

POSTAL NETWORKS

Promoting socio-economic development and
contributing to the achievement of the UN Sustainable
Development Goals in the Europe and Central Asia 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 Europe and Central Asia region. The third chapter assesses the UPU's 2017–2020 regional development plan for the Europe and Central Asia 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%).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 (EmlS) 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 govern–ments 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 EUROPE AND
CENTRAL ASIA REGION**

THE POSTAL SECTOR IN THE EUROPE AND CENTRAL ASIA REGION

General overview of the composition of the Europe and Central Asia region

Among the UPU member countries in the Europe and Central Asia (ECA) region, 31 are developing countries. For UPU cooperation purposes, the regional development plan (RDP) for ECA will focus its activities on 18 developing countries. Of that number, 12 are in Eastern Europe, the Caucasus and Central Asia, and six are in South Eastern Europe. Within the ECA region, there are nine landlocked developing countries.³

The ECA region is very heterogeneous in terms of geography, history, population, levels of social and economic development, and geopolitical issues. The region does not include any least developed countries and primarily comprises lower-middle- and upper-middle-income countries.

The total area covered by the countries of the region is 24,268,100 km², representing 18.7% of the world's total land area. In 2020, the region had a population of some 491.506 million people, or around 6.3% of the world's population. The region's GDP is some 22.127 trillion USD, or 26.13% of global GDP. According to the latest estimates available (2020), per capita gross national income varies between 1,060 USD (Tajikistan) and 26,110 USD (Cyprus), with a median value of 11,155 USD. According to the United Nations Development Programme, the region's human development falls into the high category.

Participation in development projects by the new members of the European Union (EU) – Cyprus, Czech Rep., Hungary, Malta, Poland, Slovakia and Slovenia – should be coordinated within the framework of joint projects between the UPU, the European Committee for Postal Regulation (CERP) and PostEurop. The development cooperation framework under this new RDP is designed to take into consideration and satisfy the specific needs of all UPU member countries in the region, even the most developed.

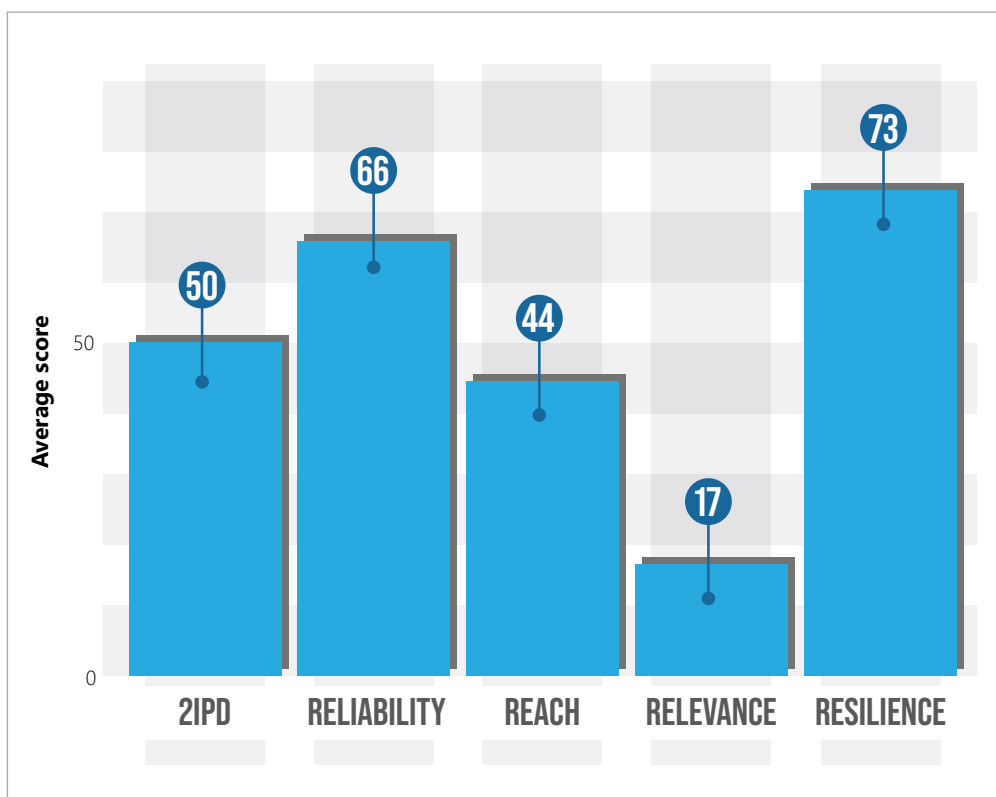
The industrialized countries – Austria, Belgium, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Liechtenstein, Luxembourg, Monaco, Netherlands, Portugal, Spain, Sweden, Switzerland and United Kingdom – traditionally play an important role as the main partners for and contributors to RDP implementation (financing, providing expertise, participating in South–South and triangular cooperation, etc.), and for the development of close cooperation among all countries of the region.

Within this region, which covers Europe and much of Eurasia, there are many different regional organizations and trade groupings, such as the EU, the Commonwealth of Independent States (CIS), the Council of Europe, the Eurasian Economic Union (EAEU), the Economic Cooperation Organization, and the Shanghai Cooperation Organisation. A number of regional organizations are active in the postal sector, such as PostEurop, the Regional Commonwealth in the Field of Communications (RCC), and the CERP. All countries in the region are members of PostEurop, the RCC and/or CERP and benefit from these organizations' assistance.

3 Armenia, Azerbaijan, Kazakhstan, Kyrgyzstan, Moldova, North Macedonia, Tajikistan, Turkmenistan and Uzbekistan

Average ZIPD scores in Eastern Europe and the CIS

(UPU Postal Development Report 2021)



Source: 2021 ZIPD ranking
Notes: Simple average for Europe and CIS.

Evolution of key statistical data on postal activity in the Europe and Central Asia region

DATA ELEMENT	2018	2019	2020	Percentage change		
				2018-2019	2018-2020	2019-2020
Total number of staff	745,505	734,706	721,567	-1.45%	-3.21%	-1.79%
Total number of permanent post offices	101,490	101,993	102,399	0.50%	0.90%	0.40%
Operating revenue (SDR)	7,100,249,732	7,525,168,719	7,451,299,471	5.98%	4.94%	-0.98%
Number of letter-post items, domestic service	11,751,888,357	10,413,642,770	8,868,632,350	-11.39%	-24.53%	-14.84%
Number of letter-post items, international service – dispatch	153,437,502	128,124,905	121,225,952	-16.50%	-20.99%	-5.38%
Number of parcels, domestic service	213,951,353	251,188,517	307,264,488	17.40%	43.61%	22.32%
Number of parcels, international service – dispatch	4,600,403	5,475,882	7,137,381	19.03%	55.15%	30.34%

Source: UPU postal statistics

Three-dimensional network: physical, digital and financial

Regional postal data and network statistics

The UPU Integrated Index for Postal Development, or 2IPD, provides an overview of postal development around the world. The results presented in 2021 cover 168 countries.

2IPD reports show that in recent years the Europe and Central Asia region has experienced increasing dynamism. Countries in Eastern Europe and the CIS still show a relatively strong level of postal development.

The regional average score of Eastern Europe and the CIS has slightly decreased, down to 49.8 in 2021.⁴ Moreover, the region is relatively homogeneous, with a coefficient of variation around the mean of 29%, i.e. nearly the same level as in the industrialized countries. Ranks in this region span from 14th to 111th place.

One of the key successes of 2021 was the performance of Belarus, which for the first time reached the top regional position, progressing in reliability and resilience, while benefiting in the ranking from a slight drop in Poland's showing.

The best relative progress in the region was made by Latvia, which succeeded in gaining 33 places, jumping from 62nd to 29th rank, owing to tremendous progress in reach and reliability.

The significant impact of the COVID-19 pandemic on the tourism sector and on commodity prices has greatly affected the outlook for economic growth in the region, thus hampering the performance of postal operators. However, analysis of regional postal statistics confirms the importance of the postal network, which remains stable, with a steady increase in the number of full-time employees.

Like the global postal sector, the ECA region has seen a significant drop in domestic mail in recent years (-24.53% from 2018 to 2020), but this is more than offset by a substantial increase in the domestic parcel service (+43.61% from 2018 to 2020) and international parcel service (+55.15% from 2018 to 2020). This relative improvement owes largely to the explosion of e-commerce – which mainly concerns parcels and postal packages – and is also linked to postal market changes during the COVID-19 pandemic. Indeed, it is this new e-commerce market that is the main source of optimism for the future of the postal service in the ECA region, provided that postal operators seize the opportunity and adapt to its requirements.

Economic impact of the postal sector in the Europe and Central Asia region

The ECA region, in particular the countries of Central and Eastern Europe, is highly integrated in the global economy, and particularly with EU economies, through a network of trade of final goods and services and intermediary inputs.

With 721,567 employees and 102,399 post offices as of 2020, the postal sector in the region is a major employer and a key provider of local public services, usually at very competitive rates.

In parts of the ECA region, the postal sector has been fully liberalized. This means that postal operators in the region have to adapt to increased competition and continue to offer services at affordable prices. Indeed, at least for EU countries, globalization is gradually eliminating borders between postal markets and Posts have to compete in an integrated market.

Over the past five years, cross-border e-commerce has boosted imports of low-value packages into Europe and Central Asia from the Asia-Pacific region. In 2019 and 2020, the e-commerce market in CIS countries alone grew on average 34% a year. With a 31.7 billion euro turnover, the Russian e-commerce market has been recognized as the fourth largest e-commerce market in Europe, followed by Ukraine and Kazakhstan. The significant growth in imports of low-value packages, especially from China (People's Rep.), challenges DOs and customs authorities in the single market of this region.

Designated operators in the ECA region retain on average 32% of their domestic express market and around 47% of the parcel-post segment.

The postal sector in this region continues to play an important role in e-commerce by supporting a major number of small and medium enterprises (SMEs) that otherwise would not have access to a logistics network. DOs are also attempting to carve out a more significant role in trade facilitation and logistics by improving their services under the e-commerce framework.

Postal services continue to fulfil their traditional key role for citizens and businesses in the single market.

The operating revenues of postal operators in the region rose by 4.94% from 2018 to 2020. This revenue is an integral part of GDP and plays a part, albeit small, in the national economic growth and development of many countries. As a result, greater revenues should be pursued.

Postal financial services, and in particular electronic postal payment services (PPS), fulfil an important role in many countries, with revenues generated representing a large proportion of postal turnover for DOs. In the ECA region, postal financial services continue to grow in a number of countries.

The ECA region receives a substantial amount of remittances and migrants routinely use PPS. In addition to their strong role in payment services (remittances, bill payments, government payments), a number of Posts have become more involved in the provision of account-based services (current and savings accounts), either on their own or in partnership with other financial institutions.

In Eastern Europe, many Posts used to operate a postal bank that was subsequently spun off and sold. Conversely, the Posts of Azerbaijan, Kyrgyzstan and the Russian Federation have established licensed postal banks in the last few years.

It should be noted that, after posting 22% growth in 2017, remittances to ECA grew by an estimated 11.2% to 59 billion USD in 2018, and then dropped by 23% in the second quarter of 2020 owing to the effects of the global COVID-19 pandemic.

Developments in postal services and their socio-economic role in the Europe and Central Asia region

Market dynamics

As in many countries, the global COVID-19 pandemic and the resultant political, social and security crises have negatively affected the economies of the ECA region, as well as having a definite impact on overall development including that of the postal market.

Regionally, the COVID-19 pandemic has spared no country and, according to different studies and forecasts conducted by European organizations, including the European Bank for Reconstruction and Development (EBRD), its impact has been felt on several levels, namely:

Economic growth prospects, which have greatly diminished owing to major outbreaks (-4.7%);

Per capita GDP, which declined by an average of 7.4%;

Exports of goods, which contracted by 14%;

Remittances, which fell by more than 23%;

International tourism, with arrivals falling by around 65% in the first half of 2020;

Poverty levels, with an additional 6 million people projected to fall into poverty;

Sales and employment figures, with a 24% drop in monthly sales and a 10% decline in the number of full-time employees reported for the region.

The crisis has disproportionately affected SMEs, and exporters have been impacted in a major way.

The external impact is augmented by the internal shock generated by the social distancing and lockdown measures introduced in many countries, which equally affect the postal sector. In addition to these general constraints, the postal sector in the ECA 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 offer and demand for postal services;

Disruption of supply chains owing to lockdown measures.

In particular, disruptions to transport and availability of labour are putting significant stress on the logistics of the international postal network in the region. Even in countries that are not witnessing a shortage of labour supply, the cost of processing mail has increased because of additional security steps implemented in the transport of mail, from disinfection at the office of exchange to the observance of a safe distance between workers.

The COVID-19 pandemic struck at a time when the postal sector was already facing significant challenges. In the preceding years, as digital substitution gathered pace, communication, bills and paperwork had largely been displaced to the digital environment. At the same time, new opportunities were being generated for postal operators, thanks to the unprecedented growth of e-commerce. Consequently, many postal operators were trying to adapt their business models, shifting their focus from letters to parcels, logistics and financial services.

The crisis has shown that countries 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 in the region during this period. Moreover, some operators have begun providing e-government and financial services.

Such diversification has enabled DOs in the region to position themselves as key players in the socio-economic development of their countries. For example, the operators in Belarus and Kazakhstan provide e-government services. Belarus, Russia and Ukraine have shown strong development in terms of provision of financial services, and Armenia and Russia are noteworthy for their money transfer systems, which offer financial services to individuals living in even the remotest areas. Armenia, Azerbaijan, Belarus and Kazakhstan provide marketplaces in addition to logistics services to support SMEs in e-commerce.

On the other hand, the pandemic has demonstrated to countries in the region the need to adopt resilient policies and appropriate risk management techniques. This confirmed the relevance of the UPU's strategy and the utility of its development cooperation policy, which focuses on projects that aim essentially to enable countries to successfully negotiate digital shifts.

In the current context, postal services around the world are being increasingly recognized as essential service providers. During the pandemic, postal workers have been viewed as essential workers, courageously making the rounds throughout the crisis. The delivery of medicines and medical equipment via the Post has helped vulnerable, sick and isolated individuals.

The regional economy is currently forecasting stronger than expected expansion of 3.9% in 2021, due in part to improvements in the euro area. However, the outlook remains precarious given the recent worsening of the pandemic situation, tighter macroeconomic policies, and elevated policy uncertainty and geopolitical tensions.

Studies have shown that, in many countries of the region, the Post has to be considered a vehicle to deliver digital inclusion, in order to advance digitalization and help achieve the 2030 Agenda for Sustainable Development.

Universal service obligation and regulatory frameworks

The emergence of new types of postal services and the entry of new operators and private sector service providers into the postal market in many ECA countries necessitated the development of a new integrated legal framework. The aim was to regulate the market in such a way as to enable and ensure the continuous delivery of comprehensive postal services, as well as the improvement and promotion of modern services in line with development needs. Global experiences have shown that market regulation is one of the factors that accelerate growth, improve service quality, and expand consumer choice.

The regulatory framework for the postal sector evolved in the ECA region during the past cycle, among other things reflecting the need among some countries in South Eastern Europe to update their postal regulations and align them with EU norms.

Countries of the ECA region provide the universal postal service under the general regulation of the Universal Postal Convention, with the majority having defined the scope of services in their national legislation (e.g. access to posting/delivery, frequency of services, and reach of services in terms of geographical and population coverage). This is the case for all countries in South Eastern Europe in view of their EU integration; these components of the universal postal service are incorporated into their national legislation. Some countries in Central Asia like Kyrgyzstan, Tajikistan and Turkmenistan still need to define the universal service obligation in their postal legislation. According to UPU studies, the entire population in the ECA region has access to postal services.

All DOs in the region are state-owned enterprises and act as public institutions with varying degrees of autonomy. In some cases, the DOs receive direct financing from the government. The universal postal service is oriented to traditional services; however, the provision of modern and technology-based services is well under way.

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. In some countries of the ECA region, the postal service is still 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.

According to the analysis provided last cycle (2017–2020), 22 out of the 31 developing countries in the region (71%)⁵ have independent postal regulators. In other countries, postal regulation is provided by supervisory ministries (Kazakhstan, Russia, Tajikistan, Turkmenistan and Uzbekistan).

It is therefore of prime importance for more than 20% of the countries in the region – and especially in Central Asia (Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan) – to strengthen the legal framework for the postal sector. It is also vital that a postal regulatory function be created to define the legal environment of operators and the conditions and regulations governing reserved areas and the granting of licences, while ensuring compliance with postal legislation within a framework of fair and transparent competition.

⁵ Albania, Armenia, Bosnia and Herzegovina, Bulgaria (Rep.), Croatia, Cyprus, Czech Rep., Estonia, Hungary, Kyrgyzstan, Latvia, Lithuania, Malta, Montenegro, North Macedonia, Poland, Romania, Serbia, Slovakia, Slovenia, Ukraine and Uzbekistan

CHAPTER 3

ASSESSMENT OF THE REGIONAL DEVELOPMENT PLAN FOR THE EUROPE AND CENTRAL ASIA REGION FOR THE PERIOD 2017–2020

ASSESSMENT OF THE REGIONAL DEVELOPMENT PLAN FOR THE EUROPE AND CENTRAL ASIA REGION FOR THE PERIOD 2017–2020

Achievements and impact of UPU regional projects over the cycle

Operational readiness for e-commerce project

Of the 19 target countries in the ECA region last cycle, 15 countries (16 DOs) participated in the operational readiness for e-commerce (ORE) project and had a roadmap and an action plan validated. The other four countries that did not participate in the ORE project received separate, specific assistance at PostEurop and UPU level on topics such as customs and security.

The aim of the ORE project was to help DOs tap into the growth of e-commerce by offering solutions to local and international customers. The project covered process mapping; implementation of electronic data interchange (EDI) and electronic advance data (EAD), i.e. capture and transmission of messages; use of UPU information technology (IT) tools like the International Postal System (IPS), Customs Declaration System (CDS) and Global Monitoring System (GMS); supply chain integration (customs dispatch, air transportation of mail products and security standards); and increased collaboration with key stakeholders (Customs, airlines and law enforcement agencies).

For this purpose, to support participating DOs in the region, a number of activities were carried out following the launch of the project in 2017:

Total of 18 ORE regional workshops organized (five remotely) to monitor the implementation of country roadmaps and action plans and provide training on specific topics, e.g. customs, transport, security, the Quality of Service Fund (QSF), and UPU systems including IPS, CDS, the Integrated Quality Reporting System (IQRS) and GMS STAR;

Two individual training sessions (on-site visits) provided for seven specialists from three DOs (Kyrgyzstan, Ukraine and Uzbekistan);

Total of 22 consultancy and process review missions conducted (11 on-site missions, two quality of service certification missions, and three remote consultancy sessions) to review postal operations and facilities, transport, delivery, IT systems and relations with Customs/airlines, and provide recommendations to the postal authorities in order to improve the DOs' capacities;

Over 20 remote monitoring and evaluation meetings conducted;

Training provided for 375 postal officials from 15 DOs;

Participation of over 257 UPU fellowship holders;

Three ORE Trainpost courses (customs, security and transportation) translated into Russian;

Procurement of equipment for two countries (Kyrgyzstan and Uzbekistan) – 93 computers and 45 uninterruptible power supply (UPS) devices – to improve postal infrastructure and supply chains in line with the service development needs of these countries.

Analysis of the main performance indicators for the project reveals the following:

KEY (PRINCIPAL) PERFORMANCE INDICATORS		2016 baseline	2020 target	2020 December
1	Number of countries (DOs) in the region participating in the project (targets, at least)	0	15	15
2	Number of countries (DOs) in the region using up-to-date tracking systems (IPS, IPS.post, IPS Cloud) (targets, at least)	8	14	15
3	Number of countries (DOs) in the region using an electronic customs declaration system (CDS, CDS.post) (targets, at least)	0	5	8
4	Number of countries (DOs) applying an exchange of tracking data using EMSEVT 3 (targets, at least)	10	14	14
5	Number of countries (DOs) in the region applying an exchange of electronic pre-advance of dispatch using PREDES 2.1 (targets, at least)	7	14	14
6	Number of countries (DOs) in the region applying an exchange of electronic data with airlines using CARDIT 2.1 (targets, at least)	9	13	13
7	Number of countries (DOs) in the region applying an exchange of customs information with postal partners using ITMATT (targets, at least)	2	11	12
8	Number of countries (DOs) in the region having set up phase 1 of the Integrated Product Plan (targets, at least)	1	10	10
9	Number of countries (DOs) in the region participating in the GMS module for inbound and end-to-end (targets, at least)	5	10	10
10	Number of countries (DOs) in the region that have obtained UPU certification (targets, at least)	2	4	3

Of the 10 main indicators, the targets for nine were achieved, with some exceeded.

The majority of countries participating in the ORE project significantly improved their ability to meet minimum operational requirements.

Nevertheless, in-depth analysis of the roadmap and the pillars in the action plan reveal some areas that require more focus and improvement:

Increase the number of DOs participating in GMS (currently 10). GMS can be used to track end-to-end performance and can contribute to greater revenue-earning potential, thus the need for more countries to join and benefit from it.

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 EDI messages with airlines. In ECA, 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 payment services and deployment of the UPU trademark for the countries of Eastern Europe, Caucasus and Central Asia

The aim of the project was to enable DOs in Eastern Europe, Caucasus and Central Asia to further develop and improve electronic postal payment services by extending the network, enhancing the PPS in countries of the region, and implementing the new PPS vision and UPU trademark.

During the implementation of this project, two regional workshops were organized, along with one consultancy mission and several remote monitoring and evaluation meetings.

The project made it possible to:

finalize implementation of the UPU Interconnection Platform, with the connection of three CIS countries (Armenia, Kyrgyzstan and Russia);

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

successfully launch the PosTransfer trademark (Armenia, Belarus, Kyrgyzstan, Moldova and Russia – active users);

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

Postal sector reform and development project

Postal sector reform goes beyond the activities of DOs. As the provision of the universal postal service is an obligation on countries arising from the UPU Acts, the modernization of the postal sector must be addressed in an integrated manner by governments, regulators, operators, the market and society.

The aim of the project was to provide beneficiary countries with methodological tools to create a network of postal reform experts, support the implementation of a reform process following the integrated postal reform and development plan (IPDP) methodology, and continue dissemination of best practices through a platform for the sharing of relevant experiences.

Implementation of the project was successful and made it possible to provide the necessary support to countries in their reform processes.

To this end, two on-site missions to formulate the IPDP and present this approach were carried out for the benefit of Armenia, providing the methodological tools necessary for the implementation of the reform in order to avoid the errors generally made in this kind of process.

Project for the digital transformation and diversification of postal services in the Europe and Central Asia region

The aim of the project was to provide beneficiary countries with technical assistance to define and implement effective postal transformation strategies, and facilitate access to the necessary tools to encourage governments to leverage Posts in their implementation of national digital economy strategies.

Under this project, countries were provided with guidelines and expertise to help them define a strategy for the digital transformation and diversification of their postal services. To this end, a workshop was organized for 18 countries in the region with the participation of PostEurop and a consultant from Switzerland. A roadmap was provided for the formulation of individual country action plans.

The project was designed to help beneficiary countries/DOs to develop their practical knowledge of information and communications technology (ICT) basic blocks (website integration and payment solutions, e-shops, e-government services), in order to encourage the digital transformation of their businesses. Moreover, the project sought to help Posts create business models enabling them to participate in the digital economy, in line with national and regional digital strategies, and to accelerate the adoption of .POST to increase digital security and boost countries' participation in the digital economy.

During the workshop, the UPU publication "The digital economy and digital postal activities – a global panorama" was presented.

Disaster risk management project

Pošte Srpske, one of Bosnia and Herzegovina's DOs, benefited from a disaster risk management (DRM) project during the 2017–2020 cycle. It received 50,000 CHF in DRM financing for the procurement of equipment to improve its preparedness and ability to respond to any future natural disasters, and to reinstate postal operational capacity in the country.

Lessons learned and challenges

The ORE project can be considered a great success in the ECA region, as 15 countries were able to make progress towards operational readiness for e-commerce.

The majority of countries participating in the ORE project have significantly improved their ability to meet minimum operational requirements. Countries such as Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan have introduced IPS and IPS.post, enabling them to participate more effectively in the exchange of international mail. Albania, North Macedonia and Turkmenistan have started to introduce updated electronic systems and technological approaches with the aim of modernizing and improving their services.

Azerbaijan, Belarus, Georgia, Turkey and Ukraine gained greater visibility over their entire supply chain by adopting UPU messaging standards and by using available IT tools such as IPS, CDS and the Global Customer Service System (GCSS). They are now making better use of the available reporting systems to manage international mail flows more efficiently, such as the Quality Control System (QCS), IQRS and GMS. Countries such as Belarus, Georgia and Russia are making good progress in integrating their supply chains and in developing their relationships with customs authorities and national airlines.

Three countries (Belarus, Kazakhstan and Turkey) were awarded gold-level UPU quality of service management certificates in recognition of their achievements in creating and running efficient international mail management systems.

However, the level of preparedness differs from one country to another depending on the means of the DO and the general situation of each country. Certain challenges relating to technical standards and EDI requirements (EAD) remain to be addressed in the region in general.

With regard to the diversification and digitalization project, it should be noted that five of the 19 countries in the region presented significant advantages in relation to the challenges of the project. The countries made varying degrees of progress in achieving the project objectives; however, the region has enormous untapped potential in this area, especially in terms of the need to better serve SMEs.

Strong UPU support in the region for scaling up the electronic postal payment network and transaction volumes has enabled many postal operators to boost their revenues, satisfy the needs of their customers, and foster financial inclusion locally and on a regional and global scale.

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 and digital developments. Indeed, it is imperative that governments, regulators, DOs and other stakeholders in the sector (especially for the countries in Central Asia and South Eastern Europe) adapt their legislative and regulatory framework, their development strategy, and their processes and tools in order to be able to support a growing environment.

Role of the Post in the Europe and Central Asia 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 are provided below.

Armenia: HayPost responded immediately by introducing new social and financial services to support communities and by placing considerable emphasis on the digitalization of financial services, postal delivery and care for the vulnerable and elderly. HayPost helped customers maintain social distancing while accessing postal services and established a hybrid mail service allowing customers to convert electronic or physical mail into a message sent to the Post.

Georgia: The Georgian Post distributed information leaflets and personal protective equipment to quarantine zones. The Post delivered essential medical supplies to vulnerable citizens, including blood glucose testers for children and adolescents with diabetes. Computers were also delivered to support the homeschooling of disadvantaged students.

Russia: The Russian Post offered a 40% discount on newspaper and magazine subscriptions, with registration via an app or at the doorstep, in the aim to keep people safe and connected.

Ukraine: Ukrposhta delivered money transfers free of charge during the lockdown, and waived commission on the home delivery of money transfers.

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

The crisis has demonstrated the capacity of the postal network in the ECA region – with its density, proximity, diversity of services and strong ability to adapt – to play a vital and dynamic role in the socio-economic development of the countries 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 ECA region, partnerships with the restricted unions and regional actors have been strengthened. The regionalization of UPU activities through regional development plans, which constitute a real tool for structuring the UPU's activities in the field, made it possible to ensure perfect coordination with PostEurop, the RCC and CERP (restricted unions) and had a positive impact on activities in the ECA region.

The restricted unions were involved in determining regional priorities and monitoring the implementation of RDP activities. Some took part directly in the UPU activities.

There has been long-standing and fruitful cooperation between the UPU and PostEurop. Under the PostEurop Neighbourhood Programme and the UPU 2017–2020 RDP for the ECA region (key regional project on operational readiness for e-commerce for countries of Europe and the CIS), 18 consultancy missions and four joint workshops were organized with assistance from PostEurop experts. This successful implementation is just one example of the excellent cooperation between the UPU and PostEurop.

During the COVID-19 pandemic, the UPU, PostEurop, the RCC and CERP have exchanged information in order to monitor and review the impact of the crisis on the postal services of the region.

In order to ensure the continuation of coordination efforts, a regional strategic steering committee was also created in collaboration with PostEurop, to guide regional activities in the field during the pandemic and thus mitigate the impacts as far as possible.

More work must be undertaken in the next cycle to attract the interest of international organizations and banks in the region, in order to position the postal sector as an enabler for trade facilitation, economic development and social and financial inclusion, and to foster collaboration to achieve the SDGs.

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 ECA 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 unions (PostEurop, RCC, CERP) 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 countries of the ECA region to meet the challenges of preparing for supply chain improvements, e-commerce products (including EAD), diversification, digital transformation, and modernization of the legislative and regulatory framework of the postal sector.

All countries in the region are indeed aware of the challenges to be overcome in transforming and adapting the postal sector. The success of RDP implementation will be directly linked to the ability to maintain and increase the commitment of countries to project targets. This includes a high level of commitment by national authorities and the necessary integration of the postal sector in large-scale national strategies and projects.

Greater interaction between the UPU and regional actors in the planning, execution, monitoring and evaluation of cooperation programmes will be required.

At the same time, human, material, technical and financial resources are most often lacking when the majority of countries 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 joint efforts of the UPU and member countries to improve the performance of postal operators.

All postal sector development actions – from regulatory and technological aspects to operational aspects – will be covered by targeted policies and appropriate investments in order to promote diversified use of the postal network, thus contributing to the economic and social development of UPU member countries from the ECA region.

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 for 2022–2025 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 work to achieve the 2030 Agenda for Sustainable Development. 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 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, which include the following:

European Union,

which has established, through the European Commission, the following programmes:

“A Europe fit for the digital age”, to introduce the EU’s digital strategy aiming:

to make the transformation work for people and businesses, while helping to attain its digital 2030 transformation objectives for Europe’s resilience and to achieve its target of a climate-neutral Europe by 2050;

to strengthen its digital sovereignty and set standards, rather than following those of others – with a clear focus on data, technology, and infrastructure.

European Neighbourhood Policy and Enlargement Negotiations, providing the tools to support reforms in the “enlargement countries” with financial and technical help. One of the key elements of the policy targets reforms within the framework of pre-defined sectors, which cover areas closely linked to the enlargement strategy, such as democracy and governance, rule of law, and growth and competitiveness. This sectoral approach promotes structural reform that will help transform a given sector and bring it up to EU standards. Below are some related priority areas within this policy:

Developing a sustainable economy through the liberalizing of trade for almost all goods and establishing cooperation in areas such as energy, transport and the environment;

Supporting the implementation of the Transport and Energy Community Treaty; promoting trade facilitation and increased exchanges of goods and services between EU and partner countries; and improving conditions for citizens, consumers, workers and the self-employed;

Investment, within “A Europe fit for the digital age”, in next-generation hyperscale technologies; achievement of technological sovereignty; improvement of citizens’ digital literacy; and strengthened resilience to cyberattacks;

Responding to the COVID-19 pandemic, in terms of both the immediate health crisis and the resulting humanitarian needs; strengthening health, water and sanitation systems; mitigating the immediate social and economic consequences;

Investing in human development in order to support people in addressing social needs by financing projects that help them meet challenges, such as fighting poverty.

All EU policies mentioned above are fully aligned with the key priorities of the UPU for the 2022–2025 period.

Commonwealth of Independent States,

which is a regional intergovernmental organization formed in 1991 and composed of countries from Eastern Europe and Central Asia. The aim of the organization is to:

facilitate and strengthen cooperation among its member states in the political, economic, ecological, humanitarian and cultural fields, among others;

support the economic and social development of member states within a common economic space, ensure human rights and fundamental freedoms, and facilitate cooperation among member states.

Areas of cooperation for CIS members include economy, finance, security, humanitarian issues, legal matters, exchange of scientific and technical information, and interregional and cross-border issues.

Economic cooperation covers aspects related to information and communications technologies and the information society. The CIS adopted a strategy and action plan for cooperation in the construction and development of the information society for the period up to 2025. The strategy aims to implement digital infrastructure, digital inclusion, digital economy and e-government.

Digital trends in the CIS region in 2021 show it to have the second most affordable prices for ICT services globally, just behind Europe. All CIS countries have cybercrime legislation and cybersecurity regulations in place, putting the region on course to ensure safe use of digital services.

Eurasian Economic Union,

whose main purpose is to form and develop a common Eurasian economic space and ensure the freedom of movement of goods, services, capital and labour. The EAEU has approved the following programmes:

Customs: development of advanced technologies within the common customs territory of the Union, such as the "single window" mechanism. It fosters cooperation with the World Customs Organization and other international specialized institutions, and the study and analysis of global best practices and advanced international developments aimed at the simplification of customs rules and procedures in the execution of foreign economic activity.

Transport: formulation of a coordinated (agreed) transport policy of the member states of the EAEU aimed at ensuring economic integration and the consistent and gradual formation of a common transport space based on the principles of competition, transparency, security, reliability, availability and sustainability, and the development of e-commerce.

Digitalization and ICTs: creation of a framework for collaboration in the establishment of new digital platforms, the identification and development of joint standards for accelerated digitalization, the formulation of standards for operation of the EAEU digital market, and the participation of SMEs in that market on common competitive conditions.

Here again, these policies match the priorities identified by the UPU and its partners for the 2022–2025 cycle on the topics of trade facilitation, e-commerce development, and the diversification of postal operators into e-services, including e-government.

Economic Cooperation Organization,

whose primary goal is to ensure sustainable development for member countries. Its objective is to establish a single market for goods and services through the following:

Progressive removal of trade barriers and promotion of intraregional trade;

Establishment of evidence-based international standards and search for solutions to a range of social, economic and environmental challenges;

Development of a transport and communications infrastructure linking member countries with each other and with the outside world;

Economic liberalization and privatization;

Realization of an economic cooperation strategy, and exchanges in educational, scientific, technical and cultural fields.

Key performance indicators driving priority projects in Europe and Central Asia

As indicated in the Abidjan Postal Strategy and Business Plan 2022–2025 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.

Four key areas of action for the postal sector were identified, to underpin a comprehensive agenda for implementation by 2030:

First, governments should be made aware so that they take action to decrease gaps in postal development through increased investments and focused policies, and promote various ways to utilize the postal network for socio-economic development;

Second, regulators should harmonize and enhance the sector’s regulatory framework;

Third, operators should seek to enhance their performance by implementing diversified strategies and operational improvements;

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

In order to ensure that the UPU priority actions are in perfect harmony with the new development cooperation policy and Abidjan Postal Strategy and Business Plan 2021–2025, they must necessarily have a measurable impact during the quadrennial cycle and have specific performance indicators for this purpose. The main key performance indicators are established in the Abidjan Business Plan and can be summarized as follows:

Strategic pillar output SP 1: number of postal operators in the ECA region that have enhanced their performance by implementing diversified strategies and operational improvements under the guidance of the UPU. This indicator targets 18 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 disaster risk management and emergency assistance.

Strategic pillar output SP 2: number of developing countries in the ECA 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 18 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 ECA region that have harmonized and enhanced the postal sector regulatory framework, under the guidance of the UPU. This indicator targets eight 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. The target for the cycle is 10 stakeholders. This indicator is included in the work proposal on UPU cooperation frameworks 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.

South–South and triangular cooperation mechanisms already exist in other regional organizations, such as the EU and CIS. Indeed, countries in ECA have been cooperating in this way for many years. Given that many countries have similar development priorities and trajectories, the incentives for cooperation are considerable. Together, they boost each other's development efforts, find solutions to common challenges, and increase regional cohesion.

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 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.

Quality of Service Fund: this funding source will be promoted among countries in the ECA region, and countries 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 country. For this, financial contributions will be sought from beneficiary member countries, taking into account the individual situation of each country.

Contributions from traditional partners (restricted unions, etc.): in the ECA region, a strong partnership has been developed over previous cycles with the restricted unions (PostEurop and the RCC). For this cooperation cycle, PostEurop and the RCC will be contacted once again, along with CERP, to participate in UPU regional cooperation activities.

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.

During the 2022–2025 cycle, the challenge for the UPU will be to consolidate agreements with organizations that are active in the region: UN agencies, regional postal organizations (PostEurop, RCC and CERP), international financial institutions, and other potential partners and regional stakeholders. Through consolidation of such partnerships and the promotion of synergies among countries, regional organizations and possible donors, the postal sector has the potential to contribute significantly to the achievement of the SDGs and to foster socio-economic development in the countries of the region.



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