



UPU CLIMATE FACILITY



FINANCING NO-REGRET SUSTAINABLE MODERNIZATION OF THE POSTAL SECTOR

Sustainable modernization is no longer optional – it is a business imperative for postal operators navigating rising costs, market and investor requirements, technological progress, evolving customer expectations, and climate-related disruptions. Investments in sustainable and resilient postal infrastructure not only reduce environmental impact, but also lower operating costs, improve operational efficiency, support innovation and digital transformation, increase security and reliability, create new sources of green revenue, unlock access to climate finance, and increase investment attractiveness and postal service competitiveness.

The UPU's Climate Facility supports postal operators in turning sustainable modernization into business strategy – future-proofing the sector while delivering essential postal services, and contributing to national development goals.



The postal sector is a critical public service, connecting communities, businesses and governments worldwide. Yet it faces growing risks from climate change.

Climate risks to the postal sector



Operational disruptions

Floods, heatwaves and storms threaten postal infrastructure, delivery networks and worker safety.



Infrastructure damage

Postal facilities, digital platforms and transport fleets are increasingly exposed to extreme weather.



Rising costs

Supply chain disruptions and new decarbonization requirements challenge financial viability.

BENEFITS OF NO-REGRET SUSTAINABLE MODERNIZATION OF THE POSTAL SECTOR

Sustainable modernization is essential for profitable business operation, while at the same time holding immense potential to contribute to national climate and development goals. it can help to:

- cut costs and boost operational efficiency
- support innovation and digital advancement
- increase the climate resilience of postal infrastructure
- open new sources of green revenue
- increase investment attractiveness
- enhance sector competitiveness and allow access to new service market segments
- ensure the safety and well-being of employees
- increase security and reliability
- enhance national connectivity
- support development objectives and climate commitments



MISSION OF THE UPU CLIMATE FACILITY

The Facility is a voluntary multi-donor fund established by Congress resolution C7/2023. The Facility aims to accelerate sustainable modernization of the global postal sector, advancing long-term financial viability and environmental credibility while ensuring reliable, inclusive and affordable postal services.

The mission of the Facility will be achieved by the:

- increased investment attractiveness of postal sector infrastructure
- increased number of physical and digital infrastructure projects (renovation and new construction) in the postal sector
- increased capacity of designated operators and national governments to access climate finance and establish self-sustained financing mechanisms
- increased number of postal green revenue business models (e.g. climate services)

THREE PILLARS OF ACTION

Access to finance: Develop bankable, investment-ready projects; leverage grants, loans and blended finance; and support development of new revenue business models.

Climate knowledge and innovation hub: Technical and advisory expertise (studies, assessments), training, online database of best practices, and cross-sectoral clean technology transfer.

Supportive policy environment: Guidance on regulatory incentives, policy development, integrating digital and green postal strategies, positioning the postal sector as a climate solution provider, developing a mentoring programme between postal operators for the exchange of best practices, and establishing cooperation with restricted unions, UPU regional offices and others.

ACCESS TO CLIMATE FINANCE

The Facility will support postal operators and governments in developing **bankable and investment-ready sustainable postal infrastructure projects** together with:

development
agencies
and climate
funds

regional and
multilateral
development
banks

UN entities and
international
organizations

private
sector and
philanthropic
actors

The Facility will support postal operators and governments through **the different stages of accessing climate finance**, including: identification of relevant project concepts; alignment of projects with national infrastructure and climate strategies; identification of relevant financing instruments (loan, grant, blended finance) and climate finance actors; assisting with the development of project proposals and technical documentation; concluding donor agreements; and joint management of projects, if needed.



PRIORITY INVESTMENT AREAS

TRANSPORT	Fleet electrification, charging infrastructure, the repair, reuse and recycling of electric vehicles, eco-driving, AI-powered route optimization, digital platforms with sustainable delivery options, IoT sensors for battery use and delivery optimization.
BUILDINGS	Green construction and renovation, solar-powered post offices serving as community digital hubs, water efficiency, and climate risk assessments.
ENERGY	Renewable energy generation, local sourcing and repair of solar/PV equipment, energy efficiency, and smart grids.
LAST-MILE DELIVERY	Parcel lockers, e-bikes, consolidation/sharing of infrastructure, green delivery for small and medium-sized enterprises (SMEs) and farmers, and electronics take-back programmes.
MATERIALS AND CIRCULARITY	Green packaging, repair and reuse, recycling, waste collection and green procurement.

WHAT POLICYMAKERS GAIN



Access to climate finance Grants, concessional loans and private investment.



Resilient and modernized postal infrastructure Protection of essential services from climate risks and assurance of technological and digital advancement.



New green revenue models From renewable energy generation to circular economy services.



Enhanced postal sector competitiveness Alignment with e-commerce, market and consumer sustainability requirements.



Support for socio-economic development Reliable services and jobs in vulnerable communities.



GLOBAL POSTAL SECTOR TRANSFORMATION



Chile: Operates a fleet of more than 2,000 sustainable vehicles that was further strengthened in 2024.



Côte d'Ivoire: Launched the GO'POST initiative, deploying 100 electric cars and 200 electric motorcycles.



Malaysia: Added 1,092 electric motorcycles in 2024, aiming for 100% green last-mile delivery by 2030.



Morocco: Launched a new initiative that includes a total of 651 electric scooters, aiming to achieve 100% electric last-mile delivery by 2025/2026.



Portugal: Operates over 1,000 zero-emission vehicles, with the goal of a 100% alternative fleet by 2030.



Singapore: Achieved an approximately 37% electrification of its owned delivery fleet.



Thailand: Introduced a strategy that includes 20,000 electric motorcycles and 144 electric small trucks by 2040.



Ukraine: With the financial engagement of the European Bank for Reconstruction and Development and the European Investment Bank, started procuring 1,745 electric mail tricycles and 880 electric courier scooters in 2024.

CALL TO ACTION

The Facility will launch in early 2026.

UPU member countries and designated operators are invited to:

- **engage actively** with the Facility to accelerate the no-regret sustainable modernization of the postal sector
- **contribute best practices and initiatives** to the knowledge and innovation hub
- **partner in shaping projects** that unlock climate finance and strengthen national postal systems

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ABOUT THE UPU CLIMATE FACILITY

The Facility supports the no-regret sustainable modernization of the global postal sector. Through technical assistance, strategic partnerships and mobilization of funding, the UPU helps postal operators implement initiatives that reduce emissions, cut operational costs, support innovation and digital advancement, enhance the climate resilience of postal infrastructure, create new sources of green revenue, and increase investment attractiveness and postal service competitiveness

– ensuring the continued delivery of essential postal services with long-term financial viability and environmental credibility.

The Facility is a voluntary multi-donor fund established by Congress resolution C7/2023. It aligns with global climate objectives and regional and national development goals while helping postal operators remain competitive in a fast-changing logistics landscape.

EXPLORE MORE: THE BUSINESS CASE FOR SUSTAINABLE POSTAL SERVICES

Postal operators are embracing sustainable development as a lever for modernization – reducing costs, strengthening infrastructure resilience, and unlocking new market opportunities. The UPU's companion brochure, The Business Case for Sustainable Postal Services, presents the business case for integrating environmental and social goals into postal operations, with practical examples from across the sector.

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