



# REGIONAL DEVELOPMENT PLAN 2026–2029

# ARAB REGION

Published by the Universal Postal Union (UPU)  
Berne, Switzerland

Printed in Switzerland by the printing services  
of the International Bureau of the UPU

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**TITLE:** Regional Development Plan 2026–2029,  
Arab Region

**ISBN:** 978-92-95116-46-7-2

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# FOREWORD

Today, technological developments and the globalization of trade continue to reshape economies and societies worldwide. As a result, the activities and characteristics of the postal sector have changed profoundly, along with the expectations of society and businesses with regard to postal services. In this evolving environment, our role in facilitating communication across borders is more relevant than ever. Governments must provide the necessary enabling environment and ensure that universal postal services are maintained. In parallel, postal operators around the world must adapt to these shifts and meet the evolving demands through structural reforms, innovative services and continuous modernization.

Supporting our member countries in building resilient and future-ready postal services is central to the UPU's mandate. In this regard, the regional development plan (RDP) constitutes a key document, translating our shared priorities into concrete support at regional level. During the Abidjan cycle, we significantly strengthened our field presence, including doubling the number of regional offices. This demonstrates the high priority we continue to place on development cooperation.

This RDP reflects detailed analyses of the region's current situation and the lessons we learned from the Abidjan cycle. It provides both an overview of the global and regional postal environment, together with a targeted set of development cooperation actions tailored to the needs of the region for the 2026-2029 cycle. I believe that it will serve as a guiding reference for implementing development cooperation in line with the discussions held at the Dubai Congress on regionalization.

As the United Nations specialized agency responsible for postal services, we work closely with our regional partners to identify priorities for development cooperation activities and initiatives. This RDP is therefore the result of an inclusive regional dialogue between us and our stakeholders. Despite present challenges, significant opportunities arise from the continued growth of cross-border e-commerce and trade. By leveraging their extensive networks and trusted reputation, designated postal operators are well placed to support governments in advancing national policy objectives.

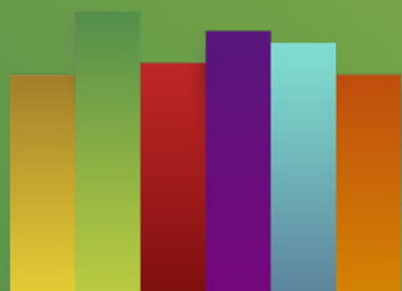
I look forward to strengthening our close cooperation with regional partners as we work together with our 192 member countries to maximize the impact of their socio-economic development efforts and deliver tangible benefits to citizens and businesses across the region.

## **MASAHIKO METOKI**

*Director General of the UPU International Bureau*

CHAPTER 1

# GLOBAL DEVELOPMENTS IN THE POSTAL SECTOR



## GLOBAL TRENDS AND CHALLENGES

The global postal sector is undergoing a profound transformation. Although the world economy grew at an average annual rate of 3.38% between 1996 and 2023, in terms of gross domestic product adjusted for purchasing power parity (GDP PPP), the postal sector recorded slower growth of 2.28% in real revenue. This divergence, commonly referred to as “postal decoupling”, reflects both the structural challenges and the potential of the sector amid digital disruption and evolving customer needs.

Despite the decline in traditional letter mail, the sector has shown resilience through the expansion of e-commerce, logistics and financial services. In 2023, for the first time, global revenue from parcels and logistics (32.5%) surpassed that from letter post (32.4%), marking a pivotal shift in the sector’s economic profile.

### Structural shift in the sector

Postal operators are rapidly transitioning from traditional, letter-dominant service models to integrated networks that encompass parcel logistics, digital services, financial inclusion and public service delivery. This transformation is driven by the need to remain relevant in the digital economy and to respond to the evolving expectations of citizens and businesses. However, the pace and depth of transformation vary greatly across regions. New business models, investment in digital infrastructure, the reskilling of the postal workforce and the establishment of agile regulatory frameworks are essential prerequisites for success.

## Diverging regional dynamics

The trajectory of postal sector development differs markedly between regions, revealing disparities that must be addressed through targeted cooperation:

**AFRICA** is a prime example of postal decoupling: while GDP has climbed steadily over the past 20 years, postal revenue has shrunk by 2.53% per year on average. Key constraints include underinvestment in infrastructure, low mail and parcel volumes, patchy regulation, and slow uptake of electronic advance data (EAD) and digital standards. In many countries, universal service obligations (USOs) are still to be defined, and access to international funding remains limited;

**ARAB COUNTRIES** have shown robust growth in postal revenue, outpacing GDP growth, largely owing to the rapid uptake of financial services and government-backed modernization programmes. Nonetheless, the Arab region faces challenges in addressing cross-border operational fragmentation and in harmonizing regulations for postal and digital services;

the **ASIA-PACIFIC** region has emerged as a global leader in postal innovation. The region boasts strong growth in e-commerce logistics, digital payment systems and postal financial services. However, the pace of growth is uneven, with countries in the region still facing infrastructure and policy bottlenecks that limit last-mile delivery and digital inclusion;

the **CARIBBEAN** has recorded modest economic growth, but postal revenue remains low owing to small market size and high operational costs. Regulatory inconsistency, low digital uptake and limited Post–Customs integration constrain development. There is an increasing need for targeted capacity building and climate-resilient digital transformation efforts;

the **EUROPE AND THE COMMONWEALTH OF INDEPENDENT STATES (CIS)** region shows relatively high levels of service reliability and resilience. However, it faces strong competition, with customer-centric innovation and both exogenous and endogenous regulation among the main challenges. Demographic shifts and labour shortages also pose structural issues for the sustainability of national postal operators;

**LATIN AMERICA** displays moderate economic growth, but postal revenue lags behind. Outdated and fragmented regulatory frameworks, uneven digital adoption and limited investment capacity hinder progress. Demand is rising for capacity building and more coordinated digital transformation strategies.

These divergences underscore the need for tailored intervention, strong regional coordination and continued alignment of UPU-led actions with national strategies.

## Climate, resilience and inclusion

Across all regions, the increase in climate-related disasters, geopolitical tension and pandemics has exposed the vulnerability of postal supply chains. The need to mainstream disaster risk management (DRM), business continuity planning and climate resilience into postal development has become imperative. In parallel, the postal network continues to serve as vital infrastructure for social inclusion, particularly in rural and underserved areas. Postal operators are uniquely positioned to deliver essential services such as social payments, e-government services, digital identification and financial access – reinforcing their role as enablers for the UN Sustainable Development Goals (SDGs).

## ACHIEVEMENTS AND LESSONS LEARNED FROM THE 2022–2025 CYCLE

Under the Abidjan Postal Strategy, the UPU achieved significant progress:

By the end of the cycle, the majority of planned development cooperation activities had been completed across all regions, reflecting sustained delivery under the Abidjan Business Plan;

Implementation of the UPU's broader strategic priorities advanced consistently across the Council of Administration (CA) and Postal Operations Council (POC) work programmes, as reflected in the progress reports presented during the cycle;

Development cooperation was strengthened through regionalization, with expanded field presence and broadened partnerships with restricted unions and donors, in line with Congress mandates.

Key lessons from this cycle include the importance of strong regional engagement, flexible and diversified funding, and enhanced cross-cutting coordination within the UPU and with member countries – particularly through increased field presence, harmonized project management and improved collaboration with restricted unions.

## STRATEGIC ORIENTATION FOR 2026–2029

The Dubai Business Plan translates the UPU's long-term vision into 38 domain work proposals (DWP), structured around three strategic goals:



GOAL 1

**GOAL 1: LEVERAGE THE SINGLE POSTAL TERRITORY THROUGH AN EFFECTIVE RULES-BASED SYSTEM;**



GOAL 2

**GOAL 2: STRENGTHEN THE GLOBAL POSTAL ECOSYSTEM THROUGH INNOVATION FOR FACILITATING COMMUNICATION AND TRADE;**



GOAL 3

**GOAL 3: ENABLE POSTAL DEVELOPMENT THROUGH ENHANCED COOPERATION AND REGIONALIZATION.**

Among these, the importance of goal 3 is underscored by the fact that it requires the largest share of projected resources, at 133.58 million CHF over the 2026–2029 cycle. This highlights the Union's commitment to ensuring that no member country is left behind.

A core pillar of this commitment is the deepening of regionalization, which now serves not only as a delivery mechanism but as a strategic approach in its own right. Regionalization is no longer limited to field implementation; it is being positioned as a means of co-creation, empowerment and resilience building. Through enhanced regional presence – including the expansion of regional offices, the deployment of field experts, and closer engagement with restricted unions and local stakeholders – the UPU aims to tailor solutions more precisely to the unique needs of each region.

Key proposals such as DWP 27 (Development and cooperation – regionalization and projects), DWP 101 (Development and cooperation – emergency assistance) and DWP 205 (Development and cooperation – regionalization) support this approach by:

- elevating regional offices into centres for technical assistance, policy dialogue and resource mobilization;

- ensuring that regional strategies are shaped with – and not just for – member countries;

- strengthening alignment between regional priorities and global goals, particularly in areas such as digital transformation, financial inclusion, logistics development and regulatory modernization.

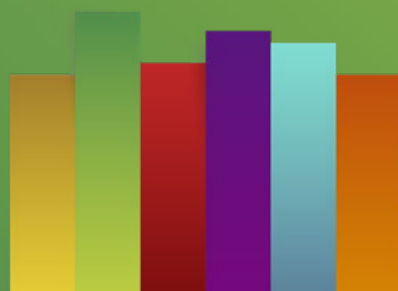
In this way, regionalization is both a structural lever and a political message: development must be regionalized, inclusive and responsive. It reinforces the idea that no solution is truly global unless it is regionally relevant.

This renewed emphasis on region-specific delivery models, combined with the results-based approach of the DWPs through key performance indicators (KPIs), sets the foundation for a more agile, equitable and accountable UPU that is prepared to support its members in navigating uncertainty, embracing innovation and achieving sustainable postal development.

The regional development plan (RDP) for the 2026–2029 cycle will be defined by its responsiveness to regional needs, its emphasis on resilience and sustainability, and its integration with the Dubai Business Plan and the UN SDGs. Chapter 2 will present a detailed regional analysis to guide priority setting and cooperation modalities tailored to each region.

CHAPTER 2

# REGIONAL POSTAL SECTOR ANALYSIS



## OVERVIEW OF THE POSTAL SECTOR IN THE ARAB REGION

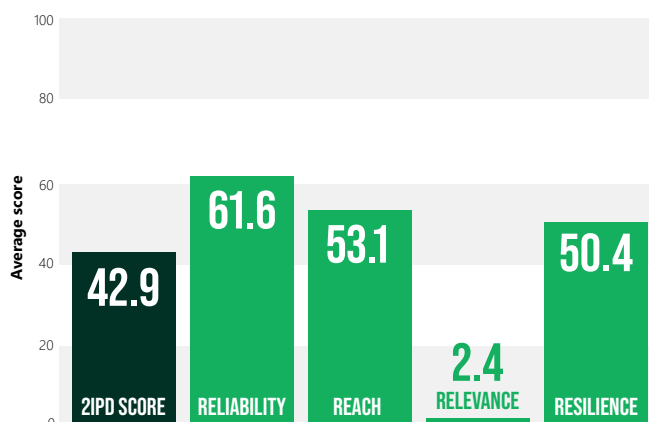
The Arab region comprises a diverse group of countries with varying levels of postal development, influenced by economic disparities, geographic challenges and digital transformation efforts. The postal sector in this region plays a critical role in economic infrastructure, trade facilitation and financial inclusion, particularly in areas with limited access to private logistics and banking services.

Designated operators (DOs) in the Arab region are actively modernizing their networks to enhance service reliability, expand rural access and integrate digital solutions. However, challenges persist, including uneven infrastructure development, regulatory fragmentation and the need for greater digital adoption.

## POSTAL DEVELOPMENT PERFORMANCE (2IPD INSIGHTS)

The Arab region exhibits a wide range of postal development levels, reflecting disparities in infrastructure, service quality and digital integration. Key insights from the UPU's Integrated Index for Postal Development (2IPD) are displayed in the following chart:

### 2IPD performance in the Arab region



Source: State of the Postal Sector 2024

The region shows a moderate level of postal development through the 2IPD scores, demonstrating solid global postal connectivity and fairly reliable delivery networks.

However, the data highlights a critical need for more strategic investment – particularly in technology, infrastructure and cross-border facilitation – to compete effectively in the fast-growing e-commerce ecosystem.

## TRENDS IN EMPLOYMENT AND SERVICES IN THE POSTAL SECTOR IN THE ARAB REGION

As shown by recent estimates, the postal sector in the Arab region continues to be a significant employer, with hundreds of thousands of individuals engaged across national postal operators, logistics providers and associated service industries. While employment levels have remained relatively stable, the nature of postal jobs is evolving owing to digitalization and the rise of parcel logistics.

In terms of service trends, the region has witnessed a notable decline in traditional letter volumes, consistent with global patterns. This is largely attributed to the digital substitution of government and business communications, as well as changes in consumer behaviour. In several Arab countries, letter-mail volumes have dropped by an estimated 3 to 5% annually over the past few years.<sup>1</sup>

Conversely, parcel and e-commerce-related volumes have seen robust growth, particularly in the countries of the Gulf Cooperation Council (GCC), as well as in North African markets such as Egypt, Morocco and Tunisia. This surge has been driven by:

**the expansion of online retail platforms and increased consumer preference for online shopping;**

**cross-border trade flows with Europe and Asia and within the Arab region, facilitated by digital market-places;**

**rising demand for same- and next-day delivery services, especially in urban centres.**

<sup>1</sup> See UPU publication: Strategies and ways for developing the traditional letter-post (documents) market.

To meet this demand, DOs in the region have been investing in modern logistics infrastructure, digital tracking systems and customer service enhancements. Several have partnered with private sector couriers and tech firms to improve last-mile delivery and overall efficiency.

In summary, while the Arab region postal sector is seeing a decline in traditional mail services, it is gaining new relevance through e-commerce logistics, leading to shifts in employment profiles, infrastructure development and service innovation.

## KEY DIMENSIONS OF THE POSTAL SECTOR IN THE ARAB REGION

### Infrastructure

#### PHYSICAL INFRASTRUCTURE

##### Post office network

Over 21,200 post offices across the League of Arab States countries;

Wide urban coverage, but rural outreach still varies – countries such as Egypt and Morocco have relatively strong rural postal access;

Some Gulf countries are shifting towards self-service kiosks, reducing reliance on traditional post offices.

##### Sorting and distribution centres

Some countries, e.g. Egypt, Saudi Arabia and the United Arab Emirates (UAE), operate centralized sorting hubs for both domestic and international mail;

Automation levels vary – high in the GCC; lower in LDCs.

##### Transportation fleet

Includes postal trucks, motorcycles and, in some cases, drones (pilot projects in the UAE);

Integration with national highway infrastructure is crucial for last-mile delivery speed.

#### DIGITAL INFRASTRUCTURE

##### Track-and-trace systems

GCC countries have end-to-end parcel tracking systems;

Others face digitalization challenges owing to economic or conflict-related constraints.

##### Digital channels

National Posts in some countries, e.g. Egypt, Jordan, Saudi Arabia and the UAE, offer mobile apps, e-service portals and e-payment gateways;

Digitalization of postal forms, stamps and customer service is growing.

##### Smart lockers and delivery points

Bahrain and the UAE have introduced parcel lockers and automated pick-up points in urban centres;

Jordan, Morocco and Tunisia are piloting similar systems.

#### ADDRESSING SYSTEMS AND GEOGRAPHIC INFORMATION SYSTEMS (GIS)

##### National addressing schemes

Physical addressing in Algeria, Morocco and Tunisia;

Saudi Arabia's Wasel and the UAE's Makani systems provide geocoded addresses;

Other countries still rely on informal, post office box or descriptive addressing, affecting last-mile delivery;

GIS-based mapping initiatives are underway in Algeria, Jordan, Mauritania and Tunisia.

**Address verification tools:** Under development in countries with e-commerce growth, to reduce delivery errors and enable faster sorting (e.g. "Digi-facteur" in Tunisia).

## FACILITY MODERNIZATION AND GREEN INITIATIVES

**Modern post office design:** Renovations include energy-efficient buildings, solar panels (e.g. in Jordan and Morocco) and better customer service zones.

**Sustainability:** Egypt, Jordan, Morocco and the UAE are integrating green logistics through:

Electric postal vehicles;

Paperless services;

Energy-efficient sorting centres.

## Regulatory and governance framework

The need for change in the regulatory landscape of the postal sector in the Arab region was aptly summarized by the Government of the Syrian Arab Rep. in its explanatory memorandum that led to the drafting of the Syrian Postal Law in 2017. The memorandum rightly recognized the emergence of new types of postal service and the entry of new operators and service providers from the private sector into the postal market in Syria,

concluding that a new integrated legal framework was required. The purpose of such a framework was to regulate the market so as to allow for the continuous provision of comprehensive postal services, as well as the improvement and promotion of modern postal services in line with development requirements. The memorandum also noted the growing body of global experience that shows a positive correlation between effective market regulation and accelerated sectoral growth, improved service quality and expanded consumer choice.<sup>2</sup>

This situation applies to most countries in the region, including Kuwait and Sudan alongside Syria, where legislation has been developed to adapt regulatory texts to the new conditions of the postal market. In the same vein, traditional postal regulators in the region – such as those in Algeria, Jordan, Mauritania and Sudan – have been joined in recent years by new entities charged with regulating the evolving postal market, such as in Libya, Oman, Qatar, Saudi Arabia and Syria.<sup>3</sup> The various regulatory frameworks in these countries generally advocate for the USO, but the definitions and fields of application vary from one country to another. Also, a reliable funding mechanism is generally lacking, with most jurisdictions relying solely on the will or capacity of public authorities.

## Postal service diversification in the Arab region

### TRADITIONAL SERVICES

Despite the global decline in letter-mail volumes, traditional services continue to play a vital role in the Arab region, especially in countries with dispersed rural populations and limited digital infrastructure, as follows:

**Mail delivery:** still essential for personal and business correspondence in many Arab countries, particularly where Internet penetration is moderate;

**Parcels:** with the rapid growth of e-commerce across the GCC and North Africa, parcel delivery is becoming a key focus for postal operators;

<sup>2</sup> UPU RDP for the Arab region, March 2022.

<sup>3</sup> UPU RDP for the Arab region, March 2022.

**Registered mail:** widely used for legal documents, court notices and official government communications – important in both the public and private sectors.

## FINANCIAL SERVICES

Given the region's high levels of unbanked populations, especially in rural and lower-income areas, postal financial services are critical for promoting financial inclusion:

**Postal savings accounts:** in countries such as Algeria, Egypt, Mauritania, Morocco and Tunisia, postal savings banks offer millions of citizens basic financial services with wide geographical reach;

**Remittances:** the Arab region, especially countries such as Algeria, Djibouti, Egypt, Jordan, Lebanon, Mauritania, Morocco and Tunisia, receives significant remittance flows. Postal networks play an important role in providing affordable and accessible money transfer services;

**Bill payments:** many postal operators in the Arab region facilitate payment of utility bills, mobile phone top-ups and government service fees, making them crucial touchpoints for public services.

## DIGITAL AND E-GOVERNMENT SERVICES

Governments in the Arab region are increasingly leveraging the postal network to deliver digital transformation and e-government initiatives, particularly in remote and underserved areas:

**E-commerce logistics:** with the booming digital retail sector in the GCC and urban centres of North Africa, postal operators are modernizing to provide warehousing, last-mile delivery and return management services for local and international platforms;

**Identity services:** postal services are being integrated into national digital ID and civil registration systems (e.g. in Saudi Arabia and the UAE), offering biometric enrolment, know-your-customer (KYC) solutions and verification services;

**Government document distribution:** post offices often serve as reliable channels for distributing passports, national ID cards, driving licences and voting materials, particularly in areas where digital access is limited or infrastructure is underdeveloped.

In the Arab region, postal service diversification is both a necessity and an opportunity. By expanding into financial and digital services, national postal operators can support economic inclusion, facilitate e-government efforts and become enablers of social development, especially in underserved communities. Strong partnerships with the private sector and government will be key to realizing this potential.

## Market dynamics in the postal sector in the Arab region

The postal and logistics landscape in the Arab region is undergoing rapid transformation, shaped by shifting consumer expectations, digital adoption and economic reforms. The key dynamics are explored below.

### E-COMMERCE GROWTH: ENABLING DOMESTIC AND CROSS-BORDER TRADE

The Arab region is experiencing a surge in e-commerce activity, driven by increased Internet penetration and smartphone usage, as well as changing consumer habits. Key activities include:

**Domestic trade:** e-commerce platforms such as Noon, Souq (now Amazon.ae) and Jumia are expanding operations, creating demand for reliable, fast and affordable last-mile delivery. Postal operators are adapting by modernizing infrastructure and digitalizing logistics operations;

**Cross-border trade:** with growing consumer demand for international products, especially from Asia and Europe, postal services play a crucial role in customs clearance, international shipping and returns;

**Support for small and medium-sized enterprises (SMEs):** e-commerce provides new growth opportunities for SMEs across the region. National Posts can support this by offering fulfilment, payment solutions and affordable delivery options tailored to smaller businesses.

## PRIVATE SECTOR INVOLVEMENT: COURIER AND EXPRESS DELIVERY COMPETITION

The region has seen a proliferation of private courier and express delivery services, especially in urban centres and high-income countries. This creates both competition and opportunities for national postal operators:

**Competition:** companies such as Aramex, DHL and FedEx are reshaping consumer expectations with same- or next-day deliveries, robust tracking systems and high service quality;

**Service innovation:** private players bring innovation in technology, customer service and flexible delivery models (e.g. locker systems and on-demand delivery apps), prompting national Posts to improve service standards;

**Collaboration opportunities:** in some countries, public-private partnerships are emerging whereby postal operators outsource logistics or collaborate on infrastructure to efficiently meet rising demand.

## PRICING AND AFFORDABILITY: BALANCING THE USO WITH MARKET-BASED PRICING

A major challenge facing postal services in the Arab region is how to balance affordability and sustainability:

**USO:** many national postal operators are mandated to provide affordable and equitable services across the country, including in remote or low-income areas. This limits pricing flexibility and affects profitability;

**Market-based pricing:** private players operate on commercial terms, focusing on high-margin markets and customers. This creates a pricing disparity and put pressure on national Posts to subsidize loss-making USO services;

**Regulatory balancing:** policymakers in the region are increasingly exploring cost-sharing models, regulatory reforms and public subsidies to ensure that universal services remain viable while allowing postal operators to compete in the commercial parcel and logistics space.

Market dynamics in the Arab postal sector reflect a fast-evolving ecosystem shaped by digital commerce, private sector growth and the enduring need for universal services. For national postal operators to stay relevant, they must navigate these forces strategically – through digital transformation, public-private partnerships, regulatory modernization and a customer-focused approach.

## TECHNOLOGY AND INNOVATION IN THE ARAB POSTAL SECTOR

Postal operators across the Arab region are actively embracing technology to modernize services, improve efficiency and meet rising customer expectations. This transformation is critical in positioning national Posts as key enablers of digital economies. Below are some examples of digital services offered by DOs:

**Mobile apps and online portals:**

many postal operators now offer mobile applications and web portals that allow users to track parcels, schedule deliveries, calculate postage and access financial services. For example, Saudi Post (Saudi Arabia) and Emirates Post (UAE) have introduced user-friendly apps to streamline customer interaction;

**Electronic stamps (e-stamps):**

the adoption of e-stamps and digital postage has simplified mailing procedures for businesses and individuals, reducing the need for in-person visits and enabling fully online transactions – a crucial shift during and following the COVID-19 pandemic;

**Digital payments and addressing:**

initiatives such as Makani (UAE) and National Address (Saudi Arabia) enhance digital location systems, supporting efficient delivery and online commerce.

## HUMAN CAPITAL AND TRAINING IN THE ARAB POSTAL SECTOR

As postal services in the Arab region undergo digital and strategic transformation, human capital development has become a critical enabler of long-term success. The modernization of postal networks demands not only new technologies but also a workforce that is skilled, adaptable and empowered. Different postal entities in the region have launched various initiatives to develop their human resource capabilities, including:

**Upskilling and reskilling:** postal operators across the region are investing in training programmes focused on digital literacy, customer service, logistics management and IT operations. This is especially important as traditional postal roles evolve to include tech-enabled services such as e-commerce logistics, financial transactions and digital identity verification;

**Multilingual training:** given the linguistic diversity in the region and the high number of expatriate workers and customers, postal staff are increasingly trained in English and French to ensure inclusive and effective service;

**Partnerships for training:** collaboration with the UPU and national training institutions support access to certification programmes and continuous learning pathways;

**Leadership development:** capacity-building initiatives target mid- and senior-level managers, with a focus on change management, innovation leadership and customer-centric service delivery. These programmes are critical for driving cultural and structural reforms within postal organizations.

Developing human capital is essential for the Arab postal sector to meet the challenges of modernization and digital transformation. By focusing on skills development, strategic leadership and innovation-friendly work environments, national postal operators can unlock the full potential of their workforce and ensure sustainable and inclusive growth across the region.

## International cooperation in the Arab postal sector

In an increasingly interconnected global economy, international cooperation plays a crucial role in advancing the postal sector in the Arab region. Through active participation in global and regional platforms, Arab postal operators are improving service quality, interoperability, innovation and institutional capacity.

## PARTICIPATION IN THE UPU, THE ARAB PERMANENT POSTAL COMMISSION (APPC) AND OTHER REGIONAL ORGANIZATIONS

**UPU:** Arab member countries are deeply engaged in the work of the UPU, contributing to the development of global postal standards, digital innovation strategies and sustainability goals. The UPU provides critical support in terms of technical assistance, policy guidelines and project funding.

### APPC under the League of Arab States:

this regional body facilitates coordination among Arab postal administrations in key areas such as service harmonization, regulatory alignment and digital transformation. It also supports unified regional positions in international postal forums.

## CROSS-BORDER AGREEMENTS: FACILITATING REGIONAL AND GLOBAL TRADE

**Customs integration:** several Arab countries are working on agreements to streamline customs clearance for postal items, especially for e-commerce parcels. Initiatives centred on EAD exchange, joint inspections and harmonized tariffs are key enablers.

**Last-mile delivery partnerships:** bilateral and multilateral agreements between postal operators – as well as between Posts and private couriers – are improving delivery speed, reliability and cost efficiency across borders.

**Digital logistics networks:** participation in international networks, such as the UPU's .POST domain, and global e-commerce platforms enhances the global visibility and service capacity of Arab postal operators.

## CAPACITY-BUILDING SUPPORT: ENHANCING INSTITUTIONAL AND HUMAN CAPABILITIES

Training and knowledge exchange: Arab postal staff and executives benefit from capacity-building initiatives developed by the UPU, the APPC and regional training centres. Topics include digital transformation, operational efficiency and financial inclusion.

International cooperation has become a cornerstone of postal sector development in the Arab region. Through active engagement in global and regional bodies, strategic cross-border partnerships and robust capacity building, Arab postal administrations are aligning with international standards, strengthening trade connectivity and accelerating innovation. This collaborative approach is essential in ensuring the postal sector's relevance and resilience in the digital age.

## SOCIO-ECONOMIC IMPACT OF THE POSTAL SECTOR IN THE ARAB REGION

The postal sector in the Arab region plays a much broader role than simply delivering letters and parcels. It is becoming a key enabler of economic growth and social progress – connecting people, businesses and governments across urban and rural areas. Its influence varies across countries, depending on factors such as income level, digital readiness and infrastructure.

### Contribution to the economy: a mixed picture

In GCC countries, the postal and logistics sector contributes significantly to the economy, representing up to 1.2% of GDP. This is thanks to the rise of e-commerce and digital services.

In contrast, in LDCs, the postal sector plays a smaller economic role – representing less than 0.5% of GDP – owing to challenges such as limited digital infrastructure. Even so, post offices in these areas are often lifelines, especially in remote communities where they may be the only point of access to essential services.

## Supporting trade and small businesses

Postal operators are becoming important partners in the booming e-commerce market, especially in countries in the Gulf and North Africa. They help small businesses and entrepreneurs sell their products across borders by:

offering affordable and efficient delivery options;

simplifying customs procedures;

providing access to new markets.

## A social lifeline: inclusion and access

Beyond services to businesses, the postal sector has a strong social role in the areas set out below.

### FINANCIAL ACCESS AND REMITTANCES

Post offices are crucial channels for money transfers, especially in countries with large diaspora populations such as Egypt, Jordan, Lebanon, Morocco and Tunisia. Operators such as LibanPost (Lebanon) offer affordable financial services, including remittances and bill payments – often serving people who lack access to banks, especially in rural areas.

### REACHING RURAL COMMUNITIES

In countries such as Egypt, Mauritania, Morocco and Oman, rural post offices provide jobs and ensure access to government services and essential goods. They help to bridge the gap between remote areas and the broader economy, distributing pensions, social aid and even e-commerce packages. Postal savings services in several countries also offer families a safe way to manage money and build resilience.

The postal sector in the Arab region is clearly evolving. With continued investment in digital tools, stronger logistics and better regional cooperation, it can become an even more powerful force for economic growth, trade and inclusive development across the region.

## CHALLENGES AND OPPORTUNITIES IN THE POSTAL SECTOR IN THE ARAB REGION

The postal sector in the Arab region is at a critical juncture. While digital transformation and e-commerce offer major growth prospects, the sector is also grappling with structural, financial and operational challenges. Strategic reform, regional cooperation and innovation are essential to unlocking the full potential of postal services across the Arab world.

### Key challenges

#### DECLINE IN TRADITIONAL MAIL

Letter volumes continue to decline sharply owing to digital substitution, impacting revenue for many postal operators, especially those still heavily reliant on mail services. This poses a threat to the financial sustainability of operators in lower- and middle-income countries where diversification is limited.

#### UNEVEN DIGITAL TRANSFORMATION

While some countries in the Gulf and North Africa are rapidly digitalizing services, others face significant gaps in digital infrastructure, IT capacity and human resources. A lack of standardized digital platforms, postal addressing systems and last-mile technology hampers the modernization process.

#### REGULATORY AND INSTITUTIONAL CONSTRAINTS

In some Arab countries, postal operators still operate under public sector frameworks, limiting their ability to compete with private logistics firms. The absence of modern regulatory environments impedes innovation, pricing flexibility and public–private collaboration.

## MARKET COMPETITION AND PRIVATE SECTOR PRESSURE

Private couriers and global e-commerce players have taken over a significant market share in parcel delivery, especially in urban centres. National operators must compete on speed, reliability and digital experience – areas in which many are still catching up.

## INFRASTRUCTURE DISPARITIES

Rural and remote regions in some countries continue to suffer from limited postal coverage, poor road connectivity and inconsistent services. Urban–rural disparities in service quality and access remain significant.

## POLITICAL INSTABILITY

Political instability poses a major obstacle to postal sector development in several Arab countries. Such instability leads to inconsistent policy implementation, delays in project execution, and a lack of sustained support for reforms.

In conflict-affected areas, operations are further disrupted owing to damaged facilities, unsafe logistics routes and declining public trust. The destruction of infrastructure, including post offices and transportation networks, significantly hampers service delivery and limits the ability to modernize and maintain essential postal services.

## Emerging opportunities

### E-COMMERCE AND PARCEL GROWTH

The rapid expansion of online retail across the Arab world, including the rise of local platforms and mobile commerce, presents a major growth avenue. Postal operators are uniquely positioned to offer affordable and widespread last-mile delivery, especially to underserved areas.

## REGIONAL INTEGRATION AND TRADE FACILITATION

Greater collaboration among Arab postal administrations through platforms such as the APPC and the GCC Committee for Under-Secretaries of Post and Telecommunications can:

- improve customs integration, data sharing and logistics interoperability;

- enable more efficient cross-border e-commerce and business-to-business (B2B) flows.

## DIVERSIFICATION OF SERVICES

Many Arab Posts are expanding into digital identity services, bill payment, government document delivery and financial inclusion, especially in areas where traditional banks are absent. Services such as e-wallets, mobile payments and microfinance can tap into unbanked populations.

## PUBLIC-PRIVATE PARTNERSHIPS

Partnering with logistics start-ups, fintech firms and tech providers allows national Posts to accelerate digital transformation, optimize costs and improve customer experience. Governments can play a key role by enabling regulatory reform and incentivizing innovation alliances.

## SOCIAL AND DEVELOPMENTAL IMPACT

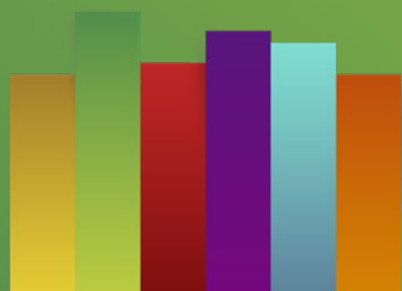
Postal networks remain powerful tools for social equity, particularly in delivering remittances, government subsidies and essential goods in fragile or rural areas. Enhanced corporate social responsibility programmes – such as educational outreach, digital literacy and green logistics – can align the sector with national development and sustainability goals.

## CONCLUSION

Despite formidable challenges, the postal sector in the Arab region holds untapped potential to drive economic growth, digital inclusion and regional integration. By embracing technology, fostering innovation and enhancing public–private cooperation, Arab postal operators can evolve from legacy institutions into modern, dynamic service providers that meet the needs of a rapidly changing population.

## CHAPTER 3

# EVALUATION OF 2022–2025 ACTIVITIES



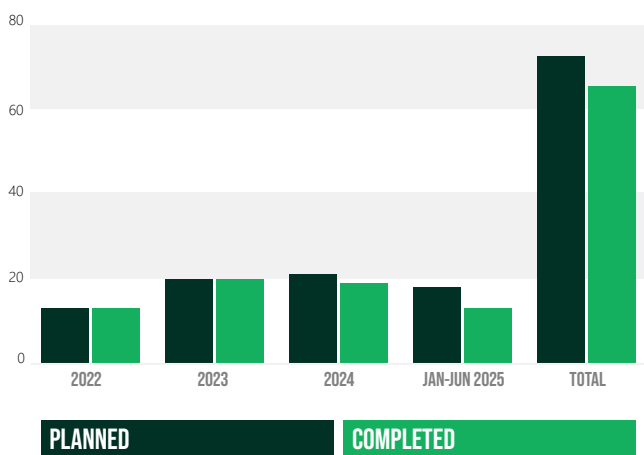
# ASSESSMENT OF THE REGIONAL DEVELOPMENT PLAN FOR THE ARAB REGION FOR 2022–2025

## Project activities

The UPU’s Arab Region Programme, with the support of regional partners and the International Bureau, implemented a wide range of activities from 2022 to mid-2025. These efforts focused on enhancing the performance of DOs and supporting institutional and regulatory reforms. A total of 72 activities were planned for the cycle; of these, 65 were completed by June 2025, resulting in an execution rate of 90%.

The following chart shows the execution rate for project activities across the 2022–2025 period:

Arab region activities from 2022 to June 2025

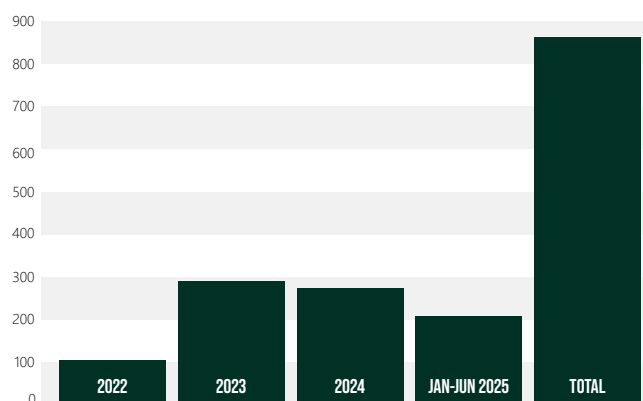


## Capacity building

Under the RDP, a total of 865 individuals participated in capacity-building activities across the Arab region. The activities covered technical training, enhancing postal operations, digital transformation and policy/regulatory awareness.

The following chart displays the number of participants in RDP capacity-building activities for the 2022–2025 period:

Number of participants in capacity-building activities from 2022 to June 2025

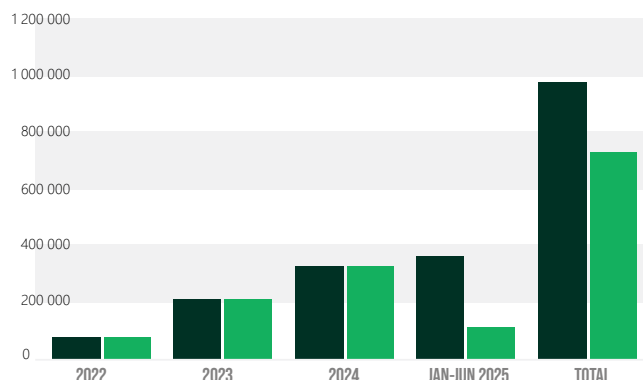


## Financial overview

The total allocated budget for the 2022–2025 cycle amounted to 974,532 CHF. As of 15 June 2025, total expenditure stood at 728,257 CHF, equating to 75% of the total budget. A proportion of 73% of expenditure was directed towards improving DOs’ delivery performance, including procurement of equipment for several countries. The remaining 27% supported initiatives related to postal policies and regulatory development.

The following chart shows the implementation status of the financial budget for the 2022–2025 period:

Budget overview for the Arab region for the period from 2022 to June 2025



As of the end of 2025, implementation of the RDP for the Arab region for the 2022–2025 period is broadly on track. A strong focus on operational modernization was maintained throughout the cycle.

The Arab region demonstrated significant progress in implementing the RDP as part of the 2022–2025 global strategy. The positive outcomes in budget execution, training outreach and support for delivery operations underline the programme’s role in advancing postal sector development and cooperation across the region.

## ACHIEVEMENTS AND IMPACT OF UPU REGIONAL PROJECTS OVER THE CYCLE

### Operational readiness for e-commerce project

Of the 20 countries and one observer in the Arab region, 19 participated in the operational readiness for e-commerce (ORE 3) project and had a roadmap and action plan validated.

Since the launch of the new ORE 3 project in 2022, seven in-person and four remote workshops have been held to evaluate and monitor the implementation of country roadmaps and action plans. A total of 17 on-site and remote expert missions were also organized to improve the capacities of the DOs concerned. Moreover, two specific training workshops were held to strengthen the capacities of certain DOs by taking advantage of the opportunities of South–South cooperation. In addition, equipment was procured for six countries in the region.

The project’s key performance indicators (KPIs) for the Arab region have been reviewed, with progress tracked from 2021 (baseline) to 2024 (actual results). The data shows progress in several operational, technical and service quality areas. The key findings are presented below.

## STRONG IMPROVEMENTS

**Tracking system adoption:** Maintained full adoption in 18 countries from 2021 to 2024

### Electronic customs declarations

Increase from 13 to 16 countries using CDS/CDS. post systems

Showing steady progress towards the 2025 target of 18 countries

### RESCON scanning performance

Significant improvement from 36.36% to 80.60%

Nearing the 90% target for 2025

### PREDES vs ITMATT coverage

Increased from 31.95% to 80.60% for items containing goods

Strong progress towards the 95% target

## AREAS NEEDING ATTENTION

### GMS module participation

Progress stagnant at seven countries since 2021

Far from the target for 2025 of 18 countries

### Service performance

End-to-end delivery times improved from 26 to 16 days

EMS on-time performance increased from 8.76% to 10.40% (still low)

On-time parcel delivery jumped from 68.4% to 97.0% (exceeding targets)

## E-commerce integration

New implementation (0 in 2021 to 10 in 2024)

Shows commitment to digital transformation

## CERTIFICATION PROGRESS

**Quality certification:** one country certified in 2021, none in 2024

**Addressing certification:** improved from seven to 10 countries

**Security certification:** six new countries certified since 2022

The Arab region shows a mixed but generally positive trajectory, with several indicators demonstrating significant improvement from the 2021 baseline to the 2024 actual results. Progress has continued and the region is broadly on track to meet the 2025 targets across all KPIs. The table below shows the progress made against each KPI:

## 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. The objectives of this project were to develop postal payment services and promote financial inclusion by ensuring the availability of modern technical solutions for member countries, in line with the RDP for the Arab region for 2022–2025.

Arab region performance

| Area   | KPI   | 2021 baseline | 2024 actuals | Variation 2021-2024 | 2025 target |
|--|---|---------------|--------------|---------------------|-------------|
| MINIMUM OPERATIONAL, TECHNICAL AND REGULATORY REQUIREMENTS | 1 Increase the number of DOs having implemented diversified strategies and operational improvements (new physical and remote process reviews)   | 0             | 18           | 18                  | 20          |
|  | 2 Increase the number of countries (DOs) in the region using up-to-date tracking systems (IPS, IPS.post, IPS Cloud) (minimum target)  | 18            | 18           | 0                   | 20          |
|  | 3 Increase the number of countries (DOs) in the region using an electronic customs declaration system (CDS, CDS.post) (minimum target)  | 13            | 16           | 3                   | 20          |
|  | 4 Increase the number of countries (DOs) in the region participating in the GMS module for incoming or end-to-end (minimum target)  | 7             | 7            | 0                   | 10          |
| SERVICE RELIABILITY  | 5 Improve the global end-to-end average number of days from posting/collection to attempted/unsuccessful physical delivery/final delivery (EMA – EMH/EMI) for parcels, registered mail and tracked items (minimum target) | 26            | 16           | -10                 | 10          |
|  | 6 Improve the global on-time end-to-end service performance rate for EMS (minimum target)   | 8.76          | 10.40        | 1.64                | 70          |
|  | 7 Improve the percentage of items delivered on time based on Leg 3 validated standards for parcels  | 68.4          | 97.0         | 28.6                | 95          |

## Arab region performance

| Area  | KPI  | Arab region performance |              |                     |             |
|---|--|-------------------------|--------------|---------------------|-------------|
|   |  | 2021 baseline           | 2024 actuals | Variation 2021-2024 | 2025 target |
| MAIL VISIBILITY                                     | 8 Increase the number of operators providing all mandatory EMSEVT V3 tracking events for parcels, registered mail and tracked items  | 16                      | 16           | 0                   | 20          |
|   | 9 Increase the number of countries (DOs) in the region exchanging item attribute pre-advice, including electronic representation of customs declarations with postal partners using ITMATT messages (minimum target)                             | 14                      | 16           | 2                   | 20          |
|   | 10 Improve the scanning performance of receptacles with a response in RESCON as a percentage of the receptacles pre-advised in PRECON – results calculated by the sender of the RESCON message (RESCON over PRECON)                              | 36.36                   | 80.60        | 44.24               | 90          |
|   | 11 Improve the scanning performance of dispatches to an individual operator for which a re-sponse to dispatch (RESDES) was provided, as a percentage of all dispatches for which a pre-advice of dispatch (PREDES) was sent (RESDES over PREDES) | 99.4                    | 95.0         | -4.4                | 95          |
| SUPPLY CHAIN INTEGRATION AND EAD                    | 12 Improve the percentage coverage of PREDES versus ITMATT messages for items containing goods   | 31.95                   | 80.60        | 48.65               | 95          |
|   | 13 Increase the number of DOs with pi-lot/ operational EAD solutions for transport to PLACI destinations (CARDIT with AR flag)   | 5                       | 10           | 5                   | 10          |
|   | 14 Increase the number of DOs and carriers participating in UPU compliance reporting and meeting the expected compliance standards   | 17                      | 12           | -5                  | 20          |
|   | 15 Increase the number of DOs having updated their online letter-post, parcels and customs compendia at least once every six months  | 0                       | 15           | 15                  | 20          |
|   | 16 Increase the number of DOs having provided or updated information on pro-hibitions and restrictions   | 0                       | 15           | 15                  | 20          |
|   | 17 Increase the number of DOs using the electronic consignment security declaration (eCSD)   | 2                       | 4            | 2                   | 10          |
| PROJECT IMPLEMENTATION FOR OPERATIONAL IMPROVEMENTS | 18 Increase the number of DOs benefiting from Quality of Service Fund projects to improve quality of service with regard to critical components of the supply chain network, measured through the number of new projects approved annually       | 4                       | 6            | 2                   | 10          |

|                        |   | Arab region performance |              |                     |             |
|------------------------|---|-------------------------|--------------|---------------------|-------------|
| Area                   | KPI   | 2021 baseline           | 2024 actuals | Variation 2021-2024 | 2025 target |
| UPU CERTIFICATION      | 19 Increase the number of countries (DOs) in the region having achieved UPU certification in quality of service management (minimum target) | 1                       | 0            | -1                  | 5           |
|                        | 20 Increase the number of countries (DOs) in the region having achieved UPU certification in addressing (minimum target)                    | 7                       | 10           | 3                   | 10          |
|                        | 21 Increase the number of countries (DOs) in the region having achieved UPU certification in postal security (minimum target)               | 1                       | 7            | 6                   | 5           |
| E-COMMERCE INTEGRATION | 22 Increase the number of DOs having implemented integrated e-commerce solutions/APIs   | 0                       | 10           | 10                  | 5           |

## Development of national and regional postal policies

The postal policy development project has successfully contributed to advancing postal sector reform in the Arab region through the implementation of a range of strategic intervention modalities, including two regional workshops, two consultancy missions, one targeted study and an Integrated Postal Reform and Development Plan (IPDP) mission for Tunisia. These activities collectively supported the achievement of the project's core objectives and laid a strong foundation for modernizing postal sector governance.

A key outcome of the project has been the strengthened capacity of the ministries overseeing the postal sector to review and redefine the scope of the USO and to develop tailored national postal policies. These efforts have helped to clarify the roles and expectations of sector stakeholders – ministries, regulators, operators and other market participants – while also promoting inclusive development through improved access to social services.

Furthermore, the project effectively advocated for the expanded use of the postal network in delivering public and citizen-centric services, reinforcing the postal sector's relevance in digital government transformation. It also succeeded in fostering dialogue and awareness around the need for increased investment in postal infrastructure and services, positioning the sector as a viable platform for socio-economic development in the region.

As a result, the project has played a pivotal role in addressing longstanding structural gaps and promoting policy coherence aligned with the demands of globalization and technological advancement.

## Strengthening postal sector regulation in the Arab region

As part of the successful implementation of the postal regulation project for the Arab region, four regional training workshops (physical and remote) were held, in addition to two consultancy missions. A significant milestone was reached with the development of a modernized regulatory framework tailored to the evolving dynamics of the postal sector. Recognizing the rapid emergence of new postal services and increasing competition in the parcel and e-commerce markets, the project facilitated the formulation of an integrated legal and regulatory structure. This framework ensures the continued provision of universal postal services while enabling the growth and enhancement of innovative and market-driven postal offerings, aligned with the region's development priorities.

Drawing on global best practices, the project confirmed that effective market regulation is a key enabler of sectoral growth, improved service quality and greater consumer choice. To that end, the project delivered concrete outcomes through three core objectives:

**Objective 1:** Enhance the capacity of regulatory authorities to perform stronger policy advisory functions, ensure robust consumer protection, and foster a competitive and transparent postal market;

**Objective 2:** Conduct a comprehensive review and redefinition of the USO, taking into account the role of private operators and prevailing market trends;

**Objective 3:** Evaluate sustainable funding mechanisms for the USO, including the feasibility of establishing universal service funds and targeted subsidy schemes.

This achievement marks a strategic step forward in harmonizing postal regulation across the Arab region, fostering a resilient and inclusive postal ecosystem.

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

The regional project on digitalization and diversification of postal services successfully supported beneficiary countries in advancing their postal digital transformation agendas.

The project provided targeted technical assistance to beneficiary countries to define and implement national postal digital transformation strategies aligned with broader digital economy frameworks. A central achievement of the project was the digital capabilities assessment conducted in Mauritania. This assessment evaluated the current state of digital maturity within the DO (Mauripost), regulator and policymaker, and resulted in tailored recommendations to guide each stakeholder in enhancing their digital readiness.

In addition, capacity-building initiatives and a digital transformation regional forum were organized to strengthen knowledge sharing and operational capabilities, ensuring that postal operators and regulators are equipped to effectively manage and sustain digital transformation processes.

As a result, the project strengthened the strategic role of the postal sector in national digital economy agendas, reinforcing its potential as a trusted and inclusive channel for digital public services, e-commerce facilitation and broader socio-economic integration in the digital era.

## LESSONS LEARNED, CHALLENGES AND RECOMMENDATIONS

**The new model adopted under the Abidjan Postal Strategy for UPU presence in the field saw the creation of a new regional office in Doha (Qatar),** in addition to the existing office in Cairo (Egypt). This has led to stronger relationships with postal operators and government bodies in the region and encouraged the active participation of members in different UPU events.

**UPU initiatives and projects such as ORE 3 have played a crucial role in enhancing the e-commerce capabilities** of postal operators in the region. By providing training, technical assistance and tools for digital transformation, the UPU has helped DOs in the region better handle the growing volume of e-commerce parcels, streamline customs processes and improve last-mile delivery services. UPU activities have promoted greater collaboration and knowledge sharing among Arab postal operators. Regional workshops, conferences and on-site missions have provided platforms for exchanging experience and solutions, fostering a collective improvement in service quality and efficiency.

**Future UPU intervention must be tailored to the specific needs and capacities of each postal operator.**

A one-size-fits-all approach is less effective in a region with diverse economic and technological contexts.

**Continuous capacity building is critical to maintaining the improvements achieved.**

Regular training and technical support ensure that postal operators can keep pace with technological advancements and evolving market demands.

**The adoption of modern technologies is vital to improving operational efficiency and supporting e-commerce.**

However, this requires investment not only in technology but also in the training and upskilling of the workforce to effectively use these tools.

**The development of a postal regulatory framework in the Arab region, under the leadership of the UPU,**

has significantly enhanced the regulatory capacity of member countries. This framework has provided clear guidelines and standardized practices.

**The involvement of a broad range of stakeholders, including government bodies, postal operators and customers,**

is critical in the development and adoption of regulatory frameworks. Their input ensures that the framework is practical and addresses real-world challenges.

**Continuous capacity-building efforts are essential**

to ensure that regulatory bodies can effectively implement and enforce adequate frameworks. Investment in training and resources is key to long-term success.

**The postal sector in the Arab region has become a critical channel for delivering government and citizen services.**

Key services include the distribution of social benefits, the processing of payments and the delivery of documents. The sector has enhanced access to essential services, especially in rural and remote areas, supporting government efforts to improve inclusivity.

**However, challenges persist, such as varying levels of service quality, limited digital integration and logistical issues related to the effects of armed conflicts.**

To maximize impact, there is a need for further investment in infrastructure, technology and capacity building to ensure consistent, efficient and reliable service delivery across the region.



**Through different forms of collaboration, the UPU has encouraged governments and postal policymakers from Arab countries to focus on empowering the postal sector to fulfil its vital socio-economic role in the region.**

By providing policy support, investing in infrastructure and fostering public–private partnerships, governments can enhance the sector’s ability to deliver essential services, promote financial inclusion and support e-commerce growth. Active intervention ensures that the postal sector remains resilient, innovative and capable of meeting the evolving needs of citizens and businesses, ultimately contributing to national development and regional integration.

## ROLE OF THE POST IN THE ARAB REGION DURING THE COVID-19 PANDEMIC

During the COVID-19 crisis, most DOs in the region demonstrated great cohesion with 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 vulnerable communities and people in need. The Posts worked to support their customers by using appropriate technological means, increasing and adapting the opening hours of offices, and 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 through its National Address system, an initiative highly appreciated by the government;

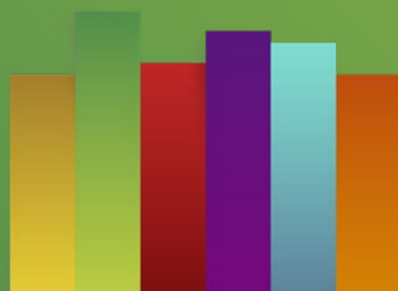
The DOs of Bahrain, Djibouti, Egypt, Lebanon, Morocco, Oman, Qatar and the UAE increased initiatives encouraging “contactless” mail delivery to households and offered government services and e-commerce at home in order to limit the movements of citizens.

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

The crisis demonstrated the capacity of the postal network in the Arab region to play a dynamic and leading role in the socio-economic development of the countries of the region, thanks to its density, proximity, diversity of services and strong ability to adapt.

CHAPTER 4

# DEVELOPMENT COOPERATION PLAN



# DEVELOPMENT COOPERATION POLICY FOR THE 2026–2029 CYCLE

Taking into consideration the lessons learned from the implementation of the 2022–2025 cycle, the outlook for cooperation, the discussions held during CA meetings and an analysis of principal development indicators, the UPU development cooperation policy for 2026–2029 will be structured around the three main development areas set out below.

## AREA 1

### REGIONALIZATION PROCESS (UPU PRESENCE IN THE FIELD, RDPS AND COOPERATION WITH RESTRICTED UNIONS) WITH HIGHER PRIORITY GIVEN TO LDCS, LANDLOCKED DEVELOPING COUNTRIES (LLDCS) AND SMALL ISLAND DEVELOPING STATES (SIDS)

The UPU will be positioned with greater proximity to member countries around the globe, with increased visibility and regional representation. RDPs will translate the UPU's global strategy into regional priorities, as agreed with regional stakeholders, and shape the global vision of the regional postal sector. Against that backdrop, the main activities carried out in area 1 will be based on the following objectives:

Strengthen the role of the regional offices by enhancing expertise, particularly in key areas such as project management, and by guaranteeing efficient and responsive communication between UPU regional offices and the International Bureau;

Increase flexibility and autonomy in the field presence model so that it can be quickly adapted to changing conditions and emerging needs, including having regional teams capable of rapidly responding to events and opportunities;

Regionalize UPU-led actions in the field in order to strengthen the Union's regional and global activities and ensure a greater local impact;

Engage UPU regional offices in the formulation and implementation of RDPs in cooperation with member countries, the restricted unions and other partners;

Strengthen partnerships with governments, restricted unions, international and regional organizations and private sector stakeholders to ensure that projects align with regional and national priorities and have the greatest possible impact;

Further strengthen the role of the restricted unions in promoting, implementing and managing regional projects to maximize implementation efficiency, effectiveness and impact;

Reinforce resource mobilization through the UPU regional offices and take advantage of the UPU's greater proximity to member countries, regional development banks and other regional development partners to help to strengthen the postal network;

Identify and work with regional experts in various areas of postal development to ensure the relevance of interventions with postal institutions around the world;

Continue to give higher priority to the approach adopted for cooperation activities for LDCs, SIDS and LLDCs, with a more comprehensive framework that takes into account programmes developed by other regional organizations in favour of countries whose governments are prepared to play a greater role in postal sector modernization.

## AREA 2

### DEVELOPMENT COOPERATION PROJECTS WITH EMPHASIS ON SOUTH–SOUTH AND TRIANGULAR COOPERATION

The UPU will ensure the effective implementation of technical cooperation projects to help member countries to guarantee universal postal services and reduce development gaps in postal operations. This will be achieved by updating policies and regulations, procuring relevant equipment, training staff, raising awareness, facilitating technical cooperation and partnerships, and providing advisory services.

The cross-cutting nature of the UPU's development cooperation projects in the field calls for greater coordination to ensure consistency between the different areas of intervention and to avoid duplication between projects and inefficient dispersion of resources.

Applying the project management approach to actions implemented by the International Bureau 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, evaluation and reporting.

Area 2 will also focus on strengthening the alignment of capacity-building interventions with the targeted needs of member countries, through needs assessments and linkages with regional priorities and the overall strategic direction set by the UN SDGs. Development cooperation projects will deliver capacity-building solutions to meet these needs, focusing on country-specific outputs and outcomes. Greater use will be made of cost-effective training modalities, such as e-learning, remote intervention and train-the-trainer approaches.

Integrating resource mobilization into the initial stages of project development ensures that projects are designed with funding opportunities in mind. This means identifying potential funding sources and aligning project objectives with the interests of donors.

Under area 2, enhancing South–South and triangular cooperation will be a key priority, focusing on experience sharing, appropriate technology aligned with national priorities, and exploring new funding mechanisms for capacity building, training, management and technological support.

## AREA 3

### DISASTER RISK MANAGEMENT AND EMERGENCY ASSISTANCE

The main focus of area 3 will be to align all field activities with the SDGs to promote sustainable development, focusing on projects that support DRM, climate resilience and social inclusion.

The International Bureau will continue to implement activities geared towards developing and applying DRM skills in postal service strategies that prepare member countries to respond effectively to natural disasters. These will include awareness raising, prevention, mitigation and preparatory activities such as risk assessments, emergency response plans and training for postal staff.

## PRIORITY AREAS AND OBJECTIVES FOR THE ARAB REGION IN THE 2026–2029 CYCLE

Aligned with the UPU's strategic framework and in accordance with the priorities identified during the strategy round table held in September 2024 in Doha (Qatar), the following priority areas and objectives have been identified in order to address structural challenges, leverage opportunities and ensure sustainable postal sector growth in the region.

### Operational efficiency and e-commerce development – infrastructure modernization

To remain competitive in the digital economy and meet growing demands for e-commerce, Arab postal networks must modernize their infrastructure. This includes both physical and human capital investment to support quality service delivery.

#### OBJECTIVES:

Promote the regional and international harmonization of customs, transport and security regulations to facilitate smoother cross-border mail and e-commerce logistics;

Support the development of integrated, multimodal international mail transport solutions to improve delivery speed, reliability and cost efficiency;

Develop postal services that are tailored to the diverse needs of various user groups, with a strong focus on customer experience and satisfaction;

Foster the creation and implementation of agile, adaptive business models that support the full e-commerce logistics chain, from order to delivery;

Upgrade postal infrastructure and delivery networks to support e-commerce and last-mile logistics, particularly in rural and underserved areas;

Enhance operational reliability, security and customer trust through modern tracking systems, secure handling and compliance with quality standards;

Strengthen regional cross-border e-commerce and logistics integration by harmonizing customs processes, developing transport corridors/hubs and participating in digital marketplaces.

Alignment with UPU goals: This area of priority contributes to goals 1 and 2 of the Dubai Business Plan by modernizing infrastructure and supply chains. DWP 27 (Development and cooperation – regionalization and projects) and DWP 101 (Development and cooperation – emergency assistance) support these initiatives.

## Driving digitalization and service diversification

Digitalization offers postal operators in the Arab region a pathway to broaden services, improve accessibility and enhance their role in national digital economies. Embracing digital and financial innovations will position Posts as inclusive service hubs across urban and rural landscapes.

## OBJECTIVES:

Advance the adoption of digital technologies and artificial intelligence-driven analytics to enhance decision making, operational efficiency and customer experience across postal services;

Improve cybersecurity frameworks and ensure data confidentiality to build trust in digital postal services and safeguard customer information;

Create a cohesive regional strategy for postal digitalization, including engagement with technology vendors to support innovation and infrastructure development;

Facilitate service diversification and innovation by fostering strategic collaboration between postal operators and private sector stakeholders;

Acknowledge and promote service diversification as a key driver of long-term sustainability and resilience at Union level;

Expand digital infrastructure (e.g. EAD, addressing systems) to enable Posts to offer innovative services;

Accelerate digital inclusion by leveraging postal networks for e-government services, e-commerce and community access.

Alignment with UPU goals: This priority area is tied to goals 2 and 3 of the Dubai Business Plan, integrating Posts into national digital economies. DWP 27 (Development and cooperation – regionalization and projects) supports these initiatives.

## Regulatory and policy reform and market adaptation

Dynamic and enabling regulatory environments are vital to unlocking the full potential of postal services in the digital era. This priority focuses on modernizing outdated legal frameworks, promoting competitive and inclusive markets, and ensuring sustainable universal service provision through comprehensive postal policy reforms.

### OBJECTIVES:

Enhance advocacy for the postal sector's role in development in member countries;

Reinforce the UPU's role as a knowledge hub and platform for public–private cooperation;

Reform national USOs to reflect e-commerce and consumer needs;

Strengthen ongoing efforts to modernize postal regulatory frameworks to be more agile and market-responsive;

Update definitions of postal services to align with evolving market dynamics, particularly in the context of e-commerce, logistics and other emerging trends.

Alignment with UPU goals: This area of priority addresses goal 1 of the Dubai Business Plan, ensuring agile, market-responsive policies and promoting policy coherence across member states. DWP 27 (Development and cooperation – regionalization and projects) supports these initiatives.

## Regionalization and resource mobilization

Regional collaboration is essential to ensuring sustainable growth within Arab countries. This priority strengthens the UPU's regional footprint while mobilizing new resources for national and regional projects.

### OBJECTIVES:

Regionalize technical support with local experts;

Develop a regional digitalization blueprint and engage tech vendors;

Strengthen UPU field presence through regional offices and localized technical assistance;

Create platforms for the exchange of regional knowledge and best practices;

Close funding and expertise gaps through cross-sector partnerships and South–South cooperation;

Establish collaboration via UPU-facilitated contracts, memoranda of understanding and matchmaking.

Alignment with UPU goals: This priority area is central to goal 3 of the Dubai Business Plan, which embraces regionalization and the UPU's focus on inclusive development. Proposals such as DWP 27 (Development and cooperation – regionalization and projects) and DWP 205 (Development and cooperation – regionalization) support this approach.

## STRATEGIC COOPERATION MODALITIES

The UPU development cooperation policy is implemented through strategic modalities centred on a regional approach, with the RDP for the Arab region serving as the key framework for field activities in that region. This approach focuses on enhancing regional cooperation and includes:

**Regional project implementation**, which supports coordinated initiatives addressing shared priorities across member countries;

**Integrated technical assistance,**

combining capacity building, on-site support and expert advisory missions to strengthen operational and regulatory capabilities;

**South–South and triangular cooperation,**

promoting knowledge exchange and peer learning among Arab countries and with other regions;

**Multi-stakeholder partnerships,**

facilitating collaboration with international organizations, development partners and the private sector to leverage resources and expertise;

**Policy dialogue and regional coordination,**

ensuring alignment of national postal strategies with global UPU priorities and fostering harmonized sector development across the region.

## FUNDING STRATEGY

During the Abidjan cycle, the UPU's development cooperation budget was the primary funding source for actions in the Arab region, as outlined in the development cooperation policy and the Abidjan Business Plan. Voluntary contributions (under tied funds) also supported these activities.

The implementation of the RDP for the Arab region for the 2026–2029 cycle will require a robust, diversified and strategic approach to funding and resource mobilization. The following funding mechanisms and strategies are proposed:

**Leveraging UPU development cooperation instruments**

UPU technical assistance budgets: utilize regular UPU budgetary allocations to support core RDP activities and regional projects;

Quality of Service Fund: target allocations to improve mail quality, operational efficiency and capacity building, especially in LDCs;

Common Fund projects: mobilize and coordinate multi-donor contributions under joint projects that align with the objectives of the RDP.

**Strengthening voluntary contributions from development partners**

Engage possible contributors and development partners to co-finance regional flagship initiatives, primarily through the tied funds approach;

Forge partnerships with international financial institutions and bilateral agencies for larger-scale infrastructure and digital transformation projects.

**Mobilizing domestic resources**

Encourage governments to integrate postal sector development into national digital economy and financial inclusion strategies, allocating budgetary resources accordingly;

Promote the designation of postal operators as essential service providers to attract public funding, especially for rural access, e-government and last-mile delivery initiatives.

**Public–private partnerships**

Foster public–private partnerships to co-develop digital platforms, e-commerce logistics networks and renewable energy solutions for postal infrastructure;

Encourage private sector investment through incentives, co-branding and revenue-sharing models aligned with RDP priorities.

**Cost recovery and revenue diversification:**

Support postal operators in adopting sustainable pricing models and developing new revenue streams (e.g. digital financial services, logistics and agency banking).



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