

# UNION POSTALE

December 2009

.....  
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green

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Goldway on  
USPS woes

Making financial  
inclusion work

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# Contents



More and more Posts are turning to alternative vehicles to deliver the mail. But in many countries, the bicycle remains a vehicle of choice.

## Cover story

- Turning a shade of green** 8  
Posts commit to the environment

## Features

- Postal sector urges leaders to seal the deal** 13  
Supporting global environment campaign

- Money orders regain their competitive edge** 14  
New initiative sparks interest in Latin America

- Postal leaders share business secrets** 18  
Round-up of Post-Expo 2009's World Postal Business Forum

- UPU debuts as platform for financial inclusion talks** 20  
International stakeholders gather to discuss Posts' role

- Celebrating World Post Day with gusto** 30  
Focus on October 9

- Righting the world's wrongs with chocolate** 31  
Winner of the UPU's letter-writing competition visits Switzerland

- HIV campaign takes off** 32  
Update on the launch in six countries

## Perspective

- Opening up financial services to migrants** 22  
Part I of an academic's view

## The Interview

- Weathering the perfect storm** 24  
Ruth Goldway, chairman of the United States' Postal Regulatory Commission, on the national Post's woes

## People

- Part and parcel of the community** 28  
Letter carrier Geneva Kubal on why the public trusts her kind

## Departments

- In Brief** 4

- Editor's note** 5

- Who's who at the UPU** 6

- Market Focus** 34

# December 2009

*Union Postale* is the Universal Postal Union's flagship magazine, founded in 1875. It is published quarterly in seven languages and takes a closer look at UPU activities, featuring international news and developments within the postal sector. The magazine regularly publishes well researched articles on topical issues facing the industry, as well as interviews with the sector's leading individuals. The colour publication is distributed to Posts around the world from our 191 member countries, including thousands of decision-makers, who regard it as an important source of information.

*Union Postale* is also published in French, Arabic, Chinese, German, Russian and Spanish.

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**Design:** Die Gestalter, St. Gallen (Switzerland)

**Printer:** Gassmann AG, Biel (Switzerland)

**Subscriptions and Advertising:** faryal.mirza@upu.int

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Printed on FSC paper





## International Bureau

### Council of Administration wraps up



**All hands on deck** Photo: Alexandre Plattet

A top-level domain for the Post, financial inclusion, postal regulation and sustainable development were among the topics, which the UPU Council of Administration (CA) discussed during its 2009 session. About 950 delegates attended the governing body's meeting, whose 41 member countries discuss and approve the work and activities of the Union. Four committees and their respective groups dealt with governance issues, development and cooperation, finance and administration and the UPU strategy.

The UPU director general said the CA plays a major role in preparing the organization's future. "By integrating the new postal players in its reflections, as well as international trends and factors such as the current financial and economic crisis, the body will be able to draw up the future architecture of the UPU," said Director General Edouard Dayan to the plenary session. Indeed, the CA agreed to discuss governance issues around innovative projects such as the top-level Internet domain, dot.post, (see separate article).

The body also examined different postal regulatory models and held discussions over how to effectively finance the universal postal service in a context of crisis and market liberalization during a one-day conference devoted to the issue. A two-day workshop on how the postal network can be used to extend financial inclusion to millions of people also drew interest and strong participation (see feature). Other highlights included the Council's support for developing addressing. The UPU is

trying to raise awareness among key stakeholders – governments, regulators and United Nations and international organizations, among others – of the importance of addresses for providing effective public services and enabling citizens to fully participate in society. The UPU will create a multi-agency working group on the issue and organize an international summit in 2011.

#### International ties

With world leaders set to meet in Copenhagen in December to hash out a new international deal on how to curb greenhouse gas emissions and finance initiatives to do so, the CA supported a proposal to create a project group to study the feasibility of setting up a financing mechanism to compensate carbon emissions by postal operators.

Finally, the CA approved a proposal to formalize the relationship between the UPU and the International Organization for Migration (IOM). The UPU has been an IOM observer since 2006 and is working with the organization on a project to improve electronic money-transfers through the post between Uganda and Tanzania. The intention is to extend the project to other countries. Other projects to develop electronic money-transfer services in rural areas in Africa are also being developed with the International Fund for Agricultural Development, a UN sister agency.

Charles Prescott, chairman of the Consultative Committee, qualified the integration and involvement of the UPU in the wider UN system as "a brilliant move". "With firmer UN roots and a global network of essential providers of cost-effective electronic messaging and money transfers, the worldwide postal system has a chance to thrive, with the UPU at the centre of development efforts." The Consultative Committee is the voice of stakeholders from the wider postal sector. **RL**

#### The figure

40,000,0

# Editor's note

The last three months at the UPU has been a whirlwind of activity in a number of interesting and diverse areas, as this issue's coverage shows. Financial inclusion is a hot topic and one that will also be the subject of focus during 2010 in Union Postale. The starting shot came from the first joint conference with the Alliance for Financial Inclusion during November's Council of Administration. Attended by hundreds of delegates, the proceedings highlighted the important role Posts

play in bringing financial services to the poor and the need for dialogue among the many stakeholders. Also in this issue is a snapshot of how Posts around the world are going green, as well as the results of the UPU's first study of carbon emissions from our sector. And don't forget to take part in our competition, the first in a long time and the first of many to come.

**Faryal Mirza, Editor-in-chief**

## Switzerland

### Bern celebrates monument birthday



Photos: Daniel Rihs



2009 marked the 100th anniversary of the UPU monument – *Around the World* – situated in the Kleine Schanze park in the Swiss capital, Berne. On World Post Day, dignitaries and International Bureau (IB) staff joined the celebrations near French sculptor, René de Saint-Marceaux's masterpiece. These included speeches, music and a theatrical sketch by an actor posing as Saint-Marceaux. Swiss Post and La Poste (France) launched two stamps to mark the monument's centenary. Both stamps depict the bronze and granite monument with its creator. The French stamp can be used on international mail leaving France, whereas the Swiss one is a service stamp. This means that it can only be used on sending mail from the UPU's IB. The service stamp can be bought either from the IB itself or from Swiss Post's website, [www.swisspost.ch/philashop](http://www.swisspost.ch/philashop), under the rubric *Centenary of UPU monument*.

An exhibition on the monument's history and philatelic one also attracted many visitors to Berne's town hall during the centenary weekend in October. **FM**

## Union Postale

### Readership survey winners

Nearly 300 readers responding to our recent readership survey asked to be entered into our prize draw to win customised UPU goodies. Drawn at random, the winners were:

#### UPU Swiss watch

Marietta Kentistou	Greece
Mansour Ben Motlak	Saudi Arabia
Ana Esperanza Lazo Alvarez	Nicaragua
Roger Higginson	Great Britain
Mahmoud Seguid Saleh	Egypt
Elise Goldoum	Chad
Rebeca Portela	Costa Rica

#### Victorinox gadgetcard

Nicole Scherrer	Switzerland
Ramon Blanco	Philippines
Atefeh Pashazadeh	Iran
S.D. Mwangalika	Malawi
Allan Anchia Brenes	Costa Rica

#### Victorinox USB stick

Moussad Abdelghani	Egypt
Akimtayo Folusho	Nigeria
Abbas Hojati Nejad	Iran

#### UPU pin and pen

Arnaud Capliez	France
Robert Nesimi	Macedonia
Antoine Yoffo	Ivory Coast
Richard Wepukhulu	Uganda
Abdul Jamil	Pakistan
Olline Jane Mkandawire	Malawi
Moussa Cisse	Ivory Coast
Kadidja Guissere Oumar	Chad
Nnawuogo Bernard	Nigeria
John Katunga	Malawi

00 USD. That is the total transferred every year to Africa by Africans living outside their home continent.

## Who's who at the UPU

### Addressing the world

**Name** Patricia Vivas

**Department** Addressing and postcode

**Nationality** Spanish

The UPU has just launched a new initiative called "Addressing the world". Its goal is to provide everyone in the world with an address with the help of other international organisations and donor agencies. Patricia Vivas is responsible for the project.

"We take having an address for granted in many countries. However, billions of people do not have an address and so are excluded from the provision of basic services, such as water and electricity. A lack of address also means that they cannot identify themselves for official purposes and do things like open a bank account or apply for a passport," she says.

Vivas is passionate about addressing. Assisting countries to develop addresses and postcodes means that she maintains close relations with UPU member countries.

"I have a wide range of projects crisscrossing the globe, involving different cultural exchanges. The job has taught me a lot about what people are like and how things are done in many nations," she reveals.

And team work is the order of the day. "While I work independently on specific subjects, I also share ideas with other departments within the International Bureau. Many of my colleagues here need good addressing systems to do their jobs, such as those in the EMS unit and direct mail group," she adds. **FM**



**Not taking addresses for granted** Photo: Alexandre Plattet

Global

## Dot post is approved



The global postal sector has obtained its own top-level domain name on the Internet, known as .post (dot post), thanks to the successful conclusion of negotiations between the Universal Postal Union and the Internet Corporation for Assigned Names and Numbers (ICANN).

The UPU is the first United Nations agency to negotiate such a contract with ICANN. UPU Director General Edouard Dayan called the agreement "historic" for respecting the UPU's unique character as an inter-governmental organization bound by international law. ICANN said that the agreement represents "a significant accomplishment for the UPU, ICANN and the global Internet community". ICANN CEO and president, Rod Beckstrom, added: "The UPU has helped mark out a path for other intergovernmental organizations to sponsor their own top-level domains and this helps us expand our multi-stakeholder relationships in this field."

### Innovation

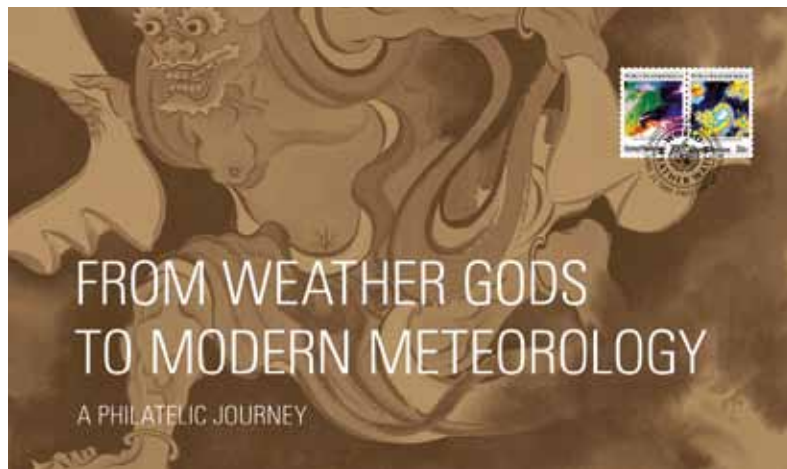
The .post top-level domain represents a platform for innovation in the area of global postal services and will provide opportunities for linking the physical and electronic dimensions of postal services. "A top-level domain for a service-oriented industry such as ours is an opportunity to develop a trusted space on the Internet for integrating physical and electronic postal services," said Paul Donohoe, the UPU's e-business manager responsible for the domain application and ICANN negotiations. ".post will be a unique and focused Internet domain with the potential to connect the entire postal community and its customers. The domain will enable the UPU and the postal sector at large to work on delivering new innovative Internet-based international postal services, such as hybrid mail, e-commerce, e-identity, e-communication and e-government, built on UPU standards."

For Poste Italiane's Giovanni Brardinoni, who chairs the UPU's standards and technology committee, .post represents the future of postal services. "Not only will .post help postal operators to further develop secure electronic services, including registered electronic mail, but also consumers will be sure they are receiving electronic communication from a secure and trusted source. The possibilities are endless." **RL**

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## Book

# A philatelic publication for all seasons



**The book cover** Photo: WMO

The World Meteorological Organization (WMO) and the UPU have just published a book on postage stamps entitled *From Weather Gods to Modern Meteorology – A Philatelic Journey*.

The 111-page retrospective contains an impressive array of postage stamps and other philatelic material from around the world. The book's six chapters comprise text and stories to explain different weather phenomena and retrace the evolution of climate through the ages, from the legendary gods of mythology up to recent natural disasters and the threat posed by global warming.

When describing the postage stamps, Edouard Dayan, the UPU director general, said: "These small square ambassadors with weather and climate change as their theme travel to all corners of our planet, reminding people of the importance of the environment and meteorology in their daily lives."

According to Michel Jarraud, the WMO's secretary general, the publication represents a "journey through cultural diversity". It was the result of a collaborative effort by meteorologists and philatelists. **SD**

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## Competition

# Share your best practice to win a prize

Do you have an operational best-practice you would like to share with other readers? Send it to us by February 5, 2010, and you could win one of five copies of *From Weather Gods to Modern Meteorology*. The article should be no more than 1000 words and be accompanied by an appropriate photo. Please send them with your name, job title, organisation, address, telephone number and email to faryal.mirza@upu.int. The prize draw will take place in March 2010. The editor reserves the right to publish any entries and her decisions on any aspect of publication and the competition is final.

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## International Bureau

# Strategy Conference formally sealed



**Samuel Poghisisio and Edouard Dayan**  
**stamp the deal** Photo: Jérôme Deutschmann

Kenya's minister for information and communications and the director general of the Universal Postal Union have signed a formal agreement on organizing the Strategy Conference in Nairobi in September 2010. A brief signing ceremony was held at UPU headquarters on the sidelines of the UPU's Council of Administration (CA) in November. The CA is the body of 41 member countries that oversees the Union's activities of which Kenya is the current chair.

"The Post is going through tremendous transformation in response to new challenges brought about by the changing market environment and technology," said Minister Samuel Poghisisio. "It is our responsibility, as UPU members, to ensure the Post continues to play the important role it does in our economies. The Nairobi Strategy Conference will be one important forum to discuss the future of this important industry."

The Strategy Conference will take place on September 22 and 23, 2010, at the United Nations complex in Nairobi. About 800 delegates from the UPU's 191 member countries and international organizations are expected to attend the meeting. The Strategy Conference is held at the half-way point between two Universal Postal Congresses to monitor progress in achieving the UPU's world postal strategy. The last Universal Postal Congress, held every four years, took place in Geneva in 2008.

Participants at the Strategy Conference will also examine the issues and priorities affecting the global postal sector that should be incorporated in the next UPU strategy, to be adopted at the 2012 Universal Postal Congress in Qatar. **RL**



# Turning a shade of green

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The United Nations' climate-change summit that took place in Copenhagen in December 2009, had the difficult task of convincing world leaders to commit to stop global warming. Some Posts around the world, however, require less persuasion.

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By  
Anne Césard

The UPU has actively supported the United Nations' *Seal the Deal* campaign to mobilize worldwide support for a fair and effective agreement on climate change (see related article) and attended the Copenhagen summit as an observer. It took part in a number of parallel events and presented the results of its first global inventory of greenhouse gas (GHG) emissions generated by the Posts of its member countries.

The UPU made a firm commitment at its 24th Universal Congress last year to step up efforts to promote sustainable development. Equipped with the world's largest physical distribution network, postal activities have an undeniable impact on the environment, given that transport and energy consumption in business facilities are among the primary sources of GHGs.

## Marked contrast

The environmental efforts of UPU members differ markedly and are often an indication of their level of development and their widely differing values. Only a handful of carbon-footprint assessments have been carried out so far, not least because of their complexity, espe-

cially when indirect emissions are included. Indirect emissions emanate mainly from business travel, waste treatment or subcontractor activities. For example, Deutsche Post DHL estimates that some 80% of all its carbon emissions are generated by subcontractors. Assessments that have been completed have enabled some operators to measure their pollution levels and set emission-reduction targets. Even a giant like the United States Postal Service (USPS) – whose 618,000 employees, 34,000 post offices and world's largest civilian fleet of 220,000 vehicles process nearly half the planet's mail – only last October published its first detailed assessment of CO<sub>2</sub> emissions generated by it and its subcontractors. And it was the first US government agency to do so.

Nevertheless, green initiatives are on the increase as part of the worldwide discussion undertaken by governments, not only in industrialized countries, which have been largely responsible for the greenhouse effect, but also in developing countries. In Malaysia, the Republic of Korea and Costa Rica (see side interview), the Posts are taking the lead from government-set tar-







Manhattan's green roof Photo: USPS

gets. Korea Post has recently jumped on the green bandwagon by unveiling its 'Green Post 2020' policy in July 2009. The strategy will implement the government's green policy, called 'Low Carbon, Green Growth'. Overall, the Post hopes to reduce its GHGs by 20% and save 57 million USD in energy costs by the year 2020. Activities to meet this objective will include constructing energy-efficient post offices with eco-friendly materials and replacing all vehicles with hybrid or electric cars by 2020. The Post will also establish the Green Growth Fund, with a war chest of 17 million USD. It will be used to support the development of green industries and will be funded by profits made by the Post on its sales of savings and insurance products.

In other countries, there have been basic awareness-raising campaigns, for example in Brazil, Romania and Ukraine, which issued stamps this year on the effects of climate change. Also 153 of the 191 UPU member countries, at the Union's request, have designated a national sustainable development coordinator.

#### Long-term benefits

While these programmes may be costly, they do have a clear social and economic benefit. Faced with dwindling mail volumes, increasing energy costs, new regulatory constraints and public pressure, operators are increasingly incorporating sustainable development into their operations.

"The economic crisis has combined with ecological concerns, compounding the drop in mail volumes that began with electronic substitution," noted Stephanie Scoupe, sustainable development manager for La Poste (France). She adds: "Implementation of an action plan has not only improved our energy use but also reduced our costs. The programme, which began in 2003, is an integral part of our overall strategy." Darlene Casey, USPS's communication manager, is singing from the same song sheet. The US operator has set a target for 2020 of reducing its GHG emissions by 20%. "Our efforts are having a positive effect, not only on the environment but also on our bottom line. The energy savings projected for 2009 alone total 37 million USD."

The same can be said for Deutsche Post DHL, which believes that its GoGreen programme "is playing a pivotal role in these tough economic times". Stephan Schablinski, senior expert with the programme, says that "with technology and energy-saving measures, we are managing to lower our operating costs". The sustainable development budget of the world's largest post and logistics group runs into several million euros. With a workforce of about 500,000, it intends to reduce its 2007 CO<sub>2</sub> emissions by 10% by 2012 and by 30% (subcontractors included) by 2020.

### **Several dimensions**

Operators are undertaking efforts on several fronts, particularly in transport and facilities, as well as in recycling, responsible procurement and offering green products. In the area of transport, the focus has been on clean vehicles, fuel economy and efficient route management. France's La Poste, whose 100,000 letter carriers cover the equivalent of 50 trips round the world each morning, has made a significant investment in developing its green fleet. By 2012, a total of 10,000 small vehicles, 3,000 quads and 6,000 electric bikes will be on French roads. Added to this is the eco-driving programme launched in 2007 for its 60,000 drivers, aimed at reducing CO<sub>2</sub> emissions by 15% by 2012. In Berlin, Germany, Deutsche Post DHL has been testing its new SmartTruck route optimization technology since April. The results so far have been time savings, reduced costs and lower CO<sub>2</sub> emissions.

In other parts of the world, new principles are being used in buildings management. This involves applying environmental standards to new construction projects and improving energy efficiency in existing facilities. The USPS recently installed a green roof atop one of its main Manhattan facilities. Despite a cost of four million USD, the US operator estimates that the improvement should pay for itself through improved insulation and an energy bill reduced by 30,000 USD a year.

Another example is the underground warehouse operated by Deutsche Post DHL for a food industry customer in the US, making possible energy savings of 65% (or 1,800 fewer tonnes of CO<sub>2</sub>), compared with a traditional storage facility.

### **Not expensive**

Posts are also busy promoting sustainable development among staff and customers alike. Australia Post announced in July that it would no longer provide plastic bags at post-office counters, representing savings of 30,500 bags a day. In Great Britain, Royal Mail is offering businesses that meet certain ecological criteria a reduced-rate mail service called *Sustainable Mail*.

While some green programmes are very sophisticated, others are much easier to implement. "Many of our measures incur little or no cost, like switching off lights, adjusting thermostats or printing on both sides. This last measure alone saves us 86,000 USD a month," says the USPS's Casey. Such efforts can result in higher revenues. For example, the USPS recycles more than 200,000 tonnes of paper, plastic and other material, generating some 10 million USD a year.

### **UPU inventory**

The UPU has completed the first phase of a study begun in 2008 to measure carbon emissions produced by the Posts of its member countries. The specific aim of this initiative was to create a regional map of CO<sub>2</sub> emissions to better understand the impact that UPU members have on climate change, and to lessen that impact.

To carry out this inventory, based on the methodology used by the United Nations Environment Programme (UNEP), the UPU had to take into account the wide-ranging levels of development of its members. Restricted in scope for practical reasons, the questionnaire sent to all members focused on CO<sub>2</sub> emissions, the main GHG, and the two main sources of pollution by operators – vehicle fleets and facilities. The survey did not cover indirect emissions.

### **Preliminary results**

In the end, 99 of the 191 UPU member countries answered the survey, a fairly high response-rate. The majority of industrialized countries took part in the inventory or 82% of replies. Developing countries, which account for almost half of the UPU's members, also participated in large numbers (54% of replies). On the other hand, the least developed countries were under-represented: 29% of this group responded. This was despite the fact that they make up one quarter of member countries and are arguably the ones most affected by climate change.

According to the UPU figures, the emissions produced by the 99 respondent countries totalled 19.2 million tonnes of CO<sub>2</sub> in 2008. When extrapolated to include all member countries, this figure rises to 26 million tonnes. The UPU's members are, therefore, responsible for an estimated 0.07% of total annual GHGs worldwide, which UNEP estimates to be 38 billion tonnes. This figure of 26 million tonnes breaks down geographically as follows: Asia nearly 39%, Europe 31%, the Americas 25%, Africa 4% and Oceania around 1.5%.

In related sectors, such as air and sea transport, inventories have also been drawn up. According to the International Air Transport Association, air transport pro-



# Bangladeshi post offices adapt to climate change

duces an annual 705 million tonnes of carbon emissions or 2% of the global total. Sea transport produces 1.02 billion tonnes (3.3%), says the International Maritime Organization. A direct comparison of these figures with those of the UPU's preliminary survey is not possible. This is because the air and sea transport inventories take indirect emissions into account. Also, some of the emissions generated by these modes of transportation are likely to have been caused by the postal sector as the former help the latter to move the mail.

## Important first step

This inventory is a first step that will enable the UPU to provide its member countries with technical assistance. As the UPU's Council of Administration has decided that the exercise should be repeated next year, more member countries will be consulted and the inventory's scope enlarged to refine the analysis. The Union has also published a guide explaining the methodology used to compile the inventory. It is available in English and French on the UPU website.

On its own doorstep, the UPU headquarters in Berne – with its 250-strong staff – measured its carbon footprint in 2008. This amounted to 1500 tonnes of CO<sub>2</sub> emissions. The data was generated for an inventory stretching across all United Nations agencies.

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Bangladesh is widely recognised by scientific experts as being one of the countries that is and will be most affected by climate change. This is based on its existing susceptibility to natural disasters. The most densely populated country in the world has regularly experienced cyclones, floods and drought for decades. Its postal operator has begun a process to adapt its infrastructure to the environment, says Mobasherur Rahman, Bangladesh Post's director general.

"We are already feeling the effects of climate change. After cyclone Aila in May 2009, where the sea flooded certain areas, inhabitants have noticed that the water has yet to recede completely. Consequently, many people in rural, low-lying areas still cannot return home," Rahman said.

He added that the Bangladeshi Post has a project to modernise its post offices. Six hundred small post offices will be built in low-lying areas of the country, which suffer the most from flooding. These two-storey buildings will be constructed on stilts and offer postal services, as well as shelter in times of disaster. The post office itself will be housed on the first floor. When a catastrophe occurs, local people will be able to bring their cattle into the building's ground floor before finding shelter themselves on the post-office level. Recently approved by the Bangladesh government, the project should be completed by June 2010. **FM**

Photo: Deutsche Post DHL





# Managing sustainable resources in a developing country



In these difficult economic times, do ecological concerns make sense for your enterprise?

**Correos de Costa Rica:** For a developing country like ours, the current economic situation is precisely one of the main reasons for reviewing our environmental policy and practices. Pinpointing where we are wasting resources, like drinking water, fuel, electricity, paper and ink cartridges, becomes even more important. It is not only a question of social responsibility but also of economy. The two are closely linked.

Do you have an environmental programme?

As a state-run enterprise, Correos de Costa Rica combines its efforts with those of the entire public sector. In 2008, we submitted an action plan to governmental authorities that is now being implemented. There is also an environment management committee made up of six staff members from different sectors of our enterprise.

What does this action plan involve?

Our entire vehicle fleet must comply with strict gas emission standards and undergo inspection by a technical body in the transport ministry. We have also launched a campaign to save paper and ink cartridges and a programme for recycling paper, aluminium and plastic. There has also been an information campaign to make all staff aware of these environmental issues.

Have you been able to gauge the impact of all these measures?

Our awareness-raising efforts to reduce unnecessary spending has enabled our procurement programme this year to save some 120,000 USD compared with 2008. We recycle on average 1.5 tonnes of paper per month. Our water consumption dropped by 17 cubic metres in January and February 2009, compared with the same period in 2008.

What are your objectives?

To give our enterprise a responsible environmental policy that can be applied at all levels.

Next to a giant like the USPS, Correos de Costa Rica is indeed a small enterprise, with its 1,242 employees (about 1/500 of the US operator's), 71 vehicles and 398 motorcycles and an annual mail volume of 30 million items.

Nevertheless, Costa Rica's operator has a very keen sense of ecological issues and its efforts mirror those of the government of this Central American country of 4.5 million inhabitants. In 2007, the Costa Rican government announced a plan to become the world's first carbon-neutral country by 2021. And, according to the 2008 Environmental Performance Index published by Yale University, Costa Rica ranked fifth in the world and first in the Americas region.

*Union Postale* spoke to Xinia Fallas Solano and Franklin Barrantes Montero from the Post's planning department to find out more.

**Anne Césard is a freelance journalist**

# Postal sector urges leaders to seal the deal

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Posts have enthusiastically backed a United Nations campaign sending a strong message to world leaders on climate change.

The *Seal the Deal* campaign was designed to mobilize global support for the conclusion of a fair and effective deal at the UN climate change conference in Copenhagen from December 7 to 18. As a member of the UN family and the organization representing the global postal sector – a sector committed to reducing its own greenhouse gas emissions – the UPU spearheaded the campaign among postal stakeholders and used it to draw attention to the need to take action.

The UPU invited postal-sector members to sign the online petition at [www.sealthedeal2009.org](http://www.sealthedeal2009.org) as well as two eight-metre-long banners it created to support the campaign. Made of organic cotton, the English and French banners look like huge letters and are addressed to: WORLD LEADERS, COPENHAGEN, DENMARK. The message, SAVE THE PLANET, also appears. Hundreds of names representing postal stakeholders from operators and regulators to direct mailers, suppliers, government officials and more cover the banners.

Public signings were held at Post-Expo 2009 in Hannover, Germany, in late September and early October 2009, and at UPU headquarters during the recent session of the Council of Administration. Big names appearing on the banners include those of postal CEOs, such as France's Jean-Paul Bailly, Italy's Massimo Sarmi and Germany's Frank Appel, but also Ruth Goldway, chairman of the United States Postal Regulatory Commission, and Botond Szebeny, PostEurop's secretary general. Private-sector members, including Pitney Bowes, Cycleon and Motorola, also signed.

## Sign me up

Dorcas Scantlebury, deputy postmaster general of Barbados, did not hesitate to sign her name to the banner. "We are a small island, such a tiny island. People wonder if the high tide will make us disappear one

day," she said. "Small island states depend on their beaches for tourism, an important motor of the economy. Concluding an agreement on climate change is a social and economic issue for us. We hope there will be a positive conclusion and more than a declaration in Copenhagen."

Israel Post's Wendy Eitan, director of international affairs, said she was glad that Posts were taking environmental issues on board and wanted to reduce greenhouse gas emissions. "We need a group such as the UPU to disseminate information and motivate its member countries and designated operators to green their operations. Not all countries have this awareness and the UPU can play a role in creating it," she said.

The banners were displayed in the Climate Maze, a public exhibition set up by the United Nations Environment Programme, in a central square of the Danish capital, of hundreds of cloths stamped by environmentally-minded and concerned citizens. The UPU banners show the world that the global postal sector is taking climate change seriously and is committed to doing its part to reduce greenhouse gas emissions (see feature article).

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By  
Rhéal LeBlanc

.....

Littered with  
stamps and  
signatures



Photo: Marcel Bieri

# Money orders regain their competitive edge

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The Posts of Spain, Chile and Uruguay have been offering a new electronic money-transfer service aimed at revolutionizing the market for a year now. As a sign of its success, nine more Latin American countries recently signed up.

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**By**  
**Itziar Marañón**

A man goes into a post office in Castellón on Spain's Mediterranean coast. He was born in Chile but emigrated 10 years ago. He works in a factory. He says he is happy with his life in the country where he hoped to find a better future. Every month, he sends a giro to his family back in Chile. "Without money, you cannot live," he says. Despite the crisis that has sent the unemployment rate in Spain soaring to almost 20% of the working population, hundreds of thousands of immigrants are still sending any money they have left over to their countries of origin.

Meanwhile, at the 2,000-plus post offices run by Correos de España in Spain, customer services staff see the same message whenever they look at their computer screens. Spelled out in rainbow colours, a short phrase set as their wallpaper reminds them to tell all Chilean and Uruguayan customers that they can now send money to their home country using Correogiros. Not only is this new electronic money-transfer system keenly priced but also the funds reach their destination in just 15 minutes. Based on the International Financial System application designed by the UPU's Postal Technology Centre, Correogiros spearheads a project developed jointly by the Universal Postal Union and the Postal Union of the Americas, Spain and Portugal (PUASP). Its aim is to modernize the long-standing

transfer system and make it competitive. "This project is vital for us," explains Rudy Cuadra, the UPU's Latin America and Caribbean regional programme manager. "It has far-reaching social consequences as it enables migrants to send money to their families at rates they can afford."

One of these migrants is Daniel Caserta, who decided 13 years ago that he would have a better life if he immigrated to Spain. He left his native Uruguay with nothing except a pledge to send some money back to his parents each month. "I have tried my hand at everything," he says. "I have been a cook, a telephone operator, you name it. Back home, they think that money grows on trees here in Spain but things are not that easy here either – especially with this crisis, which is hitting people hard." Even so, every month, he saves some money and sends it back to his parents and parents-in-law. "It helps them out," says Caserta.

## **Beginnings**

Correogiros' foundations were laid down in an agreement signed at the 24th Universal Postal Congress in Geneva in August 2008. That document intended to bring postal payment-services up to date, while ensuring that money transfers were carried out multilaterally. The UPU-PUASP project between Spain and Latin Amer-



ica was designed as a model that countries in other regions could adopt at a later date. The project first began to take shape in September 2007 with the involvement of Chile, Spain and Uruguay. These countries were selected to start the system and to sort out any teething problems. "UPU Director General Edouard Dayan first held talks with the Spanish Government to secure their support," says Serrana Bassini, PUASP secretary general. "We then chose the Posts on this side of the Atlantic that were best placed to work on a pilot project. We needed to make sure it worked properly before extending it to other countries."

The figures speak for themselves: the two tiny Uruguayan and Chilean immigrant communities living in Spain sent some four million EUR (six million USD) in just eight months, according to figures from the Posts and the UPU. "Uruguay and Chile were chosen for this very reason," explains Daniel Casis, project manager in charge of money transfers at Correos de España. "We chose to experiment on a small scale so that if anything went wrong, it could be remedied without too much damage. We gained experience and pinpointed where the biggest obstacles are likely to crop up and how to go about overcoming them."

### Thriving network

The pilot programme's success fired the starting pistol for extending the service throughout Latin America. As Cuadra pointed out, this could result in a significant increase in revenue for the Posts involved: "When you consider that there are almost half a million Ecuadorians, 250,000 Columbians and 300,000 Dominicans in Spain, then we are talking about a whole new ball game."

In September 2009, a project similar to the one from 2008, was launched in Latin America. A workshop was held in Costa Rica with Spain, Chile, Uruguay, the UPU, PUASP and the nine other interested Latin American

countries that met the requirements for taking part in the next roll-out. These are the Posts of Argentina, Columbia, Costa Rica, Cuba, Dominican Republic, Ecuador, Mexico, Nicaragua and Peru. These countries all have large numbers of their nationals living in Spain or in other Latin American countries. "This was seen as an opportunity not to be missed as there have been so many migrants from Ecuador settling in Spain over the past decade or so," explains Víctor Mora, the head of planning at Correos del Ecuador. "Judging by all the

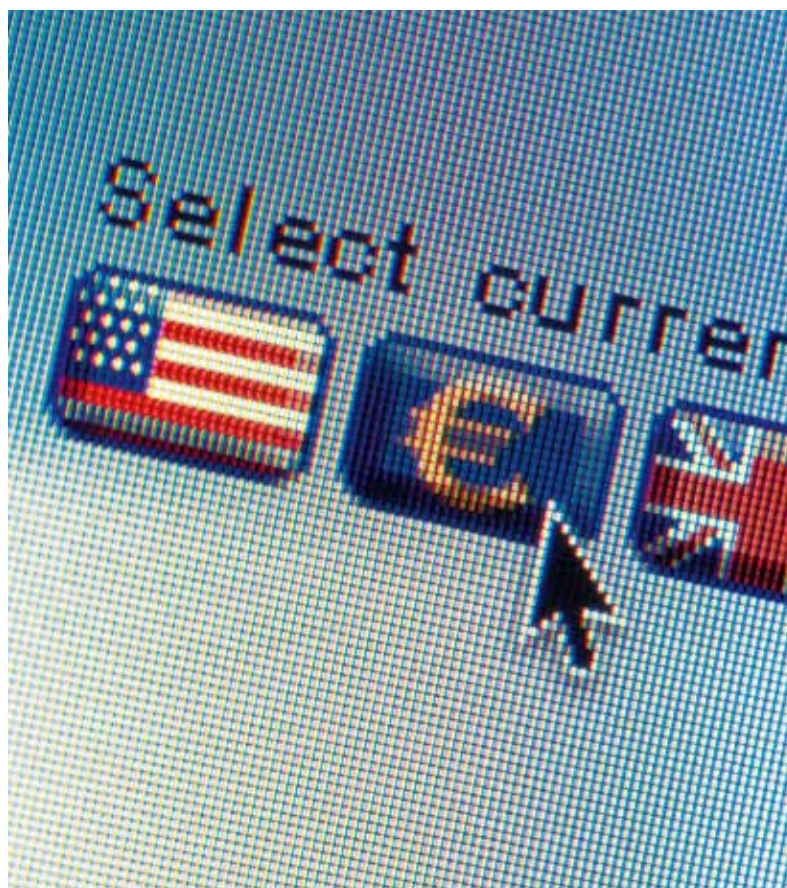


Photo: Getty Images

# Correogiros in Uruguay



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Sometimes it is easy to gauge success just by looking at the transfers from Spain to Uruguay between August 2008 and October 2009. "Our targets were overshoot by a long mark, both in terms of figures and customer confidence. Even at the pilot stage the system produced results and the business is already making a profit," enthuses Cristina González, director of Correos de Uruguay.

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#### Totals processed

Paid in Uruguay	2,181,754 EUR
Paid in Spain	310,078 EUR (12.5% of total)

The monthly average increase is around 20% for transfers paid in Uruguay and 24% for those paid in Spain.

The average amount transferred was around 260 EUR (390 USD) while the maximum paid in any given transfer was 3000 EUR, in 93 cases, or 1% of the total. The average amount transferred from Uruguay to Spain was 340 EUR.

studies we have carried out, we are firmly convinced that this project will be a complete success."

The new system will link all Latin American countries into one network, especially as there are considerable migratory flows within the region as well as from it. In early 2010, Nicaragua and neighbouring Costa Rica will start using the system so that Nicaraguans living in Costa Rica – almost a third of the country's population – can send money to their relatives in a secure and affordable way. "The project has a number of plus points. Our operators can diversify their postal activities, which in times of economic crisis can help Posts to survive and even boost their profits. There is also the social side to sending money through the Post because it is cheap, secure and the services are quick and flexible," explains Antonio Yock, the project's manager in Costa Rica. He has high expectations of Correogiros: "Spain and Chile account for 4% of the remittances that enter Costa Rica. Colombians send 9% of the money which leaves here and Nicaraguans no less than 74%."

Chile is an example of how useful this system will be in channelling remittances from Latin Americans on their own continent. "Like Spain, we are senders rather than recipients. Most of our transfers go to Argentina, Ecuador and Peru. And all three countries' operators will now be joining the project," says Pedro Riquelme, head of international commercial development at Correos Chile. This new world of possibilities is being eyed cautiously. "We are less concerned with the number of countries joining in 2010 than how they are going to be incorporated," says Bassini. "We must make sure that we enter the second phase smoothly, without leaving issues such as reserves or compensation unresolved."

#### Building awareness

There are challenges in setting up a project of this magnitude. According to Riquelme, when it came to extending the system nationwide, one of the greatest difficulties they faced in Chile was training staff. Spain began by transferring money to nine post offices and then extended the service to another 90. "We discovered that we could reach 80% of the population with just a few post offices," says Casis. "But the system that Chile applied worked very well: they followed a training plan and the service was gradually extended. That is why we want to apply this model to other operators."

A major hurdle along the way was that of cash reserves. In Uruguay, a market study was carried out to see where bigger reserves would be needed. An agreement was then reached with the state bank to introduce a rapid and flexible system of cash supply in its branches. Needs are being continually reviewed and there is a contin-

gency plan in place so those needs can be met at any time.

Also vital for this venture's success in a competitive market is raising awareness of Correogiros among its target audience. "When the service comes to be extended to other operators, there will be campaigns in the appropriate media", explains Casis. "Our overriding objective is not for people to migrate from one service to another but to attract new clients. So, the expenditure on advertising needs to match the expected profit."

### **Tough competition**

Correogiros faces tough competition in a market where bargains and major publicity campaigns are nothing unusual. Before the crisis, Spanish banks were using offers of very cheap – or even free – remittances to lure new customers in the immigrant community. However, the UPU's Cuadra believes that this is not cause for much concern. "The market is so big that there is room for everybody. Over half of all remittances are sent through informal channels and Correogiros is offering these immigrants a viable alternative," he explains. "When we began to offer the service between Spain and Chile, other operators began to lower their prices,

which benefits immigrants." The Posts also have the competitive edge due to their physical presence. "Some 60% of the transfers from Spain are destined not for our capital, Montevideo, but for remote corners of the country," says Cristina González, director of Correos de Uruguay. "Our vast countrywide network makes the Post the ideal body to provide this service."

For his part, one of the first Chileans to arrive in Spain, Hernán Olmedo, applauds the introduction of Correogiros. He has known and worked with the Latin American immigrant community in Madrid for many years. "Lots of people didn't send money until now because they didn't think the service providers were reliable. They needed to send money but were afraid that it wouldn't get to the right place. If the Posts can offer a cheap, quick and secure service, then I'm sure it will work," he said.

**Itziar Marañón is a freelance journalist**

## Joining Correogiros

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**Operational:** Define the logistical and operational measures to be taken so that the service can function.

**Legal:** Ensure that all the domestic legal conditions are in place so that Correos can offer the electronic money transfer service – i.e. enter the national financial market in question – along with precautions against money laundering.

**Technological:** Meet the minimum requirements as regards the Internet, computer equipment and broadband connection for data transmission.

**Financial:** Have operators take measures to ensure that cash is available in post offices when recipients turn up to collect their money.



Photo: Itziar Marañón



# Postal leaders share business secrets

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This year's World Postal Business Forum organized by the UPU during Post-Expo 2009 was well attended by top leaders from the postal sector and conference delegates. The UPU also used the occasion to unveil the second tranche of its results into how the Posts are faring in the economic crisis.

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**By**  
**Faryal Mirza**  
**and**  
**Rhéal LeBlanc**

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**Photos:**  
**Axel Heimken**



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**Frank Appel, Deutsche Post DHL**

This year's World Postal Business Forum organized by the UPU during Post-Expo 2009 was well attended by top leaders from the postal sector and conference delegates. Speakers included the chief executives from Deutsche Post DHL, Poste Italiane, Korea Post, Swiss Post and India Post. The UPU also revealed more research results on how the Posts are doing in the financial crisis.

Opening the forum, UPU Director General Edouard Dayan said that product and service diversification and innovation were key to weathering the economic crisis. "We can no longer focus our attention and resources on just one segment of our business," said Dayan. "To be successful, we have to ensure the interconnection and integration of the physical, electronic and financial dimensions of the global postal network."

In a keynote address, Frank Appel, chief executive officer of Deutsche Post DHL, clearly showed his company's commitment to social responsibility as a key element of the strategy to remain a leading global provider of postal and logistics services. Appel also laid out the German operator's vision for times ahead. "The global logistics market is moving forward to a promising future," he said. Appel added: "The UPU is a valuable asset with unique expertise and great potential as facilitator of global trade and growth." The CEO of the world's largest logistics company also emphasized that climate protection, growth regions like Asia, the omnipresence of the Internet and an increased need for convenience would dominate customer awareness and industry agenda in the future.

Poste Italiane's CEO, Massimo Sarmi, explained how the Italian operator was positioning itself in times of crisis. "Poste Italiane entered the telecommunications sector as a mobile virtual network operator not only to distinguish its business but also to upgrade its service portfolio," he said. For her part, Radhika Doraiswamy, India Post's director general, described changes taking place within the world's largest network of post offices. These included innovation in products, services and processes, focusing on quality of service from a customer point of view and employee training. Swiss Post's Claude Béglé spoke about his operator's strategic goals. "We still want to work like a Swiss watch in a regulated,

traditional home market, as well as to develop like Google in non-regulated news segments," he said. Finally, Jean-Paul Bailly, from France's La Poste, and Andreas Taprantzis, from Greece's Hellenic Post, both emphasized the need for Posts to focus on trust and make it a strategic asset.

#### **New results**

The UPU offered new insights into the impact of the crisis on the global postal sector during the forum. While the parcel business weathers the storm and even seems to thrive in it, letter-post volumes and revenues have experienced sharp declines in the wake of the worldwide economic crisis. In a year-over-year comparison of similar quarters, surveyed Posts reported that their domestic letter-post volumes and revenues were down between 6 and 14% in the second quarter of 2009, compared to the same period last year. Such a decline has not been seen since the Great Depression of the 1930s.

The UPU collected its data from 15 of the world's largest Posts, including the United States Postal Service, the biggest Post in the world, and private courier companies.

According to UPU economist, José Anson, less direct mail being sent is significantly contributing to important drops in letter-post volumes and revenues, as weaker consumer spending - added to progressive electronic substitution - aggravates volume drops. He added that mail volumes do not seem to be benefiting much from stimulus-led growth and monetary easing policies. "People's ability to reduce their debts will take some

time. As they spend less, there is less need for companies to do direct-mail campaigns, which normally contribute much to letter-post volumes," said Anson. "Direct mailers and Posts could boost this segment again by focusing on value instead of volumes and enabling the right business sender to target the right customers at the right time with the right message," he added.

#### **Parcel growth**

Posts, on the other hand, are experiencing growth in the parcel business and postal financial services during the crisis. The growth in parcel volumes is attributed to the impressive development of e-commerce during the crisis period. In France, for example, La Poste reported having delivered 22% more parcels linked to online sales in the first half of 2009 compared to the same period in 2008. According to the national federation of distance-selling businesses, French e-commerce sales have increased 28% over the past year and a similar percentage of e-commerce websites have sprouted on the Internet during the same period. The phenomenon seems to be a trend in all industrialized countries, where broadband Internet is widely available, according to Anson.

Express volumes have also declined in a year-over-year comparison of the first three quarters of 2009 against the same periods in 2008. Revenues were down significantly - by 20% in the second quarter - due to fuel surcharges adjustments. But there are signs that things are looking up, again because of e-commerce growth and signs of international trade recovery.



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Massimo Sarmi, Poste Italiane



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Claude Béglé, Swiss Post



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Kee Deok Kim, Korea Post

# UPU debuts as platform for financial inclusion talks

On November 9-10, 2009, the UPU hosted a number of international stakeholders at a unique conference on how the postal sector could bring affordable financial services to the world's poor.

Policy makers, financial regulators, central bank representatives and postal operators with an interest in financial inclusion came together with the help of a grant from the Alliance for Financial Inclusion (AFI). Participants represented all world regions and included Posts, World Bank, the French development agency, the German Association for Technical Cooperation, the Swiss Agency for Development and Cooperation (SDC), and the Bill and Melinda Gates Foundation.

By  
Monika  
Kugemann

Despite declining mail volumes and competition from new information and telecommunication technologies, the Post could have a future where financial services successfully complement traditional postal activities. This has been shown in recent studies conducted by the UPU's Postal Economics Project Group. Its chair, Joëlle Toledano - also the conference moderator - emphasized the postal networks' historical role in European economic advancement, expressing her conviction that today's Post could play a similar role in developing countries. "Whether for small and medium-sized enterprises or for millions of people excluded from the traditional banking system, Posts offer – much more than we imagine – initial access to markets, financial services and sometimes even to the Internet," she said. Providing financial services would, therefore, not only ensure the economic viability of the postal sector but also bring people traditionally excluded from financial services into the fold.

## Pioneer

UPU Director General Edouard Dayan underlined the Union's pioneering role in the advancement of financial inclusion in his opening address. Posts actively offered financial inclusion through their large networks, which penetrated the most remote rural areas: "Today, over one billion people among the poorest have already

visited - sometimes several times a month - one of about 660,000 post offices around the world during this past year," he said. "They have made payments, money transfers, have received their pensions, bought their prepaid phone cards or have deposited their savings, however modest." In view of this, the postal network should not be marginalized in financial inclusion policies, Dayan concluded. Jacques Attali - the French economist and president of PlaNet Finance, a non-profit organization - also commended the UPU for tackling the essential role Posts can and should play in the financial-integration processes within a global economy. "We are greatly honoured at PlaNet Finance to work actively with post offices in France and in many other countries in order to step up this integration," he added.

## Conference partner

The workshop's sponsor, the AFI, is a new network of policy makers from the developing world that shares best practices on financial-inclusion strategies. Its financial-regulation expert, Ernesto Aguirre, called Posts, with their extensive networks, attractive partners for banks. On a more general note, he explained that financial inclusion could be achieved through a combination of balanced regulatory policies from a proactive government, the coordination of actors within the institutional environment and an appropriate business climate, composed of both government and private-sector activity. "There is now the opportunity to have a qualitative jump in the provision of financial services to the poorest segments of the population, and I think it is very likely that postal networks will contribute significantly to this jump," he said.

During the conference, in a series of presentations, several countries presented their business models for postal financial-services. These included a World Bank





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**Billions of poor people have no bank account** Photo: Gettyimages

project in Azerbaijan on electronic payment and Internet banking, correspondent banking in Brazil and India and targeted savings and investment products in South Africa. Cameroon also described its activities in micro-loans and insurance, China its microcredit schemes and Russia the advantages of collaboration with electronic-money institutions.

#### **Dialogue wanted**

The conference showed that there was a real need for communication among these diverse stakeholders, as different voices took the opportunity to speak up. The Posts' mission in financial inclusion was seen to have two parts: one to promote financial literacy through their networks and trust by the community - in line with Posts' universal service obligation - and the other, to develop future business models to buttress declining revenues by providing financial services to disadvantaged people. On the road towards achieving these goals, many questions would still need to be answered, emphasized Tamara Cook of the Bill and Melinda Gates Foundation. "How do we find the right models for each country that align the incentives of stakeholders to provide the right services to poor people - services that are affordable - that are in their neighbourhoods and help them improve their lives?" she asked participants. The SDC's Hans Ramm stressed the need of further publicizing "the very convincing business cases presented at the meeting in order to avoid wasting precious donor money on much less promising models sometimes developed by non-governmental organizations".

The different experiences of Posts presented at the meeting offered tangible examples and proof of the postal sector's dynamics in the financial arena, said Andreas Taprantzis, chair of the UPU's Postal Operations Council. "Facing financial inclusion is a huge

opportunity both for society and postal operators," he continued. Through their structure and nature, Posts could play a catalytic role in the resolution of the financial-inclusion problem worldwide. "Towards the advancement of this goal, Posts can take advantage of the record high trust and confidence society is investing in them, especially during these days of economic crisis," he added.

In the spirit of opening up new paths of discussion rather than offering final conclusions, Toledano presented a few key elements of successful financial inclusion models at the end of the workshop. These included political will as a necessary prerequisite, a business model adapted to the individual socio-economic circumstances and the country's governmental structures, a legal framework, as well as marketing and coordination with the rest of the sector. Finally, financial inclusion entailed questions of internal organization for Posts, with a key role being played by appropriate IT systems, staff training and strategic alliances.

A follow-up conference, focusing on operational and technical issues, will take place in 2010.

**Monika Kugemann is a freelance journalist**

› **Union Postale will publish a special series on the Posts and financial inclusion in 2010.**

# Opening up financial services to migrants

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Offering financial services to migrants has already proved to be a lucrative niche for some Posts. In the first of two columns on this topic, Professor Luisa Anderloni, offers some insights into understanding this customer segment, which remains largely untapped.

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**By**  
**Luisa Anderloni**

Migration is an old phenomenon that has recently assumed new features. Current migratory flows are indeed unique in terms of size and complexity. At the same time, they are a product of and a boost to globalization. A specific issue linked to this phenomenon is financial inclusion of migrants or access to the mainstream financial sector and the availability of financial services appropriate to their needs. In recent years, interest in the issue has increased in importance, especially because of the role of remittances and the perception of the market potential by some Posts. To be able to offer products to this customer group, Posts should consider the migrants themselves.

Examining the life cycle of migrants and their migration project jointly with variables relating to the country of origin, the individual situation and the ethnic group should help financial-services providers, including Posts, to draw up strategies to address this untapped market. It is a segment that demands elementary services in the early stages, more sophisticated products in the longer term, within which the relationship between customer

and financial institution becomes a more profitable one.

The migrant universe is a complex one, made up of various ethnic groups which differ widely. Immigrant groups often show characteristics and attitudes typical of other socially excluded groups. These include low income and skill levels, a lack of language knowledge and of technical – i.e. legal and financial – aspects, mistrust of suppliers, and psychological barriers, such as lack of confidence. These characteristics are partially related to migration phases and level of integration in the host country and also to economic, social and educational levels.

### **Initial settlement**

The implementation of a migrant's plans to move from one country to another can be divided into a succession of phases, each of which has differing priorities in terms of basic and financial needs. The first phase is called initial settlement, when immigrants first enter the host country. Basic needs in this phase relate to finding a job, housing and language-learning. In this phase, financial

needs relate mainly to the use of money for survival. The key variable is the issue of legal or illegal entry, as this heavily influences immigrants' way of life and the visibility of their activities. Generally, illegal immigrants have no official access to the services provided by financial institutions.

It is practically impossible for immigrants to save money during this economically unstable first phase. Housing problems may lead to financial needs, such as the need to obtain a bank guarantee to rent a house, when immigrants are able to choose the legal approach and do not have to rely on the irregular rental market. Illegal entry is often associated with incurring large debts to finance the journey.

### Basic needs

The second phase is characterised by the following basic needs: for illegal immigrants, to obtain a regular residence permit; to have a regular job; and to work towards reuniting the family. These needs shape choices in different ways, depending on what the main goal in coming to a particular country has been. If the goal has been to stay permanently in the host country, immigrants often try to arrange for other family members to join them. If they only want to stay on a temporary basis, they prefer to help the family while staying in the host country and will send them money for food, housing, education, and emergency medical services. In this phase, financial needs consist mostly in saving and transferring money abroad through remittances. How often they send money depends on how important an individual's help is for the survival of their family in their country of origin. The amount sent will depend on how much they manage to save, given low salaries and high expenses.

### Stable settlement

The third phase or stable settlement involves a greater degree of integration in the host country. Priorities may shift to setting up business or commercial activities, to buying goods or services linked not only to survival and in certain cases even to buying a house. In this phase, saving is characterized by more medium-term goals and immigrants look for basic-savings products. The amount and frequency of remittances generally decrease as many immigrants now have a family living with them in the host country and prefer to invest most of their resources in improving their life in their adopted country.

### Consolidation

The exact features of the fourth phase or consolidation will depend on the original plan or migration model. If the plan follows the transit model – where the aim is to work abroad for a certain period of time, to save money for the family in the country of origin, to be able to buy,



build, or refurbish a house and then return home – needs are similar to those in the previous phase. An untapped area of supply for this segment of immigrants may be that of savings and transferable pension schemes and the formation of deferred annuities. If the project follows the model of so-called final settlement and succeeding generations, the financial needs will become more sophisticated and resemble those of citizens in the host country with the same characteristics. Remittance services become less important than in previous phases. However, in all these phases, remittance is an important service for migrant populations, even though its relative importance tends to decrease as other needs increase.

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**A worker from a Chinese post office counts money while helping migrant workers send money home**  
 Photo: Gettyimages

Luisa Anderloni is professor of corporate finance and financial markets and intermediaries at the State University of Milan, Italy

» Part Two of this column – on offering innovative products to migrants – will appear in the next issue of Union Postale.  
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# Weathering the perfect storm

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The United States Postal Service (USPS) has been plagued by a number of ills in recent times, not least because of falling mail volumes and the financial crisis. In these troubled times, *Union Postale* talks to Ruth Goldway, chairman of the USPS's regulator, the Postal Regulatory Commission (PRC), on what lies ahead for one of the world's largest postal operators.

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**By**  
**Faryal Mirza**

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**Photos:**  
**Lukas Lehmann**

What are the USPS's main ailments at this point in time?

**Ruth Goldway:** Our postal service has experienced a significant decline in mail volumes. At its peak in 2006, it had approximately 213 billion pieces of mail in the system and, for fiscal year 2009, it had about 177 billion pieces. In addition, the mix of mail has changed, so first-class mail – which generates higher revenues – now accounts for a lower percentage of mail overall than in the past. The USPS's first challenge is the result of a three-year-old law, where the US government required the Post to contribute approximately 5.5 billion USD annually to pre-pay a healthcare benefit fund for future retirees. This rendered it the only government agency funding its retiree healthcare fully. However, it actually coped with this burden during the first year in tough times but it simply became impossible when the second problem

surfaced: the downturn in the economy. In the US, the downturn initially impacted the very areas of advertising mail in which the USPS had seen large growth: everything associated with the housing bubble, such as the housing market and finance, including credit cards and furniture purchases. And lastly, there is the trend towards Internet substitution, which all of the world's posts are experiencing.

If the financial crisis had not occurred, would the USPS have been in better shape?

What happened was what we call a perfect storm: the confluence of three particular problems. We were recently trying to evaluate the USPS's efforts in Congress [the legislature of the US government] and we agreed that it was doing a reasonably good job given the economy. Had it not had this financial burden while in a climate of declining advertising revenues, it

could have experimented even more and perhaps found new avenues for revenue. Hopefully, it will have the chance to do that when the economy turns around.

The PRC regulates only the USPS in a market with many private operators. Why is that?

The post office is a function of government that is enshrined in our national constitution, which says that the government will provide post offices and post roads. The Post remains the only monopoly owned by the national government.

Until 1971, the Post was just an administrative arm of the government and the postmaster general was a member of the president's cabinet. During the 1960s, the Post was running a huge deficit and would go to Congress frequently to ask it to raise postage rates. Each time, Congress had to vote to raise rates



and it eventually no longer wanted to take the political heat. That is when the legislature came up with a new model, which was quite far-sighted for the time. It established a corporate-like agency that would be separate and yet wholly owned by the government. The new USPS was to be run to break even but not to go beyond that, so it would not exploit its monopoly.

Then, in 1971, our predecessor, the Postal Rate Commission, was established with narrow powers to set the USPS's postage rates. The Postal Regulatory Commission was given far fewer powers when it came to setting rates but broader powers when it came to defining the universal service obligation (USO), for example. Eventually, we had a broader regulatory structure similar to other regulatory agencies in the country but with the legacy of just overseeing the Post and not the private operators in the postal market.

#### What does the regulator do?

Our specific remit is to develop and implement regulations for rate-setting by the USPS. We also establish service standards for all classes of mail and the measurement of those standards. We also had to develop our own operational standards, so that we could ensure that materials provided to us were available to the public and yet confidential, as well as setting up a complaints procedure, amongst others. We also have responsibility in international affairs, where we are mostly concerned about terminal dues and their effect on cost coverage. One concern is that the low rate of terminal dues reimbursement made to the US actually makes the domestic rate-payer subsidize the international rate-payer.

The most interesting work is a task given to us by Congress to first define the USO and then to assure that it is maintained by the

Post. Congress and the public see us as experts in the postal field and we are recognised internationally for our long-standing expertise in measuring operational costs. Since my earliest days on the commission, I have spoken out on postal issues that may or may not be directly under our purview, which may affect the public and the USO, and I have had some success in this. I wrote a newspaper column encouraging the USPS to expand voting by mail, which they took up. Work is now proceeding on national legislation to make it easier. I also wrote an opinion piece on the forever stamp [can be used to mail a one-ounce letter regardless of when the stamps are purchased or used and no matter how prices may change in the future] and the Post adopted one. It has become the primary stamp that citizens buy now.



While the regulator may not have the power to order the USPS to do something, do its opinions hold sway over its charge?

The PRC has a unique position. We are part of the same government-owned postal system but, as regulators, we have an objective view. Our job is to talk to the public, through whom we often get new and innovative ideas. The Post may also have the same ideas but they are so busy with their day-to-day operations that they really don't take time to evaluate. A little suggestion from the outside can be helpful and that is how I see my role as an advocate or gadfly for the citizen mailer.

However, certain areas of the law require the USPS to come to us for an advisory opinion regarding operations if it is contemplating a major change to its services. It was once contemplating a reorganisation of its mail-sorting facilities and came to us. We pointed out that it had to measure certain costs and outcomes if it was going to make changes in the long run and that it had to provide a certain amount of public notice, justifying its decisions. As it turned it out, it backed off from that proposal but it came out with another proposal that used most of our recommendations on the previous proposal. Now it has

come to us about potentially closing hundreds of post offices across the country, so we have had extensive hearings with the community on what they think the role of the post office should be. We will be publishing a report by the end of the year that should give the Post some advice – which it says it will take from us – on how to proceed. I hope it will take more into account the impact on communities than was the case in its original proposal. We hope that we will be helpful but I also think our role is to make it more difficult for the USPS to reduce the existing level of universal service until we are clear what a new definition of the USO might be.

The USPS recently announced that it was considering reducing delivery from six to five days a week; has any formal decision been taken?

The major requirement that Congress places on the Post is that delivery has to take place six days a week. So, the Post not only has to come to us if it wants to reduce delivery days, but it also has to go to Congress if it wants to change the law. It decided that it will probably come to us first because it needs to make a case that we will accept. It is unlikely that Congress will

change the law without hearing from the PRC. Interestingly, it appears from general public sentiment that the public is much less bothered about reducing the days of delivery than about reducing the number of post offices.

What ramifications would reducing delivery days have on the USO?

The USO in the US has historically been very vague. We don't have what you have in Europe: a clear baseline. Instead, we have allowed the USPS to be rather flexible. We did a preliminary study and our rough estimate is that the Post could potentially save 1.9 billion USD if delivery was reduced to five days. The Post thinks that it can save 3.5 billion USD – that's a big difference. Much of this depends on exactly what its proposals are and what services will be reduced on Saturdays or on whichever day they finally select.

How does the public view the Post?

We have been trying to gauge this. The polling we have indicates that there is a great deal of public support for post offices and a postal service in general. The public likes their letter carrier, they value that part of the mail, which they are looking for everyday, and they



don't want any reduction in services in general. Some people or about 25% would be willing to pay to make sure their post offices stay open. Some studies indicate that if you look at demographic trends, there's less support and interest from younger people. However, a recent Gallup poll showed that younger people were the most interested in maintaining Saturday deliveries. We thought that this was due to parcel services; because these people work during the week, they want to get their packages delivered on Saturdays. So, if you want to keep their support for the mail, perhaps you should not get rid of Saturday delivery. Of course, you can't make operational decisions based entirely on public polling and we should not hold the Post prisoner to the status quo because people like the way things are. People usually do but they can and will adjust.

#### What is the value of the mail in the US?

That is the bigger question. As less and less mail is personal and less and less relates to financial transactions, what is its value? It certainly seems to be an effective marketing tool and, while many people complain about this, many others like that part of the mail that serves their particular needs. Voting by mail is becoming more accepted and valued. An interesting small fact of the economic downturn is that, while magazines have lost 30% or more of their newsstand sales, subscriptions have only gone down by 2–3%. So, people are still getting their magazines though the mail.

#### What about the future?

There will be some growth. I don't think that it will return to levels experienced before and there definitely needs to be some rethinking about postal products. The Post's ability to deal with par-

cels and express delivery will succeed to some degree. Having more customised agreements with large mailers may help. But it has to diversify. It might be more difficult to do that in the US than in other countries as the private sector does not want a public-owned enterprise engaging in activities in which they have a stake, such as in extending financial services into a banking system. Certainly, the Post has a lot of support from the government to expand efforts to other government agencies. This is something it should focus on as this could generate more revenues. For instance, the USPS currently processes two-thirds of all passport applications in the US and charges fees for this service.

#### Are there any opportunities in financial services?

During our public hearings in working class neighbourhoods, we heard that poor people without checking accounts – of which there are many in the US – used money orders to pay bills. This is not a real revenue source for the Post now but I think that they could reorganise that offering, expand, adjust the fees, and begin to provide a useful service to citizens, who don't have alternatives. I would suggest that if the USPS gets a good track record in this, it would have some argument to expand. That's what I'm advocating: the USPS should look at opportunities given to it by current law and make the most of them.

#### On a personal level, how do you use mail?

I lived in Finland in the 1990s, where they have had no cheques for years, and you had to pay everything by giro. Yet, I insisted on getting a paper record of everything because I didn't like the system. I still write my cheques and send them in the mail. It gives me great satisfaction that I am taking

care of my finances in this way. I used to use catalogues to order goods but I am beginning to buy more online, so that is a small change in my habits conceding to new technologies. I consider myself a fairly consistent user of the mail and I like it. Every now and then – and this shows how old-fashioned I am – I tear out a newspaper article and send it by mail to somebody.

## Ruth Goldway in brief

- .....
- The longest serving, full-time, US Senate-confirmed presidential appointee within the executive branch of the US government
- First appointed by President Bill Clinton in April 1998 to the Postal Rate Commission, and twice reappointed by President George W. Bush
- Designated chairman of the Postal Regulatory Commission by President Barack Obama on August 6, 2009
- Started her career as a consumer advocate for food issues
- Helped to found California's system of state-wide farmers markets and expanded citizen representation on state regulatory boards
- Previous mayor of the city of Santa Monica in the state of California
- Founder of Women in Logistics and Delivery Services, a professional organization for women in the postal and delivery services industry

# Part and parcel of the community

Geneva Kubal has been a letter carrier for 22 years with the United States Postal Service (USPS). During this time, her job has changed but there has been one constant: the warmth from customers towards her. Aged 48 with two grown children, Kubal is a keen photographer and water-skier. She earns the maximum for a city letter carrier, which is almost 54,000 USD annually.

By  
Faryal Mirza

Photos:  
Geneva Kubal

Why did you decide to become a letter carrier?

**Geneva Kubal:** My father wanted me to become one. He thought I should do something in public service, as well as being outside and with people. He thought the Post was trustworthy. He did not have a postal background and was a construction worker. If I had been a boy, maybe he would have encouraged me to work in construction. Having said that, 20 years ago it was not common to be a female letter carrier but he thought I had enough confidence in myself. So, I took the test and passed.

What would you have been if you had not become a letter carrier?

At high school, I was going to be a doctor or engineer but I married young and had children. I knew about the crazy hours that doctors worked and I thought I couldn't do that to my kids. By the time I entered the postal service, thoughts of entering those professions were far from my mind.

Have you worked in other positions at the Post?

During the past 22 years, I have

mostly been a letter carrier. I took a year off to do computer work for the USPS. That was not a glamorous job. Not that there is anything glamorous about being a letter carrier [*she laughs*]. There was a glamorous moment a few years ago when five female colleagues and I submitted photos of ourselves in postal uniform to a local television station for a make-over. And they picked me. It was fun, although I felt a bit awkward. But I did leave thinking: "I guess I could do my hair more often..."

What do you like about your job?

It is a wonderful job. I like the physical aspects and getting out in public. You get to know people on your routes and the community too. It is very personal – you know who is ill and who has passed away. If you have a few moments, people talk to you and they don't feel that they are venting on a stranger. It is a wonderful feeling. I will always remember a man with Alzheimer's disease on my route. His wife told me that he reacted to me because he used to be a letter carrier and when he saw me, he remembered that. I used to visit them to give her a break from caring for



him. At his funeral, I met his whole family and they treated me like one of their own.

Why does the public trust letter carriers?

The nature of the job is a public service, so it has the human factor, but it goes beyond just doing a job. We, letter carriers, are not different to other people but we are approachable and see what the needs of the community are. One thing we do is collect money to buy families in need a meal on Thanksgiving Day [a federal holiday with historical religious roots] as we know who they are and where they live.

How does your working day start?

I begin at 7.30 in the morning. I don't have a lot of mail to "case" as it is mostly done by machine. I gather about 25% of my mail myself and integrate that with the machine-sorted items. I make my deliveries out of a truck and on foot. It takes six hours to finish my routes by walking as it is a large area to cover, which is Franconia/Springfield in northern Virginia.

How has your job changed over the years?

The real change is in how we get our mail. We used to prepare it ourselves but now it is mostly done by machines. The machines now pack letters and flats [magazines] mixed in with each other, which is not as neat as when you do it yourself by hand. It takes more time to deliver the mail as you are often touching it properly for the first time shortly before you deliver it. This means that you have to concentrate more when you are walking to the mailboxes, using your peripheral vision, looking for steps, cars and children as you touch the items in your mailbag.

Five years ago, I would spend four hours in the office and four hours on the street on a normal working day. Now, it is an hour inside and seven outside.

What do you worry about?

About the economy, whether I will have to work eight hours outdoors. I am 48 years old, after all.

What kind of benefits does your employer provide?

It picks up the cost of about 70% of health insurance and contributes

5% of the base salary to the retirement fund, which has to be matched by the employee. There is also opportunity for advancement and employee development, some of which can be done while on the job.

What about leave?

I am entitled to up to 208 hours of vacation a year. When I was first hired, it was 104 hours. You must have 15 years' service before reaching the maximum entitlement. Sick leave is 104 hours a year. Some of this – up to 80 hours – can be used to take care of dependents. It accrues and we can use it to count for time towards retirement. Legislation lets the employee take up to 12 weeks off work in a protected status to care for a dependent relative.

Any regrets about not becoming a doctor or engineer?

I have no regrets. It turned out that the advice from my father to work for the Post was the best I ever had. When I look back, I can't think of anything I would have rather done. I love my job.

# USPS

The USPS's first postmaster general was appointed in 1775 and was Benjamin Franklin, one of the nation's founding fathers. Since that time - when the Second Continental Congress called for "a line of posts... from Falmouth in New England to Savannah in Georgia" - the Post has grown, serving 150.1 million delivery points with the help of 623,128 employees. With some 36,000 post offices, branches and contract postal units, operations are mostly conducted in the US.

Services on offer include mailing services, such as for letters and distribution of periodicals and money orders up to the value of 1000 USD. Its shipping services include parcels, priority and express mail. The Post says that its customer base is diverse with no single customer representing more than 3% of operating revenues. More than half of revenues are generated by advertising mail. International revenue represents about 4% of total revenues.

## facts & figures

### United States

Capital city	Washington DC
Official language	English
Country population	307,212,123 (July 2009 est.)
Area	9,826,675 km <sup>2</sup>
Currency	United States dollar (USD)
GDP per capita	47,500 USD
Main industries	petroleum, steel, motor vehicles, aerospace, telecommunications, chemicals, electronics, food processing, consumer goods, lumber, mining

### Buying basics

Coca Cola	2.99 USD (12 cans)
Milk	2.19 USD (1/2 gallon)
Ground Beef	4.99 USD (per lb, 88% lean)
T-bone Steak	12.99 USD (per lb)
Bananas	0.49 USD (per lb)
Rice	1.50 USD (per lb)



# Celebrating World Post Day with gusto

More than 30 countries marked this annual event with special activities, while the UPU highlighted the importance of going green.

By  
Faryal Mirza

October 9 this year was celebrated with special fervour by many member countries. Nigeria and Mali Posts used the occasion to launch their HIV/AIDS prevention campaigns. Hongkong Post allowed every person to send one local letter free of charge. Belize Post planted mahogany trees across the country, whereas Pakistan Post distributed a commemorative brochure.

Some countries announced the winners of the UPU and/or their own letter-writing competitions on World Post Day. Samoa was among them but their prize-giving ceremony was tinged with sadness as one of the winners, nine-year-old Moanalei Long, died in the tsunami, which hit the island nation on September 29.

**Free-letter day in Hongkong**  
Photo: Hongkong Post



**Origami in Russia** Photo: Russia Post



**Reminiscing about old times in Russia** Photo: Russia Post

Other countries, such as Montenegro, Hungary, Belarus and Azerbaijan, saw government ministers attend functions to mark the event. In Ukraine, Prime Minister Julia Timoschenko lent her presence to the Ukrainian Postal Workers Forum held the same day.

## Going green

UPU Director General Edouard Dayan's annual message was on the importance of greening the post. Becoming more environmentally friendly made good business sense and he urged Posts to go green and be part of the solution in the fight against climate change. Postal activities worldwide produce their own share of greenhouse gas emissions. Many posts, mostly from industrialized countries, have undertaken measures to reduce the impact of their activities on the environment, but more must be done, said Dayan. "In this time of financial and economic crisis, sound management of environmental issues can be a significant driving force for growth," he added.

**Tree-planting in Pakistan** Photo: Pakistan Post



# Righting the world's wrongs with chocolate

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The winner of the Universal Postal Union's 2009 international letter-writing competition for young people, Dominika Koflerová, travelled to Switzerland to claim her prize.

"When our teacher told us about the competition, it was the subject that attracted me. I think that decent working conditions are very important for a happy life," explained 14-year-old, Dominika Koflerová, when asked why she had chosen to take part.

It was the original approach adopted in the letter submitted by this pupil at Lískovec School in Frýdek-Místek in the Czech Republic that won over the jury of the 38th UPU letter-writing competition. A simple letter, thanking her sister for sending her a treat, quickly becomes a story that goes to the very heart of the concept of decent work, the competition theme chosen in conjunction with the International Labour Organization (ILO). "The chocolate I had just been eating was no ordinary chocolate. The Zambian producer, who made it, received enough money to give him and his family a decent living," she says in her letter. Dominika explains: "I came up with the idea of using fair trade. Chocolate and coffee are two of the most common fair-trade products I know and, as I don't drink coffee, I decided to write about chocolate."

The competition jury commented that they would all now think about decent work and Dominika's letter whenever they reached for a bar of chocolate.

## Prize trip

Dominika arrived in Switzerland on November 4 for her special trip. "I couldn't believe my ears when the Czech Post broke the good news. Even the radio wanted me to do an interview. Now, here I am to receive my prize in the country of watches, knives and chocolate. Words fail me."

Her first stop was Geneva, where she was invited to the ILO's headquarters, which helped organize the competition. Having read the letter to an audience

made up of ILO labour experts and Czech diplomats, she fielded questions from invitees and journalists with aplomb. ILO Director General Juan Somavia presented her with the winner's certificate. She then visited an exhibition devoted to the ILO's 90th anniversary, which was founded in 1919. There she learned that her country, formerly Czechoslovakia, was one of the organization's nine founding members.



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**Juan Somavia, Dominika, her mother and Edouard Dayan (left to right)**

In the afternoon, she visited the Palais des Nations. "It made a real impression on me and I learned a great deal about the United Nations and its mission. I then went to Mount Salève, where I took in panoramic views of Geneva and the Alps."

The following day, Dominika travelled to UPU headquarters in Berne, where she received her medal and certificate from its Director General Edouard Dayan. "This stay was a wonderful present. I would never have imagined that I would one day stay in the history-steeped capital of Switzerland," she remarked.

In response to a question about her motivation, posed by a delegate from an African Post, she said: "Child labour should not exist. Children should go to school to improve their chances in life." To another question, this time on her future, she replied: "I would like to continue my studies, and possibly become a journalist or a doctor but I'm not sure yet. Winning this prize makes me want to become a writer. I have to admit that I often contact people by e-mail but I will continue to send letters. I will even send a postcard to my friends back in Frýdek-Místek," she added.

## 2010 theme

For the 2010 competition, young people are invited to write a letter to someone to explain why it is important to talk about HIV/AIDS and to protect oneself against the disease.

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**By  
Jérôme  
Deutschmann**  
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**Photo:  
ILO**

# HIV campaign takes off

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Six countries have launched the HIV-prevention awareness campaign in their post offices since July. The initiative, a joint effort by the UPU, UNAIDS, the International Labour Organization and UNI Global, is being well received by Posts and the public alike.

.....  
**By  
Rhéal LeBlanc**

The campaign to raise awareness of the importance of protecting oneself from HIV, the virus that causes acquired immune deficiency syndrome (AIDS), has taken off. And by all accounts, the reaction to the campaign has been positive. While medical treatment has improved, there is still no cure for AIDS and 7,400 new cases of HIV infection occur every day.

Burkina Faso, Senegal, China and Estonia launched their campaigns on the day the main partners announced the global initiative in Geneva in July or shortly thereafter. Mali and Nigeria used World Post Day on 9 October to inaugurate theirs.

## **The Posts that care**

African Posts in particular went to great lengths to involve staff in the campaign. They also used a mix of traditional and creative ways to draw attention to the prevention message. In Nigeria, the HIV-prevention campaign changed people's perception of the postal service. According to Maayen Ujong, NIPOST's director of operations, who headed the launch team, the Post is now seen as a carrier of health information, not just mail. That's because NIPOST took great care in rolling out the campaign. To prepare, it worked with its own HIV/AIDS committee and National Agency for the Control of HIV/AIDS, a governmental body responsible for disseminating information about the virus and the disease.

The Nigerian operator focused first on raising awareness among the management and staff that would be serving the customers. The Post held orientation workshops targeting counter officers, postal managers and heads of operations in each of the federation's 36 states. The staff then cascaded the information to other employees and the public. Team members were responsible for displaying campaign posters in their region's post offices and making available public information.

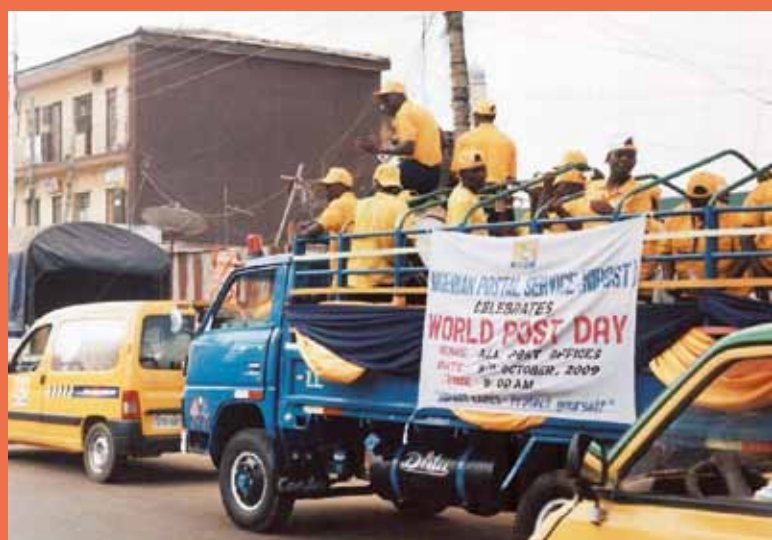
On launch day, NIPOST held ceremonies in various states and employees wore colourful t-shirts sporting the slogan: "NIPOST cares, protect yourself". In Abuja, the official launch took place in the presence of NIPOST management, employees, the minister of communication and other officials.

"Using 'NIPOST cares' gave a face to the campaign and clearly said to the public that the Post cares about them," says Ujong, whose country has an estimated three million people living with HIV. According to her, the campaign drew excitement because the UPU and the United Nations were involved. She says it really helped capture public and media attention because the campaign is linked to the UN Millennium Development Goals.





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**A post office in Cameroon** Photo: Campost



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**Spreading the word in Nigeria** Photo: NIPOST

Ujong clearly cares about the issue. "AIDS is a health issue. It is a blood issue," she says. In Nigeria, prevention is so critical health authorities urge people to bring their personal razors to the barbershop or tools to the manicurist. Nigerians are also encouraged to practise the ABCs: abstinence, be faithful to your partner and use a condom.

The second phase of the campaign, focusing on employees, will be highly important for NIPOST's 10,000 employees, adds Ujong. "When people are healthy, they can work," she said. NIPOST has plans to develop a workplace policy to protect HIV-infected employees from stigmatization and help them get access to drugs, for example. It would also incorporate free HIV-testing for workers. "Without being tested, you cannot assume you are HIV-free," concludes Ujong.

In Cameroon, the Post estimates that campaign material is viewed daily by 36,000 people visiting one of its 258 post offices in the country. The Post organized road shows to inform staff about the campaign before the launch and, on launch day, employees wore specially made t-shirts. Large banners displayed in front of the main post offices continue to draw attention to the campaign and the national committee against HIV has provided additional posters, flyers and female condoms for distribution.

Campost also arranged for mobile units at post offices in Yaoundé, Douala and Bafoussam to offer free HIV-testing during two days in early August. Of some 630 people tested, nine HIV cases were detected. In Cameroon, as in other countries, the campaign has generated extensive media coverage, further carrying the prevention message to the population.

### **Second phase**

The UPU is now working with the partners to extend the campaign to other countries and launch a second phase of the initiative by June 2010 focusing on raising awareness among postal employees. The ILO and UNI Global are taking the lead on this initiative. Through consultation with the UPU and UNAIDS, ILO is creating a tool kit to help employers develop an appropriate workplace policy on HIV/AIDS and UNI Global is generating labour-union support for the initiative.

## Digest

### Australia

**Australia Post** has entered the car-insurance market, expanding its palette of financial services. It is offering policies online and by phone, using its extensive retail network – the largest in Australia – to promote the products. The operator also announced its financial results for 2008/9, which ended with a net profit of \$260.6 million or 0.5% increase on the previous year.

### Canada

The Canadian government has just published a new service charter, outlining its expectations of its designated operator. Available to the public, the new document covers the universal service, rates, delivery, access to postal services, security and response to complaints. Canada Post will report each year on how its performance measures against the government's expectations and the former will review the charter every five years.

### Croatia

**Hrvatska pošta** announced that its operating income for the first nine months of 2009 reached 128 million HRK (26.2 million USD). For the financial year 2008, the operator had posted a loss of 50 million HRK.



**Croatia Post's HQ**

### Iceland

**Íslandspóstur** will soon be using Canada Post's *epost* application, which offers electronic bill and payment solutions. Under the agreement, Canada Post will provide its Ice-

landic counterpart with the necessary software, training and software customisation. *Epost* was the world's first electronic post office, according to its owner. In Canada, it delivers more than 250 types of document and financial statements to over five million registered users in a secure online environment.

### Singapore

**SingPost** saw second-quarter revenue rise by 7.9% to 130.3 million SGD (94 million USD), due to consolidating revenues from wholly owning Quantum Solutions Group. Without the consolidation, revenues compared to the same quarter the previous year would have declined by 4.5%. Mail revenues also decreased by 4.4% to 87.6 million SGD, while those from logistics grew by 142.6%. **FM**

## Sierra Leone's Post rises from the ashes

It has been six months since the UPU's Integrated Postal Development Plan was launched in Sierra Leone and its postal network is already reaping some benefits. The plan provides guidelines and a roadmap for transforming a sector destroyed by an 11-year war, which ended in 2002.

Thanks to a recent grant from the UPU, SALPOST, Sierra Leone's designated operator, could spend USD 100,000 to buy three vehicles to help step up delivery standards. These cars hit the road in August 2009, delivering mail from the capital, Freetown, to the provincial towns twice a week. Previously, it had been once a week.

After more than a decade of fighting, the country was left in tatters, with the postal infrastructure most damaged, revealed Mohamed Kanneh, SALPOST's acting managing director. About 10 per cent of post offices were destroyed completely during the war, with the rest left damaged.

"Due to the central location of the post offices, during the war, rebel fighters would take them over. They would operate from there, looting and destroying the building before leaving town," Kanneh said. He added that the government was also responsible for some damage as its troops had to attack the post offices to force the rebels out. Post-war reconstruction by international donors left out the Post, according to Kanneh. "It is common now to see an old, bullet-ridden post office sandwiched between two new buildings," he explained.

### Resurrection

Before the fighting, there had been 38 full-time post offices; the Post had also provided home-to-home delivery as the whole country had physical addresses. This service has recently been partially resurrected, mainly in provincial and district towns and in some settlements. To date, 13 post offices have been re-established in the cities, doing mostly traditional postal activities.

Top priority for SALPOST is to restore customer confidence in its services. "People think that the Post is dead. After the war, they went to the competitors because there was no visible sign that the post office was alive. For example, there were no letter carriers in uniform, no vehicles moving the mail and the post offices were dilapidated," Kanneh said. He added: "Signs are showing once more that the Post is alive. You can now see letter carriers in uniform, for example."

The managing director concedes that the Post has its work cut out for it. "We need to work more on our image. Some of the business lost during the war has not returned to the Post as it is not doing exactly what the customer wants yet. If it does, it will attract more custom," Kanneh said. Customer requirements – as identified by recent market studies – include speed of delivery, regularity, and information about services. **FM**



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