



PAPU/AC/OTC/01/2023 – Doc No. 3

OPERATIONS AND TECHNOLOGY COMMITTEE (OTC)
24th, 28th AUGUST 2023 ARUSHA, TANZANIA

REMUNERATION WORKING GROUP (RWG) REPORT

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| 1. Subject Remuneration Working Group (RWG) Report | References/Paragraphs PAPU Action Plan 2022-2025 |
| 2. Decision Expected <ul style="list-style-type: none">• Adopt the Working Group Report;• Consider Recommendations of the Working Group. | |

1.0 INTRODUCTION

The Remuneration Working Group held its meeting on 30th March 2023. During the meeting, the issues on the agenda that were discussed and deliberated on are as indicated below:

2.0 THE MAIN ISSUES TABLED AND DISCUSSED

The following salient issues were deliberated during the meeting:

- i) Status of Implementation of WG Action Plan:
 - Report on Remuneration Workshop;
 - Letter Post Remuneration Questionnaire Review;
- ii) Key issues from UPU Remuneration Integration Group

3.0 REPORT SUBMISSION

The detailed report for the Working Group meeting is annexed herewith.

4.0 DECISIONS EXPECTED

The report is submitted for the Committee to:

- Adopt the Report;
- Consider Recommendations of the Working Group.



REMUNERATION WORKING GROUP (RWG) REPORT

Virtual Meeting

30th March 2023

1.0 INTRODUCTION

The Remuneration Working Group (RWG) virtual meeting was held on 30th March 2023 from 08:00 to 12:30 hours GMT.

2.0 REMARKS

2.1 Welcome Remarks by the Chairperson

The Chairperson, Mrs. Nermin Mohammed Hassan from Egypt, called the meeting to order at 0805 hours GMT and commenced the day's deliberations by welcoming participants to the meeting. She highlighted that the meeting was well-timed as it was being held at the beginning of the UPU remuneration cycle. She pointed out that the UPU Remuneration Integration Group (RIG) meeting was held in February 2023, while the POC was scheduled for May 2023. She stressed the need to protect the interests of Africa by participating in the UPU Remuneration Integration Group (RIG) work and responding to surveys sent out by the International Bureau.

The PAPI Remuneration Working Group should therefore be a platform where remuneration issues affecting African members are discussed and escalated to the global forum to protect the interests of PAPI members.

2.2 Opening Remarks by the PAPI Secretary General

The Secretary General, Dr. Sifundo Chief Moyo expressed great appreciation to the Chairperson, Ms. Nermin Mohammed Hassan, for leading African countries on remuneration matters at the UPU and PAPI levels.

He stressed that remuneration of postal services is the backbone of the Post and that the sustainability of the Post hinges on fair remuneration of the services provided. The remuneration systems are ever-changing, with such decisions being made at UPU Congresses. Hence the need for Member States to fully comprehend the current Terminal Dues System (for Letter Post items) and the Inward Land Rates System (for Parcel Post Items) to apply them correctly.

The Working Group should focus on keeping track of developments and changes in the remuneration system for physical services and ensure that African countries are well-fed. He pledged the unwavering support of the General Secretariat for the work of the Group and wished the participants fruitful deliberations.

3.0 CONFIRMATION OF BUREAU

3.1 Working Group Bureau

The Working Group Bureau was confirmed as follows:

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|-----------------------------------|--------------------------|
| Chairperson: | Egypt |
| 1 st Vice Chairperson: | South Africa |
| 2 nd Vice Chairperson: | Tunisia |
| Secretariat: | PAPU General Secretariat |

3.2 Participation

3.2.1 Member States Present:

The meeting was attended by seventy-three (73) participants from the following Member States: Algeria, Angola, Cameroon, Egypt, Ghana, Kenya, Malawi, Morocco, Mozambique, Nigeria, Rwanda, Senegal, Tanzania, Tunisia, Uganda and Zimbabwe.

3.2.2 PAPU General Secretariat

The PAPU General Secretariat participated and provided secretariat services led by the Secretary General, Dr. Sifundo Chief Moyo.

4.0 ADOPTION OF THE AGENDA

The General Secretariat tabled the draft agenda which was adopted by the Working Group with no amendments.

5.0 STATUS OF IMPLEMENTATION OF WORKING GROUP ACTION PLAN

The General Secretariat reported on the activities undertaken since the last meeting in the implementation of the Working Group Action Plan.

5.1 Remuneration Workshop Report

The UPU organized Remuneration Workshops for the Africa Region and the Arab Region, incorporating North African Countries, from 16th to 17th December 2022 in Abuja, Nigeria, and from 15th to 16th March 2023 in Cairo, Egypt, respectively.

The workshops aimed at enlightening Designated Operators on the remuneration systems approved by the 3rd Extra-Ordinary Congress in Geneva in 2019 and at the 27th Ordinary Congress held in Abidjan in 2021 to ensure the correct application of the approved rates.

The main topics covered during the workshops were:

- Terminal Dues Current Mandatory System;
- Quality Of Service Link to Terminal Dues;

- Terminal Dues Self-Declared System;
- Returned Undeliverable Letter Post Items;
- ECOMPRO Parcels;
- Inward Land Rates (ILR)
- Transit Charges.

5.1.1 Recommendations

The following were the recommendations from the Workshop Report:

- i) Designated Operators (DOs) need to pay attention to the specific articles of the Convention to understand the principles under each remuneration system;
- ii) Designated Operators should take note of the contents of IB Circulars for each remuneration system;
- iii) Important deadlines for submitting information to the International Bureau for each remuneration system should be observed.

The Chairperson promised to provide International Bureau Circulars on Remuneration and the list of important deadlines via the WhatsApp Group. (This has since been done).

It was also agreed that a contact list for officials responsible for Remuneration for each DO should be compiled and communicated to UPU to ensure that Member States receive all updates and remuneration information.

5.2 Letter Post Remuneration Questionnaire Review

One of the activities to be undertaken under the Remuneration Action Plan is to elicit information on implementing the Letter Post Remuneration systems by administering a questionnaire. In this regard, the General Secretariat drafted a questionnaire for consideration by the Working Group, whose questions were in harmony with those of the Circular circulated by the UPU RIG in November 2022.

The Chairperson presented the preliminary analysis of the responses to the questionnaire circulated by the UPU. From the report, it was evident that most African Countries had yet to respond to the UPU questionnaire, considering that only twenty-two (22) countries from Group IV had responded. The objective of re-circulating the questionnaire was, therefore, to ensure that the Working Group has a clear picture of the situation in Africa to informatively plan and articulate the position of African countries in the work of the UPU RIG.

5.2.1 Recommendations/Action Points

The PAPU questionnaire was presented, and the Working Group approved its circulation to the Member States. The deadline for the return of completed questionnaires to the General Secretariat was set as 28th April 2023. Member States were urged to complete the questionnaire once it was circulated.

6.0 KEY ISSUES FROM UPU REMUNERATION INTEGRATION GROUP (RIG)

Egypt, the Africa Lead Country on Remuneration Integration Group (RIG) work, presented key issues under discussion at the UPU level.

The work of the Remuneration Integration Group covers the following key areas:

- i) **Pillar 1** - Review of remuneration for Basic Services covering the determination of basic rates for letter post, parcel post, and EMS;
- ii) **Pillar 2** - Review of the remuneration for supplementary services and value-added services. It also covers costs associated with the proposed product portfolio under the Integrated Product Plan (IPP), including M-bags, tracked delivery, registered and insured services;
- iii) **Pillar 3** - Drives simplification of remuneration systems, address market distortions effects, and further progress work towards a single terminal dues system;
- iv) **Pillar 4** - Incentivize Quality of Service and operational improvements that enhance customer, operational, and supply chain visibility, particularly for items containing goods.

The Chairperson gave an overview of the future of the Remuneration Integration Plan (RIP), which covers current discussions on different remuneration systems and proposed new developments.

Tracking is one of the main topics under discussion by the RIG. It was stressed that for the first two years, Group IV countries would receive bonus payments for scanning items upon receipt at the Office of Exchange (EMD) only. Attempted or Final delivery (EMH/EMI) will be required at a later date. The meeting, therefore, recommended that Member States should support mandatory tracking for the tracked delivery Services.

During its discussions, the RIG also recommends mandatory tracking for small packets since S10 Bar codes have already been implemented for the service, and e-commerce customers require visibility of their items.

6.1 Recommendations/Action Points

The General Secretariat, in coordination with the Chairperson, should prepare a paper on tracked delivery service, giving the facts and making a recommendation to Member States to support mandatory tracking. The paper will be circulated to Member States for their information and necessary guidance.

7.0 DATE AND VENUE OF NEXT MEETING

The General Secretariat informed the meeting that the date and venue of the next meeting of the Remuneration Working Group will be communicated once consultations with Stakeholders are finalized.

The Chairperson of the Remuneration Working Group will present the Report of the meeting and its Recommendations to the Operations and Technology Committee meeting during the 41st Administrative Council Session.

8.0 ANY OTHER BUSINESS (AOB)

No other business was discussed during the meeting.

9.0 CLOSING

In his closing remarks, the PAPU Secretary General thanked participants for actively participating in the Remuneration Working Group meeting. He also thanked the Chairperson for guiding the Members and steering the meeting. Dr. Moyo reiterated the support of the General Secretariat for the work of the Group.

The Chairperson thanked the Secretary General, participants, interpreters, and the General Secretariat for their role in ensuring that the meeting was a success.

The Chairperson officially closed the meeting at 12:30 hours (GMT).