Chairman in agreement with the Chairman of the Council of Administration and the Director General of the International Bureau.~~

3 The Chairman and ~~Vice-Chairman~~ Chairmen and the Committee Chairmen, Co-Chairmen and Vice-Chairmen of the Postal Operations Council shall form the Management Committee. This Committee shall prepare and direct the work of each meeting of the Postal Operations Council and take on all the tasks which the latter decides to assign to it or the need for which arises in the course of the strategic planning process.

Reasons. – See Congress–Doc 6. In paragraph 1, inserting the principle that the Chairman and four Vice-Chairmen shall be member countries coming from each of the five geographical groups of the Union, and modification of language to cater for the possibility of co-chairmanships. In paragraphs 2 and 3, modification of the language to incorporate the new methodology stemming from resolution C 27/2016, remove redundant detail contained in the POC Rules of Procedure, and ensure overall legal consistency.

SECOND EXTRAORDINARY CONGRESS

General Regulations – Proposal

15.115.1

Article 115
Observers

COUNCIL OF ADMINISTRATION

Paragraph 2.2. Amend as follows:

- 2.2 Observers and ad hoc observers may, at their request, be allowed to cooperate in the studies undertaken, subject to such conditions as the Council may establish to ensure the efficiency and effectiveness of its work. They may also be invited to chair ~~Working Parties and Project Teams~~ standing groups and task forces when their experience or expertise justifies it. The participation of observers and ad hoc observers shall be carried out without additional expense for the Union.

Reasons. – See Congress–Doc 6. Modification of the language in order to incorporate the new methodology stemming from resolution C 27/2016 and ensure overall legal consistency.

SECOND EXTRAORDINARY CONGRESS

General Regulations – Proposal

15.116.1

Article 116
Reimbursement of travel expenses

COUNCIL OF ADMINISTRATION

Paragraph 1. Amend as follows:

1 Travelling and living expenses incurred by representatives of member countries participating in the Postal Operations Council shall be borne by these member countries. However, ~~the one~~ representative of each of the member countries considered to be ~~disadvantaged~~ one of the least developed countries according to the lists established by the United Nations shall, except for meetings which take place during Congress, be entitled to reimbursement of the price of an economy class return air ticket or first class return rail ticket, or expenses incurred for travel by any other means, subject to the condition that the amount does not exceed the price of the economy class return air ticket.

Reasons. – Following clarifications obtained from the United Nations, the only list formally established by the organization is that of “least developed countries” (as decided by United Nations General Assembly resolutions from time to time). This proposed amendment avoids interpretive confusion and any potential undue financial burdening of the Union.

SECOND EXTRAORDINARY CONGRESS

General Regulations – Proposal

15.117.1

COUNCIL OF ADMINISTRATION

Create a new section 3bis entitled “Coordination Committee (CCoord)” containing the following new article 117bis:

Article 117bis
Coordination Committee

1 The Chairman of the CA, the Chairman of the POC and the Director General of the International Bureau shall form the Coordination Committee for the Permanent Bodies of the Union (CCoord).

2 The CCoord shall have the following attributions and functions:

2.1 Contribute to the coordination of the work of the permanent bodies of the Union;

2.2 Meet, when needed, in order to discuss important questions relating to the Union and the postal service and provide the Union's bodies with an evaluation of such questions;

2.3 Ensure proper implementation of the strategic planning process so that all decisions on the Union's activities are taken by the appropriate bodies in accordance with the respective responsibilities as specified in the Acts of the Union.

3 On convocation by the Chairman of the CA, the CCoord shall meet twice a year, at Union headquarters. The date and place of the meetings shall be fixed by the Chairman of the CA in agreement with the Chairman of the POC and the Director General of the International Bureau.

Reasons. – See Congress–Doc 6. Creation of a new formal section of the General Regulations relating to the Coordination Committee, including its composition, attributions/functions and meeting convocation (on the basis of Congress resolution C 73/1994).

SECOND EXTRAORDINARY CONGRESS

General Regulations – Proposal

15.123.1

Article 123

Representatives of the Consultative Committee at the Council of Administration, the Postal Operations Council and Congress

COUNCIL OF ADMINISTRATION

Paragraph 2. Amend as follows:

2 Members of the Consultative Committee are invited to plenary sessions and Committee meetings of the Council of Administration and the Postal Operations Council in accordance with article 105. They may also participate in the work of ~~project teams and working groups~~ standing groups and task forces under terms established in articles 109.2.2 and 115.2.2.

Reasons. – See Congress–Doc 6. Modification of the language in order to incorporate the new methodology stemming from resolution C 27/2016 and ensure overall legal consistency.

SECOND EXTRAORDINARY CONGRESS

General Regulations – Proposal

15.127.1

Article 127
Duties of the Director General

COUNCIL OF ADMINISTRATION

Create a new paragraph 0bis, modify paragraph 1, and delete paragraph 3.11 as follows:

0bis The Director General shall be the legal representative of the Union.

1 The Director General shall organize, administer and direct the International Bureau, ~~of which he is the legal representative.~~

~~3.11 ensures the legal representation of the Union;~~

Reasons. – See Congress–Doc 6. Reinforcing and properly reflecting the intergovernmental character of the organization, since the Union is and has always been the only legal entity, with the Director General as its sole legal representative (in line with the fundamental principles and practices adopted by all other United Nations system organizations, and as per all agreements signed between the Union and any third party, including the United Nations); there is no “legal representation” of a non-legal entity.

SECOND EXTRAORDINARY CONGRESS

General Regulations – Proposal

15.130.1

Article 130
Preparation and distribution of documents of the Union bodies

COUNCIL OF ADMINISTRATION

Paragraph 1. Amend as follows:

1 The International Bureau shall prepare and make available through the UPU Union website all the documents published, in the language versions specified in article 155, ~~at least two months before each session~~ in accordance with the Rules of Procedure of the Council of Administration and Postal Operations Council. The International Bureau shall also indicate, to the representatives of member countries in particular, new e-document publications on the UPU Union website by means of an efficient web-signalling system.

Reasons. – See Congress–Doc 6. Necessary amendment in order to revert to the previous language so as to reflect current practices, ensure alignment with publication deadlines already outlined in the Rules of Procedure of both councils, incorporate the new methodology stemming from resolution C 27/2016, and avoid creating an impossible logistical obligation on the International Bureau and Union member countries. This is particularly important considering the newly biannual character of council meetings, and was a relevant issue raised by the logistical, operational and technical units within the International Bureau.

SECOND EXTRAORDINARY CONGRESS

General Regulations – Proposal

15.138.1

Article 138
Procedure for submitting proposals to Congress

COUNCIL OF ADMINISTRATION

Paragraph 5. Amend as follows:

5 The procedure prescribed in paragraphs 1 and 4 shall ~~not~~ apply neither to proposals concerning the Rules of Procedure of Congresses, nor to proposals submitted by the Council of Administration or the Postal Operations Council.

Reasons. – See Congress–Doc 6. This amendment is needed in order to reflect current practices, speed up decision-making processes and avoid interpretative confusion with regard to Congress proposals agreed upon and submitted by the Councils (which do not constitute “member country proposals” *per se*).

SECOND EXTRAORDINARY CONGRESS

General Regulations – Proposal

15.144.1

Article 144

Entry into force of the Regulations and of the other decisions adopted between Congresses

COUNCIL OF ADMINISTRATION

Paragraph 2. Amend as follows:

2 Subject to the provisions of paragraph 1, decisions on amending the Acts of the Union which are adopted between Congresses shall not take effect until at least three months after their notification. However, this time limit shall not apply to any amendments to the Regulations which are adopted following the drawing up of the new Regulations but still prior to their entry into force as per paragraph 1.

Reasons. – See Congress–Doc 6. This amendment is needed in order to speed up decision-making processes and avoid interpretive confusion in a scenario of cycle-specific Regulations that often require further adjustments following their initial drawing up but still prior to their entry into force after each Congress; this was a relevant issue specifically raised by the operational and technical secretariat units within the International Bureau.

SECOND EXTRAORDINARY CONGRESS

General Regulations – Proposal

15.146.1

Article 146
Regulation of member countries' contributions

COUNCIL OF ADMINISTRATION

Paragraph 2. Amend as follows:

2 Member countries shall pay their contributions to the Union's annual expenditure in advance on the basis of the budget laid down by the Council of Administration. These contributions shall be paid not later than the first day of the financial year to which the budget refers. After that date, the sums due shall be chargeable with interest in favour of the Union at the rate of ~~6%~~ 5% per annum from the fourth month.

Reasons. – This proposal was originally approved by the Council of Administration during the Doha cycle, and was published for the consideration of the Istanbul Congress as proposal 15.146.3. However, the lengthy deliberations of Committee 2 (Finance) on other matters prevented it from being considered in Istanbul. It is therefore being tabled again for the consideration of the Extraordinary Congress.

The proposal seeks to harmonize the rate of interest and the payment conditions for different types of overdue payments to the Union. It provides for the application of a single 5% penalty interest rate after a three-month period in all cases.

SECOND EXTRAORDINARY CONGRESS

General Regulations – Proposal

| 15.150.1.Rev 1

Article 150
Contribution classes

| CHILE, COSTA RICA, PANAMA (REP.), PARAGUAY

Paragraph 1. Amend as follows:

1 Member countries shall contribute to defraying Union expenses according to the contribution class to which they belong. These classes shall be the following:

- class of 50 units;
- class of 47 units;
- class of 45 units;
- class of 43 units;
- class of 40 units;
- class of 37 units;
- class of 35 units;
- class of 33 units;
- class of 30 units;
- class of 27 units;
- class of 25 units;
- class of 23 units;
- class of 20 units;
- class of 17 units;
- class of 15 units;
- class of 13 units;
- class of 10 units;
- class of 7 units;
- class of 5 units;
- class of 3 units;
- class of 1 unit;
- class of 0.5 units, reserved for the least advanced developed countries as listed by the United Nations and for other countries designated by the Council of Administration.

Reasons. – Given the current financial situation of the International Bureau, we believe this proposal would provide stable cash flow and reduce the impact on the International Bureau budget resulting from the reductions in contribution units requested by countries at each Congress. It would also have a positive impact on the other member countries, which currently face a major financial burden whenever such reductions are made.

This proposal will be presented only if the proposal of the task force on reform of the system applied to contributions is not approved.

SECOND EXTRAORDINARY CONGRESS

General Regulations – Proposal

| **15.150.2.Rev 1**

Article 150
Contribution classes

COUNCIL OF ADMINISTRATION

Amend the title and article as follows:

Article 150
Contributions classes of member countries

1 ~~Member countries shall contribute to defraying Union expenses according to the contribution class to which they belong. These classes shall be the following:~~

- ~~—— class of 50 units;~~
- ~~—— class of 45 units;~~
- ~~—— class of 40 units;~~
- ~~—— class of 35 units;~~
- ~~—— class of 30 units;~~
- ~~—— class of 25 units;~~
- ~~—— class of 20 units;~~
- ~~—— class of 15 units;~~
- ~~—— class of 10 units;~~
- ~~—— class of 5 units;~~
- ~~—— class of 3 units;~~
- ~~—— class of 1 unit;~~
- ~~—— class of 0.5 units, reserved for the least advanced countries as listed by the United Nations and for other countries designated by the Council of Administration. Member countries shall contribute to defraying Union expenses in accordance with their economic capacity through a system of minimum contribution levels as detailed in this article.~~

2 ~~Notwithstanding the contribution classes listed in paragraph 1, any member country may elect to contribute a higher number of units than that corresponding to the contribution class to which it belongs, for a minimum term equivalent to the period between Congresses. The announcement of a change shall be made at the latest at Congress. At the end of the period between Congresses, the member country shall return automatically to its original number of contribution units unless it decides to maintain its contribution of a higher number of units. The payment of additional contributions will increase the expenditure accordingly. Notwithstanding the minimum contribution levels referred to in this article, any member country may, at any time, freely elect to contribute a higher amount.~~

3 Member countries shall be included in one of the above mentioned contribution classes upon their admission or accession to the Union, in accordance with the procedure laid down in article 21.4 of the Constitution. For the purposes of this article and subject to the possibility outlined in paragraphs 5 and 6, the minimum contribution levels referred to in paragraph 1 shall constitute the level below which a contribution cannot be reduced.

4 Member countries may subsequently be placed in a lower contribution class, on condition that the request for this change is sent the International Bureau at least two months before the opening of Congress. Congress shall give a non-binding opinion on these requests for a change in contribution class. The member country shall be free to decide whether to follow the opinion of Congress. The final decision of the member country shall be transmitted to the International Bureau Secretariat before the end of Congress. This change request shall take effect on the date of the entry into force of the financial provisions drawn up by Congress. Member countries that have not made known their wish to change contribution class within the required time shall remain in the class to which they belonged up to that time. The minimum contribution level shall be calculated through application of a composite index based on a member country's gross national income (GNI) (80%) and GNI per capita (20%) at purchasing power parity (rolling average over the last five years), and shall be subject to absolute floors, absolute caps, and special adjustments for member countries with high debt burden and low income per capita, as outlined in this article and further specified in the relevant Congress resolution.

5 Member countries may not insist on being lowered more than one class at a time. The minimum contribution levels shall be subject to periodical updates to be decided in the relevant Congress resolution in accordance with officially revised economic data used by the United Nations.

6 Nevertheless, in exceptional circumstances such as natural disasters necessitating international aid programmes, the Council of Administration may authorize a temporary reduction in contribution class once between two Congresses when so requested by a member country if the said member establishes that it can no longer maintain its contribution at the class originally chosen. In the same circumstances, the Council of Administration may also authorize a temporary reduction for the non-least developed countries already in the class of 1 unit by placing them in the class of 0.5 unit. In exceptional circumstances such as natural disasters necessitating international aid programmes, and when so requested by a member country, the Council of Administration may authorize one temporary reduction below the minimum contribution level during each inter-Congress period, if the said member establishes that it can no longer maintain its contribution at the minimum level. In the same circumstances, the Council of Administration may also authorize a temporary reduction of the absolute floor for non-least developed countries to the special contribution level specified for least developed countries as set forth in paragraph 8.

7 The temporary reduction referred to in paragraph 6 may be authorized by the Council of Administration for a maximum period of two years or up to the next Congress, whichever is earlier. On expiry of the specified period, the member country concerned shall automatically revert to its original contribution class minimum contribution level.

8 Notwithstanding paragraphs 4 and 5, changes to a higher class shall not be subject to any restriction. For the purposes of this article, an absolute floor shall be one contribution unit. A special floor corresponding to the equivalent of 0.1 contribution units under the contribution system used by the Union as of 1 January 2018 shall be provided for the least developed countries.

9 For the purposes of this article, an absolute cap shall be 50 contribution units.

10 For the purposes of this article, a special adjustment for countries with high debt burden and low income per capita shall be provided through the establishment of a specific absolute cap for developing countries, and shall correspond to 40 contribution units.

11 In order to ensure the financial stability of the Union, the contributions of all member countries shall be fixed at the levels respectively applied to them under the contribution system used by the Union as of 1 January 2018, and shall remain unchanged until the complete implementation of the revised contribution system referred to in this article.

Reasons. – See Congress–Doc 5.

SECOND EXTRAORDINARY CONGRESS

General Regulations – Proposal

15.150.3

Amendment to proposal 15.150.1.Rev 1

Article 150
Contribution classes

AUSTRALIA

Paragraph 1. Amend as follows:

1 Member countries shall contribute to defraying Union expenses according to the contribution class to which they belong. These classes shall be the following:

- class of 50 units;
- class of 47 units;
- class of 45 units;
- class of 43 units;
- class of 40 units;
- class of 37 units;
- class of 35 units;
- class of 33 units;
- class of 30 units;
- class of 27 units;
- class of 25 units;
- class of 23 units;
- class of 20 units;
- class of 17 units;
- class of 15 units;
- class of 13 units;
- class of 10 units;
- class of 7 units;
- class of 5 units;
- class of 3 units;
- class of 1 unit;
- class of 0.5 unit, reserved for least developed countries as listed by the United Nations and for other countries designated by the Council of Administration;

- class of 0.1 unit, reserved for countries which are recognized by the United Nations as Small Island Developing States with a population of under 200,000 (as per the latest statistical information published by the relevant office of the United Nations).

Reasons. – Given the current financial situation of the International Bureau, we believe this proposal would provide stable cash flow and reduce the impact on the International Bureau budget resulting from the reductions in contribution units requested by countries at each Congress. It would also have a positive impact on the other member countries, which currently face a major financial burden whenever such reductions are made.

This proposal will be presented only if the proposal of the task force on reform of the system applied to contributions is not approved.

SECOND EXTRAORDINARY CONGRESS

General Regulations – Proposal

15.152.1

Article 152
Organization of user-funded subsidiary bodies

COUNCIL OF ADMINISTRATION

Paragraphs 2, 3 and 5. Amend as follows:

2 Upon the creation of such a body under the POC, the POC shall decide on the basic framework of the ~~statutes~~ rules of procedure of the body, taking due consideration of the fundamental rules and principles of the UPU as an intergovernmental organization, and shall submit it to the CA for approval. The basic framework shall include the following elements:

- 2.1 the mandate;
- 2.2 the constituency, including the categories of members participating;
- 2.3 decision-making rules, including its internal structure and its relationship with other ~~UPU~~ Union bodies;
- 2.4 voting and representation principles;
- 2.5 financing (subscription, usage fees, etc.);
- 2.6 composition of secretariat and management structure.

3 Each user-funded subsidiary body shall organize its activities in an autonomous manner within the basic framework decided by the POC and approved by the CA, and shall prepare an annual report on its activities for ~~approval~~ consideration by the POC.

4 The Council of Administration shall establish the rules concerning support costs that user-funded subsidiary bodies should contribute to the regular budget, and shall publish them in the UPU Financial Regulations.

5 The Director General of the International Bureau shall administer the secretariat of the user-funded subsidiary bodies in accordance with the relevant Staff Regulations and Rules ~~and Regulations, approved by the CA, as~~ applicable to the staff recruited for the user-funded subsidiary bodies. The secretariat of the subsidiary bodies shall be an integral part of the International Bureau.

Reasons. – In paragraph 2, necessary rectification of language to refer to the most up-to-date terminology concerning the rules of user-funded subsidiary bodies; in paragraph 3, reports are always “considered” (“taken note of”), not approved; in paragraph 5, removal of a legal inaccuracy since the CA is only responsible for adopting the Staff Regulations.

SECOND EXTRAORDINARY CONGRESS

Rules of Procedure of Congresses – Proposal

| 19.3.1.Rev 1

Article 3
Delegates' credentials

| **ALGERIA, AZERBAIJAN, BHUTAN, EGYPT, ERITREA, GREECE, KENYA, MALI, MAURITANIA, MEXICO, SENEGAL, SLOVAKIA, SRI LANKA, TOGO, TUNISIA, TURKEY, UNITED ARAB EMIRATES**

Paragraph 1. Amend as follows:

1 Delegates' credentials shall be drawn up in due and proper form and signed by the Head of State, the Head of Government or the Minister for Foreign Affairs of the country concerned, or by any other government official duly authorized in writing by one of those authorities to sign the credentials. A copy of such authorization shall be presented together with the credentials. Credentials shall be provided in original form and preferably in one of the working languages of the International Bureau. Credentials provided in a language other than one of the working languages of the International Bureau (and for which no Union translation service exists) shall be accompanied by an English or French translation, as well as a statement confirming that the translation correctly reflects the content of the original document. ~~They shall be drawn up in due and proper form.~~ The credentials of delegates entitled to sign the Acts (plenipotentiaries) shall specify the scope of such signature (signature subject to ratification or approval, signature ad referendum, definitive signature). In the absence of such specific information, the signature shall be regarded as being subject to ratification or approval. Credentials authorizing the holder to sign the Acts shall implicitly include the right to speak and to vote. Delegates on whom the relevant authorities have conferred full powers without specifying their scope shall be authorized to speak, to vote and to sign the Acts unless the wording of the credentials is explicitly to the contrary. Credentials authorizing the holder to participate on behalf of the country concerned or represent the latter shall implicitly include the right to speak and to vote only.

Reasons. – In view of increasing instances in which member countries find themselves unable to have their credentials signed by the Head of State, the Head of Government or the Minister for Foreign Affairs, the text is updated in order to permit any other government official duly authorized by the Head of State, the Head of Government or the Minister for Foreign Affairs concerned to sign the credentials of delegates. The use of the term “government official” is being proposed in order to take into consideration the varying governmental structures, titles and circumstances prevailing among member countries. The inserted text is intended to provide flexibility in ensuring member countries' participation at Congresses, while ensuring there is clear evidence that the signature by such alternative parties has been appropriately authorized by the government of the member country concerned.

Furthermore, the inserted text on working languages is intended to permit the participation in Congress of member countries unable to submit original credentials in one of the working languages of the International Bureau, by at least providing an English or French translation of the original document.

SECOND EXTRAORDINARY CONGRESS

Rules of Procedure of Congresses – Proposal

19.19.1

Article 19
Conditions of approval of proposals

NORWAY

Paragraph 1.3. Amend as follows:

- 1.3 in the case of the Convention, with the exception of proposals concerning reservations as provided for under the Convention, be approved by a majority of the member countries present and voting which have the right to vote;

Reasons. – Consequence of proposals 20.38.1 and 20.39.1 to amend articles 38.1 and 39.4, respectively, of the Convention.

Supported by. – Canada.

SECOND EXTRAORDINARY CONGRESS

Convention – Proposal

20.17.1

Article 17
Basic services

POSTAL OPERATIONS COUNCIL

Create the following new paragraph 3.1bis:

- 3 Letter-post items containing goods are:
 - 3.1 priority and non-priority small packets, up to 2 kilogrammes;
 - 3.1bis items for the blind, up to 7 kilogrammes, as specified in the Regulations.

Reasons. – See Congress–Doc 8 – Part I, paragraph 8, table 3, recommendation 1.

SECOND EXTRAORDINARY CONGRESS

Convention – Proposal

20.17.2

Article 17
Basic services

POSTAL OPERATIONS COUNCIL

Create the following new paragraph 3.1bis:

3 Letter-post items containing goods are:

3.1 priority and non-priority small packets, up to 2 kilogrammes;

3.1bis special bags containing newspapers, periodicals, books and similar printed documentation for the same addressee at the same address called "M bags", up to 30 kilogrammes, as specified in the Regulations.

Reasons. – See Congress–Doc 8 – Part I, paragraph 8, table 3, recommendation 2.

SECOND EXTRAORDINARY CONGRESS

Convention – Proposal

20.18.1

Article 18
Supplementary services

POSTAL OPERATIONS COUNCIL

Paragraphs 1 and 2. Amend as follows:

- 1 Member countries shall ensure the provision of the following mandatory supplementary services:
 - 1.1 registration service for outbound priority and airmail letter-post items;
 - 1.2 registration service for all inbound registered letter-post items;
 - 1.3 tracked delivery service for letter-post items.
- 2 Member countries or their designated operators may provide the following optional supplementary services in relations between those designated operators which agreed to provide the service:
 - 2.1 insurance for letter-post items and parcels;
 - 2.2 cash-on-delivery service for letter-post items and parcels;
 - ~~2.3 tracked delivery service for letter-post items;~~
 - 2.4 delivery to the addressee in person of registered or insured letter-post items;
 - 2.5 free of charges and fees delivery service for letter-post items and parcels;
 - 2.6 fragile and cumbersome parcels services;
 - 2.7 consignment service for collective items from one consignor sent abroad;
 - 2.8 merchandise return service, which involves the return of merchandise by the addressee to the original seller, with the latter's authorization.

Reasons. – See Congress–Doc 8 – Part I, paragraph 9, table 4, recommendation 3.

Date of entry into force: 1 January 2020 (this is in line with Congress–Doc 8, Part I, paragraph 12, Option A).

SECOND EXTRAORDINARY CONGRESS

Convention – Proposal

20.18.2

Article 18
Supplementary services

POSTAL OPERATIONS COUNCIL

Paragraph 2. Amend as follows:

2 Member countries ~~or their designated operators~~ may ~~provide~~ ensure the provision of the following optional supplementary services in relations between those designated operators which agreed to provide the service:

- 2.1 insurance for letter-post items and parcels;
- 2.2 cash-on-delivery service for letter-post items and parcels;
- 2.3 tracked delivery service for letter-post items;
- 2.4 delivery to the addressee in person of registered or insured letter-post items;
- 2.5 free of charges and fees delivery service for letter-post items and parcels;
- 2.6 ~~fragile and~~ cumbersome parcels services;
- 2.7 consignment service for collective items from one consignor sent abroad;
- 2.8 merchandise return service, which involves the return of merchandise by the addressee to the original seller, with the latter's authorization.

Reasons. – See Congress–Doc 8 – Part I, paragraph 9, table 5, recommendation 9.

SECOND EXTRAORDINARY CONGRESS

Convention – Proposal

20.28.1

Article 28
Terminal dues. General provisions

CHILE

Paragraph 8. Amend as follows:

8 For registered items there shall be an additional payment of 1.100 SDR per item for 2018, 1.200 SDR per item for 2019, 1.300 SDR per item for 2020 and 1.400 SDR for 2021. For insured items, there shall be an additional payment of 1.400 SDR per item for 2018, 1.500 SDR per item for 2019, 1.600 SDR per item for 2020 and 1.700 SDR for 2021. For tracked items, there shall be an additional payment of 1.000 SDR per item for 2020 and 1.100 SDR per item for 2021. The Postal Operations Council shall be authorized to supplement remuneration for these and other supplementary services where the services provided contain additional features to be specified in the Regulations.

Reasons. – The Postal Operations Council proposal detailed in Congress–Doc 8 recommends that the tracked service go from an optional to a mandatory service, like the registered service. However, that proposal does not provide for the introduction of a guaranteed surcharge in the Convention, despite the fact that the provision of the tracked service entails additional expenses in order to ensure traceability.

Supported by. – Brazil, Colombia, Costa Rica, Cuba, Dominican Republic, El Salvador, Guatemala, Mexico, Panama (Rep.), Paraguay, Uruguay.

SECOND EXTRAORDINARY CONGRESS

Convention – Proposal

20.28.2

Amendment to proposal 20.28.1

Article 28
Terminal dues. General provisions

ITALY

Paragraph 8. Amend as follows:

8 For registered items there shall be an additional payment of 1.100 SDR per item for 2018, 1.200 SDR per item for 2019, 1.300 SDR per item for 2020 and 1.400 SDR for 2021. For insured items, there shall be an additional payment of 1.400 SDR per item for 2018, 1.500 SDR per item for 2019, 1.600 SDR per item for 2020 and 1.700 SDR for 2021. For tracked items, there shall be an additional payment of ~~4.000~~ 1.500 SDR per item for 2020 and ~~4.400~~ 1.600 SDR per item for 2021. The Postal Operations Council shall be authorized to supplement remuneration for these and other supplementary services where the services provided contain additional features to be specified in the Regulations.

Reasons. – The Postal Operations Council proposal detailed in Congress–Doc 8 recommends that the tracked service go from an optional to a mandatory service, like the registered service. However, that proposal does not provide for the introduction of a guaranteed surcharge in the Convention, despite the fact that the provision of the tracked service entails additional expenses in order to ensure traceability. Furthermore, the Integrated Remuneration System should ensure that inbound designated operators' costs are covered.

SECOND EXTRAORDINARY CONGRESS

Convention – Proposal

20.38.1

Article 38

Conditions for approval of proposals concerning the Convention and the Regulations

NORWAY

Paragraph 1. Amend as follows:

1 To become effective, proposals submitted to Congress relating to this Convention must with the exception of proposals concerning reservations provided for under article 39, be approved by a majority of the member countries present and voting which have the right to vote. At least half of the member countries represented at Congress and having the right to vote shall be present at the time of voting.

Reasons. – See related proposal 20.39.1 to amend article 39.4 of the Convention and proposal 19.19.1 to amend article 19.1.3 of the Rules of Procedure of Congresses.

Supported by. – Canada.

SECOND EXTRAORDINARY CONGRESS

Convention – Proposal

20.39.1

Article 39
Reservations at Congress

NORWAY

Paragraph 4. Amend as follows:

4 ~~To become effective, proposals concerning reservations must be approved by whatever majority is required for amendment of the article to which the reservation relates. Subject to paragraphs 1 and 2, proposals concerning reservations become effective without voting when the article to which the reservation relates does not preclude reservations.~~

Reasons. – This proposal aims to ensure that the UPU is adapted to the rapidly changing postal market and the different market and regulatory conditions among the member countries by strengthening the flexibility of member countries to make a reservation.

Reference is made to Congress resolution C 27/2016, which recognizes that the postal environment is undergoing profound and rapid change, meaning that the UPU needs to adapt its operations, decision-making process, work methods and activities. In its efforts to fulfil its mission, such as in reviewing the scope and terms of provision of the international universal postal service, the Union has to recognize not only that the postal environment is undergoing profound and rapid change, but also that the challenges to the universal postal service (e.g. created by digitalization and e-substitution) differ greatly among member countries. Taking into consideration this reality, and to protect the balance of obligations and opportunities for minorities of member countries, it is necessary to allow member countries sufficient flexibility to ensure sustainable universal postal services in line with different national and regional conditions, needs and market environments.

The current requirement in article 39.4 of the Convention leaves the protection of a minority of the Union's members to the majority's will. Following from the reasons outlined above, Norway therefore proposes to, subject to paragraphs 1 and 2 of article 39, eliminate the requirement of majority approval of proposals concerning reservations in cases in which the article to which the reservation relates does not preclude reservations. This will better ensure the rights of members to make a reasoned reservation, such as when necessary to protect a member country's designated operator from an unsustainable burden in maintaining the universal postal service, unless the reservation is incompatible with the object and purpose of the Union.

In general, the right to make reservations plays an essential role in balancing the objectives of safeguarding the integrity of multilateral treaties such as the UPU Convention on the one hand, and securing vital interests of the respective member countries on the other. Thus, the right to make reservations in general is meant to ensure the widest possible participation in multilateral treaties. In the context of the UPU, this is even more vital in times in which the Union is under pressure to act more rapidly in order to adapt the UPU network's service offerings to changing market conditions and customer needs (e.g. as seen in the current work on the integrated product and remuneration plans), while at the same time respecting the different abilities, interests and market conditions among the membership.

Norway fully subscribes to the mission of the Union to "stimulate the lasting development of efficient and accessible universal postal services of quality in order to facilitate communication between the inhabitants of the world". The free circulation of postal items over a single postal territory as provided for in the UPU treaties will still be safeguarded with this proposal, as this is in every member's interest and is subscribed to by the membership of the Union. Moreover, the prerogative of the member countries to make a reservation, even against the will of the majority on certain conditions, is counter-balanced by the principle of reciprocity whereby member countries grant each other identical or equivalent treatment. The principle of reciprocity thus serves as a powerful disciplining factor, inherently playing a constructive and stabilizing function. Furthermore, the proposal will not change the principle that only reservations compatible with the object and purpose of the Union, as defined in the Preamble and article 1 of the Constitution, are permitted.

Related proposals: See proposal 20.38.1 to amend article 38.1 of the Convention and proposal 19.19.1 to amend article 19.1.3 of the Rules of Procedure of Congresses.

Supported by. – Canada.

SECOND EXTRAORDINARY CONGRESS

Convention, Final Protocol – Proposal

23.6.1

Prot Article VI
Basic services

ICELAND

Create the following new paragraph 4:

4 Notwithstanding article 17, Iceland accepts items for the blind only to the extent provided for in its internal legislation.

Reasons. – According to Icelandic postal legislation, items for the blind are limited to literature for the blind up to 2 kg.

SECOND EXTRAORDINARY CONGRESS

Convention, Final Protocol – Proposal

23.6.91

Prot Article VIbis
Supplementary services

FINLAND

Create the following new article VIbis:

1 Notwithstanding article 18, Finland reserves the right to collect special charges from the addressees for the delivery or storage of small packets weighing under 500 grammes where the said service features are subject to special charges in the domestic service.

Reasons. – The legislation of Finland allows for an extra charge to be collected from the addressee for delivery or storage if the service or arrangement deviates from the ordinary service. This enables market-oriented service offerings according to customer needs.

SECOND EXTRAORDINARY CONGRESS

Convention, Final Protocol – Proposal

| **23.6.92.Rev 1**

Prot Article VIbis
Supplementary services

ICELAND

Create the following new article VIbis:

1 Notwithstanding article 18, Iceland reserves the right to collect special charges from the addressees for the delivery or storage of small packets weighing under 500 grammes as provided for in its internal legislation.

Reasons. – According to Icelandic postal legislation, addressees may be charged for delivery or storage of small packets under 500 grammes.

It must remain the right of sovereign countries to decide on rates charged to their own citizens through national legislation, in line with the principle of subsidiarity.

This reservation concerns a vital economic interest of Iceland, due to the rapidly declining sustainability of its postal network. Member countries are therefore urged to approve the reservation at this Extraordinary Congress.

SECOND EXTRAORDINARY CONGRESS

Convention, Final Protocol – Proposal

23.14.1

Prot Article XIV
Basic rates and provisions concerning air conveyance dues

CANADA

Create the following new paragraph 2:

2 Notwithstanding the provisions of article 33, Canada reserves the right to charge internal air conveyance dues to countries and territories in the target system as from and prior to 2016. Canada will not charge air conveyance dues to countries and territories in the transitional system as from 2016.

Reasons. – In line with its national legislation, this reservation aims to address the lack of cost coverage on international inbound mail and the continuing, growing and substantial postal rate disadvantages to Canadian consumers and businesses. At the same time, it aims to attenuate the higher costs incurred by countries in the transition system and assist them in their efforts to grow their outbound e-commerce volumes.

SECOND EXTRAORDINARY CONGRESS

Regulations – Proposal

25.17-107.1

Article 17-107
Special provisions applicable to each category of items

POSTAL OPERATIONS COUNCIL

Paragraph 7. Amend as follows:

- 7 M bags
- 7.1 Certain other articles may also be admitted in M bags, provided the following conditions of entry are met:
- 7.1.1 the articles (disks, tapes, and cassettes; commercial samples shipped by manufacturers and distributors; or other non-dutiable commercial articles or informational materials that are not subject to resale) are affixed to or otherwise combined with the accompanying printed papers;
- 7.1.2 the articles relate exclusively to the printed papers with which they are being mailed;
- 7.1.3 the weight of each item which contains articles in combination with printed papers does not exceed two kilogrammes;
- ~~7.1.4 the M bags are accompanied by a CN 22 or CN 23 customs declaration form prepared by the sender in accordance with the provisions laid down in article 20-001.2.9.~~
- 7.2 The addressee's address shall be shown on each packet of printed papers included in a special bag and sent to the same addressee at the same address.
- 7.3 Every M bag shall be furnished with a rectangular address label provided by the sender and giving all the information concerning the addressee. The address label shall be made of sufficiently rigid canvas, strong cardboard, plastic, parchment, or paper glued to wood and shall be provided with an eyelet. It shall not be smaller than 90 x 140 mm with a tolerance of 2 mm.
- 7.4 The total amount of prepayment for M bags shall be shown on the address label on the bag.
- 7.4bis The M bags shall be accompanied by a CN 22 or CN 23 customs declaration form prepared by the sender in accordance with the provisions laid down in article 20-001.2.9.
- 7.5 With the agreement of the designated operator of destination, packets of printed papers may also be admitted as M bags when they are not packed in a bag. Such packets shall be marked very visibly with a letter M near the addressee's address. The nature of the contents shall be indicated directly on the item (CN 22/CN 23).
- 7.6 Designated operators ~~may~~ shall apply a single barcode identifier conforming to UPU Technical Standard S10 to M bags to enable the ~~future~~ provision of cross-border customs pre-advice in compliance with UPU Technical Standard M33 – ITMATT V1. However, the presence of such an identifier shall not imply the provision of a delivery confirmation service. The identifier should appear on the front of the item and should not obscure the other service markings, indicia or address information.

Reasons. – See Congress–Doc 8 – Part I, paragraph 8, table 3, recommendation 2.



SECOND EXTRAORDINARY CONGRESS

Regulations – Proposal

25.18-102.1

Article 18-102
Tracked items

POSTAL OPERATIONS COUNCIL

Paragraph 1. Amend as follows:

1 ~~At the sender's request, items for countries where the designated operator performs the service~~ Tracked items shall be delivered in the domestic priority service.

Reasons. – See Congress–Doc 8 – Part I, paragraph 9, table 4, recommendation 3.