



PAPU POSITION PAPER ON UPU STRATEGY 2025-2029

For 150 years, the Universal Postal Union (UPU) has enabled citizens worldwide to utilize postal systems. The origins of the postal services date back to Africa, ancient Egypt, around 2000 B.C., where they were exclusively used by the pharaohs to dispatch directives throughout their state territories.

After World War II, the UPU adopted more noble causes, advocating for the right to communicate as a human right and developing guidelines for inclusive financial services to assure financial inclusion long before the term became common.

Universal services obligations emerged as Government commitments to their citizens.

With the emergence of the United Nations Sustainable Development Goals, postal services have been recognized as efficient tools and enablers for specific goals: (# 1) no poverty, (# 8) Decent work, and (# 13) Climate action.

Historically, the postal service began with the first mile from the Post office, enabling Citizen -to- Citizen (C2C) or Customer-to-Customer (C2C) shipping. However, over the past **26 years**, electronic mail has increasingly replaced physical mail. As the letter mail business declined, new business models were driven by electronic commerce. Unlike traditional mail, e-commerce logistics begin from warehouses, encompassing giant sellers, SMEs, and global or local marketplace, predominantly within the B2C and B2B2C models.

Adapting to the E-Commerce Era

To sustain the international postal network financially, the UPU must revise its business model, particularly the first mile (postal regulations, operations, and solutions)—B2C and B2B2C—to meet the needs and requirements of the only revenue stream that can ensure the network's financial sustainability. **E-commerce parcels/Packages may contain luxury goods, medication for patients, or educational tools/materials for students.**

The UPU Strategy must recognize these needs and develop a comprehensive strategic plan for postal services. The plan should encompass the following components:

Mission: Connecting Business and Communities

The Postal Service is basic provided to the people by member state governments, with a mission to deliver Reliable, Efficient, and Affordable Postal Services to all areas and communities within UPU member states. The objectives include:

- A) **Empower SMEs:** Provide universal access to international markets, enabling SMMes to benefit from e-commerce and secure themselves against poverty with decent work.
- B) **Universal Access:** Ensure all citizens have access to e-commerce.
- C) **Digitally Empowerment:** Give all citizens digital access to financial services through fintech.

All the previously stated tasks will be done through high-quality and cost-efficient delivery offerings.

Vision: Investing in the Future

Strategic Investment in Logistics, infrastructure, and technology. To make the international postal network a cornerstone of our countries' economic development. Ensure efficient investment and financing for the postal network.

Focus on e-commerce, digitalization, and diversification.

1) E-commerce Market

UPU Strategy shall Ensure universal, Affordable, high-quality postal packets and Parcel delivery through practical tools. UPU's operating model shall support B2C bulk shipment operations (Data upload, labelling, customs operations) and guarantee Speed and predictability to enhance customer experience. Regular benchmarking and market analysis are essential to stay competitive.

2) Fintech

UPU's Strategy is to develop a financially sustainable postal service that connects all citizens and businesses, ensuring equal access to financial services. Public-private partnerships between postal operators and fintech companies can facilitate quick wins by bridging postal and digital services.

3) UPU Strategy shall focus on Customer Experience Enhancement:

- A. Improve delivery speed, reliability, and communication.
- B. Implement real-time tracking and convenient tools.
- C. Streamline returns and customer support.

The international postal network shall provide our customers with **ONE Unified, Innovative, Premium, Digital Customer Experience**. Premium Customer Focus must be our first priority, and UPU resources must be allocated for this strategic Goal.

4) Digitalization of postal services

In 2008, 10 years after the emergence of email as a standard communication and correspondence tool, The Postal registered electronic mail service became ready to be launched among UPU members after being defined in the Acts of the union as an optional service, and its technical standards had been published.

In 2024, the service will be provided by several member states individually based on their advanced technical capabilities, which offer the service locally. Until today, no digital solutions have been developed by UPU to empower other member states who do not have the individual technical capability to develop the technology themselves. Or at least enable cross-border transactions and upgrade UPU standards to level up with the latest other e-trust services technologies and standards.

With the decline of letter mail volume, the accelerated pace of digitalization, and the completion of the UNCITRAL Model Law on the Use and Cross-border Recognition of Identity Management and Trust Services (2022), the postal registered electronic mail service, which is important to bring back the rule of the international postal network, emerges significantly.

Call to Action

The African Member states of UPU believe that UPU's Strategy for Dubai Cycle 2025: 2029 shall be:

- A well-crafted strategy to ensure the postal service remains relevant, efficient, and customer-centric in a dynamic landscape. With a robust system to track the implementation of the strategy.
- Advocacy for legislative and regulatory changes to enable the UPU's strategic vision and mission.
- Focus on e-commerce, digitalization, and business diversification. Please focus on the outcomes of the UPU Strategy to ensure the growth and prosperity of the international postal network, maintain the USO, and strengthen the Designated Operators' capacity to achieve their national and international obligations and serve their communities.
- Adopt Digitalization of postal services that:

- Enable Designated Operators to - proactively - build innovative business models that the market needs.
- Improve Quality of service and customer experience.
- Develop digital postal services that align with the new realities and fit the basic needs of our communities.
- Generate revenue and achieve social inclusion.

By implementing these strategic initiatives, the UPU can ensure a sustainable future and continue to play a vital role in connecting businesses and communities globally.