POSTAL NETWORKS

Promoting socio-economic development and contributing to the achievement of the UN Sustainable Development Goals in the Africa region

REGIONAL DEVELOPMENT PLAN 2022–2025

UPU | UNIVERSAL POSTAL UNION

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Foreword

In view of technological developments and the globalization of trade, the activities and characteristics of the postal sector have changed radically, as have the expectations of society and businesses with regard to postal services. Today, the role of the Universal Postal Union in facilitating communication between the inhabitants of the world is more relevant than ever. Governments must provide the necessary enabling environment and ensure that universal postal services are maintained, while postal operators around the world must adapt to the new environment and meet the evolving demands of society and the market through structural reforms, innovative services and constant modernization.

The advent of the COVID-19 pandemic shattered all global economic prospects. Although governments, businesses and citizens have adapted to the new reality, most macroeconomic aggregates have collapsed to unprecedented levels. In this situation, and in order to bridge the considerable postal development gaps across the globe, postal networks need investment in infrastructure, along with the provision of the necessary resources to support economic and social development in the post-pandemic context. The purpose of this document is to show government authorities and development partners (international organizations, development agencies, UN system institutions, and so on) how postal networks can serve as catalysts for development.

The document comprises four chapters. The first chapter looks at the global postal sector and highlights its importance as economic infrastructure. The second chapter presents the situation of the postal sector in the Africa region. The third chapter assesses the UPU's 2017–2020 regional development plan for the Africa region, and the final chapter briefly describes some of the key areas that the UPU intends to support in the region during the 2022–2025 cycle.

As the UN specialized agency in charge of postal services, the UPU began working with regional partners in 2019 to identify the priorities for its development cooperation activities and initiatives for the 2022–2025 cycle. These consultations fed into Postal Vision 2030, which is the UPU's global roadmap for the sector, inspiring the different categories of stakeholders to act in their respective fields of competence. This regional development plan is thus the result of an inclusive regional dialogue between the UPU and all stakeholders.

Despite the present challenges, opportunities abound thanks to the unprecedented e-commerce boom worldwide, which is opening up growth prospects for all market participants. By leveraging their unmatched existing networks and trusted reputation, designated postal operators are in a unique position to benefit from the tremendous growth in international postal exchanges and also serve as natural partners for governments to deliver their public policy objectives.

In this context, all partners are encouraged to work closely with the UPU and its 192 member countries to increase the impact of their socio-economic development efforts and contribute towards the achievement of the UN Sustainable Development Goals.

Masahiko Metoki
Director General of the International Bureau of the UPU

CHAPTER **1**
KEY DEVELOPMENTS IN THE POSTAL SECTOR

KEY DEVELOPMENTS IN THE POSTAL SECTOR

Global macroeconomic trends

Two years into the COVID-19 pandemic, the world economy stands reshaped. As the crisis enters its third year, the diagnosis is incontestable: in addition to its adverse impact on health and the tragic death toll, the crisis has had devastating socio-economic consequences. Although governments, businesses and citizens have adapted to the new reality, most macroeconomic aggregates collapsed to unprece¬dented levels before embarking on a fragile recovery. According to the estimates published by the World Bank in January 2022, global growth contracted by 3.4% in 2020 and rebounded 5.5% in 2021. The forecasts for 2022 (4.1%) are encouraging, although the aftermath of the crisis is full of uncertainties. Global trade volumes followed a similar path, with an overall decrease of 8.2% recorded in 2020. Trade jumped back to 9.5% growth in 2021 and is expected to stabilize in 2022 (5.8%).[1] The encouraging results in terms of output, exports and imports are in stark contrast to debt increases, central banks' deteriorating balance sheets and rampant inflation.

On the one hand, as the pandemic reaches the endemic stage, governments around the world have started easing their public health policies. On the other hand, economic stimulus packages, tax breaks and facilitated credit lines are also being lifted. The postal sector is being affected by these events as well. Today, postal operators need to perform a difficult balancing act: they must adapt their operations to the new economic framework while, simultaneously, continuing their long-term business transformation in line with secular trends in consumption habits.

Long-term trends of key postal aggregates

The COVID-19 pandemic has accelerated long-term trends in the postal sector. As shown in the UPU's Postal Economic Outlook 2021, the year 2020 was characterized by a record drop of domestic letter post (-13.6%) and a record increase of domestic parcel post (17.7%). In the long run, these aggregates are expected to revert to their pre-crisis trends. Thus, domestic letter post is projected to follow its five-year trend of -4.6% per year. Domestic parcel post volumes will continue to rise in line with the five-year trend of 15.2% per year. This global trend is perceptible in all regions, following increases in domestic parcel volumes across the board during the last decade.

The performance of international mail has been more intricate. The disruption to air transport routes, coupled with labour shortages, has had a broad impact on the delivery of postal items, revealing the extent to which the postal and aviation sectors are interconnected. During 2020, 137 countries submitted UPU Emergency Information System (EmIS) messages announcing disruption to their operations, air transport issues, and problems relating to the availability of the labour force. Although the international postal supply chain has proved resilient during the crisis, volumes of cross-border mail have decreased. Owing to these difficulties, overall mail tonnage dropped by 20% in 2020 and took yet another dip (-10%) in 2021. It remains to be seen whether this change will endure in the post-pandemic era, or whether international traffic will revert to 2019 levels.

In 2020, the revenue from parcels and logistics accounted (on average) – for the first time ever – for more than 30% of postal operators' overall revenue. In the meantime, the proportion of revenue from letter post has continued to decline, down to 32.7% in 2020. Despite the crisis, postal operators' nominal revenue surprisingly soared to 291 billion SDR in 2020. While this result suggests significant progression in the revenue of postal operators worldwide, the increase originates largely from developed countries. In particular, 14 countries (out of 205 territories taken into account) currently represent 90% of the total operating revenue of designated operators (DOs). This corroborates the notion of significant gaps in postal development, as highlighted in previous UPU studies.[2]

1   Source: World Bank, Global Economic Prospects (January 2022)
2   See UPU Postal Development Report 2021

Costs also spiked in 2020. The pandemic has been taxing, and postal operators have faced numerous challenges, including labour shortages and the associated cost of hiring temporary staff, the disinfection of mail items and post offices, the mass purchase of protective equipment for workers, and the need to operate back offices during lockdowns. In 2020, operating expenditure rose to unprecedented levels (up 7.9% compared with 2019). While the geographical distribution remains uneven, it is clear that the trend has been towards operations that are more costly, such as those required for the delivery of parcels.

Postal sector contribution to the achievement of the Sustainable Development Goals and role of the UPU

In spite of the challenges mentioned, the postal sector remains a powerful infrastructure. The combined network of 618,000 post offices and 5.1 million employees constitutes a unique asset for DOs worldwide. The sector is thus a natural partner for governments in their path towards the achievement of the UN Sustainable Development Goals (SDGs).

The UN SDGs have become a core driver for targeted action within the UN system. Approved in January 2016, the SDGs are the embodiment of the 2030 Agenda for Sustainable Development, which was adopted by world leaders in September 2015 at a historic UN summit. The 2030 Agenda for Sustainable Development is not legally binding, but governments are expected to take ownership, establish national frameworks, and follow up on and review progress made in implementing the SDGs.

As a specialized agency of the UN system, the UPU is likewise expected to support its member countries in their efforts to implement the SDGs.

Abidjan Postal Strategy and development cooperation policy 2022–2025

Mission, vision, strategic pillars and key success factors

As the global macro trends described above continue to transform the world economy and the postal sector, the UPU has drafted an ambitious roadmap for the 2021–2025 period, the "Abidjan Postal Strategy", approved by the 27th Congress in Abidjan, Côte d'Ivoire (Rep.). This new strategy is the culmination of an extensive and inclusive process, which saw a wide array of stakeholders from over 170 member countries and territories actively take part in various rounds of data analysis, consultation, outreach, discussion and drafting.

The Abidjan Postal Strategy reaffirms the UPU's mission enshrined in its Constitution, which is "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 by:

guaranteeing the free circulation of postal items over a single postal territory composed of interconnected networks;

encouraging the adoption of fair common standards and the use of technology;

ensuring cooperation and interaction among stakeholders;

promoting effective technical cooperation;

ensuring the satisfaction of customers' changing needs."

Achieving this mission in line with the SDGs requires long-term vision, in the form of the advocacy message "Postal Vision 2030", which urges all key postal sector stakeholders to take action in a number of areas. Governments are invited to reduce gaps in postal development by utilizing the postal network for socio-economic development. Regulators are encouraged to harmonize and enhance the frameworks under their responsibil¬ity. Operators are expected to boost their performance through diversification and operational improvements. Other stakeholders are encouraged to integrate further with the postal world, which will also trigger changes in the UPU's role

In order to support Postal Vision 2030, the UPU, as a UN agency, must coordinate its action around three main strategic pillars. These pillars seek to strengthen the UPU's role as the main **forum** for postal sector development, as a **provider of affordable technical solutions**, and as the prime **knowledge centre** of the postal sector. The first pillar (forum) will be achieved through events and meetings of technical working groups, treaties and international agreements, and settlement mechanisms. The second pillar (provider of technical solutions) will revolve around consulting and capacity building, IT solutions, and standards. The third pillar (knowledge centre) will be attained through research and insights on market trends, focused analysis on various topical issues, and data storage and protection.

Ensuring success through these strategic pillars demands a greater focus on new products and services, greater financial strength through new funding models, efforts towards building a diversified and highly competent workforce, and increased regionalization.

Development cooperation policy for 2022–2025

The UPU's development cooperation activities will play a key role in delivering the Abidjan Postal Strategy. Whether it be helping governments to reduce gaps in postal development, assisting regulators in the harmonization and enhancement of frameworks, guiding postal operators in their improvement journey, or integrating other stakeholders into the sector, the international assistance provided by the UPU will be key.

In order to ensure a successful outcome across the three strategic pillars, the UPU development cooperation policy for 2022–2025 supports an increased level of regionalization of UPU activities, with greater presence in the field. Moreover, the UPU development cooperation activities will make use of postal development indicators, such as the UPU's Integrated Index for Postal Development (2IPD), in order to devise ways to boost postal reliability, reach, relevance and resilience in every region.

The UPU Development and Cooperation Directorate (DCDEV) will strengthen its presence in the field over the 2022–2025 period to ensure greater effectiveness and a higher level of interaction with regional stakeholders, reflecting the current needs of the postal sector and market.

CHAPTER **2**
THE POSTAL SECTOR IN AFRICA

◼ THE POSTAL SECTOR IN AFRICA

General overview of the composition of the Africa region

The Africa programme of the UPU covers the four subregions of Central, East, Southern and West Africa and comprises 45 beneficiary countries, including 29 least developed countries (LDCs) and 17 fragile or conflict-affected countries. The region also encompasses 13 small states, characterized by a low population, limited human capital, and a confined land area. According to the World Bank, the Sub-Saharan Africa region was home to 1.14 billion people in 2020, which equates to 14.6% of the world population, with a gross domestic product (GDP) of 1.705 trillion USD.[3]

Development indicators for the African postal sector

Global macroeconomic trends show that the COVID-19 pandemic has plunged Sub-Saharan Africa into its first recession in over 25 years, from which the postal sector has not been spared. Africa's results on the UPU Integrated Index for Postal Development, or 2IPD, thus dropped to 17.9 in 2021 – its lowest score since the creation of the ranking. Ghana maintains its position as regional leader, ranking 53rd worldwide, followed by Cameroon (56th) and Nigeria (68th). In the last two years, Ghana has held the regional top spot by showing very good reliability, improved reach and a level of resilience moving closer to the global average. Zambia, Namibia and Liberia have made the largest relative gains, moving up by 34, 31 and 26 places respectively in 2021.[4]

As shown in the figure, the resilience pillar has the highest score at 52. This points to the diversification of revenue streams through the provision of financial services, as well as the capacity to innovate and deliver inclusive postal social services in Africa. On the other hand, performance levels are very low in terms of reliability (16), reach (12) and relevance (2). The low reliability and reach average scores are mainly due to declining volumes of postal items transiting through the designated operators and a low level of connectivity, with only a very limited number of international network partners in Africa compared with other regions. In addition, there is a lack of electronic data capture and exchange across all key segments of physical postal services, owing to obsolete postal infrastructure and insufficient training among postal staff. As for the relevance pillar, it suffers from global postal market dynamics and performance level gaps compared with the best performers of the postal sector worldwide.
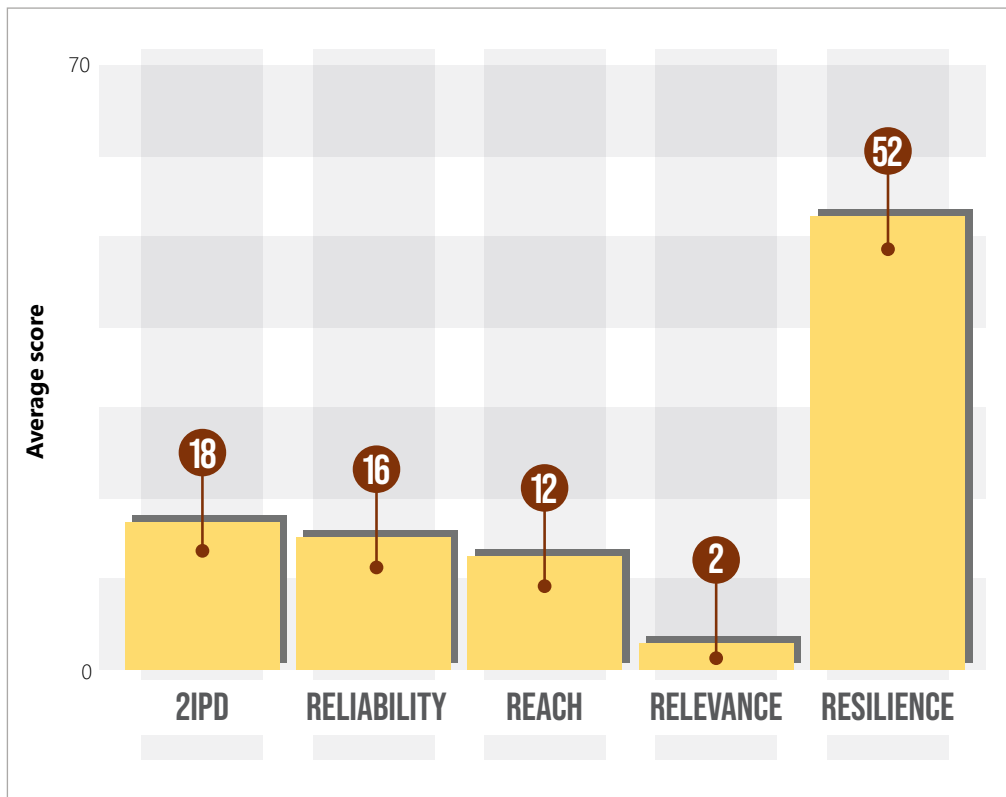
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3   Source: World Bank Fact Data (2020)
4   Source: UPU Postal Development Report 2021

2021 2IPD performance in Africa

Notes: Simple average Africa.

Three-dimensional network: physical, digital and financial

Regional postal data and network statistics

Physical network: The UPU Africa programme encompasses a total network of 12,647 post office facilities, employing 59,048 staff. In 2020, postal services in Africa handled 529 million letter-post and 5 million parcel-post items, mainly in the domestic postal service, which accounts for 95% of volumes in both the letter and the parcel segment. Following the COVID-19 pandemic and its severe shock to the regional economy over the last three years, a declining trend in postal volumes has been observed along with a negative impact on regional postal operating revenues, which fell from 624 million special drawing rights (SDR) in 2018 to 499 million SDR in 2020.[5] The vast postal network that extends into rural and other marginalized areas serves as important infrastructure which can be used to provide people in different parts of a country with access to a wide range of products and services, such as financial services (including savings and remittances), as well as communication, logistics and government services.

Digital network: To ensure the physical distribution of items (letters, parcels and e-commerce), Posts use an electronic network that interconnects the various operators and enables them to exchange electronic data in real time. The complementarity between the physical and electronic dimensions makes Posts key players in the e-commerce value chain. The digital world in Africa is evolving rapidly and growing faster than in most other parts of the world. The postal network provides infrastructure that can be used to bridge the digital divide, especially in rural areas, through the provision of various information and communications technology (ICT) services. According to a UPU survey conducted in 2017,[6] the penetration rate for public Internet access points in post offices stood at 56.5%. A number of postal operators in Africa have embarked on a digital transformation journey in order to stay relevant in this digital economy. Over 93% of Posts are providing some form of digital postal services, either directly or in partnership with other companies.[7] These services range from basic digital postal services such as online track and trace and e-post, through to e-government and e-commerce services such as digital identities, national marketplaces, e-payments and e-logistics. In 2017, the penetration rate for electronic remittances was 56.5%; for track and trace, it was 100%, for online bill payments 43.5%, and for payment solutions 39.1%.[8]

5   Source: UPU postal statistics (2021)

6   UPU Digital Postal Survey 2017

7   Source: The Digital Economy and Digital Postal Activities – A Global Panorama, UPU (2019)

8   Source: UPU Digital Postal Survey 2017

Financial services network: The strong presence and extensive reach of postal networks across rural areas in most African countries gives Posts a comparative advantage over other financial institutions to tap into the unbanked market. The postal network in Africa provides infrastructure which can be used to enhance financial inclusion through the provision of various financial services. Access to financial services is especially important in rural areas, where a large share of the unbanked population lives. In pursuing financial inclusion, more and more countries are turning to the Post to offer on-the-spot financial services. In addition, donors and policymakers are starting to realize the potential of postal financial services and the role that Posts can play in increasing financial inclusion. Following the example of the Bill & Melinda Gates Foundation, which has shown its commitment to postal financial inclusion, several donors are now focusing their efforts on leveraging postal networks to this end. Joint programmes are also being managed in partnership with various other international organizations, including the International Fund for Agricultural Development (IFAD), the International Organization for Migration, Visa, the World Bank, and the World Savings and Retail Banking Institute. The most common financial services offered by Posts are money transfers and remittances – provided either by the Posts themselves or in partnership with banks and money transfer companies – as well as bill payments and government-to-person payments (pensions).

Economic impact of the postal sector in Sub-Saharan Africa

The postal sector plays an important role in promoting socio-economic development, with today's postal service having a much more active role than in the past. Posts in Africa are comparatively well positioned to provide e-government, e-commerce and e-financial services to vulnerable populations that tend to be excluded, such as women, the poor, the less educated and those in the informal sector. In this way, the postal sector is actively contributing to the achievement of the UN SDGs. Posts are equally well positioned to provide effective, reliable and profitable commercial services to the business community, which is a potential source of even greater revenues and which can drive a larger impact on domestic and regional economies. There are several examples of Posts providing end-to-end e-commerce solutions covering the whole e-commerce value chain. While logistics is their natural advantage, Posts now offer digital platforms to facilitate marketing, payment solutions, and all other elements in an e-commerce transaction.

From 2016 to 2018, the operating revenues of the postal sector in Africa increased by 8.1%. These revenues are an integral part of regional GDP, with Posts thus contributing to national economic growth and development in their respective countries. Zimbabwe Post, for example, established Zimbabwemall, an e-commerce platform mainly targeting micro, small and medium-sized enterprises (MSMEs), many of which are in the informal sector. In this way, the Post is supporting the inclusion of MSMEs, enabling them to sell online and move their goods across borders. Zimpost is thus facilitating inclusive e-commerce and contributing to the achievement of several UN SDGs, especially Goals 1, 2, 3, 5, 8 and 9. Botswana Post's e-commerce initiative MyUniversalShop.com is another excellent illustration of this point.

According to the World Bank, 42.6% of adults in Sub-Saharan Africa hold an account at a financial institution or with a mobile money service provider,[9] leaving over 57% of the adult population unbanked. **Post offices in Africa are part of the public network and provide immediate access to financial services, representing the second largest contributor to financial inclusion after banks.** In Namibia, for example, a country with 2.2 million inhabitants, 39% of the adult population has an account with the Post. Other Posts in Africa are leveraging their existing infrastructure and payment systems to extend the financial ecosystem to the underserved segment of the market, especially in rural areas, either directly or through appropriate partnerships with the private sector. This has enabled financially vulnerable groups such as the poor, less educated and those outside the labour force to access low-cost, basic and transaction-based services. In Senegal, the Post has been responsible for distributing funds from the National Family Security Scholarship Programme since 2013 to support poor and marginalized families with expenses related to their children's schooling and healthcare, and to improve broader family well-being. In Zambia, the Post has collaborated with Absa, Zanaco and Atlas Mara banks to offer financial services on their behalf throughout the country.

Remittances from the diaspora play an important role in the socio-economic development of countries in the region. They contribute to poverty reduction and the economic empowerment of populations, especially in rural areas, by providing the much-needed resources to meet basic needs. Remittances reach more than 200 million people in Africa, over 40% of whom live in rural areas. Diaspora remittances are a major part of the economy of many African countries and approximately 40 billion USD is received annually from African immigrants. Across more than four fifths of African countries, a total of 26,000 postal outlets are involved in the delivery of remittances and provision of other financial services.[10]

The postal network in Africa provides infrastructure that is being used to bridge the digital divide, especially in rural areas, through the provision of various ICT services. The establishment of community information centres (CICs) within the postal network provides facilities for rural communities to access the Internet and other business services, including market information and government services (e.g. social transfers). Tanzania Posts Corporation, for example, has 36 Internet cafés where customers can access information, as well as CICs installed at six of its post offices. The Post is also currently offering e-learning services.[11] In Zimbabwe, over 150 CICs have been established within the postal network, providing Internet access and reprographic services (printing, photocopying, scanning, lamination, binding and faxing), as well as free computer training for the community.

Postal services are vital to e-commerce development, as they play a significant role in last-mile delivery, especially for MSMEs that typically do not have access to an affordable logistics network. Posts not only have the largest physical network – even within individual countries – but they are also the only service provider offering access to simple, affordable and reliable delivery services for remote and marginalized communities.

With its extensive logistics network reaching most remote and rural areas, as well as the most disadvantaged sections of the population (women and children), the Post can play an important role in ensuring equal access to limited resources, and in preventing speculation and price inflation. As an example, Cameroon's CAMPOST sells school textbooks in post offices at government-approved prices, leveraging the Post's broad reach and position of trust within the community. Following the outbreak of the COVID-19 pandemic, many Posts in Africa assumed additional responsibilities, introducing new services and expanding existing ones to lend a helping hand to those in need. These services included, for example, home delivery of remittances and pension payments to the elderly and the delivery of food items and medicines purchased online. The extensive postal network in most African countries means that Posts have the capacity to offer a wide range of affordable financial services and become a "supermarket" for e-commerce, remittances, financial inclusion and other e-services.

9   Source: Global Financial Inclusion Database, World Bank (2018)

10   Source: Remittances at the Post Office in Africa – Serving the financial needs of migrants and their families in rural areas, IFAD (2016)

11   Source: The Digital Economy and Digital Postal Activities – A Global Panorama, UPU (2019)

Evolution of key postal statistics for Africa

DATA ELEMENT	2018	2019	2020
Operating revenue (SDR)	623,941,790	613,098,156	499,459,579
Number of letter-post items, domestic service	789,537,539	752,698,271	503,140,221
Number of letter-post items, international service – dispatch	41,113,805	77,195,129	26,066,281
Number of parcels, domestic service	5,865,000	4,508,305	4,785,246
Number of parcels, international service – dispatch	285,645	323,870	243,534

Source: UPU postal statistics

Developments in postal services and their socio-economic role in Sub-Saharan Africa

Market dynamics

Over the past decade, postal market structures have evolved, as reflected through the proliferation of competition, new products and technology. Statistics for recent years show that letter-post volumes and revenue have declined considerably, owing to the expansion of digital technology and electronic mailing systems. As highlighted in the table below, domestic letter-post volumes declined by 36% between 2018 and 2020, while international letter-post volumes decreased by 37% over the same period, although a growth peak was observed in 2019. E-commerce has created new opportunities for Posts, encouraging them to adapt their services and business models to take advantage of new possibilities and resulting in an increase in domestic parcel volumes. In contrast, the international parcel service has declined in recent years. Domestic parcel volumes are likely to continue the upward trend, while the fate of the international parcel market remains uncertain, given the severe bottlenecks and supply chain disruptions created by the COVID-19 pandemic, along with the rising price of oil.

In the years leading up to 2018, postal revenue in Africa grew in nominal terms, before dropping in 2020 by almost 20%, as shown in the table. Owing to the complex factors influencing postal revenue growth, compounded by the negative impact of the COVID-19 pandemic on the global economy, DOs have shifted their core activities by decreasing their reliance on letter post as the main source of revenue, focusing instead on diversifying their products and services (such as digital or social services).

Africa has the highest proportion of the population (12.6%) with limited to no access to postal services, which is a cause for concern in the region. Most customers (71.5%) collect their mail from postal establishments, while only 15.8% of the population have their mail delivered at home. The African postal network is sparse, with only one post office per 100,000 inhabitants and approximately 1% of global postal staff employed by post offices in Africa.

The decade-long trend of liberalization in postal markets and the rise of e-commerce has eased the entry of new postal operators and hence increased competition in the region. While digitalization has accelerated the substitution of mail, it has been positive in that the growth in online purchases has generated additional demand for the delivery of physical goods. DOs in Africa continue to hold the lion's share of the letter-post segment. In the parcel-post and express mail segments, there is strong competition from other providers, such as DHL, FedEx and Jumia, as shown by the results in the following table:

Postal sector market share[12]

	DOs	Non-DOs
Letter post	76.70%	23.30%
Parcels	35.50%	64.50%
Express mail	39.90%	60.10%

Universal service obligation and regulatory frameworks

The universal postal service refers to the basic postal services which the government has pledged to offer the entire population throughout its territory on a continuing basis, to a set quality standard, at affordable prices. Posts play a key role in the "last mile" of the value chain, which represents the largest cost component. This cost discourages profit-driven organizations from operating in underserved areas, which are usually in deep rural and outlying areas and are labelled unprofitable owing to the long distances involved and accessibility challenges. Without the universal service obligation, it is likely that operators would not serve such areas, or would do so at unaffordable rates to the exclusion of many.

The need to ensure a clear distribution of responsibilities between the policymaking function (the government), the regulatory function (the regulator), and the operational aspects (operators) has resulted in the establishment of regulatory bodies in most African countries. Most commonly, the model of an independent regulatory authority responsible for the regulation of both postal and telecommunication services is employed. In the countries of East and Southern Africa, such as Kenya and Uganda, the regulatory authorities generally report to ministries responsible for postal and telecommunication services. In West and Central Africa, the regulation of postal and telecommunication services is often separate from both the DO and the ministry in charge of the sector, as observed in Burkina Faso and Mali.

Operators providing the universal postal service, i.e. the designated operators, have extensive infrastructure networks by virtue of their mandate to provide universal access to postal services. To enable them to finance the high cost of maintaining this infrastructure, these operators normally have a so-called "reserved" area (or monopoly). This reserved area serves as financial compensation for the deficits generated through provision of the universal postal service in certain loss-making geographical areas.

Expansion of government postal services to increase the universality of coverage has been slow. In recent years, the number of post office branches in Sub-Saharan Africa has declined, falling from 13,056 in 2019 to 12,647 in 2020.[13] Funding has been a major issue since most new outlets cover rural and marginalized areas. Postal operators are obliged to open branches in these areas in order to increase universal access; however, they are not viable in terms of business generation.

The majority of DOs in East and Southern Africa are state-owned enterprises. A few postal administrations are still operating as government departments with little or no autonomy, such as Lesotho Postal Services and Correios de São Tomé e Principe. In some countries, postal organizations operate as commercial entities wholly owned by the government: Mauritius Post and Namibia Post, for example.

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12   Source: UPU postal statistics
13   Source: UPU postal statistics

CHAPTER **3**

ASSESSMENT OF THE REGIONAL DEVELOPMENT PLAN FOR AFRICA FOR THE 2017–2020 PERIOD

ASSESSMENT OF THE REGIONAL DEVELOPMENT PLAN FOR AFRICA FOR THE 2017–2020 PERIOD

Achievements and impact of UPU regional projects over the cycle

During the Istanbul cycle, 172 development cooperation activities were carried out in Africa, four fifths of which involved technical assessment of postal services and capacity-building activities for postal staff. Overall, 37% of financial resources were directed at procurement-related activities, to support the modernization of postal infrastructure in least developed countries and bridge postal sector development gaps between countries. For these activities, the universal service obligation was a primary consideration and quality of service a key priority.

The UPU implemented regional postal development projects in collaboration with the African Union Commission (AUC) and restricted unions including the Communication Regulators' Association of Southern Africa, Conference of Posts and Telecommunications of Central Africa, East African Communications Organization, Pan African Postal Union, Southern Africa Postal Operators Association, and West African Postal Conference. The regional development projects were carried out in the following priority areas:

> Operational readiness for e-commerce (ORE);

> Postal development of LDCs;

> Electronic postal payment services (PPS); and

> Digital transformation and diversification of postal services.

The Africa region has shown strong regional interest in e-commerce and willingness among designated operators to meet quality of service, supply chain and international logistics standards. As a result, 80% of programme resources and activities focused on achievement of minimum operational requirements, electronic data capture and exchange, integration of the postal supply chain, and reliability through the completion of mandatory certification processes. The following table highlights key performance indicators and related regional achievements.

As set out in chapter 2, the Africa region includes 29 LDCs, whose DOs face institutional, operational, political and financial challenges. The UPU Special Fund for LDCs has helped to improve postal development in those countries, in accordance with regional priorities. In 2017, the Africa programme, with the support of the regional project coordinators, promoted the new UPU strategy for LDCs based on national priority actions that contributed significantly to the achievement of the expected results. In addition to practical sessions with the LDCs, participation in technical workshops and regional forums made it possible to better tailor activities and promote greater awareness among postal stakeholders and executives.

	KEY PERFORMANCE INDICATORS	2017 baseline	2017-2020 target	2020 actual	Percentage achievement
1	Number of countries (DOs) in the region using up-to-date tracking systems (IPS, IPS.post, IPS Cloud)	38	40	**45**	**112**
2	Number of countries (DOs) in the region using an electronic customs declaration system (CDS, CDS.post)	23	38	**41**	**107**
3	Number of countries (DOs) in the region applying an exchange of tracking data using EMSEVT 3	n/a	20	**40**	**200**
4	Number of countries (DOs) in the region applying an exchange of electronic pre-advice of dispatch using PREDES 2.1	23	38	**41**	**107**
5	Number of countries (DOs) in the region applying an exchange of electronic data with airlines using CARDIT 2.1	20	38	**40**	**105**
6	Number of countries (DOs) in the region sending ITMATT	n/a	10	**29**	**290**
7	Number of countries (DOs) in the region receiving ITMATT	n/a	10	**16**	**160**
8	Number of countries (DOs) in the region having set up phase 1 of the Integrated Product Plan (IPP)	n/a	40	**28**	**70**
9	Number of countries (DOs) in the region participating in the GMS module for inbound and end-to-end	20	36	**33**	**91**
10	Number of countries (DOs) in the region that have obtained UPU quality of service certification under the new methodology	n/a	6	**0**	**0**

With regard to financial services, regional activities carried out were aimed at enabling DOs in Africa to expand and enhance the network of electronic payment services within countries of the region, as well as implementing the new PPS vision. The region has the highest concentration of countries connected to the worldwide electronic postal payment network (WEPPN) – 29 out of 76 users of UPU solutions (IFS, IFS.post, STEFI, etc.) – and the greatest potential for developing volumes of PPS exchanged by DOs.

In addition, the Africa region has participated significantly in financial inclusion activities, and has positively welcomed the call for projects issued by the UPU Financial Inclusion Technical Assistance Facility (FITAF), with 21 applications made and six projects finally selected for funding. Through FITAF, the UPU offered its support to eligible member countries to help them modernize their financial services by providing digitally enabled financial products (e.g. payments, savings), as well as offer more relevant and accessible financial services to low-income populations (rural dwellers, women and youth).

During the cycle, the UPU also contributed to the digital transformation of postal networks by providing technical assistance to beneficiary countries in Africa. Activities focused on preparing and building practical knowledge of ICT basic blocks (website integration and payment solutions, e-shops, mobile applications, e-government services); helping Posts enhance their business models; and facilitating the adoption of the .POST domain to allow them to participate in the digital economy.

Lessons learned and challenges

For the development of Africa's postal sector, there are three main challenges:

Institutional issues

Exclusion from national planning: in some countries, the postal sector is given little or no space in national strategic plans, thus overlooking its potential contribution to inclusive development.

Governance issues: often demonstrated by high turnover of staff at managerial levels, while less attractive working conditions lead to the most talented postal staff being hired by the private sector. As a result, the postal sector is deprived of the key technical expertise required to address operational issues linked to diversified postal services, digital transformation and new market-driven skills.

Absence of dedicated policy and regulatory frameworks: despite the separation between regulatory authorities and postal operators, the Africa region lacks dedicated frameworks for postal sector regulation. Instead, telecommunication regulations and policies are broadly applied to postal activities.

Ignorance of regional policies: there is a lack of awareness among member states regarding African Union (AU) decisions and resolutions applicable to the postal sector.

Market dynamics

Changing market: the postal economy is driven by Africa's fast economic growth, with strong demand and rapid evolution of consumer expectations and the need for better quality of service.

Aggressive competition: in all segments of the postal market, the strong competition (formal and informal) from providers not subject to the constraints and rates of the universal service obligation continues to pose a significant threat to postal operator revenues.

Impact of digitalization: the fast evolution of technology – with Internet-based services and digital innovations – favours a highly competitive business environment encompassing other e-commerce players such as Alibaba, Amazon, eBay and Jumia. It is more difficult for traditional and public postal administrations with the universal service obligation to quickly adapt to new business models to remain relevant. Moreover, a significant number of postal staff lack adequate digital and e-commerce skills.

Financial resources

Lack of public investment: government budget allocations are very low for the development and maintenance of postal infrastructure, the development of human resources, research and development activities, and postal sector modernization and development projects in Africa. Consequently, the physical network offers limited coverage across national territories, and existing post offices struggle to provide adequate services with obsolete computer equipment and limited access to reliable electricity and Internet, especially in rural communities. For the 2017–2020 regional projects, the lack of resources needed to acquire the necessary equipment and fulfil technical project requirements was a major challenge to the attainment of expected results.

Insufficient interconnection with the private sector: private partnerships are lacking and business contracts are often unprofitable.

Poor financial management: the diversion of postal revenues to other public sectors or for other purposes is also a cause for concern, as the Africa programme currently has seven beneficiary countries under UPU sanctions for arrears on mandatory Union contributions, which limits membership rights and access to various services. Another example is the unwillingness of international airlines to sign agreements with DOs owing to the non-payment of outstanding freight charges.

Inadequate funding for investment in technology.

In 2020, an unprecedented challenge emerged in the form of the COVID-19 pandemic. The ensuing lockdown measures, including post office closures, adopted by most countries across the world disrupted mail flows, both domestically and internationally. In particular, flight cancellations and airport closures resulted in serious delays for international traffic.

Consequently, the UPU adapted its yearly work plan for development projects in Africa to address emerging needs. Remote mechanisms, with the use of digital tools and platforms to conduct 45 virtual workshops, evaluations and training events, prevented disruptions in the implementation of field activities.

The COVID-19 pandemic has shown the necessity for Africa's postal sector to digitalize postal operations, build stronger intraregional network infrastructure, and further diversify its portfolio of partnerships to prevent service disruptions and ensure business continuity.

The crisis has also shown that Posts in Africa have great resilience and are an essential component of the global economy, providing a lifeline to all inhabitants. Posts have played a critical role not only in their traditional realm, but also in social services, such as the transportation of medical supplies and the payment of pensions to households.

Dependence on a single transport channel, namely passenger flights, has proven detrimental for mail transport in times of crisis. Although Posts were able to quickly establish alternative routes during the pandemic, it is clear that they must continue building alternative transport channels (including sea and rail routes), in order to provide members and customers with more diverse options.

Role of the Post in the Africa region during the COVID-19 pandemic

The global postal sector, like many other sectors, has been adversely affected by the COVID-19 pandemic. While the impact on the traditional operations of the postal network has been substantial, the pandemic has also provided opportunities for the sector in Africa. Moreover, it has demonstrated how the postal network provides critical infrastructure for connecting citizens and businesses with the services they need. **During the pandemic, some Posts in Sub-Saharan Africa were classified as essential service providers and thus continued to operate when other businesses were made to close because of stay-at-home orders. Given their physical outreach and knowledge of local communities, Posts were in prime position to offer services to those remaining at home.** In this context, the UPU set up the Post4Health facility to help member countries and their DOs leverage postal infrastructure to provide essential logistics and outreach networks needed for successful COVID-19 vaccination campaigns. This initiative will have the long-term impact of contributing to strengthened health systems in Africa.

During the pandemic, many post offices in the region refocused their operations and assumed additional responsibilities as highlighted below.

Social services: A significant number of Posts were involved in the transportation of medical supplies to health institutions and individual households, including in Botswana, Kenya, Mauritius and Zimbabwe. Several countries, such as Zimbabwe, were involved in the production of personal protective equipment (face masks), not only for their staff but also for commercial purposes. Namibia partnered with local municipalities to distribute surface and hand sanitizers, tissues, and COVID-19 educational materials, mainly targeting informal settlement communities.

Financial services: Posts assisted governments with payments of social grants, especially to the elderly, and also provided various financial services. BotswanaPost, for instance, introduced the mobile wallet solution PosoMoney, as a payment option for the disbursement of social grants. The South African Post Office (SAPO) unveiled cashless ATMs for social grants from the South African Social Security Agency (SASSA), with the aim of decongesting the current SASSA grant payment points and controlling the spread of the virus. SAPO set the goal of rolling out more than 10,000 of these cashless ATM devices within spaza shops (convenience stores), townships and merchants in

rural areas, so as to provide financial services close to where people live. In Madagascar, over 3,270 households benefited from the Tosika Fameno programme and were able to receive allowances via Paositra Money.

Trade and e-commerce: The restrictions on the movement of people and closure of international borders led to a surge in online shopping and, as a result, increased demand for courier services. Posta Kenya, for example, partnered with Jumia to offer customers at-cost last-mile delivery or post office collection for essential products (food, hygiene, etc.). Other countries, including Botswana, Eswatini and Rwanda, also embarked on domestic e-commerce, partnering with online shops and wholesalers for home deliveries of household items and other essential services. Zimbabwe Post launched its Zimbabwemall e-commerce platform and also partnered with the Tobacco Industry and Marketing Board to transport tobacco from different parts of the country to tobacco auction floors. Zimpost leveraged its wide branch network to offer the service, which helped minimize the movement of farmers and crowded auction floors during the lockdown.

Assessment of the implementation methodology

Analysis of regional partnerships

As per SDG 17, achieving the ambitious targets of the 2030 Agenda requires revitalized and enhanced global partnerships that bring together governments, civil society, the private sector, the UN system and other actors, with a view to optimizing resource mobilization efforts. The UPU is leading a series of activities in Sub-Saharan Africa to ensure that the postal sector is recognized as a valuable contributor to socio-economic development and to the attainment of the UN SDGs. To achieve this, a number of strategic partnerships have been forged.

In the area of trade facilitation and e-commerce, the UPU partnered with the UN Conference on Trade and Development, alongside a number of different stakeholders in the international community, in the "eTrade for all" initiative. Launched in July 2016, the initiative is a collaborative effort to scale up cooperation, ensure transparency and enhance aid efficiency in the field of inclusive e-commerce. The objective of the UPU is to support the implementation of country-level e-commerce strategies that include the Post as a key delivery partner, by addressing the challenges faced by many LDCs in their efforts to be fully included in the e-commerce value chain. In this context, the UPU has organized a series of e-commerce conferences in Africa, targeting the private sector, governments and regulators and encouraging the use of ICT in the postal network to foster growth of e-commerce services.

Remittances play a critical role in Africa, especially in rural areas, and Posts play a pivotal role in delivering these remittances at a lower cost. The UPU is cooperating with other UN organizations in the field of financial inclusion and reduction of costs for international remittances. The mobile money initiatives undertaken with the UN Capital Development Fund (UNCDF) are one example of such collaboration. The UPU has also implemented a joint project in Burundi, "Rungika", with the International Organization for Migration, aiming to foster financial inclusion and literacy in rural communities while providing a more accessible and affordable remittance service for the diaspora through the postal network.

The African Postal Financial Services Initiative (APFSI) is a unique broad-based partnership that was implemented by the International Fund for Agricultural Development, together with the UPU, UNCDF, the World Bank, and the World Savings and Retail Banking Institute, and co-financed by the European Union. The programme aimed primarily to promote faster and more convenient, affordable and customer-friendly remittance transfers, particularly to rural areas. The programme also endeavoured to foster dialogue among stakeholders, regulators and policymakers. As a result of this initiative, many more products and services are now being provided by the Post in the targeted countries, while other African postal operators are taking steps to replicate and adapt the APFSI approach to their country-specific reality, in order to offer a full range of remittance-related products and services.

The UPU also works with private sector companies and non-state-owned organizations through specific and defined partnerships, supporting the objectives and mission of the organization. FITAF, for example, which is co-funded directly by Visa and the Bill & Melinda Gates Foundation, aims to advance financial inclusion through Posts, through the development of digitalized postal financial services. Moreover, the Rungika project in Burundi, which was transferred to the UPU WEPPN in November 2018, includes the participation of the private provider RIA Money Transfer.

The Infrastructure and Energy Department of the AUC, together with the French Development Agency, have partnered with the UPU to conduct a joint regional study on the digitalization of postal services in Africa. Following this study, the AUC will make recommendations for necessary actions to align national e-commerce policies with its Digital Transformation Strategy for Africa, as well as the Agreement Establishing the African Continental Free Trade Area (AfCFTA).

Within the framework of the Post4Health initiative, the UPU has partnered with the World Health Organization to launch an outreach campaign in Africa, using post offices to increase awareness (through posters, leaflets, etc.) and deliver public health information through the mail, as well as using the Posts' digital platforms in coordination with national health authorities when possible.

UPU restricted unions play a crucial role not only in formulating and implementing regional projects in line with regional priorities, but also in taking the lead in the organization of regional events and capacity-building activities for the postal sector in Africa. The UPU will continue to strengthen coordination with the African Union and regional restricted unions, which include the Communications Regulators' Association of Southern Africa, East African Communications Organization, Pan African Postal Union, Southern Africa Postal Operators Association, and West African Postal Conference.

Assessment of the UPU's presence in the region

The UPU extends its presence in Sub-Saharan Africa through two regional offices in Eastern and Western Africa. The UPU's presence in the field is geared towards the implementation of the regional development plan (RDP), formulated through engagement of all stakeholders within the postal sector. The UPU works closely with the restricted unions, especially in defining regional priorities and regional programmes requiring technical assistance.

According to the UN Joint Inspection Unit's 2017 review, member countries provided an overall positive assessment of the relevance, effectiveness and performance of the UPU regional offices. The review showed a high degree of outreach activities and ongoing cooperation between the regional offices and other UN entities present in the same location. However, substantial gaps persist in the flow of communication between the UPU and the UN regional offices, the AUC, restricted unions and member countries. This issue calls for a harmonized approach to streamline UPU development cooperation activities and technical assistance mechanisms, in order to efficiently support postal sector development.

To improve communication and add value to postal sector development, the UPU will move from its current "stand-alone" model to an integrated model, placed at the centre of African postal networks. Taking into account regional challenges, the UPU approach for field presence in Africa is structured around key postal sector players and partners, namely member countries, the AUC, restricted unions and the UN system.

The UPU's staffing and logistical structures in the Africa regional offices are inadequate to support the activities in the region, respond to all stakeholders' needs and ensure effective UPU field representation. In the 2022–2025 cycle, the UPU will benefit from the knowledge, experience and credibility of regional partners and actors – within a framework of field cooperation agreements – to supplement the work of regional offices through joint activities. On the other hand, the UPU will work to reinforce technical and operational capacities of restricted unions in Africa in line with its vision, strategy and principles.

This integrated model will not only improve communication among all stakeholders; more importantly, it will also ensure that the UPU development cooperation strategy is embedded at the regional/subregional and national levels. The UPU regional offices in Africa will continue to increase cooperation in the field with the wider UN family, restricted unions and other stakeholders, leveraging the postal network to contribute to the attainment of the SDGs and the AU Agenda 2063.

Summary of findings

Recommendations for the 2022–2025 cycle

During the Istanbul cycle, the UPU carried out 172 development cooperation activities in Africa, of which 80% were related to the technical assessment of postal services and capacity-building activities for postal staff. Overall, procurement-related activities represented 37% of financial resources committed to support the modernization of postal infrastructure in LDCs in order to bridge postal sector development gaps between countries, maintaining the universal service obligation and quality of service as key priorities.

Although most DOs were able to implement their country roadmaps and national action plans before the end of the cycle – achieving the key performance indicators of regional postal development projects – some planned operational activities were not fully completed and more still needs to be done to improve the quality of postal services in the region. Despite improved delivery performances among DOs, the evaluation of the ORE project reveals persistent postal item scanning failures, which weaken the postal supply chain.

Over the past decade, postal market structures have evolved through the liberalization of postal markets in Africa and the rise of e-commerce. This is reflected through the proliferation of competition, new products and technology. The digital world in Africa is rapidly evolving and indeed growing faster than in most other parts of the world: 93% of Posts now provide some form of digital postal services, either directly or in partnership with other companies. However, while digitalization has accelerated the substitution of mail, the growth in online sales has generated additional demand for item deliveries and strong competition from private operators.

The postal sector has demonstrated great resilience with its high level of diversification of revenue streams through provision of financial services, as well as the capacity to innovate and deliver inclusive postal social services in Africa. The COVID-19 pandemic has shown the necessity for Africa's postal sector to digitalize postal operations, build stronger intraregional network infrastructure, and further diversify its portfolio of partnerships to prevent service disruptions and ensure business continuity.

DOs in Africa are comparatively well positioned to provide e-government, e-commerce and e-financial services to vulnerable populations, such as women, the poor, the less educated and those in the informal sector. In this way, the postal sector is actively contributing to the achievement of the UN SDGs and to the promotion of socio-economic development.

Recommendations from 2017–2021 activities

Carry forward to the next cycle (2022–2025) all outstanding project activities pertaining to the ORE regional project which were not completed last cycle, including all milestones not fully achieved.

Carry forward to the next cycle outstanding activities pertaining to the other two regional projects, i.e. concerning PPS and the digital transformation and diversification of postal services.

Enhance postal performance by implementing diversified strategies and operational improvements that meet the changing needs of customers. Embrace technologies of the fourth industrial revolution (including, where possible, artificial intelligence, robotics, drone deliveries, etc.) to grow the business and stay relevant. The COVID-19 pandemic has given an opportunity for Posts to venture into socially driven services, such as support for older members of society, assistance to pharmacies, provision of medical equipment, and delivery of pension payments.

Consider multiple channels for the transportation of international mail, as opposed to relying largely on air transportation. Postal operators should benchmark their operations against other market players, explore private partnerships with established companies, and take advantage of their expertise with a view to unlocking their full potential.

Deliver training and capacity-building programmes for postal staff to enhance their digital capabilities, use of technical skills and operating manuals.

Consider hiring staff in areas where additional expertise and support is needed, such as IT, marketing and financial management.

Take a creative approach to sourcing financial opportunities for postal projects and increased investment in postal network infrastructure – both internal and external sources of funding should be pursued vigorously.

Put in place effective business continuity plans and disaster risk management (DRM) programmes.

Enhance efforts towards quality improvements and good governance.

CHAPTER **4**

UPU DEVELOPMENT COOPERATION FRAMEWORK FOR 2022–2025

UPU DEVELOPMENT COOPERATION FRAMEWORK FOR 2022–2025

Principles of UPU action for 2022–2025

The regional development plan for 2022–2025 takes into account the decisions of the 27th UPU Congress and ensures that the implementation of the development cooperation policy is consistent with the Abidjan Postal Strategy.

The UPU development cooperation policy considers all factors that directly affect the global postal sector, as well as those specific to developing countries in the various regions. Based on the overall lessons learned from the implementation of projects during the Istanbul cycle, it is clear that better results are obtained in countries whose government is inclined to support postal sector development.

As part of the UN system, the UPU needs to ensure that the 2030 Agenda for Sustainable Development is achieved. During the Abidjan cycle, it is important to continue working in a manner consistent with the SDGs, so as to promote greater synergy with the efforts already under way in this area in different countries and regions.

Taking into consideration the lessons drawn from the Istanbul cycle and the decisions of the Abidjan Congress, the development cooperation policy for 2022–2025 is structured around the following eight main development areas:

Area 1 – Adopt a strategy based on postal development indicators.

Area 2 – Implement a new model for UPU presence in the field, ensuring greater effectiveness and a higher level of interaction with regional stakeholders.

Area 3 – Promote an action strategy in relation to governments, targeting postal sector development.

Area 4 – Continue to enhance cooperation and assistance for postal operators in developing countries, so as to reduce disparity in postal sector growth.

Area 5 – Strengthen South–South and triangular cooperation as a support system alongside UPU actions in the field.

Area 6 – Strengthen the approach taken with regard to the least developed countries by incorporating actions into regional and national development initiatives.

Area 7 – Continue developing human resource capabilities as an essential tool for development.

Area 8 – Disaster risk management, continuity of services and postal development.

Strategic links with the regional development agenda

The African Union, in pursuing its vision of "An integrated, prosperous and peaceful Africa, driven by its own citizens and representing a dynamic force in the global arena", adopted Agenda 2063 in 2013. In particular, the postal sector will contribute to the realization of Aspiration 1 of the Agenda: a prosperous Africa based on inclusive growth and sustainable development through a high standard of living, quality of life, well-being, sound health, well-educated citizens and modernized infrastructure.

The African Continental Free Trade Area is the flagship initiative of Agenda 2063. Trade facilitation should therefore be one of the African Posts' key priorities, in order to support the AfCFTA at the domestic level and also collectively at the subregional and continental levels. Postal support for the AfCFTA has several dimensions: governments are invited to reduce gaps in postal development by utilizing the postal network for socio-economic development; regulators support an enabling regulatory framework for Posts to offer cross-continental trade-related services under the AfCFTA umbrella; and operators are expected to boost their performance through diversification and operational improvements. Other stakeholders are encouraged to integrate further with the postal sector in market-access initiatives, cross-border trade-related postal payment services, and other public–private partnerships, which will also trigger changes in the UPU's role.

The postal sector is facing unprecedented change as the decades-long trends of liberalization and digitalization continue to transform the world. Multilateralism is undergoing its own transformation too, as the UN system works towards achievement of the 2030 Agenda and its SDGs. These long-term trends have been negatively affected by the COVID-19 pandemic. As the UN agency for the postal sector, the UPU is called upon to play a role in this new environment. In order to do so, the organization needs a strategy that builds on past successes while opening up a prosperous way forward.

It is in this context that the UPU has drafted the Abidjan Postal Strategy for the 2021–2025 period. This roadmap is the culmination of an extensive and inclusive process, which saw a wide array of stakeholders in Africa actively take part in the UPU Ministerial Strategy Conference held in Addis Ababa, Ethiopia, in September 2018 and the UPU strategic forum for Africa in Ouagadougou, Burkina Faso, in 2019.

The new strategy reaffirms the UPU's mission enshrined in its Constitution, which is "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".

Sustainable Development Goals Center for Africa

Inaugurated in July 2016, the Sustainable Development Goals Center for Africa[14] is an international organization that supports governments, civil society, businesses and academic institutions in achieving the SDGs in Africa. The organization is based in Kigali, Rwanda.

Its purpose is to provide technical support, neutral advice and expertise as input to national governments, the private sector, civil society and academic institutions to accelerate implementation of the SDG agenda across Africa.

It also aims to develop new tools to achieve the visions of the SDGs, while working in line with the principles of the AU's Agenda 2063.

Key performance indicators driving priority projects in Africa

As indicated in the Abidjan Postal Strategy and Business Plan 2021–2025 approved by the 27th UPU Congress, achieving the UPU mission in line with the SDGs requires a long-term vision, embodied in the advocacy message "Postal Vision 2030", which urges all key postal sector stakeholders to take action in a number of areas.

In order to ensure that the UPU priority actions in Africa are in perfect harmony with the new development cooperation policy and the Abidjan Postal Strategy and Business Plan, they must, as a necessity, have a measurable impact during the quadrennial cycle and have specific performance indicators for this purpose.

The main key performance indicators – which can be used for benchmarking – are established in the Abidjan Business Plan and can be summarized as follows:

Strategic pillar output SP 1: number of postal operators in the Africa region that have enhanced their performance by implementing diversified strategies and operational improvements under the guidance of the UPU. This indicator targets 45 postal operators and is included in three work proposals: integration of stakeholders from the private sector and public institutions; improvement of the delivery performance of DOs; and DRM and emergency assistance.

Strategic pillar output SP 2: number of developing countries in the Africa region that have reduced discrepancies in postal development through focused policies and increased investment, and promotion of diversified use of the postal network for socio-economic development, under the guidance of the UPU. This indicator targets 10 countries and is included in two work proposals: national postal policies and investment in socio-economic development; and postal market surveys in developing countries and regional trends.

Strategic pillar output SP 3: number of developing countries in the Africa region that have harmonized and enhanced the postal sector regulatory framework, under the guidance of the UPU. This indicator targets 10 countries and is included in two work proposals: harmonization of the postal sector regulatory frameworks; and national regulatory framework studies and postal services.

Strategic pillar output SP 4: number of stakeholders from the private sector and public institutions that participate in the postal sector through the UPU cooperation frameworks and facilitation services. This indicator targets 11 stakeholders and is included in the work proposal on UPU cooperation frameworks and facilitation services.

Africa priority areas for the 2022–2025 period

In line with the priorities identified during the strategy round table held in June 2019 in Ouagadougou, Burkina Faso, the postal sector in Africa will be competitively positioned and benchmarked against the leading global postal players through interventions at government, regulator and operator levels:

Governments should decrease gaps in postal development through increased investment and focused policies, and promote various ways to utilize the postal network for socio-economic development:

Support DO viability and sustainability through increased investment in the postal sector;

Promote the postal sector as a key vehicle for inclusive socio-economic development;

Include the postal sector in the roll-out of government programmes and the delivery of services to citizens;

Leverage postal infrastructure in e-commerce growth and trade facilitation.

Regulators should harmonize and enhance the postal sector's regulatory framework:

Enhance the regulatory function by fulfilling their policy advisory role to the government, guaranteeing consumer protection and balancing out the postal market;

Achieve regulation synergies with regulators of different sectors (e.g. central banks);

Review the scope of universal services and adapt the universal service definition and obligations to include private players;

Review the funding of universal services through the universal service fund and subsidies;

Identify investment opportunities for the postal sector;

Embark on research and development activities.

Operators should seek to enhance their performance by implementing diversified strategies and operational improvements:

Undertake institutional digital transformation to implement technical solutions and tools to support digitalization, develop and implement innovative digital products and services, endow staff with digital skills, incorporate technology of the fourth industrial revolution in service provision (e.g. drone deliveries, artificial intelligence, robotics, big data, cryptocurrency and blockchain);

Invest in cybersecurity;

Boost e-commerce business through the implementation of programmes to facilitate e-commerce: ORE, payment readiness for e-commerce and digital readiness for e-commerce;

Achieve growth and financial viability by adapting business models, diversifying products and services, improving quality of service and operational efficiency, and implementing competitive remuneration systems;

Optimize domestic and international mail routeing and conveyance;

Pursue international best practice in postal operations by establishing mutually beneficial partnerships, complying with international standards, and offering competitive services;

Become a key partner in the delivery of government services including e-government services, financial services and pension payments;

Implement DRM policies at operator level with business continuity plans and establish links with national DRM agencies.

Other public institutions and private sector stakeholders should pursue integration with the postal sector by engaging with traditional stakeholders, and vice versa. This means opening up the market, fostering partnerships and enhancing the role of the UPU:

Establish public–private partnerships and identify synergies that enhance the profitability of operators;

Implement integrated postal development programmes that involve other stakeholders.

Cooperation methods

The intervention methods enabling the UPU development cooperation policy to be implemented are based on a regional approach, with the RDP for Africa being a primary tool for all field activities supporting developing countries in the region. The regional approach centres on the following aspects:

Greater regionalization in implementing UPU presence in the field

As a principal factor in development cooperation, presence in the field will remain a primary intervention method. This will be galvanized by the application of an approach enhanced by project teams, in response to country-specific needs and the increasingly complex technical issues facing postal sector stakeholders.

The UPU's presence in the field must be updated, by adopting a more flexible framework capable of meeting the emerging needs of the postal market and increasing the involvement of the stakeholders already operating in the various regions. This new approach will boost the UPU's activities and enable greater decentralization of UPU actions in the field.

The UPU's new system of presence in the field will reinforce the regional approach, through greater proximity with countries, regional players and the various stakeholders in the postal sector.

Project management approach in the deployment of UPU activities in the field

The cross-cutting nature of the UPU's various projects in the field calls for more centralized coordination, so as to ensure consistency between the different areas of intervention and avoid duplication between projects and dispersal of resources. To this end, applying the project management approach to actions implemented by the UPU in Africa will ensure that these actions are deployed in a more coherent manner, with oversight of all management processes from project initiation to completion. This allows for the implementation of a fully structured intervention method for all UPU stakeholders working in Africa.

South–South and triangular cooperation

South–South and triangular cooperation also constitute one of the intervention methods under the development cooperation policy, and should serve to reinforce UPU activities and support national and regional development efforts. This cooperation method will help to strengthen institutional and technical capabilities and improve the sharing of knowledge and experience among African countries. The UPU will take a proactive and pioneering role in promoting this approach, with a view to reducing the implementation costs of development cooperation projects through innovative forms of cooperation with the countries of the Global South.

Funding mechanisms and resource mobilization

For the implementation of projects under the Abidjan Business Plan, the cost estimates show that the financial resources for development cooperation projects in Africa, maintained at the same level as during the 2017–2020 cycle, will need to be supplemented by diversified sources of funding.

The UPU's development cooperation budget is currently the main source of funding for actions in Africa derived from the development cooperation policy and Abidjan Business Plan.

Voluntary contributions (under tied funds) also help strengthen the UPU's development cooperation activities. For this source, a strategy is needed to reach out to member countries regarding their level of development, so as to present sound contribution requests for specific projects and initiatives to enhance the cooperation budget.

The Quality of Service Fund can be promoted among countries, and they can be provided with support for their project requests, to help them better use their allocated funds and/or implement subregional/regional or Common Fund projects.

National contributions can be used (from ministries, regulators or DOs benefiting from projects). Indeed, a key aspect of cooperation results is ownership of projects/ actions by beneficiary countries, which is achieved through their financial contributions, taking into account the individual situation of each country.

The mobilization of new resources can be encouraged through the marketing of postal sector development as a means of economic growth, social/financial inclusion, climate change mitigation and digital transformation, so as to promote funding from other stakeholders such as regional banks and international organizations, along with public–private partnerships.

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