PAPU FUTURE STRATEGY: STRATEGIC PRIORITIES AND INTERVENTIONS

1. Subject PAPU Future Strategy: Strategic Priorities and Interventions	**References/Paragraphs** **PAPU Action Plan 2022-2025**
2. Decisions Expected • Take note of Strategic Priorities and Interventions; • Provide necessary guidance	

1. INTRODUCTION

As the 2021/2022-2024/25 Cycle draws closer to the end, the Union needs to define the direction in which the African Post has to move during the next cycle. Since the postal service is globally interconnected, Africa must contribute its strategic views to the Global Strategy that will be crafted in Dubai in September 2025. Therefore, it is imperative to establish realistic interventions that promote the PAPU's Vision and Mission. These Strategic interventions should purposely be designed to consolidate the gains made thus far, disrupt the status quo, embrace change and innovation, and help the post in Africa increase its effectiveness amidst digital transformation and the e-commerce boom.

Key critical issues PAPU must address and guide stakeholders as they navigate the sector's challenges in the 21st century include establishing postal reforms premised on the digitalization agenda, the full utilization of new information and communication technologies, capacity utilization, the legal and regulatory framework, the impact of globalization, and cooperation among stakeholders.

2. PAPU VISION

A single postal network for Africa seamlessly connects African citizens to domestic and global markets through quality physical and digital postal products and services.

3. PAPU MISSION

To spearhead the development of the postal sector in Africa and encourage cooperation among stakeholders, promoting digital reforms in physical, electronic, and financial postal services.

4. PAPU STRATEGIC OBJECTIVES (2021-2025)

Objective 1: Establishment of Adequate and Efficient Postal Outlets and intra-African Mail Transmission Networks;

Objective 2: Creation of new ICT Products and Services and Development of Postal Financial Services in Africa;

Objective 3: Improve Efficiency and Capacity Building at PAPU Secretariat and in Postal Administrations;

Objective 4: Creation of a Single Postal Territory in Africa;

Objective 5: Promotion of Reforms for sustainable development of the Post;

Objective 6: Promote Responsible and positive contributions to the community and environment.

5. ENVIRONMENTAL ANALYSIS

For Africa's postal strategy to be realistic, deep insights into the state of play in Africa's macroeconomic environment are needed. The following are the identified key African trends for the next 5 or 6 years and beyond, as encapsulated by the International Finance Corporation (IFC) and its partners (2021).

5.1 Africa is Experiencing Rapid Urbanization

Africa's 68 cities are projected to increase to 85 by 2025. By then, Africa's urban population is predicted to grow by 190 million people, meaning that just under half (45%) of Africans will live in a city.

In some countries, such as Nigeria, Ghana, and Angola, the proportion of urban residents will increase to over 80% of their total population by 2050, when 800 million more Africans will have moved to urban areas.

> **BOX 1.**
> Urbanization can drive growth. Thus, the amount of money spent on goods and services will be higher than it is today. Given better connectivity in urban areas, those who will be leaving cities will have more access to innovative technologies. This can broaden employment opportunities and create larger markets for e-commerce, driving financial and social inclusion for more people where the post would be key.
> - **The post must adopt and implement technology-driven addressing systems for service delivery.**
> - **The Post will need to have comprehensive e-commerce solutions**

5.2 Africa's Demographic Boom Fuels Consumption

As consumers, African youths are becoming more affluent and globalized as they grow to become household decision-makers. The proportion of the population that is of working age will continue to rise.

According to the African Development Bank, over 350 million people are in the middle class in Africa. By 2030, Africa is expected to be home to over 1.7 billion consumers with a total consumer expenditures of $2.5 trillion.

BOX 2

This phenomenon presupposes that there will be unprecedented consumption boom for the youth effectively engaging in E-commerce via the post.

- **The Post needs to extend its e-commerce service delivery capabilities**

5.3 Mobile Devices Are the Most Common Means of Internet Access

Across Africa, 60% of the population is accessing the Internet through their mobile phones. In the next decade, the number of Internet users in Africa will grow by 11%, representing 16% of the total global number.

BOX 2

- **The Post office will need to have appropriate mobile applications such as for CDS to facilitate;**
    - **Customs clearance**
    - **Digital financial services**
    - **E-commerce transactions**
- **The Post will need to expand and mature its Cyber Security and Personal Data Protection architecture.**
- **Africa will need to have harmonized regulations for mobile and electronic transactions.**

5.4 The Informal Sector Hosts a Major Portion Of Economic Activity

Most workers in the informal sector — the part of the economy that is neither taxed nor overseen by the government — own a mobile phone, which they tend to use for both private and business purposes. Mobile phone ownership in the informal sector is broadly correlated with access to digital connectivity at the national level, especially in Financial Inclusion initiatives since they offer various payment options, making transactions easily accessible. The large-scale diffusion of mobile money in several African countries, such as Kenya, Ivory Coast, Mali, Tanzania, and Zimbabwe, is a case in point.

- **BOX 4**
- **The Post will need to expand its network to have a presence in more areas of the country to make its services accessible**

5.5 Africa's Developer Population is Young and Growing

The growth of Africa's technology ecosystem, talent pool, and innovation hubs goes hand in hand with the rise of local developer talent. Software development and IT are spreading their influence and affecting how industries are run worldwide, especially in Africa, where its effects are particularly pronounced.

Tech talent in Africa is at a historical high and continues to rise. There are nearly 700,000 professional developers across Africa, with more than 50% concentrated in five key African countries: Egypt, Kenya, Morocco, Nigeria, and South Africa.

BOX 3
- **The Post will have a chance to employ staff with IT knowledge and skills to support its Digital services**
- **Development of digital products and services will be enhanced to anchor the product diversification strategy**
- **The Post will be positioned to offer services that lure the youthful population**

5.6 Climate Change

More disruptive climate change is likely to be locked in, with global greenhouse gas (GHG) emissions projected to increase by 50%, primarily due to a 70% growth in energy-related CO_2 emissions. The atmospheric concentration of GHGs could reach 685 parts per million (ppm) by 2050. As a result, the global average temperature increase is projected to be higher by the end of the century. Climate change is projected to become the fastest-growing driver of biodiversity loss by 2050.

Box 4
- **The Post must prepare and hedge itself against natural climate-change-triggered disasters while setting itself up for quick recovery after experiencing disasters.**
- **The Post will need to invest in environmentally friendly plant and equipment**
- **The Post must be more green, deploying clean energy in its postal outlets.**
- **The Post will need to offer environmentally sustainable products and services**

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6. TECHNOLOGICAL ISSUES

Technology Dynamics in the Postal Sector

- Fourth Industrial Revolution: Combination of cyber-physical systems, the Internet of Things, and the Internet of Systems
- Digitalization – utilization of electronic internet-based solutions and mobile solutions
- Connectivity and Power inadequacies
- Human Resources skills – majority lack digital skills
- Remote transactions - Discerning customer's demand for off-site, contactless service.
- Technology options;
- Shareholder Issues – Low investment in the sector
- Regulatory Questions – mandate
- Digital Infrastructure
- Digital Software
- Investment in Digital Tools
- Partnerships with solution providers

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7. THE ROLE OF THE POST IN AFRICA

7.1 PAPU Convention (July 2018)

7.2 The Post In Africa

The Post is regarded as a developmental Institution and a vehicle for socio-economic development and plays the following Roles:

i. **Logistics and Distribution Services:**
   Conveyance of mail matter, parcels, and goods domestically and internationally.
ii. **Postal Financial Services:**
   Enabling Financial Inclusion for the unbanked and underbanked– Cash, Remittances, Insurance, Banking
iii. **Universal Postal Service Provider:**
   Provides affordable, uniformly priced, quickly accessible products & services in a reliable manner
iv. **Trade Facilitation:** Facilitating Cross-Border Trade, E-Commerce and Supporting MSMEs
v. **E-Government Services**: Facilitating citizen access to Government Services through postal digital and electronic platforms, such as Passports, Birth Certificates, and other Government licenses.
vi. **Essential Services Provider:** e.g., Post4Health project; COVID-19 interventions on PPEs, vaccines, etc.; Facilitating Social Grants; addressing infrastructure for emergency situations.
vii. **Regional Integration Role**: Facilitating AfCFTA

- <u>Trade in Services</u> – The Post ensures that affordable, high quality and efficient postal services are available throughout the AfCFTA

- <u>Trade-in Goods</u> – Logistics: collection and delivery of goods.

- **Cross-border digital trade:** The Post Office could ride on the AfCFTA **Protocol on Digital Trade** to promote cross-border digital trade by facilitating trade for MSMEs and women. Also, by connecting remote areas to the digital economy and AfCFTA market;

- The Post Office can provide the trading platform through e-shops, consolidation hubs, and a link between sellers and payment platforms for small businesses.

viii. **Communication links with the African Citizens in the Diaspora**.

- The Post provides communication links, including facilitating remittances from Africans in the Diaspora to their families and friends on the continent.

8. AFRICAL POSTAL SITUATIONAL ANALYSIS
(Extracted from the UPU virtual round table for the Africa Region on 24 January 2024)

8.1 Participants:

The call was attended by 157 participants from Ministries, Regulators, DOs, Restricted Unions, and postal colleges.

8.2 On Postal Sector Definition

i. A clear definition of the postal sector is important, emphasizing the UPU's role as a global authority for the broader postal sector.

   o From a regulatory perspective, clarity is critical to enable the involvement of all players in the conveyance of documents and goods.

ii. Universal service obligation (USO) sustainability was linked to relevance, suggesting that financial sustainability could be achieved if customers found value.

iii. The UPU's unique value propositions included creating an enabling regulatory environment, including pooling best practices, institutional support, evidence-based assessments, and regulatory strengthening.

8.3 On Challenges in Regulatory Harmonization,

i. UPU guidance and a redefinition of the postal sector and the USO to keep pace with market development.
ii. Define the "postal sector", and define (or, perhaps, redefine) "participants in the postal sector".
iii. The need for UPU advocacy at the highest level is underscored.
iv. Tangible support aligned with a Regional Integration Agenda.
v. Leveraging technology, especially in regions with high mobile penetration.
vi. Specific focus was placed on small postal companies with mobile apps and motorbike services, raising the question of how an app-based approach could be effectively implemented in this context.
vii. Greater advocacy for increased government investment in the postal sector is needed.
viii. Suggestion for integrating a business pillar in the UPU strategy, with increased focus on diversification.
ix. Tailoring policies to address infrastructure challenges such as broadband and electricity,
x. Suggestion that the IB become involved in the diplomacy of postal economics.

8.4 On additional Risks and Opportunities,

i. Regulatory frameworks struggling to keep pace with innovation,
ii. Private players circumventing regulations,
iii. Backward progress and regulator credibility loss.
iv. Poor international transport network in the region identified as another potential risk,

v. The social and financial sustainability of the USO.

9. HIGH LEVEL STRATEGY REVIEW

9.1 Governments

	Governments should decrease gaps in postal development through increased investments and focused policies and promote various ways to utilize the postal network for socio-economic development.			
1.		Support Designated Operator (DO) viability and sustainability	Increase Investment in the postal sector to support DO sustainability	
2.		Promote the postal sector as a critical vehicle for inclusive socio-economic development;		
3.		Include the postal sector in the rollout of government programs and delivery of services to citizens.	Implement one-stop-shop concept	
4.		Leverage postal infrastructure in e-commerce growth and trade facilitation.		

9.2 Regulators

		Regulatory Authorities should harmonize and enhance the postal sector's regulatory framework		
1.		Enhance the regulatory function.	Policy advisory role to Government	
2.			Consumer protection	
3.			Leveling the playing field	
4.		Achieve regulation synergies with Regulators of different Sectors e.g. Central banks	Sign	
5.		Review Universal Service Scope	Universal Service Definition;	
6.			Universal Service Obligations including for Private Players;	
7.			Funding for Universal Services	
8.			Universal Service Fund and Subsidies	
9.		Identify investment opportunities for the postal sector		
10.		Embark on R&D activities		

9.3 Designated Operator

1.		**Operators** should seek to enhance their performance by implementing diversified strategies and operational improvements		
2.		Undertake institutional digital transformation	Implement technical solutions and tools to support digitization;	
3.			Develop and implement innovative digital products and services;	
4.			Endow staff with digital skills;	
5.			Adopt 4th IR Technology in service provision e.g. Drone Deliveries; Artificial intelligence; Robotics; Big data; Crypto currency; Block chain;	

6.		Invest in Cyber Security.		
7.		Boost e-commerce business	Implement programmes to facilitate e-commerce:	
8.			Operational readiness for e-commerce (ORE);	
9.			Payment readiness for e-commerce (PRE);	
10.			Digital readiness for e-commerce (DRE).	
11.		Achieve growth and financial viability	Re-think business models	
12.			Product and service diversification;	
13.			Improve quality of service	
14.			Implement competitive remuneration systems	
15.			Improve operational efficiency.	
16.		Optimize mail routing and conveyance	Domestic;	
17.			Intra-Africa;	
18.			International.	
19.		Pursue international best practice in postal operations	Establish mutually beneficial partnerships;	
20.			Compliance with international standards;	
21.			Offer competitive services	
22.		Become a key partner in delivery of Government services	E-government services	
23.			Financial inclusion	
24.			Pension payments.	
25.		Implement Disaster Risk Management (DRM) and Business Continuity Plans	DRM policy at company level;	
26.			Business continuity plans;	
27.			Establish links with National DRM agencies.	

9.4 Other Stakeholders

1.		**Other stakeholders** from private sector and public institutions should pursue integration into the sector by engaging with traditional stakeholders, and vice versa. This means opening up the market, fostering partnerships and enhancing the role of the UPU		
2.		Establish Public Private Partnerships (PPP);	Identify synergies that enhance profitability of operators	
3.		Implement integrated postal development programmes that involve other stakeholders.		

10. STRATEGIC PRIORITIES AND INTERVENTIONS

STRATEGIC AREA	STRATEGIC INTERVENTIONS
1. Postal Definition, Scope, and Mandate.	• The 3-dimensional postal model: Physical, Electronic and Financial • The importance of a clear definition of the postal sector. Define the "postal sector" and define (or, perhaps, redefine) "participants in the postal sector". • Universal Service Obligation (USO) Definition and Scope
2. Postal Reforms	• The Governments are responsible for sanctioning and allowing Postal Sector Reforms in a country • The postal sector organization or reorganization focuses on the statutory, legal, regulatory, enterprise, and institutional reforms by addressing

		o Government
		o Regulatory Authority
		o Designated Operator
		o Private Operators
		o Consumers
		• The modernization and development of the postal sector is a mission-critical activity that has to be done consistently
		• Postal entities need to operate in a regulatory and policy-friendly environment, especially during this era when abundant technology and new services are at the disposal of the Designated Operators
		• The regulatory environment is also fluid due to new technologies that are always pushing the regulatory boundaries
		• **PAPU Member States must carry out postal reforms to ensure the sector remains vibrant.**
1.	**Digitalization and Innovation**	a) Leveraging technology, especially in regions with high mobile penetration. b) Business Innovation and Creativity- vital components of digital transformation that need to be integrated into Africa's future postal services digitalization strategy include the necessary infrastructure, hardware, and software for Technologies such as: ❖ Artificial Intelligence (AI), like chatbots and machine learning ❖ Self-service kiosks ❖ Robotics, ❖ Drone deliveries, ❖ Big Data and Analytics ❖ Crowd-sourced last-mile delivery. ❖ Physical technology, such as drones, robotics, and ❖ Internet of Postal Things (IPOT) ❖ Blockchain – the technology of cryptocurrencies and the internet of value. ❖ Crypto Currencies and their workhorses (the bitcoin) • The General Secretariat will continue to survey the Status of the Implementation of the Digitalization of postal services in Africa via questionnaires. The responses will be used to build an authentic database on the state of digitalization in Africa and guide the required interventions.

2.	**Human Resources Capacity Building and Development**	• Human Resources is an essential asset for organizations as they are the only resource that has the capacity to drive and use the other resources to create value for the Company.
		 • The dynamic digital operating environment requires that Designated Operators transform their businesses into digital, smart postal entities.
		 • The digitalization thrust brings new and additional skill requirements such as, but not limited to, the following:
		   ❖ Computer skills across all departments and functions
		   ❖ Cyber security
		   ❖ Software developers
		   ❖ Catalogs

3.	**Strategic Business Partnerships**	The PAPU Convention Preamble lays the groundwork for partnerships when it states as follows: *"Convinced of the necessity to develop and maintain an effective coordination framework to ensure harmony in the development of postal services in Africa"*

		• In this dynamic business environment, partnerships are a potent force, powering the way forward for companies of all sizes and types, including the Post. • Business is no longer seen as a solitary entity waging its battles alone but rather a critical node in an interlocking network of organizations, where each partner leverages unique strengths to bolster the entire network. • A partnership is akin to an extended force multiplier in the business arena. ○ It allows for synergy, a phenomenon where the combined output of the partnership exceeds the sum of what each business could achieve individually. • Partnerships can occur at the SBU or Corporate levels • Public-Private-Partnerships (PPP) are an available option for sourcing capitalization from the private sector • **The PAPU Member States are encouraged to pursue partnerships of one form or another to augment resources and technical skills.**

4.	**Physical Infrastructure Optimization**	• The changing postal models due to the decline of letter post volumes and the switch to parcel-inclined business has created a void and excess space in the postal infrastructure in Africa and the world.
		• Real Estate Strategies are required to turn postal buildings into multi-purpose buildings to cater for some services that communities desire.
		
		     ○ Warehouses
		     ○ Commercial services, shops,
		     ○ Partnerships with MNOs and Telcos for bridging the digital divide
		
		• Posts should consider establishing data or postal technology centers with modern, interconnected digital infrastructures accessible at all levels, reducing downtime in the next cycle.
		• In light of the vast Infrastructure base of immovable assets owned by most Designated Operators, there is a need for strategic management and optimization of the same in the next cycle

5.	**Postal Business Renewal and Sustainability.**	❖ Digital Strategy Development and adoption ❖ Business Process Re-engineering ❖ Product Diversification ❖ Innovation: New products and services. ❖ Business resource capacitation; re-tooling. ❖ Migration to the mobile and e-platforms. ❖ Customer Relationship Management. ❖ E-Government Business • The Post in Africa must embark on business renewal and sustainability
6.	**Disaster and Risk Management**	a) Posts in Africa need to fully embrace Enterprise Risk Management in their existence to ensure resources are protected, and business continuity is guaranteed even after a disaster strikes b) **Cybersecurity**

	• Organizations implement cybersecurity risk management to ensure timely handling of critical threats**.**
	• As Organizations adopt digital infrastructure and deploy software, there is an increase in the threats of cyber-attacks of the following nature
	
	    - Malware attacks
	    - Phishing
	    - Theft of Personal data
	    - Theft of financial information
	    - Identity theft
	
	c) Natural Disasters
	
	• Natural disasters caused by earthquakes, cyclones, and floods have affected some PAPU Member States of Libya, Morocco, Kenya, Malawi, Madagascar, DRC
	• These disasters left devastation and destruction of properties and took away lives
	• PAPU Members need to be trained to prepare them to play their role in their respective countries and minimize the negative effects of these disasters, especially on people's lives.
	• **The devastating effects of Natural Disasters on lives, properties, and businesses and the severe effects of Cyber Security necessitate that the Disaster and risk Management effort be heightened at the next cycle.**

7. Harmonization of Policies and Regulations	• Harmonizing policies and regulations entail coordination among players at country or regional levels to avoid duplication and/or omission of programmes and projects, hence minimizing costs. • Harmonizing policies and regulatory frameworks seek to implement cohesive and streamlined policies for the post across the continent. This endeavour will also ensure uniformity in modus operandi among subregional bodies, etc. • Furthermore, the harmonization of policies and regulations promotes a seamless flow of postal traffic across networks, mainly because the postal business is a network business • **Due to its numerous advantages, it is highly recommended that the Harmonization of Policies and Regulations be one of the priority areas for the postal sector in the next cycle.**
8. Climate action	• In line with the fourth Extraordinary UPU Congress, held in Riyadh, Saudi Arabia, in September 2023, there is a greater need to reduce the postal sector's global greenhouse gas emissions and enhance building capacity for climate action. • This action should focus on mitigation, adaptation, and climate finance, supported by a dedicated climate facility. • The Post in Africa must adopt clean power and other environmentally-friendly practices as they strive to be green Post Offices in support of environmentally sustainable • **This aspect of climate action should also be one of the priority areas for the next cycle**

11. REGIONAL PROJECTS

PROJECTS TITLE	PROJECT DESCRIPTION.
1. **Integrated E-Commerce Platform for African Posts**	• Developing an African e-commerce platform is vital for Posta Operators to participate in the e-commerce ecosystem and meet customer expectations. • In April 2023, PAPU created an ad hoc team of experts with representatives from five (5) African subregions to spearhead the implementation of the Africa Integrated E-Commerce Platform. • The Team is tasked to develop a framework for an e-commerce platform. • ***The development of E-commerce platforms should be one of the priority areas during the next cycle***
2. **Postal Financial Services**	• Facilitating Financial Inclusion: Providing essential and digital postal financial services contributes significantly to global economic and social development and improves living standards. • According to a UPU study, postal operators provide some 1.5 billion people worldwide access to essential financial services (payments, money transfers, and savings). • ***Based on the impact of Postal Financial Inclusion on communities, Postal Financial Services should be another priority area in the next cycle.***

3. **Transport Network Optimization Project**	a) **Road Transport Project**
	    • Postal Operators may exchange mail with their neighboring countries by road transportation.
	    • Transporting goods by road continues to be a competitive strategy.
	    • Road transport can be a suitable mode of transport by post due to the following advantages:
	
	      - **Flexibility and adaptability**
	      - **Low costs**
	      - **Shipment tracking and security**
	      - **Efficiency and timeliness**
	
	    • According to Campbell & Associates (2007), in a comprehensive study on the SAPOA Road Transport Network, international mail movement via the road network between neighboring countries is quite feasible, and the cost of integrating the national operations of the postal systems to a sub-regional one via designated road routes is very reasonable and tenable.
	    • Currently mail exchanges by road happens in
	
	      - South Africa-Botswana
	      - South Africa Lesotho
	      - South Africa-Eswatini

		- Zimbabwe, and Botswana, - Kenya and Tanzania, - Kenya, and Uganda. - Senegal and Burkina Faso - Senegal and Gambia - Senegal and Mali - Senegal and Cote D'Ivoire - Senegal and Guinea Bissau - Senegal and Guinea Conakry - Mali-Mauritania - Burkina Faso and Cote D'Ivoire **b) Air Transport Project** • Creation of Regional Hubs in the Africa sub regions • Optimizing mail routing plans • Security compliance • Technological savviness – track and trace system • **The Transport Think Thank**

4.	**Integrated Postal Development Programme (IPDP)**	• The Integrated Postal Reform and Development Programme (IPDP) is a cooperation instrument for postal sector modernization.
		• Improves the functioning of the Postal Sector through re-organizing the sector;
		   o **Reforms on statutory, legal, regulatory, enterprise,** and institutional reforms.
		• It is a Master Plan guide developed by the UPU for postal sector reform:
		   o The IPDP is essential in mobilizing internal and external resources to finance the recommended activities.
		• PAPU Member States need to continuously carry out IPDPs, considering the changing dynamics in the global and local postal environment.
		• The General Secretariat needs to liaise with the UPU to ensure that the authorities of its Member States implement the recommended IPDP actions to enable the sector to modernize.

5.	**Operationalizing the PAPU ICT Capacity Building Centre**	• The PAPU ICT Capacity Building Centre was set up on the 15th Floor of the PAPU Tower.
		• It can accommodate up to 60 trainees and is already equipped with over 40 Desktops.
		• <u>The Centre will cover the following areas.</u>
		i) **ICT Support**
		   ❖ Provide first-line and second-line support to Member States on ICT tools.
		   ❖ Coordinate and provide technical support to end-users of ICT systems solutions at the General Secretariat and at the PAPU Member States.
		   ❖ Provide remote support to member states, assist in the implementation of ICT solutions, and apply PTC tools such as IFS, IPS GMs, mobile money, etc.

	ii) New Product Development iii) **Training** ❖ The PAPU ICT Capacity Building Center aims to become a one-stop shop for designing and developing modules and programmes for sector learners, using innovative modes of teaching and learning. iv) Digital skills development v) Postal Service digitization vi) Data collection, analysis, sharing and centralization: vii) Cybersecurity viii) Digital Innovation ix) **Digital Financial Services and the Digital Economy:** This shall entail conducting studies and research on how the postal sector, as a vital component of the digital economy and the financial inclusion ecosystem, can leverage ICT and postal payment systems to advance e-commerce in Africa. x) **Data-driven Postal Regulation**: supporting regulatory authorities in developing reliable, digitized systems for collecting, analyzing, and publishing relevant postal market data to involve consumers of postal services and digital postal payment services in regulatory activities.
6. Cost Accounting Programs	**Implementing cost accounting systems by Designated Operators to develop costs of individual postal products is of capital importance for the following reasons:** • Help to determine profitability and the cost of the universal postal service for Designated Operators • The costing of postal products and services evaluates the feasibility of the price and does not necessarily set the price. • Provide essential gauges for migration from transition to target group within the UPU Terminal Dues system. • Determine the cost of implementing Universal Service Obligations • Meet the UPU expectation on the payment of terminal dues as countries move towards a country-specific payment system at the end of the transition period. Africa must be prepared for the country-specific costs. • Cost Accounting systems can be explored through seminars, workshops, conferences, and Missions for the installation of the appropriate cost accounting systems in DOs. • Determining the efficient and effective distribution and use of the Dos' resources. • Supporting performance evaluation based on actual costs versus budgeted costs; • Recovering costs for products and services provided to customers; • Preparing reimbursement for costs incurred in universal services; • Assisting in entering into bilateral/multilateral cooperative agreements with other Postal Administrations.
7. Expansion of E-Government Services within the Postal Infrastructure	• E-government is the utilization of the postal internet infrastructure to provide public services to citizens and other persons in a country • E-government consists of the following:

(E-Government: Also known as e-gov, electronic government, Internet governance, digital government, online government, and connected government.)	o the digital interactions between a citizen and their government (C2G), o between governments and other government agencies (G2G), o between government and citizens (G2C), o between government and employees (G2E), o between government and businesses/commerce (G2B). • E-government delivery models can be for communication with all levels of government (city, state/province, national, and international), facilitating citizen involvement in governance using Technology (ICT) (such as computers and websites) and business process re-engineering (BPR) • E-government provides a win-win settlement: the post generates business and remains relevant while the Government can reach its services conveniently. Citizens will then also enjoy convenience as they may access Government services from their local Post office. • **With its vast footprint, the Post can be key in offering services on behalf of Governments, and this needs prioritization and development in the next cycle.**

12. GENERAL COMMENTARY

1. The cycle starting from 2025 should be dedicated to the consolidation of the digitalization of postal products and services in which there is a need to

2. Emphasize the increased application of digital tools and solutions such as UPU tools, Artificial Intelligence (AI), Robotics, and drone deliveries, among others;

3. The next cycle should usher the Post into various segments of the digital economy by delving deep into digital specialized areas such as

   - Smart Education

   - Smart Tourism

   - Smart agriculture

   - Cyber Security, etc., considering the booming e-commerce business era;

4. The Post should also enhance its strategic partnership agenda and continuously evaluate the impacts of these relationships to improve synergies brought about by the wider sector players;

5. Issues related to the post's role in climate change and how the post can help reduce carbon emissions need to be considered.

6. The post's vital role in deepening financial inclusion is vital. Financial services offer the post the lifeline to create a niche in servicing rural areas and the financially excluded. The post can act as an intermediary for general banking services.

7. The Post has to continually reinvent and adopt new technologies if it wants to be relevant in the future. There is no future without digital transformation. The growing market comprises young people who have embraced technology as a central part of their lives. If the post wants to capture them as customers of today and tomorrow, it must cater to their needs and interests.

8. Creating an enabling regulatory environment and redefining the Universal service obligation is necessary.

13. RECOMMENDATIONS

The General Secretariat is tabling this Strategy Paper to the Strategy Committee for discussion, consideration, and escalation to the Administrative Council:

i) Consider and augment on the Strategic Priorities for Africa
ii) Consider and augment on the Strategic Interventions