

POSTAL NETWORKS

Promoting socio-economic development and
contributing to the achievement of the UN Sustainable
Development Goals in the Asia-Pacific 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 Asia-Pacific region. The third chapter assesses the UPU's 2017–2020 regional development plan for the Asia-Pacific 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 (EmIS) messages announcing disruption to their operations, air transport issues, and problems relating to the availability of the labour force. Although the international postal supply chain has proved resilient during the crisis, volumes of cross-border mail have decreased. Owing to these difficulties, overall mail tonnage dropped by 20% in 2020 and took yet another dip (-10%) in 2021. It remains to be seen whether this change will endure in the post-pandemic era, or whether international traffic will revert to 2019 levels.

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

¹ Source: World Bank, Global Economic Prospects (January 2022)

² See UPU Postal Development Report 2021

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

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

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

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

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

Abidjan Postal Strategy and development cooperation policy 2022–2025

Mission, vision, strategic pillars and key success factors

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

The Abidjan Postal Strategy reaffirms the UPU's mission enshrined in its Constitution, which is "to stimulate the lasting development of efficient and accessible universal postal services of quality in order to facilitate communication between the inhabitants of the world by:

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

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

ensuring cooperation and interaction among stakeholders;

promoting effective technical cooperation;

ensuring the satisfaction of customers' changing needs."

Achieving this mission in line with the SDGs requires long-term vision, in the form of the advocacy message "Postal Vision 2030", which urges all key postal sector stakeholders to take action in a number of areas. Governments are invited to reduce gaps in postal development by utilizing the postal network for socio-economic development. Regulators are encouraged to harmonize and enhance the frameworks under their 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 ASIA-PACIFIC
REGION**

THE POSTAL SECTOR IN THE ASIA-PACIFIC 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 around the world. The 2021 results cover 168 countries.

In terms of postal development, the Asia-Pacific region presents an interesting case of diversity, displaying the highest degree of dispersion (approximately 73%) around the regional mean (29). Indeed, the region includes both very strong performers, such as Singapore (10th) and China (People's Rep.) (25th), and smaller states towards the lower end of the global ranking, namely, Papua New Guinea, Solomon Islands and Samoa.³

The considerable disparities in the size and development of the region's economies may explain this heterogeneity in postal development. The average scores for each pillar shown here in the figure therefore mask extreme variations from one country to another and should be considered in conjunction with other factors.

The regional leader, Singapore, has managed to re-enter the top 10 thanks to sustained high levels of reliability, as well as significant improvements in reach and resilience. By contrast, many countries in the region, especially in the Pacific, continue to struggle to raise their reliability and reach scores beyond the "potential performers" mark (i.e. a score that exceeds 15 in one of the pillars).

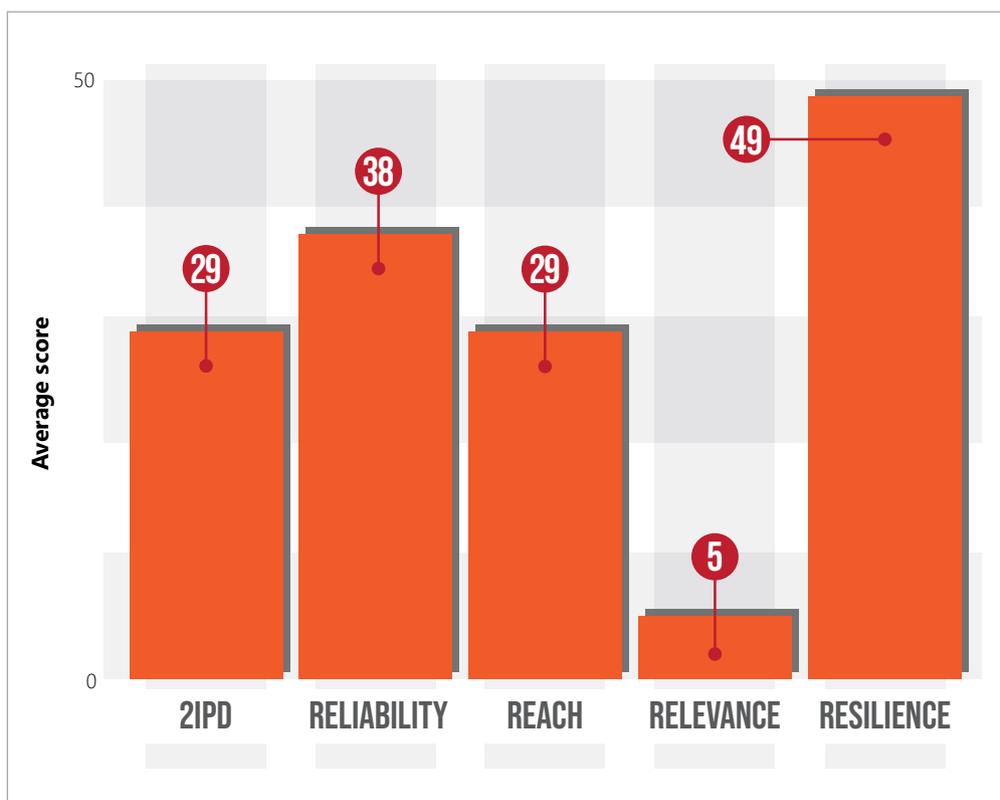
Economic impact of the postal sector in the Asia-Pacific region

Discussion of any financial aspects of the postal sector should first take into account the impact of the COVID-19 pandemic on postal traffic and postal operators' revenue. Based on a panel of 197 countries and territories over the 2000–2020 period, the long-term elasticity of postal revenue with respect to gross domestic product (GDP) is estimated to be between 0.32% and 0.47%. Taking as a baseline the -5.2% prediction for global GDP, the total loss of revenue for the postal sector in 2021 was therefore expected to be between 4.5 and 6.5 billion special drawing rights (SDR).

Although the largest source of financial income for postal operators remains the letter-post segment (32.7% in 2020), the proportion of revenue stemming from parcels and logistics continues to expand (reaching 30.2% in 2020). This is a well-established trend, but it does mask some regional disparities. In the Asia-Pacific region, parcels and logistics outperform letter post in terms of proportion of revenue, thus effectively constituting core business. At the same time, the contribution of postal financial services has not changed significantly over the last decade.

Average 2IPD scores in the Asia-Pacific region

(UPU Postal Development Report 2021)



Source: 2021 2IPD ranking
Notes: Simple average Asia-Pacific.

Evolution of key statistical data on postal activity in the Asia-Pacific region

DATA ELEMENT	2018	2019	2020	Percentage change		
				2018-2019	2018-2020	2019-2020
Total number of staff	1,690,333	1,682,201	1,510,565	-0.48%	-10.64%	-10.20%
Total number of permanent post offices	305,213	292,317	292,654	-4.23%	-4.11%	0.12%
Operating revenue (SDR)	67,153,302,861	72,759,819,758	77,772,028,448	8.35%	15.81%	6.89%
Number of letter-post items, domestic service	33,216,983,748	31,682,596,948	29,879,328,300	-4.62%	-10.05%	-5.69%
Number of letter-post items, international service – dispatch	2,072,885,739	2,252,504,358	1,453,208,283	8.67%	-29.90%	-33.28%
Number of parcels, domestic service	4,024,712,509	5,474,095,643	7,295,994,651	36.01%	81.28%	33.28%
Number of parcels, international service – dispatch	5,580,388	5,572,131	4,276,395	-0.15%	-23.37%	-23.25%

Source: UPU postal statistics

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

Market dynamics

The decades-long trend of the liberalization of postal markets has resulted in increased competition among postal operators in the traditional segments of letter post, parcel post and express mail. In the letter-post segment, competition seems somewhat stronger in the Asia-Pacific region in comparison to the global norm: DOs' market share stands at 79.4% in that region. In the parcel-post segment, the average market share held by DOs in the region is 26.3%, indicating a high level of competition, while the market share for express delivery of goods and documents stands at 42.5%.

Universal service obligation and regulatory frameworks

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

In a small number of countries in the region, the DO is a state-owned enterprise. In several others, it is part of the ministry with little to no autonomy. In the rest of the countries, the DOs are public institutions with varying degrees of autonomy and financing from the government. In the Asia-Pacific region, the universal postal service is oriented to traditional services, and the provision of modern and technology-based services is very poor among the majority of DOs.

The universal postal service is an obligation arising from the UPU Acts, specifically the Universal Postal Convention. As signatories, governments should therefore take part in assuring the provision and modernization of the universal postal service even though, for the most part, they assign the obligation to their DOs. In the Asia-Pacific region, the postal service is generally 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.

Most regulators in the region do not provide frequent reports on the performance of the DO and other postal operators, nor do they conduct postal market research. This information is much needed in the region so as to focus on customer needs and take advantage of new business opportunities such as e-commerce and electronic and financial services.

CHAPTER 3

**ASSESSMENT
OF THE REGIONAL
DEVELOPMENT PLAN
FOR THE ASIA-PACIFIC
REGION FOR THE PERIOD
2017–2020**

ASSESSMENT OF THE REGIONAL DEVELOPMENT PLAN FOR THE ASIA-PACIFIC REGION FOR THE PERIOD 2017–2020

Inspired by the UPU mission and the UN SDGs, the 2016 Istanbul Congress adopted the world postal strategy for the 2017–2020 period. To implement the strategy, the UPU developed a comprehensive business plan, which contained full details on financial allocation for each activity. The regional development plan (RDP) for the Asia-Pacific region was based on the above documents, as well as on the regional priorities identified by UPU members during a stakeholder consultation process carried out in 2015 and 2016. The RDP covered one top-level priority action and several other level-two priority actions.

Achievements and impact of UPU regional projects over the cycle

Operational readiness for e-commerce project

The top-level priority action focused on improving operational efficiency and e-commerce development. This key strategic project on operational readiness for e-commerce (ORE) aimed to address the obstacles preventing consumers from making online cross-border transactions by helping participating DOs modernize operational processes and use all available standardized information technology (IT) tools and end-to-end systems to implement operational solutions that meet e-commerce requirements. By improving end-to-end delivery performance and reliability, providing consumers with more visibility through electronic data interchange (EDI) messages, and establishing more customer-oriented solutions (delivery options, data capture at source, return solutions, simple customer services, etc.), postal operators can contribute to the continued growth of the e-commerce market.

Thirty DOs from developing countries in the region participated in the ORE project and had a roadmap and an action plan validated.⁴

In 2017, six face-to-face workshops (one for Asia-Pacific, three for Asia only and two for Pacific only) and five remote workshops (three for Asia and two for Pacific) were organized to assess and monitor the implementation of country roadmaps and action plans. Moreover, 10 training workshops (five for Asia and five for Pacific) were conducted on the new Integrated Quality Reporting System and the Global Monitoring System (GMS STAR).

A total of 11 on-site expert missions were conducted to build the capacities of the beneficiary DOs. Two pilot audit missions on UPU quality management certification and two pilot audit missions on security certification for the S58 and S59 standards were also conducted.

In addition, many training sessions were organized to strengthen the capacities of certain DOs by taking advantage of the opportunities of South–South cooperation. These activities benefited many participants from the region.

Project for the improvement of electronic postal payment services for the countries of the Asia-Pacific region

The aim of the project was to develop postal payment services (PPS) and promote financial inclusion by ensuring the availability of modern technical solutions for member countries, in accordance with the RDP.

During the implementation of this project, two regional workshops were organized and nine action plans were drawn up for the countries of the region, with three DOs making significant progress.

⁴ The eight high-income countries/regions (Australia, Brunei Darussalam, Hong Kong (China), Japan, Korea (Rep.), Macao (China), New Zealand and Singapore) and the Dem. People's Rep. of Korea did not participate in the project.

The project made it possible to:

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

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

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

promote financial inclusion and the UPU Financial Inclusion Technical Assistance Facility.

Project for the digital transformation and diversification of postal services in the Asia-Pacific 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 for 20 participants representing 12 countries. Action plans were prepared for each country.

The objective of these action plans was to help beneficiary countries to develop their practical knowledge of information and communications technology (ICT) basic blocks (website integration and payment solutions, e-shops, 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.

Disaster risk management and emergency assistance project

The UPU is leading a large-scale programme to increase postal operators' awareness and expertise in the field of disaster risk management (DRM), with a view to ensuring better resilience in disaster situations. Training for local experts was organized during the cycle, enabling participants to share lessons learned in recent natural disasters. Participants acquired practical knowledge on the subject of DRM and on how to improve their capacity to respond to natural disasters. The new UPU DRM Guide was also shared with all countries in the region.

In addition to these capacity-building activities, the UPU initiated projects to help DOs in the region become disaster resilient through procurement of the most urgently needed equipment and vehicles. These projects have had a positive impact on the local economy: restoring activities and jobs and providing affected populations with postal services such as remittances, financial services and parcel delivery, all of which are extremely important in post-disaster situations.

Action plans for least developed countries

The 2017–2020 development cooperation strategy approved by the 26th UPU Congress included an area of intervention aimed at implementing development cooperation programmes for the least developed countries (LDCs). The activities to be undertaken for the benefit of each LDC in the region were to be financed within the framework of a regional project launched by the Asia-Pacific Programme of the Development and Cooperation Directorate during the 2017–2020 cycle. As in the previous cycle, LDCs continued to benefit from UPU technical assistance in the form of short-term consultancy, equipment procurement and staff training.

Thus, the Asia-Pacific Programme prepared individual action plans for each LDC in the region within the framework of one regional project. The central idea was to simplify the procedure and, through the individual LDC action plans, provide a clear overview of specific actions to be undertaken for each LDC within different thematic projects in the region, with details of their implementation and costs.

Lessons learned and challenges

The ORE project can be considered a great success in the Asia-Pacific region, as 30 countries were able to make progress towards operational readiness for e-commerce.

The level of preparedness differs from one country to another depending on the means of the DO and the general situation of each country. Nevertheless, the majority of countries participating in the project made spectacular progress in comparison to their situation in 2016. Moreover, some DOs have confirmed their status as regional leaders, including the DOs of China, Fiji, India, Malaysia, Thailand and Viet Nam, among others. These DOs are now capable of providing competitive e-commerce services.

Most DOs have already launched interesting initiatives in this area. However, certain challenges relating to technical standards and quality of service requirements remain to be addressed in the region in general.

With regard to the PPS project, it should be noted that a number of the countries in the region presented significant advantages in relation to the challenges of the project. However, the region has enormous untapped potential in this area.

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

Role of the Post in the Asia-Pacific region during the COVID-19 pandemic

Postal development is an essential component in a country's socio-economic infrastructure. As shown in the UPU Postal Development Report 2020, economic and postal development are intimately linked. The more a country is suffering from economic hardship, the more it will find it challenging to build high-performing postal services.

Postal delivery networks are relatively fluid unless interrupted by a major external shock. The disruptions affecting international supply chains owing to the COVID-19 pandemic were a clear example of such a shock. In the postal sector of the Asia-Pacific region, the aftermath of the "great lockdown" saw a much more permanent drop in network breadth versus network depth, with volumes only really recovering in some channels.

In this context, postal services in developing countries are particularly at risk. Even before the crisis, postal economies of scale were low in these countries, translating into relatively high structural operational costs. As the economies of developing countries battle with the unprecedented recession caused by COVID-19, these challenges will add up to other structural issues, some of which are inherent to postal operators, and others of which result from the state of the wider real economy.

Of the 36 member countries in the Asia-Pacific region, the postal services of one third are still managed by government departments. The Post in these countries plays a more important role than that in those where the postal service has been corporatized. To help their governments and the population combat the COVID-19 pandemic, DOs of both types launched new and/or value-added postal services.

In South Asia, for example, the Bangladesh Post Office has delivered personal protective equipment (PPE), testing kits and awareness leaflets to all 64 districts free of charge. India Post has delivered vital medicines to hospitals and, as an essential service, was able to operate as normal during the lockdown, filling the gap left by private couriers. Pakistan Post delivers pension payments for retirees at their doorstep, helping to reduce exposure and increase convenience following bank closures and suspended transport.

In countries where postal services are commercialized, DOs still made great efforts to undertake their social responsibilities. Australia Post introduced a home delivery service for medication and medical supplies, to help protect vulnerable members of the community. Pharmacies are able to claim back postal costs from the government. In East Asia, China Post created a handbook for COVID-19 prevention and control. In Southeast Asia, Philippine Postal Corporation has delivered relief and medical supplies to medical personnel and communities, supported by new electric bicycles. Thailand Post has ensured the full delivery process of medical masks, from domestic factories to provincial governors, securing a supply for those at high risk, such as doctors, nurses, hospital staff, public workers, the police and quarantine officials.

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 Asia-Pacific 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 Asia-Pacific region, the partnership with the Asian-Pacific Postal Union (APPU) has been strengthened. The regionalization of UPU activities through the RDPs, which constitute a real tool for structuring the UPU's activities in the field, made it possible to ensure perfect coordination with APPU and had a positive impact on activities in the Asia-Pacific region.

APPU 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 APPU to supervise regional activities in the field during the COVID-19 pandemic and thus mitigate the impacts as far as possible.

In addition, a cooperation agreement was signed with APPU in order to encourage and facilitate the participation of the countries in the Asia-Pacific region in activities organized by the UPU.

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 Asia-Pacific 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 APPU 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 Asia-Pacific 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.

However, 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 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 UPU member countries from the Asia-Pacific 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:

Asian-Pacific Postal Union

APPU aims to extend, facilitate and improve postal relations among its 32 member countries and promote cooperation in the field of postal services. By acting as a regional centre of excellence, APPU is taking Posts into the future by facilitating access to regulatory, operational and commercial best practices.

APPU's objectives are to:

provide coordination for UPU technical assistance in the region;

act as the regional platform for consultation on key global matters impacting the postal sector;

provide benchmarking of best postal practices;

disseminate information on global postal sector policy and regulations;

support and generate networking within and outside the region leading to postal sector development.

UN Economic and Social Commission for Asia and the Pacific (ESCAP)

The overall objective of ESCAP is to promote inclusive and sustainable economic and social development in the Asia-Pacific region, with priority accorded to the implementation of the 2030 Agenda for Sustainable Development and the achievement of the SDGs. ESCAP places emphasis on strengthening institutional capacities to serve the rights of the people of the region and address their aspirations and needs.

ESCAP pursues this objective by working in close cooperation with other UN entities and intergovernmental organizations in the region.

Association of Southeast Asian Nations (ASEAN)

The aims and purpose of ASEAN are to accelerate economic growth, social progress and cultural development in the region through joint endeavours. These activities are designed and implemented in the spirit of equality and partnership, in order to strengthen the foundation for a prosperous and peaceful community of Southeast Asian nations. ASEAN aims to promote active collaboration and mutual assistance on matters of common interest in economic, social, cultural, technical, scientific and administrative fields, including improvements in communications facilities.

ASEAN works to maintain close and beneficial cooperation with existing international and regional organizations with similar aims and purposes, while exploring all avenues for even closer cooperation.

Other UN and regional organizations

The country and regional offices of the UN Development Programme and other regional organizations like the South Asian Association for Regional Cooperation and the Pacific Islands Forum also work in the field of sustainable development cooperation.

Key performance indicators driving priority projects in the Asia-Pacific 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.

The 2019 UPU regional strategy forum for the Asia-Pacific region emphasized the importance of improving operational efficiencies and enhancing remuneration.

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 Asia-Pacific region that have enhanced their performance by implementing diversified strategies and operational improvements under the guidance of the UPU. This indicator targets 10 postal operators and is included in three work proposals: integration of stakeholders from the private sector and public institutions; improvement of the delivery performance of DOs; and DRM and emergency assistance.

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

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

Strategic pillar output SP 4: number of stakeholders from the private sector and public institutions that participate in the postal sector through the UPU cooperation frameworks and facilitation services. The target for the cycle is 24 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.

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 Asia-Pacific 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.).

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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