

# POSTAL NETWORKS

Promoting socio-economic development and  
contributing to the achievement of the UN Sustainable  
Development Goals in the Arab 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 Arab region. The third chapter assesses the UPU's 2017–2020 regional development plan for the Arab 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 (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.<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 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 ARAB REGION

## THE POSTAL SECTOR IN THE ARAB REGION

### 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 worldwide. The results presented in 2021 relate to 168 countries.

2IPD reports show that in recent years the Arab region has experienced increasing dynamism. In the 2021 ranking,<sup>3</sup> Tunisia retains the top regional place (44th globally). Noteworthy also are Iraq and Morocco, which made substantial progress in the world ranking (up 26 and 11 places respectively).

On the other hand, at the bottom of the regional (and global) ranking are countries in the Arab region that are facing geopolitical problems, profoundly affecting their postal development. The average 2IPD score for the Arab region (25.6) was negatively impacted by the low score for the relevance pillar (2). In contrast, the criteria of accessibility (34) and resilience (49) are rather acceptable compared to the global scores on the 2IPD index.

Like the global postal sector, the Arab region has seen a significant decrease in domestic letter-post volumes in recent years (-12.75% from 2018 to 2020). However, contrary to the global trend, this fall is accentuated in the Arab region by substantial decreases in the domestic parcel service (-20.23% from 2018 to 2020) and international parcel service (-54.15% from 2018 to 2020).

The relative improvement in operating revenue from 2019 to 2020 is largely due to the explosion of e-commerce, which mainly concerns parcels and postal packages. Indeed, it is this new e-commerce market that is the principal source of optimism for the future of postal services in the Arab region, on the condition that postal operators seize the opportunity and adapt to its demands.

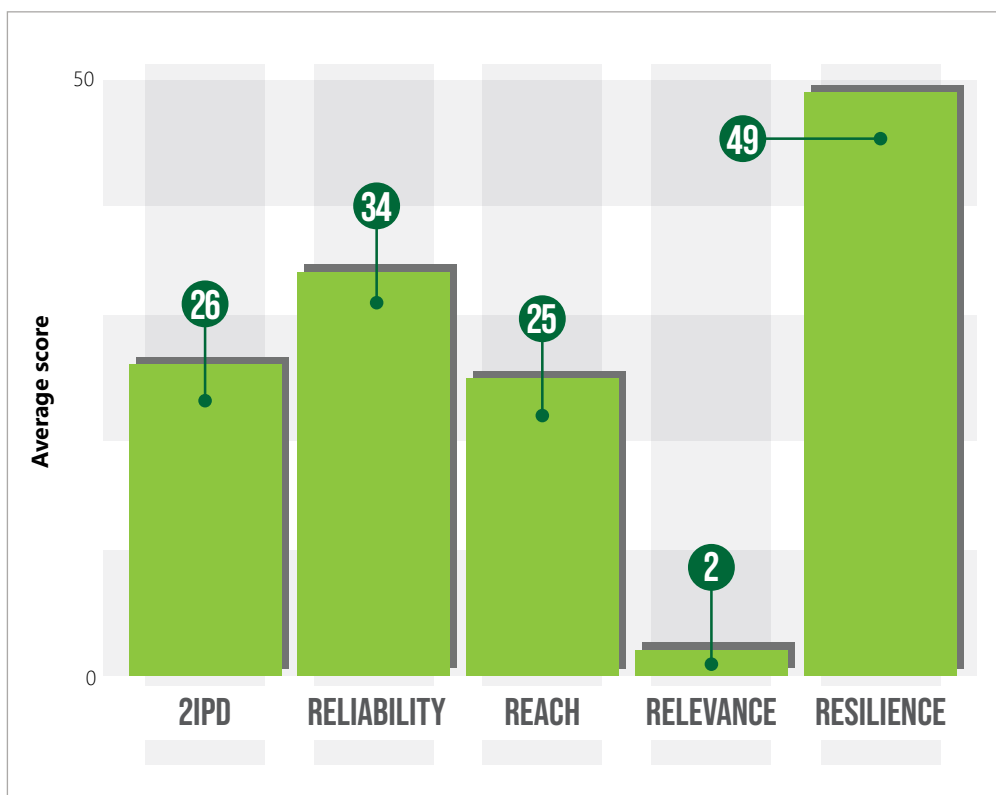
#### Economic impact of the postal sector in the Arab region

With 118,298 employees and 19,569 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 the Maghreb countries and Egypt, revenues from postal financial services (PFS) are substantial and represent more than half of all postal business. Indeed, the Post's noteworthy performance in this part of the Arab region is attributable to PFS. The significant money transfer flows point to the strong potential for Posts in this sector and for the role that they could play in the economic development of the region. Moreover, the conditions for developing this sector are very favourable, owing to the low rate of banking services and to the fact that the Arab region is both an important source and destination of money transfers thanks to emigration and immigration. Indeed, the Gulf countries – Bahrain (Kingdom), Kuwait, Oman, Qatar, Saudi Arabia and United Arab Emirates – are major issuers of money transfers, particularly to Asia given the vast number of migrants from there.

In contrast, Egypt, Iraq, Somalia, Sudan, the Syrian Arab Rep., and the countries of the Maghreb are primarily recipients of money transfers, originating mainly in Europe. In these countries, money transfers sent by emigrants constitute a continually increasing external source of capital, which makes it a potential for stimulating economic growth. For example, transfers made by Moroccans living abroad declined by 8.1% in the first half of 2020 owing to the COVID-19 pandemic, to 24 billion Moroccan dirham. Despite this, they were able to cover 59.4% of the trade deficit, against 63.1% a year earlier.

## Average 2IPD scores for the Arab region



Source: 2021 2IPD ranking

Notes: Simple average for the Arab region..

## Evolution of key statistical data on postal activity in the Arab region

DATA ELEMENT	2018	2019	2020	Percentage change 2018–2020
Total number of staff	118,957	119,486	118,298	-0.56%
Total number of permanent post offices	18,224	19,428	19,569	7.38%
Operating revenue (SDR)	2,363,987,035	2,314,610,889	2,432,771,733	2.91%
Number of letter-post items, domestic service	668,370,998	652,726,679	583,145,068	-12.75%
Number of letter-post items, international service – dispatch	26,179,149	16,227,906	12,022,099	-54.08%
Number of parcels, domestic service	10,936,559	3,575,953	8,724,359	-20.23%
Number of parcels, international service – dispatch	636,687	584,513	291,930	-54.15%

Source: UPU postal statistics

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

## Market dynamics

The Arab region has experienced significant political, social and security crises, which have had a marked impact on the overall development of certain countries and that of the postal market in particular.

This regional situation has been aggravated by the COVID-19 pandemic, which has spared no country. According to a study<sup>4</sup> conducted by the UN Economic and Social Commission for Western Asia (ESCWA), the COVID-19 crisis impacted the Arab region on several levels in 2020:

**The projected loss of income in 2020 was around 42 billion USD.**

**Declining oil prices, combined with the price war, cost the region nearly 11 billion USD in net oil revenues between January and mid-March.**

Exports were expected to decline by 28 billion USD owing to the global slowdown, threatening the survival of export companies and industries. Likewise, Arab governments were projected to lose 1.8 billion USD in customs tariff revenues, a significant budgetary impact for countries that rely on such tariffs as a major source of public revenue.

Containment and social distancing policies, especially in the service sector (the principal employer in the Arab region), were having a negative impact on activities, leading to significant job losses. The projected loss of 1.7 million jobs would increase the unemployment rate by 1.2 percentage points.

In a more recent study,<sup>5</sup> ESCWA discussed the economic recovery in the post-pandemic Arab region, including the following key messages:

**“2021 was the beginning of economic recovery for the Arab region. Higher oil prices and increased demand for petroleum products, resumption of tourist activities and improvement in remittances and aid inflows are expected to drive growth. It will take until 2022 for regional GDP to return to pre-pandemic levels.”**

4 Regional Emergency Response to Mitigate the Impact of COVID-19 ([www.unescwa.org/sites/www.unescwa.org/files/publications/files/20-00116\\_rer\\_mitigatingimpact\\_covid-19\\_eng\\_april8.pdf](http://www.unescwa.org/sites/www.unescwa.org/files/publications/files/20-00116_rer_mitigatingimpact_covid-19_eng_april8.pdf))

5 Realities and Prospects – Survey of Economic and Social Developments in the Arab Region 2020–2021 ([www.unescwa.org/sites/default/files/pubs/pdf/survey-economic-social-developments-arab-region-2020-2021-english.pdf](http://www.unescwa.org/sites/default/files/pubs/pdf/survey-economic-social-developments-arab-region-2020-2021-english.pdf))

“Following estimated 4.1 per cent growth in 2021, the Arab region is expected to grow by 3.7 per cent in 2022 and 3.6 per cent in 2023. Some risks to this outlook come from slow vaccination rates and fears of a new wave of COVID-19, with the latest Omicron variant expected to lead to slower growth, at 2.4 in 2022 and 3.2 per cent in 2023.”

“Economic recovery varies across subregions. It will take some countries up to 2023 to return to their pre-pandemic GDP levels. Following generous stimulus packages to contain fallout from the pandemic, many countries are expected to have more constrained fiscal space in 2022. The fiscal balance in the region is expected to show a deficit of around 6 per cent of GDP. A debt-to-GDP ratio of around 61 per cent is projected based on an estimated oil price of \$60 per barrel.”

The postal sector in the Arab region has been greatly marked by the following in particular:

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

Economic crisis and the resultant unemployment, which have led to a decrease in the volume and number of money transfers made by designated operators in both issuing countries (Gulf) and recipient countries (North Africa).

However, the COVID-19 crisis has shown that countries whose DOs had already negotiated digital transformation were better able to manage the negative impact of this situation. Indeed, the e-commerce market and e-government and e-banking services have grown significantly during this period.

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 primarily to enable countries to successfully negotiate digital transformations (operational readiness for e-commerce, PFS, etc.) and sustainable development (reform, disaster risk management, security, etc.).

In this context, a large number of DOs in the region have greatly diversified their offering and proven themselves as important providers of government services (Egypt, Lebanon), financial services (Algeria, Morocco, Tunisia) and e-commerce services (Oman, Qatar, Saudi Arabia and United Arab Emirates) in their respective markets. This diversification has enabled DOs in the region to position themselves as key players in the socio-economic development of their countries, for example:

**LibanPost provides hundreds of government and non-government services through the postal network and directly to citizens' homes.<sup>6</sup>**

**Egypt Post pays out retirement pensions and disburses government aid payments in a significant contribution to the social efforts of the state.<sup>7</sup>**

**Saudi Post initiated the famous National Address project, which transforms physical addresses into digital addresses, thus allowing the DO to be anchored in all national development policies.<sup>8</sup>**

## Universal service obligation and regulatory frameworks

The regulatory framework for the postal sector evolved in the Arab region over the last cycle. The reasons for this development are clearly summarized by the Syrian government in its explanatory memorandum which led to the drafting of the 2017 Postal Law: *"The emergence of new types of postal services and the entry of new operators and service providers from the private sector in the postal market in Syria have required the development of a new integrated legal framework to regulate the market in a way that allows the continuous provision of comprehensive postal services, as well as the improvement and promotion of modern postal services in line with development requirements. Global experiences have shown that market regulation is one of the factors that accelerate growth, improve service quality, and expand consumer choice."*<sup>9</sup>

This situation applies in most countries in the region where legislation has been developed to adapt regulatory texts to the new conditions of the postal market, for instance, Kuwait, Sudan and Syria. In the same vein, the traditional postal regulators in the region – Algeria, Jordan, Mauritania and Sudan – have been joined in recent years by new entities charged with regulating the evolving postal market – Oman, Qatar, Saudi Arabia, State of Libya and Syria.

These different regulatory frameworks generally advocate for the universal postal service obligation; however, the definitions and fields of application vary from one country to another, and there is a common lack of a reliable funding mechanism. To finance the universal postal service, many countries are dependent on the will or the capacity of the public authorities.

6 [www.libanpost.com/english/individuals/governmental/service-listing](http://www.libanpost.com/english/individuals/governmental/service-listing)

7 [www.egyptpost.org/enpo/en/PensionsDisbursement](http://www.egyptpost.org/enpo/en/PensionsDisbursement)

8 [www.splonline.com.sa/en/national-address-1/](http://www.splonline.com.sa/en/national-address-1/)

9 [www.moct.gov.sy](http://www.moct.gov.sy) (available in Arabic only)

CHAPTER 3

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



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

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

#### Operational readiness for e-commerce project

Of the 21 countries in the Arab region, 18 participated in the operational readiness for e-commerce (ORE) project and had a roadmap and an action plan validated. Only Kuwait (in the process of sector reform), Somalia and Yemen (special circumstances) did not participate in this project.

Since the launch of the project in 2017, six in-person and three remote workshops have been organized to evaluate and monitor the implementation of country roadmaps and action plans. Eight on-site expert missions were also organized to improve the capacities of the designated operators concerned. Moreover, four specific training courses were held to strengthen the capacities of certain DOs by taking advantage of the opportunities of South–South cooperation. In total, these activities benefited 746 participants from the region.

Analysis of the project's key performance indicators reveals that, of the 10 main indicators, seven were achieved and three were partially achieved. The three indicators whose objectives set for the end of last cycle have not yet been fully met are:

**Number of DOs exchanging CARDIT messages with airlines:** Against an initial objective of 15, only 10 DOs exchange CARDIT messages regularly. This situation can be explained by the regulatory obligation for several DOs in the region to use only national airlines, which are not always technically capable of exchanging this type of message.

**Number of DOs participating in the Global Monitoring System (GMS):** Against an objective of 10, only six DOs participate in GMS; however, work is under way to enable this objective to be achieved as soon as possible.

**Number of DOs having obtained the UPU quality certification:** Only one DO (Lebanon) obtained gold certification from the UPU, against a target of four by the end of the cycle. Several DOs in the region are eligible for UPU quality certification, and at least four of them are likely to target the gold level; however, the COVID-19 pandemic has prevented the on-site missions necessary for the quality evaluations.

## Project for the development and improvement of electronic payment services and deployment of the UPU trademark for the countries of the Arab region

During the implementation of this project, three regional workshops were organized, along with two on-site missions and six remote monitoring and evaluation meetings. The objectives of this project are to develop postal payment services (PPS) and promote financial inclusion by ensuring the availability of modern technical solutions for member countries, in line with the regional development plan for the Arab region.

In the course of this project, 14 action plans were drawn up for the countries of the region, and seven DOs made significant progress in this area. The project made it possible to:

- review the problems and challenges relating to the expansion of the global payment network and the opening of corridors;

- present the UPU Interconnection Platform, the cloud-based International Financial System (IFS Cloud), the PosTransfer application, and quality of service tools (Financial Electronic Inquiry System and Quality Control System Finance);

- share developments relating to the new PPS User Group resulting from the merger of the Postransfer Group and the PPS\*Clearing User Group, as well as those relating to the UPU PosTransfer trademark, including promotional material and its deployment;

- promote the UPU Financial Inclusion Technical Assistance Facility.

## Postal sector reform and development project

Through this project, the necessary support was provided to the countries concerned in their reform processes. To this end, two missions to formulate and revise integrated postal reform and development plans (IPDPs) were carried out for the beneficiary countries, providing the methodological tools necessary for the implementation of the reform in order to avoid the errors generally made in this kind of process.

Two training seminars were also organized and delivered to 99 participants representing 19 countries. These seminars helped build their capacities in the IPDP methodology, in order to support postal sector reform policy in their country and in the region.

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

This project helped the countries of the region to prepare for the digital transformation and diversification of their postal services. To this end, a workshop was organized and attended by 32 participants representing 15 countries. Action plans were also prepared for each country.

The objective of these action plans was to help the countries involved to develop their practical knowledge of information and communications technology (ICT) basic blocks (website integration and payment solutions, online shops, and e-government services). In a broader sense, the aim was to encourage the digital transformation of their DOs and the digitalization of government processes, through business models allowing them to participate in the digital economy.

## Philately project: new products and value-added services

This project made it possible to stimulate the growth of the philatelic market by training DOs in the region on new technologies and current commercial techniques, and raising their awareness of technological innovations linked to the quality and integrity of philatelic products, with the aim of diversifying the use of postage stamps.

As part of the project, a workshop was organized with the participation of 13 individuals representing 12 countries. The workshop provided comprehensive training and covered topics including development of the philatelic sector and international reply coupons (IRCs); organization and management of philatelic activity; innovation, sales techniques and marketing; development and monitoring of the philatelic market; revenue protection, security, and the fight against illegal issues and counterfeiting; and the World Association for the Development of Philately Numbering System (WNS). The workshop also aimed to deepen the knowledge of relevant staff on the specifics of the philatelic and IRC markets at the regional and international level.

## Lessons learned and challenges

The ORE project can be considered a great success in the Arab region, as 18 countries were able to make progress towards operational readiness for e-commerce. 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.

Through this project, several DOs have made spectacular progress compared with their performance in 2016, i.e. Djibouti, Jordan, Lebanon, Oman and Qatar. Other DOs have established themselves as regional leaders, including Egypt, Morocco, Saudi Arabia, Tunisia and the United Arab Emirates. These DOs are now capable, to varying degrees, of providing basic e-commerce services, and most have already launched interesting initiatives in this area. Nevertheless, certain challenges relating to technical standards and quality of service requirements remain to be addressed in the region in general.

For certain Posts (Palestine, State of Libya, Sudan and Syria), the political and security situation had a clear impact on the results, while Iraq, albeit in a similar situation, has shown evidence of considerable efforts to meet the challenges despite its ongoing difficulties.

Regarding the PPS project, it should be noted that seven countries in the region presented significant advantages in relation to the challenges of the project – Algeria, Djibouti, Mauritania, Morocco, Oman, Qatar and Tunisia made varying degrees of progress in achieving the project objectives. The fact remains that the region has tremendous untapped potential in this area.

As for the other projects, they confirmed the pressing 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 rise to the increasingly demanding environment.

# Role of the Post in the Arab 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.

The DOs of Algeria, Djibouti, Egypt, Jordan, Mauritania, Morocco, Sudan and Tunisia facilitated payments to civil servants and retirees and provided aid to disadvantaged people by using appropriate technological means, by increasing and adapting the opening hours of offices, and by respecting the precautionary measures imposed by the authorities.

Jordan's regulator used private operators for the home delivery of food ordered by households from supermarkets.

The DO of Saudi Arabia ensured that medicines could be delivered to households thanks to its National Address system, an initiative highly appreciated by the government.

The DOs of Bahrain, Djibouti, Egypt, Lebanon, Morocco, Oman, Qatar and the United Arab Emirates increased initiatives encouraging "contactless" home mail delivery and offered government services and e-commerce at home in order to limit the movements of citizens.

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 in order to limit the effects of the pandemic.

The crisis has demonstrated the capacity of the postal network in the Arab region – with its density, proximity, diversity of services and strong ability to adapt – to play a dynamic and leading 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 Arab region, the partnership with the Arab Permanent Postal Commission (APPC) has been strengthened. The regionalization of UPU activities through RDPs, which constitute an effective tool for structuring the UPU's activities in the field, made it possible to ensure perfect coordination with the APPC and had a positive impact on activities in the Arab region.

The APPC was involved in determining regional priorities and monitoring the implementation of RDP activities. In order to ensure the continuation of these coordination efforts, an action plan was also drawn up in collaboration with the APPC in order to supervise regional activities in the field during the pandemic and thus mitigate the impacts as far as possible.

In another development, a cooperation agreement was signed with the Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESERIC) and the Tunisian Post in order to encourage and facilitate the participation of Arab region countries in activities organized by the UPU at its regional training centre in Tunis, hosted by the Tunisian Post. Under this agreement, SESERIC committed 240,000 USD in funding, which significantly contributed to efforts encouraging countries to fully benefit from the training activities organized by the UPU in the Arab region over the 2017–2020 period.

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

Implementation of the RDP during the 2017–2020 period helped to shape the UPU's world postal strategy in the Arab 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 account the priorities and regional specifications, thanks to the UPU's policy of presence in the region and the excellent collaboration with the restricted unions 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 Arab 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 countries in the region are indeed aware of the challenges to be overcome in transforming and adapting the postal sector. Yet, 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 public and private postal sector 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 Union member countries from the Arab 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 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:

## United Nations Economic and Social Commission for Western Asia

The main objective of ESCWA is to stimulate economic activity in member countries, strengthen cooperation between them and promote development. ESCWA membership comprises: Algeria, Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Mauritania, Morocco, Oman, Palestine, Qatar, Saudi Arabia, Somalia, State of Libya, Sudan, Syria, Tunisia, United Arab Emirates and Yemen. ESCWA is also committed to promoting and supporting sustainable development and the implementation of the 2030 Agenda for Sustainable Development and the SDGs among members.

In 2020, ESCWA launched the Advancing Digital Cooperation and Development – Arab States Action Programme. Among other things, the project aims to produce regional and national digital strategies/agendas that would enable policymakers to bring about change in policy, thinking and/or practices, to respond to the needs of their countries in harnessing ICTs for development and accelerating the achievement of the 2030 Agenda.

This project is a natural extension of efforts made by ESCWA in the field of digital development over a number of years. Recently, it has assisted member countries with the formulation of ICT strategies and programmes that foster socio-economic development. The key objectives of ESCWA are to:

- support economic and social development in member countries;
- promote interaction and cooperation between member countries;
- encourage the exchange of experiences, best practices and lessons learned;
- achieve regional integration and ensure interaction between Western Asia and other regions;
- raise global awareness of the circumstances and needs of member countries.

## League of Arab States

The charter of the League of Arab States (LAS), also known as the Arab League, was signed on 22 March 1945 by representatives of the founding Arab countries. Its establishment was a testament to the closeness of Arab states on a number of levels. As part of its efforts, the LAS endeavours to consolidate these ties and help the countries ensure their future success and achieve their aspirations.



The objectives of the LAS are to:

consolidate relations among Arab countries;

safeguard the independence of member states;

coordinate plans and policies among member states;

enhance cooperation in economic, cultural, social and health-related fields, among others;

look into the Arab states' interests and affairs in general;

cooperate with international bodies to ensure security and peace and regulate economic and social relations.

Since 2016, the LAS has paid special attention to the UN 2030 Agenda for Sustainable Development and its 17 SDGs to ensure that government policymakers adopt its objectives as part of their national development strategies.

The LAS seeks to support the governments and private sector entities of its member states to improve the competitiveness of Arab economies and facilitate their integration into the global economy. The Council of Arab Economic Unity under the LAS created the Arab Federation for the Digital Economy, which aims to achieve the following strategic axes:

**Support** the modernization and development of legislative and legal foundations;

**Contribute** to the development of technological infrastructure and the enhancement of knowledge content;

**Help** small and medium-sized enterprises enter into digital inclusion frameworks;

**Support** Arab government plans to deepen e-governance practices and smart government services.

# Key performance indicators driving priority projects in the Arab region

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

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

First, governments should 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 Arab 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 Arab 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 12 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 Arab 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 five 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

### 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 experiences 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. The aim is also to take advantage of the cooperation and the cooperation mechanisms (South–South and triangular cooperation) already existing in regional organizations such as ESCWA and the LAS.

## 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 (QSF):** this funding source will be promoted among countries in the Arab 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 Arab region, a strong partnership has been developed over previous cycles with the Arab Permanent Postal Commission, a restricted union. For this cooperation cycle, the APPC will be contacted once again to participate in UPU regional cooperation activities under a joint agreement. Further efforts will be made to reach out to other key regional stakeholders as potential contributors.

**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.







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