

# POSTAL NETWORKS

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

**REGIONAL DEVELOPMENT PLAN 2022–2025**

Development and Cooperation Directorate  
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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 Caribbean region. The third chapter assesses the UPU's 2017–2020 regional development plan for the Caribbean 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 unprecedented 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%).<sup>1</sup> 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.<sup>2</sup>

<sup>1</sup> Source: World Bank, Global Economic Prospects (January 2022)

<sup>2</sup> 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 responsibility. 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 (IIPD), 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 THE CARIBBEAN REGION

## THE POSTAL SECTOR IN THE CARIBBEAN REGION

# Three-dimensional network: physical, digital and financial

## Regional postal data and network statistics

The UPU Integrated Index for Postal Development, or 2IPD, is a comparative indicator of global postal development. This composite index summarizes information about the performance of postal operators in some 170 countries. As such, the 2IPD is a unique tool for governments, regulators, designated operators and other stakeholders for analyzing the state of the postal sector at a global, regional and national level.

The Caribbean region is facing a very challenging landscape, with many operators having been deeply impacted by the COVID-19 pandemic. This is reflected in the average 2IPD score of 18.7 in Latin America and the Caribbean,<sup>3</sup> down from 23.18 in 2020 and the lowest since the creation of the ranking in 2017. Dispersion around the mean is very high at 62%, with ranks ranging from 48th to 168th. In the Caribbean, Jamaica holds the top spot, thanks to its continued strong resilience as well as its efforts to maintain reliability and reach in spite of the shock caused by the pandemic. Barbados achieved the second highest overall score, at 22.26. As the example of these countries shows, strong performance in the long term requires a balanced showing across all dimensions of the 2IPD; however, it is usually through improvements in reliability and reach that good performers in the second tier of the ranking can make rapid year-on-year progress.

The COVID-19 pandemic has had a severe impact on logistics, international trade, raw material prices and tourism – with the latter accounting for 35% of gross domestic product (GDP) in the Caribbean. As a result, the pandemic has seriously damaged the prospects for economic growth in the region, hampering, in turn, the performance of postal operators.

Analysis of regional postal statistics confirms the importance of the postal network, which remains relatively stable in terms of the number of post offices and full-time employees, with an average decrease of only 3% in the Caribbean over the last three years owing to outsourced services and for budget/business reasons.

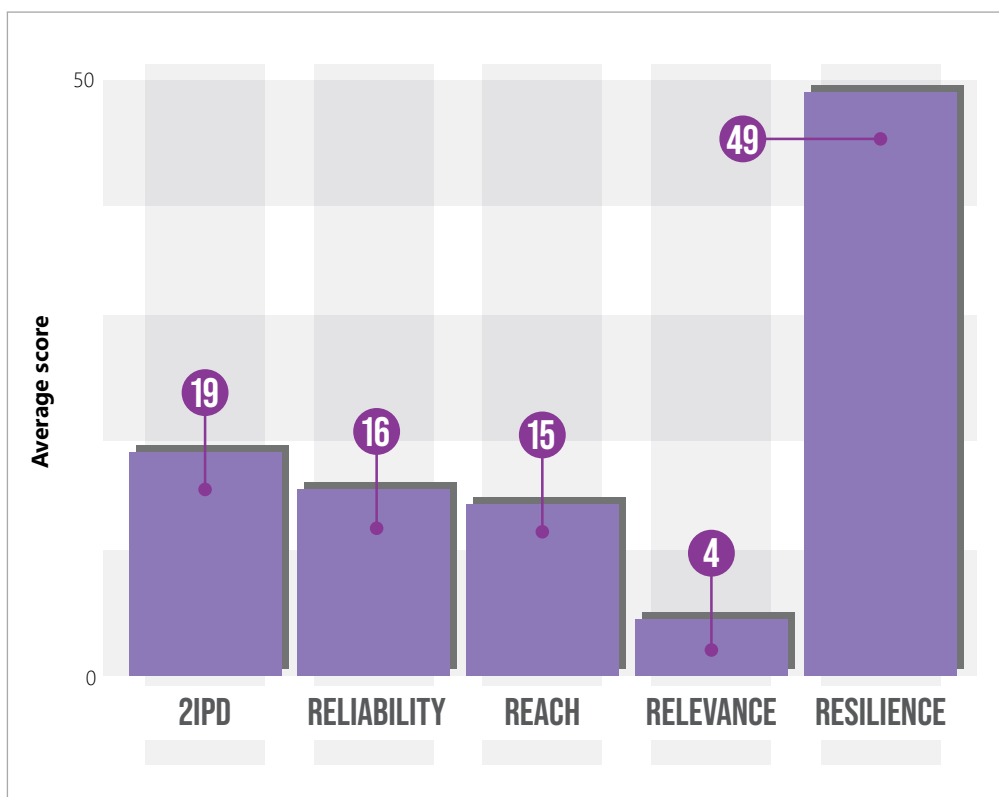
Like the global postal sector, Latin America and the Caribbean have seen a significant decrease in the domestic letter-post service in recent years (-31% from 2018 to 2020). This trend has continued into 2021, with domestic letter-post volumes plunging by more than 10%. However, this drop is largely offset by a substantial increase in the domestic parcel service (+30% from 2018 to 2020). The decrease in the dispatch of international letter-post items (-42% from 2018 to 2020) is particularly striking. The contrasting growth of parcel volumes and the e-commerce market in general suggests that customers are using other means for that service.

This growth in the domestic and international parcel service points to the e-commerce market as the main source of optimism for the future of the postal service in the Caribbean region, on the condition that postal operators seize the opportunity and adapt to its demands.

<sup>3</sup> Owing to the collective reporting of data for the Latin America and Caribbean regions, the 2IPD scores and key postal statistics given in this section encompass both regions.

## Average 2IPD scores for Latin America and the Caribbean

(UPU Postal Development Report 2021)



Source: 2021 2IPD ranking  
Notes: Simple average Latin America and the Caribbean.

## Evolution of key statistical data on postal activity in the Latin America and Caribbean region

DATA ELEMENT	2018	2019	2020	Percentage change 2018-2020
Total number of staff	178,981	169,449	169,725	-5%
Total number of permanent post offices	38,070	38,013	28,448	-25%
Operating revenue (SDR)	4,574,948,514	4,364,496,791	3,668,432,706	-20%
Number of letter-post items, domestic service	6,745,544,209	5,781,017,672	4,620,850,033	-31%
Number of letter-post items, international service – dispatch	32,097,649	25,885,881	18,614,488	-42%
Number of parcels, domestic service	132,409,772	150,847,550	171,850,737	30%
Number of parcels, international service – dispatch	335,947	418,053	2,566,890	664%

Source: UPU postal statistics

## Economic impact of the postal sector in the Caribbean region

With 169,725 employees and 28,448 post offices as of 2020, the postal sector in Latin America and the Caribbean is a major employer and key provider of local public services, most often at very competitive rates.

The operating revenues of postal operators in Latin America and the Caribbean declined by 20% from 2018 to 2020. This revenue is an integral part of GDP and plays a part, albeit small, in national economic growth and development. As a result, greater revenues should be pursued.

The postal sector is an important facilitator of e-commerce, supporting a major number of small and medium-sized enterprises (SMEs) that otherwise would not have access to a logistics network or would have to pay more through other logistics networks. In the Caribbean, the postal sector could play a key role in trade facilitation and logistics by improving its services under the e-commerce framework.

The Caribbean region receives a substantial number of remittances, with migrants using various means to send them (banking institutions, other financial organizations and informal operators). The postal sector could become a relevant player for this sector: leveraging its physical network as a financial/electronic network with better penetration and tariffs, and taking advantage of existing UPU financial solutions. Only eight of the 24 countries and territories in the region provide remittance services for migrants (Anguilla, Bahamas, Barbados, Belize, Curaçao, Guyana, Jamaica, and Saint Vincent and the Grenadines). More postal financial services could therefore be introduced in the region.

## Developments in postal services and their socio-economic role in the Caribbean region

### Market dynamics

The Caribbean is one of the most disparate regions in the world. The region is severely affected by economic and social crises and natural disasters, which hinder overall development, including postal market development.

This regional situation has been exacerbated by the COVID-19 pandemic. According to a study conducted by the UN Economic Commission for Latin America and the Caribbean (ECLAC), the impact of the pandemic has been felt across the region on several levels, for example:

**GDP, which fell in the Caribbean by 10.5% in 2020;**

**Exports, which contracted by 23% in 2020;**

**Remittances to the region, which increased by 21.6% in 2021;**

**Demand in the tourism sector, which declined by 65.5% in 2020;**

**Unemployment rate, which increased by 0.5% from 34.4% in the second quarter of 2021 to 34.9% in the third quarter of 2021;**

**Poverty rate, with 36,270,532 people living in extreme poverty in the Latin America and Caribbean region in 2021.**

The external impact is augmented by the internal shock generated by social distancing and lockdown measures, which equally affect the postal sector. In addition to these general constraints, the postal sector in the Caribbean region has been greatly marked by the following:

Suspension of commercial flights and the policies of isolation and social distancing, which have severely affected the volumes of mail exchanged and consequently the revenues of postal operators;

Economic crisis and unemployment, which have altered the offer and demand for postal services.

However, the COVID-19 crisis has shown that countries and territories whose DOs had already negotiated digital transformation were better able to manage the negative impact of this situation. Indeed, e-commerce growth has been significant during this period. It is projected that trade will increase by 6.3% in the Caribbean region, and the postal sector needs to position itself to benefit from such a rise. Some operators have also begun providing e-government and financial services.

On the other hand, the pandemic has underscored the need for resilient policies and appropriate risk management techniques.

## Universal service obligation and regulatory frameworks

The countries and territories of the Caribbean provide the universal postal service under the general regulation of the Universal Postal Convention. However, the majority have yet to define the scope of services and incorporate them into their national legislation (e.g. access to posting/delivery, frequency of services, and reach of services in terms of geographical and population coverage). Only three have included a broader definition of the universal postal service in their legislation.

In the Caribbean region, the majority of DOs (15) are part of the ministry and have little to no autonomy. Four DOs are corporations with limited intervention from the government and two are privately owned, with the others being quasi-government with varying degrees of autonomy and financing. The universal postal service is oriented to traditional services, and the provision of modern and technology-based services is very poor among most DOs.

The universal postal service is an obligation arising from the UPU Acts, specifically the Universal Postal Convention. As signatories, governments should therefore take part in assuring the provision and modernization of the universal postal service even though, for the most part, they assign the obligation to their DOs. Across most of the Caribbean region, the postal service is not included in national development plans and there is a lack of postal sector policies to define the universal postal service, formulate development plans, set modern legal/regulatory frameworks, and finance the modernization of services. Nevertheless, over the past four years, there has been a concerted effort to increase governmental and ministerial support. This appears to have been successful to some degree, but more needs to be done to reflect this new commitment in the legislature and in postal sector investment.

In the Caribbean, only two DOs – that of Aruba and that of Bonaire, Sint Eustatius and Saba – are privately owned. In four countries – Grenada, Guyana, Saint Vincent and the Grenadines, and Trinidad and Tobago – the postal service operates as a corporation and is required to generate revenue to cover most of the basic operating costs and staff remuneration.

In terms of the regulatory framework, regulation in the Caribbean region is more prominent in mainstream sectors such as education, utilities and energy. Although a regulatory framework for the postal sector has always been desired and deemed necessary, it has not been fully implemented. Curaçao stands out as an exception: the postal sector there is fully regulated by its Bureau of Telecommunications and Post. Indeed, the few postal regulatory bodies that do exist in the Caribbean region are sectoral regulators (i.e. telecommunications and Posts) or multi-sectoral regulators (transport, ports, energy, and so on), and many focus on overseeing the DO rather than the whole sector.

In 2020, Barbados initiated a process to modernize its postal sector, including the formulation of an integrated postal reform and development plan (IPDP). The recommendation to have the postal sector regulated was accepted, and the Barbadian government began exploring which ministry or existing regulatory body would be best suited to align with the Post.

Most of the sectoral regulators in the Caribbean do not provide frequent reports on the performance of the DO and other postal operators. Neither do they conduct postal market research, something much needed in the region to focus on customer needs and take advantage of new business opportunities such as e-commerce and electronic and financial services, as well as public-private partnerships.

CHAPTER 3

**ASSESSMENT OF  
THE REGIONAL  
DEVELOPMENT PLAN  
FOR THE CARIBBEAN  
REGION FOR THE PERIOD  
2017–2020**



## ASSESSMENT OF THE REGIONAL DEVELOPMENT PLAN FOR THE CARIBBEAN REGION FOR THE PERIOD 2017–2020

### Achievements and impact of UPU regional projects over the cycle

#### Operational readiness for e-commerce project

Of the 24 countries and territories in the Caribbean region, 20 participated in the operational readiness for e-commerce (ORE) project and had a roadmap and an action plan validated. The other four had human resource issues and, as a result, faced challenges in appointing a national project manager and establishing a team.

Following the launch of the project in 2017, a total of 11 on-site expert missions were conducted throughout the cycle to improve the capacities of the DOs of the following beneficiary countries and territories: Antigua and Barbuda, Aruba, Bahamas, Bermuda, Dominica, Grenada, Guyana, Jamaica, Saint Christopher (St Kitts) and Nevis, Saint Lucia, and Trinidad and Tobago. In addition, over 120 specific training sessions were organized to strengthen the capacities of DOs by taking advantage of the opportunities of South–South cooperation. These activities benefited some 192 participants from the region.

Analysis of the project reveals that the targets for all 11 key performance indicators have been achieved.

During the implementation of the ORE project, five regional workshops were organized. The objective was to ensure the operational readiness of Posts for seamless cross-border e-commerce by providing them with the necessary tools and end-to-end (E2E) systems to support reliable customer-oriented solutions, in line with the regional development plan (RDP) for the Caribbean region.

In addition, in-depth analysis of the roadmaps and action plans drawn up for the DOs in the region reveals some areas that require more focus and improvement:

Increase the number of DOs participating in the Global Monitoring System (GMS), which currently stands at only four. GMS can be used to track E2E performance and can contribute to greater revenue-earning potential, thus the need for more countries to participate.

Increase the number of DOs able to capture and exchange customs data at the required level.

Increase the number of DOs that have signed service-level agreements and exchange electronic data interchange (EDI) messages with airlines. In the Caribbean, many regional airlines do not have the capacity to exchange such messages and thus require some assistance to improve in this area.

Increase the number of DOs that have obtained UPU certification for quality, security and addressing systems. (The COVID-19 pandemic has, however, made it impossible to schedule the necessary on-site evaluation missions.)

## Project for the development and improvement of electronic postal payment services for the Caribbean region

During the implementation of this project, one regional workshop was organized, along with one consultancy mission and seven remote monitoring and evaluation meetings. The objectives of the project were to promote financial inclusion and to digitalize financial services by ensuring the availability of modern technical solutions, in accordance with the RDP for the Caribbean region.

The project was mostly exploratory and provided significant data, making it possible to:

**examine the issues and challenges relating to the expansion of the global payment network and the opening of corridors;**

**present the UPU remote payment solution in the area of e-commerce for unbanked customers;**

**procure hardware for seven DOs to digitalize their financial services;**

**promote financial inclusion and the UPU Financial Inclusion Technical Assistance Facility (FITAF).**

## Postal sector reform and development project

This project was very successful, providing countries and territories with the necessary support for their reform processes. To this end, one mission was carried out to formulate an integrated postal reform and development plan, in order to provide the beneficiary country, Barbados, with the methodological tools necessary for the implementation of the reform, so as to avoid the errors generally made in this kind of process.

A remote consultancy mission was also conducted to gather market research to assist the DO of Barbados in developing a five-year strategic plan to implement modules of the IPDP and develop its public–private partnerships. The goal was to enable the Post to strengthen its position, create greater visibility, widen its customer base, and improve its revenue-earning capabilities.

## Project for the digital transformation and diversification of postal services in the Caribbean region

Under this project, countries and territories in the region were prepared for the digital transformation and diversification of their postal services. To this end, a workshop was organized for 43 participants representing 23 countries and territories, and an action plan was prepared for each one.

The objectives of these action plans were to help beneficiary countries and territories develop their practical knowledge of the information and communications technology (ICT) basic blocks (website integration and payment solutions, online shops, e-government services). In a broader sense, the aim was to encourage the digital transformation of their DOs and allow them to digitalize government processes, while creating business models enabling them to participate in the digital economy.

## Disaster risk management project: building resilience in the Caribbean region

This project made it possible to augment the role of the postal service in planning for and responding to natural disasters, including post-disaster recovery. The Caribbean region is considered vulnerable to natural disasters. In line with the SDGs, a disaster risk management (DRM) policy framework should be established.

To this end, a multi-stakeholder workshop was organized with 53 participants representing 24 countries and territories, as well as many regional players, such as the Caribbean Disaster Emergency Management Agency and the Caribbean Community (CARICOM).

This workshop provided comprehensive training covering disaster plan development, preparedness tools and post-disaster risk assessments, among other things. A number of significant achievements were made in this area, including:

**Identification** of DRM experts for the Caribbean region;

**Development** of individual DRM plans;

**Promotion** of the DRM technical assistance facility;

**Establishment** of the Caribbean DRM Team.

## Security project: capacity building and raising awareness of the shared responsibility for security

The security project was designed to build capacity across the region and enhance the certification process for DOs using the standards of the UPU Postal Security Group.

To this end, a workshop was convened in the Caribbean region in collaboration with industry partners. A total of 48 postal and customs participants, representing 26 countries and territories,<sup>4</sup> attended the workshop and received training on the implementation of UPU security standards S58 and S59. The focus of S58 is primarily on physical and personal security, while S59 covers the actual screening of mail. A second workshop was conducted remotely, concentrating on reviewers, tools, methodology and the changes that were made to facilitate remote postal security certification. Owing to the COVID-19 pandemic, the scheduled on-site reviews did not take place.

Some of the successes of the project are the following:

**Identification** of security experts for the Caribbean region;

**Identification and training** of security focal points for each country and territory;

**Establishment** of the Caribbean Security Team;

**Increased awareness** of the security standards and certification process.

<sup>4</sup> Anguilla, Antigua and Barbuda, Aruba, Curaçao and Sint Maarten, Bahamas, Barbados, Belize, Bermuda, Bonaire, British Virgin Islands, Cayman Islands, Dominica, Dominican Republic, Grenada, Guyana, Haiti, Jamaica, Montserrat, Saint Christopher (St Kitts) and Nevis, Saint Lucia, Suriname, Trinidad and Tobago, Turks and Caicos Islands, and Canada and the United States of America

## Lessons learned and challenges

The ORE project can be considered a great success in the Caribbean region, as 20 countries and territories were able to make progress towards operational readiness for e-commerce. However, the level of preparedness varies across the region depending on the means of the DO and the general situation of each country/territory.

Through this project, several DOs have made spectacular progress compared with their 2016 performance, i.e. in Antigua and Barbuda, Aruba, Belize, Bonaire, Guyana, Montserrat, and Saint Vincent and the Grenadines.

Moreover, a number of DOs have confirmed their status as regional leaders: the DOs of Barbados, Bermuda, Cayman Islands and Jamaica.

These 11 DOs are now capable, to varying degrees, of providing basic e-commerce services, and most have already launched interesting initiatives in this area. That being said, certain challenges relating to technical standards and quality of service requirements remain to be addressed in the region in general.

With regard to the diversification and digitalization project, it should be noted that seven of the 24 countries and territories in the region presented significant advantages in relation to the challenges of the project. Across the region, the project objectives were achieved to varying degrees; however, the Caribbean has enormous untapped potential in this area, especially in terms of the need to better serve SMEs.

As for the other projects, they confirmed the urgent need for all players in the postal sector to make the necessary changes and adapt to the new challenges imposed by the current technological revolution. Indeed, it is imperative that governments, regulators, DOs and other stakeholders in the sector adapt their legislative and regulatory framework, their development strategy, and their processes and tools in order to be able to support an increasingly demanding environment.

## Role of the Post in the Caribbean region during the COVID-19 pandemic

During the COVID-19 crisis, most of the DOs in the region have shown great cohesion with the public authorities. Examples of their initiatives include the following:

Barbados, Guyana and Jamaica: the DOs of these countries facilitated the payment of civil servants' salaries and retirees' pensions, as well as the payment of aid to disadvantaged people. This was assured by using the most appropriate technological means and by increasing and adapting the opening hours of post offices, while respecting the barrier measures set by the authorities.

Barbados and Trinidad and Tobago: the governments of these countries used the postal operator to ensure the home delivery of pharmaceuticals and medication.

Post Aruba introduced a large number of initiatives during this time to help ease the pressures of the stay-at-home order.

Through such actions, postal sector stakeholders (ministries, regulators, public and private operators) have significantly contributed to the spirit of solidarity initiated by the public authorities to curb the effects of the pandemic.

The crisis has demonstrated the capacity of the postal network in the Caribbean – with its density, proximity, diversity of services provided and strong ability to adapt – to play a vital and dynamic role in the socio-economic development of the region.

# Assessment of the implementation method

## Analysis of regional partnerships

As part of the implementation of the UPU's development cooperation policy in the Caribbean region, partnerships with the restricted union – the Caribbean Postal Union (CPU) – and regional actors have been strengthened. The regionalization of UPU activities through the RDPs, which constitute a real tool for structuring the UPU's activities in the field, made it possible to ensure perfect coordination with the CPU and had a positive impact on activities in the Caribbean region.

The CPU was involved in determining regional priorities and monitoring the implementation of RDP activities. In order to ensure the continuation of these coordination efforts, a regional strategic plan was drawn up in collaboration with CARICOM and the CPU to guide regional activities in the field during the pandemic and thus mitigate the impacts as far as possible.

Moreover, a memorandum of understanding was signed with the Government of Barbados in order to encourage and facilitate the participation of countries and territories in the Caribbean region in activities organized by the UPU at the regional training centre in Bridgetown, Barbados, hosted by the Barbados Postal Service.

## Assessment of the UPU's presence in the region

Implementation of the RDP during the 2017–2020 period made it possible to put the UPU's world postal strategy into action in the Caribbean region. This was achieved through outstanding execution of the multi-year programme of field activities by the Development and Cooperation Directorate of the International Bureau in coordination with all other UPU directorates and bodies.

The implementation of these projects took into consideration the priorities and regional specifications, thanks to the UPU's policy of presence in the region and the excellent collaboration with the restricted union (CPU) and various postal sector stakeholders. In this way, the efforts of all UPU actors were brought together in a coherent and integrated manner, under the coordination of the DCDEV, in favour of postal development.

## Recommendations for the 2022–2025 cycle

Implementation of the projects stemming from the 2017–2020 RDP helped the members of the Caribbean region to meet the challenges of preparing for e-commerce, product diversification, and modernization of the legislative and regulatory framework of the postal sector.

All of the region's members are indeed aware of the challenges to be overcome in transforming and adapting the postal sector.

However, human, material, technical and financial resources are most often lacking when the majority of countries and territories in the region have health, security or other priorities more urgent than those of the postal sector.

It is in this context that, during the 2022–2025 cycle, diversified strategies will be initiated with a view to including non-traditional stakeholders in the public and private postal sector in the joint efforts of the UPU and member countries to improve the performance of postal operators. Efforts will also be made to strengthen the relationship with government to enhance the role of the Post.

All postal sector development actions – from regulatory and technological aspects to operational facets – will be covered by targeted policies and appropriate investments to promote diversified use of the postal network, thus contributing to the economic and social development of Union member countries as well as the implementation of the SDGs.

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 development cooperation policy is incorporated into, and 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.

Cooperation activities are an essential aspect of the UPU's mission and must continue to support countries' efforts to develop the postal sector, strengthen the universal postal service, and modernize the range of value-added postal services for the benefit of citizens and businesses.

The ZIPD must guide the cooperation strategy so as to ensure a direct link between the existing national situation and the cooperation activities to be implemented, thus ensuring systematic monitoring of outcomes in the short, medium and long term.

A closer link will be established between the UPU's cooperation activities and the governments of beneficiary countries, so as to ensure greater coherence between national and UPU-led development policies.

Support in operational areas will be reinforced, so as to reduce disparity in postal sector growth and promote the application of common standards by all postal operators.

South–South and triangular cooperation will be used as a coherent and dynamic development tool to strengthen UPU activities in the field, as part of a wider framework aimed at greater integration with UN policy in this area.

Cooperation activities aimed at least developed countries will continue to be given priority, within a more comprehensive framework that takes into account programmes developed by other regional organizations in favour of countries whose governments are prepared to play a greater role in postal sector modernization.

The continued enhancement of human resource capabilities – through the Trainpost platform – will remain a top priority within cooperation activities, serving to promote interaction and synergy between national, regional and interregional training centres.

Disaster risk management activities will continue during the 2022–2025 cycle, so as to reinforce countries' ability to respond more effectively to the various natural events – significantly more numerous in recent years – that have an impact on continuity of service and postal development.

### Strategic links with the regional development agenda

The priorities set by the UPU for the 2022–2025 cycle are in line with both the SDGs and the development goals of the relevant organizations in the region, including the Caribbean Community and the Caribbean Postal Union.

Given the priorities of the Caribbean regional organizations, various stakeholders have adopted goals in line with those of the UPU and common with the SDGs, such as those concerning sustainable development, e-commerce and financial services. They are also boosting joint efforts to reach agreements enabling these goals to be met in the medium and long term.

# Key performance indicators driving priority projects in the Caribbean region

In order to ensure that the UPU priority projects are in perfect harmony with the new development cooperation policy, they must necessarily have a measurable impact during the quadrennial cycle and have specific performance indicators for this purpose. The main indicators are established in the Abidjan Business Plan and can be summarized as follows:

Number of postal operators in the Caribbean region that have enhanced their performance by implementing diversified strategies and operational improvements under the guidance of the UPU;

Number of developing countries and territories in the Caribbean 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;

Number of developing countries and territories in the Caribbean region that have harmonized and enhanced the postal sector regulatory framework, under the guidance of the UPU;

Number of stakeholders from the private sector and public institutions that participate in the postal sector through the UPU cooperation framework and facilitation services.

## Cooperation methods

The intervention methods enabling the development cooperation policy to be implemented are based on those set out below:

### Strengthening the regional approach

The regional approach, as implemented through the RDPs, is a primary tool for all field activities supporting developing countries, with consideration given to the specific needs of beneficiary countries and regions. As such, it will continue to be enhanced.

### Greater regionalization in implementing the 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 actors in the postal sector.

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 the 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 the various regions will ensure that these actions are deployed in a more coherent manner, with oversight of all management processes from project initiation to completion. This enables the implementation of a fully structured intervention method for all UPU stakeholders working in the field.

## 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 developing 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.

The aim is to increase the involvement of countries in the Global North so as to find solutions for the countries of the South within a framework of triangular cooperation, and to link project outcomes to national and regional priorities and to the SDGs, in order to obtain support from the international community and wider civil society.

## 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, maintained at the same level as during the 2017–2020 cycle, will only be sufficient if the field presence model is modernized and the mechanisms and sources of funding are diversified. With this in mind, the following six sources of funding will be considered:

### **UPU development cooperation**

**budget:** currently the main source of funding for cooperation actions derived from the development cooperation policy and Abidjan Business Plan. Projects for the next cycle should be aligned with these to ensure optimal use of existing funds.

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

**Quality of Service Fund (QSF):** this funding source will be promoted among countries and territories in the Caribbean region, and they will be provided with support for the presentation of QSF project requests, to help them better use their allocated funds and/or implement subregional/regional or Common Fund projects. Training activities could also be implemented via the QSF mechanism.

**National contributions (ministries, regulators or DOs benefiting from projects):** a key aspect of cooperation results is ownership of projects/actions by the beneficiary country/territory. For this, financial contributions will be sought from beneficiaries, taking into account their individual situations.

**Contributions from traditional partners** (restricted unions, etc.).

**Mobilization of new resources:** postal sector development will be presented as a means of economic growth, social/financial inclusion, climate change mitigation and digital transformation, so as to promote resource mobilization among other stakeholders such as regional banks and international organizations, along with public–private partnerships.

## Conclusion

The UPU will work with its member countries and territories in the region during the 2022–2025 cycle to strengthen agreements, consolidating partnerships and joint efforts with regional bodies and other organizations (UN agencies, the restricted union, regional financial and development institutions, etc.), in order to optimize the postal sector's contribution to socio-economic development and the achievement of the UN SDGs in the Caribbean region.





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