

AFRICA POSTAL STRATEGY 2026 - 2030

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1. INTRODUCTION

- i) **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 ancient Egypt, around 2000 B.C., where the pharaohs exclusively used them to dispatch directives throughout their state territories.
- ii) **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.

- i) **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.
- ii) **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 begins from warehouses, encompassing giant sellers, SMEs, and global or local marketplaces, predominantly within the B2C and B2B2C models.
- iii) **Adapting to the E-Commerce Era**

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

i) Connecting Business and Communities

The Postal Service is provided to the people by designated operators owned by member state governments, with the mission of delivering reliable, efficient, and affordable postal services to all areas and communities within 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) **Digital Empowerment**: Give all citizens digital access to financial services through fintechs.

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

ii) Investing in the Future

Africa views strategic investment in Logistics, infrastructure, and technology as necessary to make the international postal network a cornerstone of our countries' economic development. The UPU must ensure efficient investment and financing for the postal network, while focusing much on e-commerce, digitalization, and diversification.

2. METHODOLOGY

The methodology used to develop this Strategic Plan is based on a consultation process involving all PAPU stakeholders without distinction (staff, members of the various Union bodies, member states, partners, etc.) because the success of strategic planning depends on the level of involvement of those in the support system, the development process, the implementation process, as well as the monitoring and evaluation process.

The consultation criterion, which is both institutional and technical, allows for the information and discussion of the diagnosis results, consideration of the actors' concerns and their support for the policy pursued, organization and management of the strategy's coherence and technical feasibility, and coordination and monitoring of the programme proposals made by the various actors.

- The output of the PAPU organs, namely the Administrative Council, the Technical and Administrative Committees, the Working Groups, Task Forces, and Expert Teams, has been considered in the planning stages. The 42nd Administrative Council approved a document entitled 'PAPU Strategy Position Paper' which outlined the Africa Region's Priority Areas for the coming Strategy Cycle.
- The General Secretariat administered Questionnaires to Member States to gather information on regulatory and postal operations activities. This invaluable information has been used to determine the gaps and inform the required interventions.
- The Postal Sub-Regional Bodies in Africa are part of the process at different stages as PAPU leverages on the formal relationship with them to exchange and solicit information
- Desk research has also been used to collect and collate information from the UPU publications, meeting documents, as well as from the Reports from the African Union Commission

This consultation process will continue until a final document is concluded after the UPU Congress.

2.1. The Final Version of the Strategic Plan

This final phase of the Strategy Preparation stage will involve defining, amending, and validating the following with the Union's stakeholders:

- PAPU's strategic framework (mission and vision) for implementation during the next four years;
- Strategic Pillars (priorities and objectives);
- Action Plan: activities, expected results, schedule;
- Budget and Financing plan;
- Monitoring-evaluation (M&E) matrix;
- Risk Analysis and Mitigation

The final report or final strategy document will be prepared by compiling the various comments, inputs and recommendations from the validation process. This process will involve the PAPU Organs, namely, the Technical and Administrative Committees, the Working Groups, Task Forces, Expert Teams through the Strategy Committee to the 44th Administrative Council meeting before tabling before the 11th Pan

African Postal Union Plenipotentiary Conference. The final report will be circulated to the various stakeholders for implementation, monitoring, and evaluation after the Conference.

3. OVERVIEW OF THE PAN AFRICAN POSTAL UNION (PAPU)

PAPU is a specialized agency of the African Union (AU) responsible for the postal sector in Africa, i.e, coordinating postal development in the continent. It was established on 18th January 1980, in Arusha, United Republic of Tanzania. The Union is an intergovernmental organization with a legal personality that acts as a body corporate under public international law. It is vested with all the powers necessary to accomplish its objectives. Member States ensure that, in their respective territories, PAPU enjoys all the privileges and immunities needed to fulfil its mandate.

3.1. 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.

3.2. 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.

3.3. Values

- i) **Security:** We are steadfastly committed to sensitizing our members on the importance of the security of customer items to guarantee the integrity and sustainability of the African postal industry.
- ii) **Reliability:** We will emphasize the importance of the Post's delivery of reliable services to its customers, who are entitled to receive their mail and financial remittances within the anticipated deadlines.
- iii) **Trust:** We will foster and nurture trust as a long-established attribute that will secure the postal industry's future as it continues to be entrusted with customer valuables such as money, cheques, parcels, and gifts.
- iv) **Professionalism:** We emphasize professionalism for all our staff members. They must be adequately trained and motivated to perform their duties with skill, dedication, and diligence.
- v) **Transparency:** Transparency calls for an internal communication approach that allows for clear and comprehensive information sharing at all organizational levels, thereby enabling each one to perform their duties effectively and achieve the Union's objectives.
- vi) **Integrity:** We will exhibit integrity and demonstrate it through strong professional ethics and a firm commitment to act effectively and rigorously, with objectivity in making informed judgments at all times.

- vii) Commitment:** We are committed to acting for the benefit of the growth of Africa's postal industry in all spheres of activity. This will equally entail facilitating the continuous improvement of the services delivered to Africa's postal fraternity.

3.4. Objectives of the Union

The objectives of the Union, as outlined in Article 9 of the Convention of the Union, shall be to:

- Foster development cooperation among Member States in the area of postal services;
- Foster and facilitate access to high-quality universal postal services;
- Foster and facilitate postal reforms;
- Foster and facilitate postal sector technical assistance;
- Foster and advocate for Member States' common positions on postal issues;
- Foster research and development in the postal sector;
- Foster regional projects for the development of the African postal network;
- Promote the development of new products and services;
- Promote sustainable development of the postal sector;
- Promote affirmative action for disadvantaged groups in the development of the postal sector.

4. GLOBAL STRATEGIC OBJECTIVES

The Dubai Business Plan translates the UPU's long-term vision into 35 Domain Work Proposals (DWPs), structured around three strategic goals:

- **Goal 1:** Uphold a rules-based system to modernize and unify the global postal territory.
- **Goal 2:** Strengthen the postal ecosystem through service innovation and trade facilitation.
- **Goal 3:** Promote development and cooperation, focusing strongly on regionalization, inclusiveness, and technical assistance.

Among these, Goal 3 has the highest budget support, which indicates the UPU's commitment to leaving no member country behind.

This pillar focuses on enhancing regionalization, which now acts as both a delivery method and a strategic approach. Regionalization will no longer be limited to field implementation; it is positioned as a means of co-creation, empowerment, and resilience-building. Through enhanced regional presence, including expanding regional offices, deploying field experts, and closer engagement with restricted unions and local stakeholders, the UPU aims to tailor solutions more precisely to the unique needs of each region.

Key Domain Work Proposals on Regionalization and Projects support this approach by:

- Elevating regional offices into centres of excellence for technical assistance, policy dialogue, and resource mobilization;
- Ensuring that regional strategies are shaped to go beyond the member countries;

- Strengthening alignment between regional priorities and global goals, particularly in **digital transformation, financial inclusion, logistics development, and regulatory modernization**.

In this way, UPU emphasizes that regionalization is a structural lever that allows development to be localized, inclusive, and responsive. It reinforces the idea that no solution is truly global unless regionally relevant.

This renewed region-specific emphasis on delivery models sets the foundation for a more agile, equitable, and accountable UPU that is fit for purpose to support its members in navigating uncertainty, embracing innovation, and achieving sustainable postal development.

Observations About UPU Technology

1. **Today**, Is UPU technology fit for purpose, where does it fail?
 - 78% agreed it is fit for purpose, 11% disagreed.
 - However failures were in no end-to-end business coverage, lack of a POS, no ERP solution, flexibility to local conditions and technology integration.
2. **Future** Role of technology in diversification, USO and supporting Ministry and Regulators
 - 81% required it to support diversification, 3% disagreed. 58% considered it helpful to meet USO, 13% disagreed.
 - Ministry and Regulators specifically considered it relevant for monitoring & measurement and customs solutions and would like to see **financial inclusion support** and access to UPU **knowledge platforms**
3. **Governance**: Is the governance model appropriate? How can it be improved?
 - 62% considered the governance model appropriate, 6% disagreed. 10/34 would not change the model, 19/34 maybe,
 - 5/34 yes.
 - Improvements in the **quality of service** and closing the **digital divide** are mentioned
4. **Investment**: Is the technology affordable? Emerging opportunities and what are the benefits of UPU technology over others?
 - 60% considered the technology expensive, 6% did not. Regional development models, harmonized/consolidated solutions, featured or volume-based pricing, and subsidies were suggested to make it more affordable.
 - Emerging opportunities included **e-commerce, cybersecurity, and data mining/AI**.
 - The benefits mentioned were **standardized, secure, affordable, and domain-specific** solutions.
5. **Partnerships**: The role and model of engagement with the private sector
 - 17/34 knew WPSPs can participate in the governance of the technology.
 - Engagement with the private sector was in **strategic partnerships, research and development, and new technology**.
 - Their role was mostly seen as **integrator** of technology

5. GLOBAL TRENDS AND ANALYSES

The global postal sector is undergoing a profound transformation. While the world economy grew at an average annual rate of 3.38% (GDP, PPP adjusted) between 1996 and 2023, the postal sector recorded a slower growth of 2.28% in real revenues. This divergence, commonly referred to as "postal decoupling," reflects both the structural challenges and the sector's potential amid digital disruption and evolving customer needs.

Despite the decline in traditional letter mail, the sector has found resilience by expanding e-commerce, logistics, and financial services. In 2023, for the first time, global revenues from parcels and logistics (32.5%) surpassed those from letter post (32.4%), marking a pivotal shift in the sector's economic profile.

5.1. Structural Shift in the Sector

Postal operators are rapidly transitioning from traditional, letter-dominant service models to **integrated networks encompassing parcel logistics, digital services, financial inclusion, and public service delivery**. This transformation is driven by the need to remain relevant in the digital economy and to respond to the evolving expectations of citizens and businesses. However, the pace and depth of transformation vary significantly across regions. New business models, investment in digital infrastructure, reskilling the postal workforce, and establishing agile regulatory frameworks are essential prerequisites for success. Africa Posts need a holistic approach to improve their operations, supported by sound investment measures.

5.2. Diverging Regional Dynamics

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

- i) **Africa** is a clear example of postal decoupling: despite steady GDP growth over the past two decades, postal revenue has declined at an average annual rate of –2.53%. Key constraints include limited investment in infrastructure, low postal traffic, gaps in regulatory coverage, and challenges in adopting electronic advance data (EAD) and digital standards. Many countries also lack defined universal service obligations (USOs) and suffer from restricted access to international funding mechanisms.

The infrastructure gaps on roads, electricity, and connectivity are significant obstacles to attaining postal growth in Africa.

- ii) **Arab countries** have shown robust growth in postal revenue, outpacing GDP growth, largely due to the rapid uptake of financial services and government-backed modernization programmes. Nonetheless, the region faces challenges in addressing cross-border operational fragmentation and harmonizing postal and digital service regulations.

- iii) **Asia-Pacific** has emerged as a global leader in postal innovation. The region boasts strong growth in e-commerce logistics, digital payment systems, and postal financial services. However, the pace of growth is uneven, with the least developed countries (LDCs) in the region still facing infrastructure and policy bottlenecks that limit last-mile delivery and digital inclusion
- iv) **Europe and CIS** regions show relatively high service reliability and resilience levels, but innovation in customer-centric services and addressing remains uneven. Demographic shifts and labor shortages also pose structural issues for the sustainability of national postal operators.
- v) **Latin America and the Caribbean** display moderate economic growth, but postal revenue lags. Fragmented regulatory frameworks, low uptake of digital postal services, and underutilized regional cooperation mechanisms hinder progress. There is a growing demand for capacity building and harmonized digital transformation strategies.
- vi) **Due to market maturity, industrialized countries face declining letter volumes and slower growth in parcel services.** Postal operators are pressured to reduce environmental impact, modernize delivery networks, and maintain competitiveness amid private sector disruption.
- vii) These divergences underscore the need for tailored interventions, strong regional coordination, and continued alignment of UPU-led actions with national strategies

5.3. Climate, Resilience, and Inclusion

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

6. PESTEL ANALYSIS

The postal sector is one of the most extensive networks in the world. Historically, the postal network has been a pivotal development player in communities. Therefore, crafting an effective strategy requires effective scanning of the overall ecosystem and macroeconomic trends before defining the strategic fundamentals at the local level.

6.1. The Business Environment

Postal operators carry out their activities in an environment regulated by a body designated by the government to serve as the postal sector regulator. However, in the ever-changing fluid business world, the postal service is being forced to transform itself by adopting information and communication technologies to offer digital services and play an augmented role in areas like financial inclusion. In this context, other regulators, like the financial regulator play an important stakeholder to be considered when developing postal strategies.

Box 1

- The **postal sector** must integrate **regulatory** and **compliance constraints**, as well as the tighter **data protection requirements**.
- The **Post** must be **comfortable** with the **financial regulator** in terms of **transformation** and/or delivery of **digitalized postal financial services**.

6.1.1. Urbanization in Africa

The appearance of smart city projects aims to make African cities more viable and offer appropriate technologies that enable people to enjoy the full potential of digital technology. According to a McKinsey study, investment in African urban infrastructure is expected to be among the most important projects in the coming years, reaching approximately 760 million inhabitants by 2030.

According to an OECD report, North Africa is the most urbanized region on the continent, while Côte d'Ivoire will have an urbanization rate of 58% by 2030¹.

In some countries like Nigeria, Ghana, and Angola, the proportion of urban residents will increase to more than 80% of their total population by 2050, when an additional 800 million Africans will have migrated to urban areas.

Box 2

- The **Post** must embrace and implement **technology-based addressing systems** for service delivery.
- The Post will need **comprehensive e-commerce solutions**.

6.1.2. African demographics and consumption

Young African consumers are becoming increasingly wealthy and globalized as they become decision-makers in their households. The size of the working-age population will continue to increase in the coming years.

The African Development Bank reports that more than 350 million people belong to Africa's middle class. By 2030, Africa is expected to be home to more than 1.7 billion consumers, with total consumer spending of \$2.5 trillion.

Box 3

This phenomenon presupposes that consumption will grow through orders and delivery. In other words, e-commerce will continue to be developed through safe, fast and secure channels.

- The **Post** must expand its **e-commerce service capabilities**.

¹ Agence Ecofin publication of 14 March 2025

6.1.3. Mobile devices are the most common means of accessing the Internet.

- ❖ Across Africa, 60% of the population accesses the Internet via their mobile phones. During the next decade, Africa's netizen population will grow by 11%, representing 16% of the global total.
- ❖ 85% of the world's population will have access to 5th generation (5G) mobile networks by the end of 2029, with Africa leading the way, according to Ericsson's new Mobility Report².
- ❖ Digital finance is growing exponentially on the continent, driven by massive adoption of mobile money. This sector attracts the most investment in Africa's technology landscape.

Box 4

- The **Post** will need to have **appropriate mobile applications**, to facilitate customs clearance, digital financial services and e-commerce operations.
- The **Post** will need to expand and upgrade its **cybersecurity and personal data protection architecture**.
- In this drive, **Africa** will need **harmonized regulations** for **mobile and electronic**

6.1.4. The Informal Sector Accounts for a Sizeable Share of Business Activity.

Mobile phone ownership in the informal sector is strongly correlated with access to digital connectivity at the national level, particularly in financial inclusion initiatives, as they offer various payment options, making transactions easily accessible. This is clearly illustrated in the widespread penetration of mobile money in several African countries, including Kenya, Côte d'Ivoire, Mali, Tanzania, and Zimbabwe. Africa had the first mover advantage as the pioneers of Mobile Money, and the African Post must leverage this opportunity to get into partnerships that can help it grow its market share in the financial services market for remittances, agency banking, collections, and insurance services.

Box 5

- The **Post** will need to expand its **network** to increase its presence in the **country's regions** in order to make its services accessible via existing technological platforms.
- The **Post** will need to **diversify** its range of **digital postal services** to reach the informal sector.

6.1.5. Development of FinTech and technology companies in Africa

Fintech companies in Africa offer solutions that meet the specific needs of people in their daily lives.

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 expanding their influence and affecting how industries are managed around the world, particularly in Africa, where their effects are especially pronounced.

² Published by Maghreb Emergent on 9th December 2023

Technology talent in Africa has reached historic levels and continues to grow. There are nearly 700,000 professional developers in Africa, more than 50% of whom are concentrated in five key African countries: Egypt, Kenya, Morocco, Nigeria, and South Africa.

Most Fintech companies operate in payment and money transfer (41.5%). Next in line is banking, CBS³services, financing services, and insurance.

Box 6

- The **Post** will be able to employ **staff with IT knowledge and skills** to support its digital services.
- The development of **digitalized products and services** will be further enhanced to anchor the product diversification strategy (including products and services tailored to the younger generation).

6.1.6. Climate Change

Africa faces a disproportionate burden from climate change and adaptation costs.

On average, African countries lose 2 to 5% of their gross domestic product (GDP), and many of them spend up to 9% of their budget on tackling extreme weather events. It has been argued at various global forums on Climate that Africa is not the culprit in emissions of toxic gases, yet the continent is on the receiving end of the adverse effects of global warming.

Box 7

- The **Post** must prepare for and **protect itself** against **natural disasters** caused by climate change, with rapid recovery plans;
- The **Post** will need to **invest** in environmentally friendly **facilities and equipment** if no meaningful climate financing is obtained.;
- The **Post** must become **greener** by using **clean energy** in its postal outlets;
- The **Post** will need to offer environmentally friendly **products and services**.

6.2. TECHNOLOGICAL CHALLENGES

Against the backdrop of the COVID-19 pandemic, the technological revolution took a decisive turn around the world as lines that define sectors were erased or blurred. African countries are struggling to keep pace with the countries of the north in this technology sector ⁴.

³ CBSs are true banking hubs whose role is to provide and execute the services that a financial institution offers to its customers.

⁴ Agence Ecofin

- ❖ According to Google's director for West Africa, Artificial Intelligence may contribute up to \$1.5 trillion to Africa's GDP by 2030.
- ❖ Artificial intelligence (AI) is currently one of the hot topics in the technology sector. Many African countries are developing AI strategies to capitalize on this technology.

For the African postal sector, both operators and regulators must embrace new technologies such as automation, artificial intelligence, blockchain, and much more, which represent the future of digital technology, to improve operational efficiency and provide quality services to customers.

6.2.1. Innovation and Digitization Prominence on the Postal Agenda

Postal operators must adapt and modernize their processes to address these challenges and remain competitive. Innovation through digitalization is essential to remaining relevant in today's world. Digitalization helps postal services streamline operations, improve customer experience, and develop new business models.

AI can be an excellent way to **improve data quality** and accurately analyze a company's business. This enables companies to **optimize their networks and anticipate potential changes in business, making it possible to anticipate the resources needed to meet customer needs. In addition, technological tools help reduce manual and time-consuming tasks for operational staff and operating costs.**

Robotics and automation are also beginning to play an increasingly important role in haulage company warehouses.

Box 8

- All postal operators, particularly those in Africa, are encouraged to accelerate and continue the process of digitalizing their processes and the products and services they offer to ensure institutional viability

6.2.2. Recommendations from the AU Digital Transformation Strategy (DTS):

In its Digital Transformation Strategy for Africa 2020-2030, the African Union has set out a series of recommendations for ICT and postal policy reforms.

The AU is committed to undertaking or strengthening the following ICT and postal policy reforms:

Box 9

- Consider the **postal sector and postal financial services (PFS)** as an essential component of the **digital economy and the financial inclusion ecosystem**;
- Include **postal digitization** in **national priorities and the national digital strategy** as part of the **innovation strategy** for postal services;
- **Accelerate and intensify policy reform** and fast-track the implementation of existing decisions of AU policy-making bodies on reform, universal postal service, financial inclusion, post codes and addressing systems;
- **Promote the postal sector as a key driver of socio-economic development**;
- Leverage the **Post** as a **platform** to deliver government services to all citizens for digital, financial and social inclusion.

6.2.3. Paperless postal services

Paperless services are becoming a reality for the postal sector. Postal operations will be increasingly digitalized. The proof of concept (pilot) phase is currently underway at UPU.

Box 10

- Any geographical operator wishing to participate in the pilot project is invited to contact the Transport Programme of the UPU International Bureau.

7. SWOT ANALYSIS (Strengths, Weaknesses, Opportunities, and Threats)

Table: 1 Strengths and Weaknesses

Strengths		Weaknesses	
1.	Diverse Membership of a Union to include countries that are relatively developed	Weak financial position due to delayed and non-payment of mandatory contributions	1.
2.	Benefit from experience sharing by Members	Low number of active members available for Union activities	2.
3.	The large number of members boost the advocacy effort of the Union's on its common positions at international decision-making bodies	Slow implementation of regional and subregional projects (pilot)	3.
4.	Participating in capacity building in Member States	Poor or non-implementation of agreed Decisions, Resolutions and recommendations by some Member States.	4.
5.	Existence of common Union rules to moderate relationships among the different actors.	Delayed or none harmonization of regulations and/or policies	5.
6.	Ability and flexibility in holding consultative meetings, taking advantage of technology	Low coverage and poor network coverage or connectivity	6.
7.	Broadened participation of Associate Members	Sub-optimal utilization and operation of partnerships	7.
8.	Partnership agreements with technology players, service providers, academia, etc.	Low digitalization levels	8.
9.	Existence of innovative solutions raising prospects for full exploitation of initiatives	Low electricity availability and power back-up	9.
10.	Opportunity for pooling resources between Member States	Low knowledge, skills and abilities of staff, particularly in emerging technologies	10.
11.	Huge network of universal service providers	Poor quality of services offered by DOs' on both their national and international obligations	11.

Table: 2 Threats and opportunities

Opportunities		Threats	
1	Ability to develop innovative products and services singlehandedly or in partnerships	Agile competition riding on sophisticated, technology suites	1
2	Partnership opportunities supported by the opening up of the sector	Heightened security risks and threats (natural disasters, cyber threats, etc.)	2
3	Development and availability of fin-techs and start-ups	Fast-changing technological environment	3
4	Relationships with the African Union Commission and its various organs.	Development of small and medium-sized private enterprises with low overheads	4
5	Availability of renewable and solar energy	Increased competition in multi-sectors like new private logistics providers, digital platforms and alternative communication and distribution solutions	5
6	Benefit from UPU for assistance programmes		
7	Potential for the development of homegrown solutions		
8	Positive macro-social environment that boosts cross-border e-commerce		

8. GOALS TO DELIVER ON PAPU STRATEGIC PLAN

9. REVIEW OF THE IMPLEMENTATION OF STRATEGIC PLAN 2021/22-2024/25

9.1. THE STATUS OF SUPPLY CHAIN SERVICES IN AFRICA

The PAPU General Secretariat circulated a questionnaire on the Status of Supply Chain Services in Africa whose objective was to elicit and collect information on supply chain activities being implemented by Designated Operators with a view to ascertaining their status and assisting in filling any identified gaps:

- Overall regional performance on Transport related activities is 65% for completed activities, 14% in progress and 20% for activities not yet implemented.
- Performance in security related activities is the lowest with 57% activities implemented, 24% in progress and 18% not implemented.
- Customs related activities stand at 62% implemented, 20% in progress and 18% not implemented.
- Performance on Quality-of-Service related activities is 65% completed, 15% in progress and 23% not implemented.

9.1.1. TRANSPORT: Mail Transportation and Relations with Stakeholders

- International transport is key in the mail supply chain as it ensures smooth conveyance of mail within the global postal network. To achieve this goal, the UPU works in direct collaboration with

the International Air Transport Association (IATA), through the IATA-UPU Contact Committee. UPU and IATA Transport experts share the latest developments to help Designated Operators achieve seamless international transport.

- ii) At national level, Designated Operators should enhance relations with international transport stakeholders including mail carriers, civil aviation authorities and partner postal operators to exchange transport information through electronic messages, improve transport performance and meet all legal and regulatory requirements.
- iii) Non-compliance with international transport requirements will result in international mail delays, mail embargoes for some destinations, low mail visibility within the network and overall low quality of service performance.

9.1.2. International Mail Transport Results

The questionnaire contained ten (10) questions relating to the Transport section.

The findings from the Designated Operators' responses are indicated below:

- i. 75% of the Designated Operators (DOs) have signed Service Level Agreements (SLAs) with Airlines conveying mail.
- ii. 52.8% have constituted National Contact Committees with transport stakeholders like Airlines, Aviation, Handling Agents, etc.
- iii. 63.9% have updated the Transport Contact details with UPU/PAPU.
- iv. 63.9% have participated in UPU Postal Operations Council (POC) Transport Group meetings.
- v. 86.1 % exchange CARDIT/RESBIT with Airlines.
- vi. 69.4% exchange ITMREF/REFRSP.
- vii. 83.3% exchange CARDIT with the Applicable Regulations (AR) flag.
- viii. 66.7% comply with EU ICS2 Release 2.
- ix. 33.3% have developed Contingency Plans for mail transit through the EU (to bypass the EU).
- x. 42.7% updated the Transport EAD Compendium in the past 2 years.
- xi. Three countries namely Angola, Burkina Faso and Zimbabwe indicated that they had implemented all activities under the Transport category.
- xii. Other countries with high scores in international mail transport are Côte d'Ivoire, Egypt, Ethiopia, Ghana, Nigeria, Tanzania and Uganda with most activities having been accomplished and others in progress.

Generally, the following areas had the highest scores on the '**not done**' category indicating lags in the implementation of the following activities:

- Constitution of National Contact Committees with transport stakeholders.
- Update of the Transport Contact details with UPU/PAPU.
- Participation in UPU POC Transport Group meetings.
- Development of contingency plans for mail transiting via EU.

- Update of Transport EAD Compendium.

9.1.3. Constitution of National Contact Committees with Transport Stakeholders

The Constitution of National Contact Committees serves to enhance relations between the Designated Operators and National Transport Stakeholders which include airlines, civil aviation authorities as well as airport security agencies. Close collaboration with the stakeholders will ensure compliance with international mail transport regulations and guarantee efficient mail transportation.

According to the responses, 53% of the Designated Operators have established National Contact Committees with Transport Stakeholders, 25 % are in progress while 22% have not yet commenced the implementation process.

DOs that have not yet established National Transport Contact Committees must do so to ensure efficient mail exchange through compliance with international regulations and improvement of leg 2: international transportation.

9.1.4. ACTION POINTS

It is recommended that all Designated Operators of Member States ensure full or increased implementation of the activities wherever they are currently lagging as follows:

- i. Designated Operators should constitute National Contact Committees with Transport Stakeholders to enhance collaboration, comply with regulations and ensure smooth and efficient mail transportation.
- ii. The updating of Transport Contact Details with UPU/PAPU ensures that information reaches the right target group and is acted upon to achieve efficient transportation.
- iii. Participation in UPU POC Transport Group meetings helps Designated Operators to keep abreast of global postal transport matters and ensure that Africa's views are incorporated in the postal transport developments.
- iv. Designated Operators are encouraged to comply with the requirements for mail transit via the European Union or in cases of non-compliance due to circumstances beyond their control, develop contingency plans to bypass the EU region.
- v. The updating of the Transport EAD Compendium is encouraged to ensure that stakeholders have access to up-to-date transport information on each Designated Operator thereby smoothening the supply chain pipeline.

9.2. SECURITY: Postal Security and Compliance with Standards

The safety and security of the postal sector as part of the global supply chain is critical in supporting worldwide commerce and communication. Article 8 of the UPU Convention and its Regulations

encourages Designated Operators to comply with the S58 and S59 security standards and ensure certification.

To enhance the integrity of the international mail pipeline, Designated Operators ought to establish security units, enhance collaboration with national security stakeholders, follow security developments on the global postal arena as well as comply with security standards. This will undoubtedly go a long way in complementing these global efforts to ensure seamless supply chain integration in the postal sector.

9.2.1. Postal Security Results

There were eight (8) questions relating to Postal Security and Compliance with Standards.

The responses reflect the following:

- i) 88.9% of the DOs have a Postal Security Unit responsible for Prevention and Investigation Management.
- ii) 50% comply with S58 standards for critical postal facilities.
- iii) 47.2% comply with S59 Standards for the Office of Exchange and International Mail Security
- iv) 36.1% participated in the Certification on Compliance with S58 and S59 Standards in the past 4 years.
- v) 47.2% participate in UPU POC Security Group meetings.
- vi) 58.3 possess X-ray screening machines for outbound international mail.
- vii) 58.3 % participate in the National Civil Aviation Security Program (NCASP).
- viii) 67.4% regularly update the List of Prohibited items and dangerous goods.
- ix) Cote d'Ivoire and Equatorial Guinea have implemented all the eight activities relating to Postal Security.
- x) Other countries scoring high, with most security related activities having been implemented are Burkina Faso, Equatorial Guinea, Kenya, Malawi, Morocco, Sierra Leone, Tanzania and Uganda.

Performance on security related activities is generally low as reflected by the responses by members

9.2.2. Establishment of Postal Security Units

The establishment of Postal Security Units responsible for prevention and investigation management is crucial for every Designated Operator to achieve postal integrity and safety.

Lack of postal security units has several implications, including the risk of loss or violated mail, potential for the transport of dangerous and prohibited goods via the post, and a decline in public trust in the postal service. It may also hinder the postal service's ability to provide reliable and secure services for businesses and individuals.

- ❖ 88.9 % of the DOs have postal security units for prevention and Investigations, these units are not fully exerting themselves to ensure that other security initiatives are implemented.
- ❖ An update of the List of Prohibited items and dangerous goods stands at 67.4%, only 50% comply with S58 standards for critical postal facilities, and participation in the Certification on Compliance with S58 and S59 Standards is at 36%.
- ❖ These Security units must drive all security issues within their respective organizations in order to improve these ratings on security compliance.

9.2.3. Certification on Compliance with S58 and S59 Standards

Postal security certification is very crucial for maintaining the integrity and reliability of the postal service, protecting valuable information and assets, and ensuring public safety.

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- Compliance is generally low in Africa with S58 standards at 50% and S59 standards at 47% resulting in a few countries having been certified for compliance with these standards.
- Eleven (11) Designated Operators representing 36% have been certified for compliance with the security standards: Algeria, Burkina Faso, Egypt, Eswatini, Equatorial Guinea, Ghana, Kenya, Madagascar, Malawi, Morocco and Sierra Leone.

It is worth noting that 44% have commenced the certification process painting a brighter outlook for the future.

9.2.4. ACTION POINTS

- i. Designated Operators should comply with the S58 and S59 Security Standards and obtain certification.
- ii. Participation in UPU POC Security Group meetings is encouraged to keep abreast of global postal security developments.
- iii. Regular updating of the List of Prohibited Items and Dangerous Goods is encouraged to ensure that customers and partner Designated Operators have access to up-to-date information.

9.3. CUSTOMS: Exchange of Electronic Advance Data and Customs Relations

- The exchange of postal items containing goods requires that the Post collaborates with Customs to facilitate imports and exports. The growth in the e-commerce market, resulting in the exchange of huge numbers of parcels and small packages across borders, further makes seamless collaboration between Posts and Customs unavoidable.
- At the global level, the UPU cooperates with the World Customs Organization (WCO). The WCO–UPU Contact Committee was established to collaborate on issues related to the clearance of postal items through customs.

- In the same vein, at national level, the Post and Customs Authorities work together to facilitate the processing of international items. The collaboration includes exchange of data, clearance of postal items, collection of customs dues, import and export regulations etc.

9.3.1. Customs Results

The questionnaire contained twelve (12) questions relating to Exchange of Electronic Advance Data and Customs Relations.

The responses obtained reflect the following:

- i) 97.2% of the DOs use the Customs Declaration System (CDS)/CDS.POST.
- ii) 22.2% use CDS Kiosk.
- iii) 39.9% use EAD Customs Declarations App.
- iv) 97.2% comply with the exchange of ITMATT.
- v) 33.3% exchange CUSITM/CUSRSP with Customs Authorities.
- vi) 88.9% comply with the use of WCO HS codes.
- vii) 47.2% updated the Customs Compendium in the past 2 years.
- viii) 83.3% updated the Letter Post Compendium Online (LPCO) in the past 2 years.
- ix) 91.7% updated the Parcel Post Compendium Online (PPCO) in the past 2 years.
- x) 55.6% of the DOs participate in global Customs Workshops/training/ POC Customs Group meetings.
- xi) 39.9% signed a Memorandum of Understanding with the National Customs Authority.
- xii) 50% set up a National Post/Customs Contact Committee.

9.3.2. Memorandum of Understanding (MoU) with National Customs Authority

Designated Operators must sign Memorandum of Understanding with the national Customs Authority to formalize as well as enhance their collaboration. The WCO-UPU Contact Committee has developed guidelines for Member States to benchmark on.

The following information indicates the DOs' rating on the signing of Memorandum of Understanding (MoU) with National Customs Authority.

- i) From the responses, it was ascertained that 42% of the DOs have signed MoUs with their Customs Authorities, 50% have the process in progress, while 8% have not yet initiated the process.
- ii) The MoU will facilitate the establishment of the National Post/Customs Contact Committee which is a platform for interaction and communication for discussing operational issues on the clearance of postal items.

- iii) Signing agreements with Customs Authorities ensure that there are no delays in the handling of postal items by Customs as each party's obligations are clearly outlined
- iv) Performance reviews to be held and are useful in ironing out any obstacles in the exchange of both data and items.
- v) The Post and the Customs Authority will have access to up-to-date information on the developments at the global stage as set by the WCO-UPU Contact Committee for implementation at the national level.

9.3.3. Exchange of Electronic Data with Customs Authorities

The Customs Declaration System (CDS) was developed by the Postal Technology Centre (PTC), to facilitate the exchange of electronic data between Posts and Customs. This speeds up the customs clearance process by the advance sending or notification of information about postal items to Customs and partner Posts.

The CDS also allows Customs to automate their decisions regarding selectivity, risk management and any taxes payable on items before they can be sent.

- i) Only 33% of the respondents indicated that they are exchanging electronic data (CUSITM/CUSRSP) with Customs.
- ii) The rest, i.e. 67% are still making manual data exchanges, which delays the customs clearance process and impacts on quality of service.
- iii) Apart from the Customs Authorities using CDS, they alternatively can interface their systems with the CDS in order to exchange such data.

9.3.4. ACTION POINTS

- i. Designated Operators should exchange electronic data (CUSITM/CUSRSP) with Customs Authorities to speed up the customs clearance process.
- ii. Participation in global post-customs workshops and POC Customs Group meetings is highly encouraged to keep abreast of global postal customs developments.
- iii. Designated Operators should sign Memoranda of Understanding with the National Customs Authorities to enhance the post-customs relations and smooth flow of postal items.
- iv. Establishment of National Post/Customs Contact Committees is encouraged to enhance collaboration and promote dialogue between the two parties which will in turn improve compliance with regulations and ensure a smooth and efficient clearance of postal items.

9.4. Quality of Service

Quality of Service is essential for Designated Operators to retain customers, define market presence and remain competitive. To achieve high quality performance, Designated Operators ought to meet their customers' needs and expectations, deliver efficient service through value-added services and mail visibility.

Quality of service elements include end-to-end reliability, inquiries management, track-and-trace, quality monitoring and testing. These elements are essential in measuring DO's performance against the set targets and customer expectations.

The UPU and other partners have developed several Quality Management tools for use by Designated Operators e.g. Global Monitoring System, Integrated Quality Reporting system (IQRS), Quality Control System (QCS), Internet Based Inquiry System, EMS Cooperative's reporting system (EMS SMART), etc.

9.4.1. Quality of Service Results

The questionnaire contained nine (9) questions relating to Quality of Service.

The Designated Operators' responses reflect the following facts:

- i) 97.2% use Track and Trace for Parcels, EMS, and Registered items.
- ii) 72.2% offer tracked delivery service as per the 4th UPU Extraordinary Congress Resolution.
- iii) 83.3% participate in the Internet Based Inquiry System (IBIS).
- iv) 88.9% use the Integrated Quality Reporting System (IQRS).
- v) 58.3% implement the Global Monitoring System (GMS).
- vi) 80.6% implement the EMS Cooperative's reporting system (EMS SMART).
- vii) 50% participate in the Quality-of-Service link to Terminal Dues.
- viii) 5.6% participate in Quality-of-Service Certification using the New Methodology (2023-2025).
- ix) 31% comply with and have been certified for the S42 Addressing Standard in the past 3 years.

9.4.2. Use of the Integrated Quality Reporting System (IQRS)

The Integrated Quality Reporting System (IQRS) is a quality management tool developed by the UPU to monitor and improve quality of service in the postal industry. Designated Operators have access to the IQRS where they can generate various reports to monitor their performance and make operational decisions.

It is noted that a positive high score of 89% of Designated Operators utilize the IQRS to monitor operations. This high score does not tally with the average to poor quality of service delivery. This may point to the under-utilization of the reports' information to make improvements on the quality of service since the reports show the issues that need to be rectified or addressed.

9.4.3. S42 Addressing Standard Compliance and Certification

Addressing and postcode systems are essential national infrastructure for the socio-economic development of a country. Addresses form the cornerstone of quality postal services as they facilitate the delivery of postal items.

The UPU Standards Board developed the S42 Addressing Standard to facilitate interoperability of name and address data, enable address validation and provide guidelines for building and maintaining address infrastructures.

The scores below show the rate of Members States compliance with and Certification for the S42 Addressing Standard.

- i) Eleven (11) Member States have been certified for compliance with the standard namely: Algeria, Comoros, Eritrea, Kenya, Malawi, Morocco, South Africa, Tanzania, Tunisia, Uganda and Zimbabwe which represents 31%.
- ii) 22% of the Member States are in the process of attaining S42 certification for their addresses
- iii) 47% have not yet complied with the standard.

Member States must comply with the Addressing Standard and publish their address data with the UPU to ensure smooth exchange of postal items as well as facilitate the last mile delivery of postal items across the global network.

9.4.4. ACTION POINTS.

It is recommended that Designated Operators undertake quality improvement initiatives to enhance performance as follows:

- i. Designated Operators are encouraged to implement the Global Monitoring System (GMS) or alternative systems to monitor and hence improve quality of service.
- ii. Participation in the Quality-of-Service link to Terminal Dues is encouraged in order to earn extra revenue.
- iii. Designated Operators are encouraged to participate in the Quality-of-Service Certification to ensure system reliability.
- iv. Designated Operators should ensure compliance with S42 Addressing Standard and attain certification to facilitate smooth exchange and delivery of postal items.

10. THE STATUS OF POSTAL DIGITALIZATION IN AFRICA

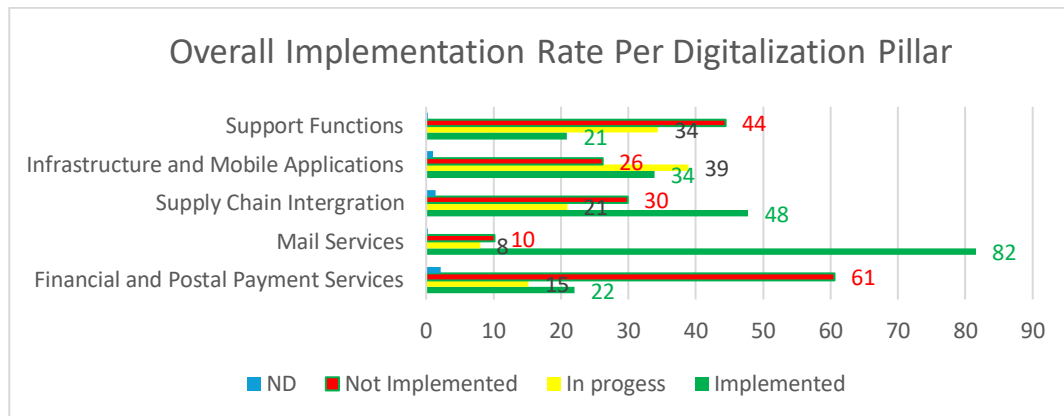
10.1 OVERALL IMPLEMENTATION RATE PER DIGITALIZATION PILLAR

Overall, the results analyzed indicate that the implementation rate for the five pillars of postal digitalization in Africa is as follows,

- i. Mail Services account for 82%;
- ii. Supply Chain account 48%;
- iii. Postal financial and payment services 22%;
- iv. Development infrastructure and mobile applications 34%;
- v. Support functions 21%.

The graph in Diagram 2 below shows the overall implementation rate per pillar.

Diagram 2



- i) The Mail Service Pillar performed the best out of the five pillars followed by the Supply Chain.
- ii) The average score on digitalization mail services pillar, is 82% which indicates the focus on digitalizing the core business of the post ahead of the other segments.
- iii) The Supply Chain pillar achieved 48% according to the responses received. This second-best performing pillar involves interaction with third parties including those that have strict compliance requirements.
- iv) The pillars with the least digitalization scores are as follows:
 - Development infrastructure & mobile applications- 34%.
 - Postal Financial & Payment Services- 22%.
 - Support Functions - 21%.

These low scores on the three pillars indicate that in Africa there is a lot of work required to modernize the postal entities, digitize services and improve IT infrastructure deployed.

10.1.1 FINANCIAL AND POSTAL PAYMENT SERVICES

The provision of basic postal financial services contributes significantly to global economic and social development and plays an important role in improving living standards. The Post in Africa plays a key role in the payments market and the financial inclusion of the citizenry, diminishing consumer risk related to the usage of informal networks and money laundering.

The African postal system, through its connections to the global network can ensure that the continent's citizens have access to efficient, reliable, secure and affordable electronic payment services if it upgrades its infrastructure.

The global services offered by UPU also include the following: UPU Interconnection Platform (UPU-IP), International Financial System (IFS), STEFI, Bilateral Agreement management System (BAMS), IFS Domestic System, STEFI.

10.1.2 UPU Interconnexion Platform (UPU-IP)

The UPU Interconnection Platform enables near real-time exchanges of postal-payment-related messages between designated operators (DOs). The UPU-IP provides application programming interfaces (APIs) for DOs to interface with their national system: a technical setup that allows instant payments all the way to the point of sale

- i) 69% of the responses have not implemented the use of UPU Interconnection Platform (UPU-IP). **Only 21% of Member States use the platform.**
- ii) This indicates the weak connectedness of the African Posts to the global technical setup that allows instant payments all the way to the point of sale.
- iii) African posts need to improve their connection and interface with the global systems under the UPU to leverage the single postal network economies of scale.

10.1.3 International Financial System (IFS)

The International Financial System (IFS) is a software for operations and accounting for international and domestic electronic postal payments used by Designated Operators.

- i) 57% of the Member States have implemented international financial system (IFS.)
- ii) 5% are in the process while 36% have not yet implemented.

This service provides scope for rebalancing the postal portfolio of services. The limited impact of the international remittances supported by the IFS may be due to the following

- If the IFS efficiency is not yet at the levels of the leading and competing solutions
- IFS deployment is hampered by infrastructural shortcomings.

10.1.4 IFS Domestic System

The rating below shows the status of implementation of the International Financial System by Member States.

- 67% of the respondents do not implement the IFS Domestic System
- 10% are in the process, while 19% have not yet implemented it.

The low deployment of IFS Domestic may be due to use of other systems, existence of mobile wallets

10.1.5 Bilateral Agreement Management System (BAMS)

The Bilateral Agreements Management System (BAMS) is a web application hosted by the UPU for Designated Operators (DOs) to centrally manage bilateral agreements. It reflects the Business Agreement parameters agreed on between participants in the PosTransfer network.

The implementation of the Bilateral Agreement Management System (BAMS) is still low in Africa.

- i) 12% of the Member States have implemented BAMS
- ii) 14% of respondents are in the process of implementing BAMS.
- iii) The remaining 69% of respondents have not implemented the system.

10.1.6 QCS Finance Big Data

The Quality Control System (QCS) Finance is a web-based application hosted by the UPU to monitor the performance of the PostTransfer network.

- i) Eleven (11) Member States representing 26% of the respondents to the questionnaire have already implemented the QCS Finance Big Data
- ii) 17% are in the process of implementing.
- iii) 57% have not implemented

10.1.7 Electronic Wallet linked to Mobile Money

Electronic Wallet linked to Mobile Money is a complete platform that allows MNOs⁵, MVNOs⁶, Banks and Financial institutions to launch an electronic wallet tightly linked to their core systems.

The data below shows the status of implementation of the Electronic Wallet linked to mobile money by Member States;

- i) The mobile money e-wallet is used in only 17% of the Member States that responded to the questionnaire.
- ii) It is work in progress in 29% of Member States while 52% have not yet implemented it.

10.1.8 e-Banking Solution

E-banking or online bank allows customers to carry out banking transactions online via a website anywhere and at any time.

- i) 24% of the Designated Operators that responded to the questionnaire have implemented the solution.
- ii) 19% of the DOs have the project in the process of being implemented.
- iii) 57%, the solution has not been implemented.

10.1.9 ACTION POINTS

The Financial Postal Payment Services Pillar is one of the least implemented in terms of the digitalization of postal services. The following are the recommendations emanating from the questionnaire responses:

1. The Designated Operators have to strengthen their efforts in the implementation of the digital solutions under the Financial Postal Payment Services Pillar;

⁵ Mobile Network Operator

⁶ Mobile Virtual Network Operator

2. Postal and financial regulators are encouraged to develop appropriate policies and regulatory frameworks to allow for seamless transition into the postal financial services by Designated Operators;
3. Designated Operators are encouraged to deploy tools and solutions already available in the UPU menu or in partnership with third parties to boost postal financial services;
4. Designated Operators have to increase investments in information technology systems and tools on postal financial and payment services in line with the global digital trends.

10.2 THE STATUS OF MAIL SERVICES

Several IT Systems and Tools are deployed to facilitate the efficient mail exchange services among designated operators. This guarantees the exchange of secure electronic data on mail services.

The services offered include but are not limited to the following: International Postal System (IPS)/IPS.Post/IPS.Cloud, S10 barcodes, EMEVT V3 messages, Track and Trace, Internet Based Inquiry Systems (IBIS), Quality Control System (QCS), Global Monitoring System (GMS), EMS SMART. The detailed analysis of the activities under the Mail Services Pillar are shown below.

10.2.1 International Postal System (IPS)/IPS.Post/IPS.Cloud

The ratings below show the status of implementation of the International Postal System (IPS)/IPS.Post/IPS.Cloud by Designated Operators.

- i) 98% of the DOs have implemented the International Postal System (IPS/IPS. Post/IPS. Cloud) for the exchange of international mail.
- ii) Of the 42 Member States that responded, only Sudan has not yet implemented the solution.

The high implementation rate is commendable, and DOS are encouraged to keep up the digitalization drive.

10.2.2 Internet Based Inquiry System (IBIS)

The Internet Based Inquiry System (IBIS) is used to process international inquiries for mail services. For the inquiries to be processed using this system, the mail should possess S10 bar codes and be trackable using the EMSEVT V3 messages.

The scores below show the status of implementation of the Internet based Inquiry System (IBIS) by Designated Operators for processing international inquiries.

- i) 93% of the Member States that responded to the questionnaire are using IBIS for processing international inquiries for mail services.
- ii) Only Burundi, Chad, Comoros, Gambia, Libya have not yet implemented the solution.

- iii) The same percentage of 93% of respondents are using the S10 bar codes and exchanging data using the EMSEVT V3 messages and Track & Trace.

10.2.3 Quality Control System (QCS)

Quality Control System (QCS) is a web-based application hosted by the UPU to monitor the performance of mail services, measure quality standards and generate customized reports for Designated Operators:

- i) 88% of the DOs have implemented the Quality Control System (QCS)
- ii) 12% are in the process of implementation.

10.3 SUPPLY CHAIN INTEGRATION

Supply chain integration denotes the process of incorporating all parties and activities involved in the delivery of the final product to the customer into one system.

The various stakeholders in the postal supply chain work together and exchange electronic data to ensure a seamless experience for the postal industry and their customers. The main stakeholders are mail carriers, customs authorities, government agencies and other partners.

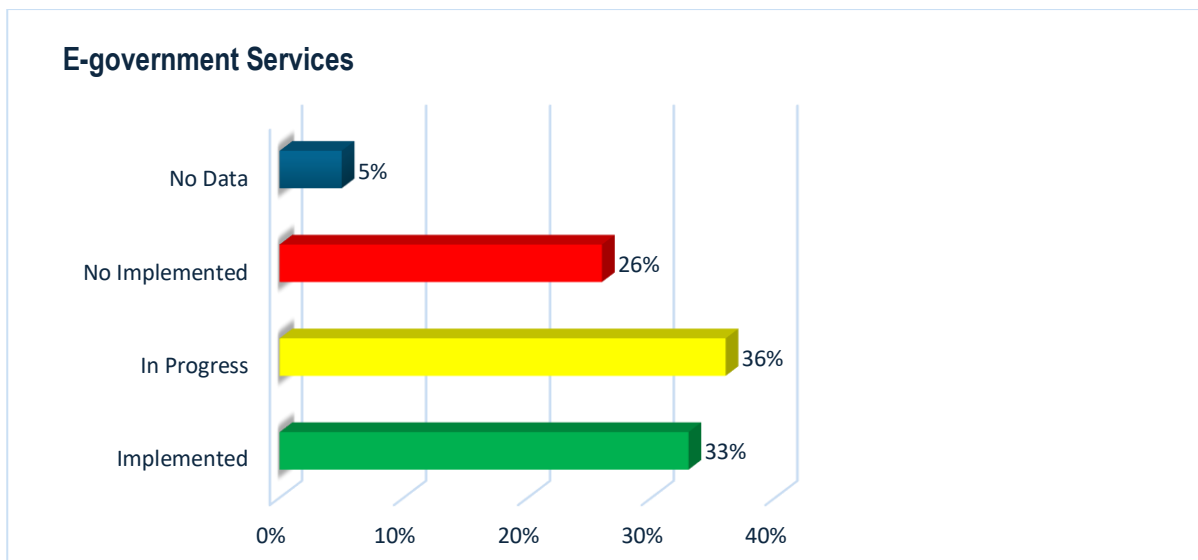
The services offered include but not limited to the following: E-government Services, Customs Declaration System (CDS), Exchange of ITMATT, Exchange of CUSITM/CUSRSP with Customs, Exchange of ITMREF/REFRSP, CDS Kiosk, EAD Customs declaration Application, Exchange of CARDIT/RESBIT with airlines, .Post to level domain, OSCAR - for carbon analysis and reporting, Use of IPS-CDS Telematics tool, WADP Numbering System (WNS), Electronic counter solution (POS & e-POS) Relay Points and Smart Lockers.

10.3.1 E-government Services

E-government also known as electronic government services involves utilizing technology devices, such as computers and the Internet, for faster means of delivering public services to citizens and other persons in a country or region.

The Diagram below shows the status of implementation of the E-government Services by Member States.

Diagram 21



- i) 33% of the DOs offer e-government services,
- ii) 36% are in progress
- iii) 26% have not yet implemented this service.

The level of implementation is too low for an institution that should be driving Government programs and projects since it has the largest footprint in any country including in remote rural areas.

The low score on implementation may be due to low IT infrastructure deployment at Post Offices; lack of electricity and internet connectivity

10.3.2 Customs Declaration System (CDS)

The Customs Declaration System (CDS) was developed by the Postal Technology Centre (PTC) to facilitate the exchange of electronic data between Posts and Customs. This speeds up the customs clearance process by sending or distributing information in advance about postal items to Customs and partner Posts.

The CDS also allows Customs to automate their decisions regarding selectivity, risk management, and any taxes payable on items before they can be sent.

The Diagram below shows the status of implementation of the Customs Declaration System (CDS) by Designated Operator

- i) 95% of the DOs that responded use the Customs Declaration System (CDS).
- ii) This is good considering that exchange of Electronic Advance Data (EAD) for items containing goods became mandatory in January 2021.
- iii) The high score may be due to the fear of consequences for non-compliance imposed under EAD
- iv) Of the 42 Member States that responded, only Sudan has not yet implemented the solution.

10.3.3 Exchange of CUSITM/CUSRSP with Customs

The CUSITM/CUSRSP are electronic data interchange messages exchanged between Posts and Customs Authorities for purposes of customs clearance of international items containing goods.

- i) 43% of DOs exchange CUSITM/CUSRSP messages with Customs Authorities
- ii) 29% are working on exchanging the messages while another 29% have not.

The low score on this element means that the transmission of postal items may take longer due to manual exchanges between the Post and Customs.

10.3.4 Exchange of ITMREF/REFRSP

The scores below show the status of implementation of the Exchange of ITMREF/REFRSP by Designated Operators.

- i) 57% of the DOs exchange the ITMREF/REFRSP messages,
- ii) 31% are in progress
- iii) % have not yet implemented

10.3.5 CDS Kiosk

The CDS Kiosk is used by customer to complete customs declaration forms for international items before acceptance at the counter.

This quickens the acceptance process as the customers get to complete the CN23/CN22 on their own before presentation of the items.

- i) CDS kiosks are available in 50% of DOs that responded to the questionnaire.
- ii) 33% are in progress while
- iii) 17% have not implemented CDS Kiosks.

10.3.6 EAD Customs Declaration Application

The Customs Declaration App is used to prepare customs declarations. It replaces the CN 22 and CN 23 paper forms, enabling the transmission of EAD for mail items directly to postal Operators and Customs.

The EAD is then used by customs authorities to expedite clearance in compliance with national legislation.

- i) The EAD Customs Declaration Application is fully operational in 67% of the DOs.
- ii) 24% are in the process of implementing the application according to the responses received from the questionnaire.
- iii) 10% have not yet implemented EAD Customs Declaration Application

10.3.7 Exchange of CARDIT/RESBIT with airlines

CARDIT/RESBIT messages are the digital form of the CN38 exchanged between DOs and Carrier for the conveyance of international mail.

The exchange of CARDIT/RESBIT messages with airlines is crucial for the visibility of mail within the supply chain pipeline.

- i) 71% of the DOs exchange CARDIT/RESBIT messages with airlines conveying their mail.
- ii) 14% are in the process of facilitating the exchange,
- iii) 12% of the DOs are not yet exchanging electronic messages with airlines

10.3.8 .Post Top Level Domain

The .POST is a top-level domain developed by the Postal Technology Centre (PTC) exclusively for the postal sector. It is a secure and trusted Internet space to serve the needs of the global postal community in the digital economy.

- i) 38% of the DOs that responded to the questionnaire have implemented the .Post Domain.
- ii) 10% are in the process of implementing the .Post Domain,
- iii) 50% of the DOs have not yet implemented it.

The Dot Post domain must be considered as a suitable infrastructure for the postal sector especially when there is a need to host e-commerce platforms that require enhanced security of

10.3.9 Online Solution for Carbon Analysis and Reporting (OSCAR)

OSCAR is the Online Solution for Carbon Analysis and Reporting. It is a tool provided by the UPU to measure and analyze the postal sector's carbon footprint.

- i) 10% of the DOs that responded to the questionnaire have implemented the Online Solution for Carbon Analysis and Reporting (OSCAR).
- ii) 21% are in the process of implementing,
- iii) 69% of the DOs have not implemented OSCAR.

With the global concerted efforts and thrust towards environmental sustainability in the face of global warming, the Post in Africa needs to take more decisive measures to ensure that they are part of the initiatives.

10.3.10 WADP Numbering System (WNS)

The World Association for the Development of Philately (WADP) Numbering System (WNS) is the central register of official postage stamps issued by the UPU Designated Operators.

- i) 21% of the DOs are using WADP Numbering System (WNS).
- ii) 12% are in progress while
- iii) 64% have not implemented it.

The Posts in Africa should consider utilizing the WADP platform as it serves to;

- safeguard postage stamps legally issued from being fraudulently traded
- Provides visibility of postage stamps which can boost philatelic sales
- Lead to quick identification of illegal stamp issues

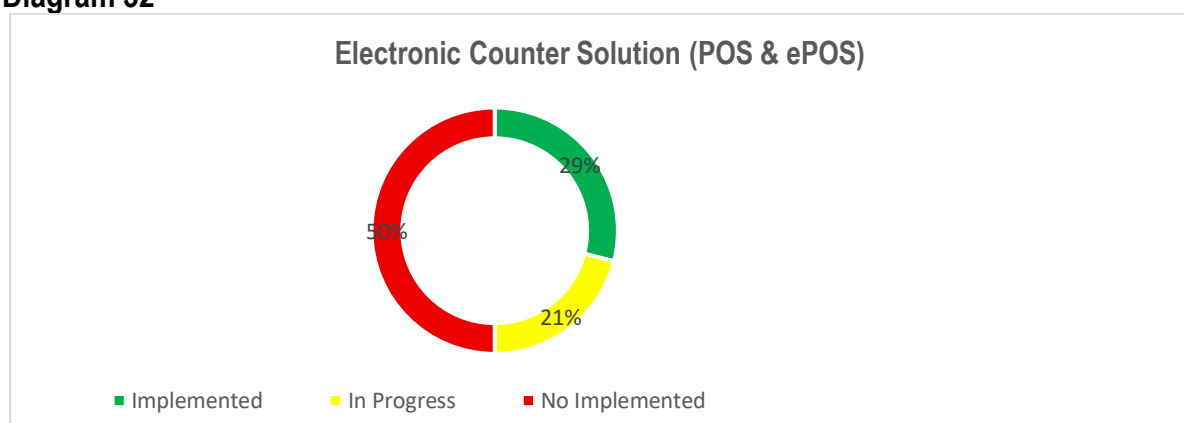
10.3.11 Electronic Counter Solution (POS & ePOS)

Point of Sale (POS) is the place where customers make payments when purchasing products or services. In simple terms, every time a customer completes a purchase, they are making a point of the sale transaction.

An ePOS system will accept payment types such as cash, online payments, contactless payments, credit cards, debit cards, and more.

The Diagram below shows the status of implementation of the use of Electronic Counter Solution (POS & ePOS) by Member States.

Diagram 32



- 29% of the 42 responses received from DOs, use the electronic counter solution (POS & ePOS).
- 21% are in the process of implementing,
- 50% have not yet implemented these tools.

10.3.12 Relay Points and Smart Lockers

Smart Lockers are storage containers that use Internet of Things (IoT) technology to connect to the internet and provide people with a convenient way to store their belongings or to protect assets in factory and warehouse environments.

- 7% have implemented this solution.
- 26% are in progress, while
- 54% have not yet implemented.

Relay points and smart lockers are not sufficiently implemented in the African postal network

10.3.13 ACTION POINTS

The recommendations emanating from the Supply Chain Integration Pillar are as follows:

1. Designated Operators should exchange electronic data (CUSITM/CUSRSP) with Customs Authorities to speed up the customs clearance process;
2. Updating the Transport EAD Compendium ensures Stakeholders' access to up-to-date transport information on each Designated Operator and smoothens the supply chain pipeline;
3. Designated Operators are encouraged to promote the use of the WADP Numbering System (WNS) to register their stamps and curb counterfeit and illegal issuance of stamps;
4. Designated Operators should endeavour to implement the Electronic Counter Solutions (POS & ePOS) as well as Relay Points and Smart Lockers to offer innovative postal services that meet customer needs.

10.4 INFRASTRUCTURE AND MOBILE APPLICATION

IT Infrastructure and Mobile Applications are an important aspect of the digitalization of postal services, enabling DOs to increase efficiency, improve the customer experience, generate savings, automate business processes within regulatory frameworks, and improve operational capabilities.

The African Postal Sector has recognized the critical importance of embracing digital transformation to remain competitive, meet changing customer expectations, and adapt to technological advances.

The services offered include but not limited to the following: Warehousing, Business Management System, SMS/email customer notification platform, Mobile Application for the Post, Cyber Security Policy, Post Office Power and Connectivity back-up, Interactive Website, E- Philately Shop, E-Commerce Platform.

The detailed analysis of the activities under the Infrastructure and Mobile Applications Pillar are illustrated below.

10.4.1 E-Commerce Platform

An e-Commerce platform is a web platform that enables merchants to sell its products or services on the internet. The platform offers a catalogue of products and is equipped with a secure payment system. Customers can therefore buy at any time and from anywhere.

E-commerce platforms are transforming retailing business as sellers and buyers are meeting at these sites to do business.

- i) 31% of the 42 responses received from DOs, have implemented an Ecommerce Platform
- ii) 43% are in the process of implementing,
- iii) 26% have not yet implemented the solution.

- ❖ The operation of an e-commerce platform enhances chances of attracting ECOM products into the Post Office distribution channel
- ❖ The Post can interface its platform with that of suppliers, manufactures hence shortening the delivery cycle and consequently reducing the cost of service.
- ❖ Tools like Track and Trace are a 'Must have' in e-commerce business

10.4.2 E- Philately Shop

DOs sell their philatelic products online via E-Philately shops. Online sale of philatelic products increases the market reach as global collectors can see the products from across the world

- i) 31% of the DOs that responded to the questionnaire implement E-Philately Shop
- ii) 31% are in the process
- iii) 38% have not yet implemented.

The low utilization of e-philately shops excludes the youth from the service and may be the ultimate route to the demise of the service.

10.4.3 Interactive Website

Interactive Website uses various technologies and design techniques to engage users and create a dynamic, engaging experience

- 57% of the 42 DOs have operational interactive websites.
- 26% are in progress, while 14% have not yet implemented.

Interactive websites play a prominent role in client management, feedback tracking and analysis.

10.4.4 Post Office Power back-up and Connectivity

The Diagram below shows the status of implementation of the Post Office Power back-up and Connectivity by DOs.

- 36% of the DOs that responded to the questionnaire have Power back-up and Connectivity at their Post Offices.
- 45% are in progress,
- 17% have not yet implemented it.

This is the foundation upon which a digitalized postal operation has to be built, The Electrification and Connectivity Project that stalled must be revived to ensure that the Post offices can be transformed to digital sites.

10.4.5 Cyber Security Policy

The UPU has approved a number of cybersecurity policy recommendations for Member Countries and their Designated Operators to follow to reduce the incidence of domain hijacking, phishing and spoofing in the postal sector, which are the leading causes of breaches, identity theft and fraud.

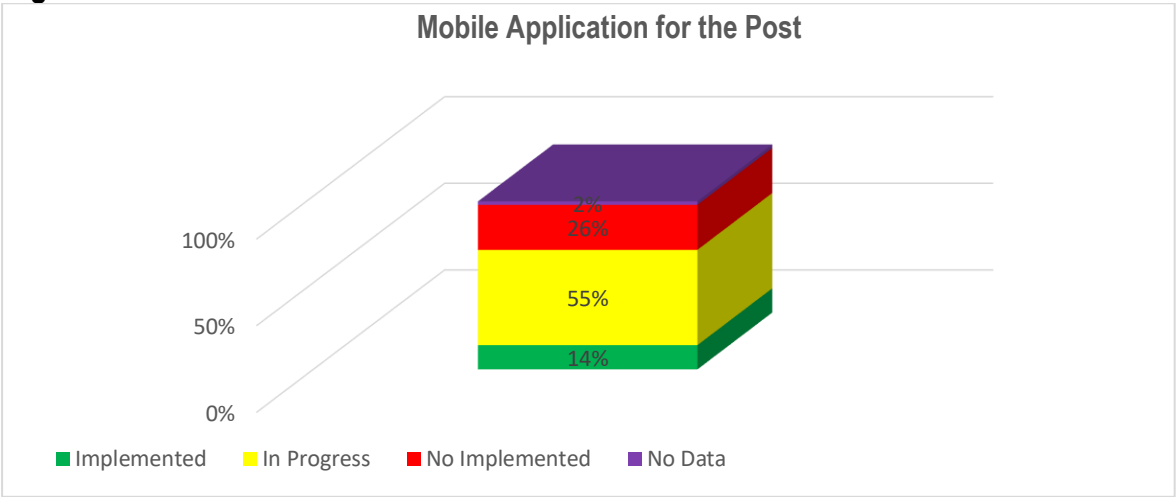
- i) 33% have implemented a cybersecurity policy.
- ii) 43% are in the process of implementing it,
- iii) 24% have not yet implemented.

Cyber attacks represent a significant risk that has the potential to disrupt operations. Customer information and business information need to be protected in conformity to Data Protection protocols.

10.4.6 Mobile Application for the Post

The Diagram below shows the status of implementation of the Mobile Application for the Post by DOs.

Diagram 39



- i) The Mobile Application for the post office is implemented in 14% of the DOs that responded to the questionnaire.
- ii) 55% are in progress of implementing,
- iii) 26% have not yet implemented.

The Post in Africa needs to immense its operations in the Mobile Wallet services that are bringing a lot of convenience in the areas of remittances, payments, fund transfers, collections, agency services etc. Africa has tried and tested mobile money services that started in Kenya as MPESA and have been adopted by most Mobile Network Operators

10.4.7 Business Management System

A Business Management System is a set of tools for planning and implementing policies, practices, guidelines, processes and procedures that are used in the development, deployment and execution of business plans and strategies including all associated management activities.

- 21% of DOs have implemented a Business Management System.
- 43% are in progress,
- 3% have not yet implemented.

10.4.8 Warehousing

A warehouse is the material and organizational system set up to provide storage space.

The scores below show the status of implementation of the Warehousing by Member States.

- i) 24% of DOs have implemented warehousing facilities.
- ii) 38% are in progress,
- iii) 38% have not yet implemented.

Warehousing is important for certain e-commerce models and can be operated to ensure a quicker turn around for e-commerce transactions from online purchases to the last mile delivery.

Warehousing operations provide a useful window in utilizing the huge postal real estate infrastructure that is underutilized due to the low mail business volumes over the past decades.

10.4.9 ACTION POINTS

The following are the recommendations emanating from the infrastructure and mobile applications pillar:

1. Designated Operators should accelerate innovations in e-commerce platforms to capture significant market share in this area of trade;
2. Designated Operators are encouraged to focus more on digitalization of stamps by creating e-philatelic shops for consumers and collectors;
3. Designated Operators are strongly encouraged to develop mobile application solutions for postal services (internally or in partnership between DOs or with fintechs);
4. The DOs in Africa need to partner MNOs in providing Mobile Wallets that offer remittances, payments, fund transfers, collections, agency services etc. The pioneer MPESA service has proved its reliability and stability to the extent that it has been replicated across many networks.
5. Designated Operators are encouraged to develop a business management systems.

10.5 THE STATE OF POST OFFICE SUPPORT FUNCTIONS IN AFRICA

A company's support functions, or back office is concerned with all management activities that do not constitute its core business. They ensure the continuity and proper functioning of the company to remain competitive, to manage and support its operational teams in their daily missions.

These are cross-functional roles that contribute to operational efficiency, legal compliance, risk management and the achievement of corporate objectives.

10.5.1 Digital Addressing

Digital Addressing involves assigning unique, alphanumeric addresses based on GPS data to physical locations, often using digital address codes.

- i) 14% of the DOs have implemented Digital Addressing.
- ii) 45% are in progress of implementing,
- iii) 40% have not yet implemented.

The addressing infrastructure is the backbone for postal delivery services. Its modernization and digitalization can bring more efficiency to the postal operations

- Improved service delivery
- Customer satisfaction boosting
- Better delivery routing that is cost efficient

10.5.2 Digitalization of Stamps

Posts are using technologies to improve performance and offer new innovative services and products. Lately, Posts worldwide have been implementing distributed ledger technologies (DLTs) for issuing stamps with various types of digital characteristics. The ratings below refer to the utilization of technology in the issuance of stamps;

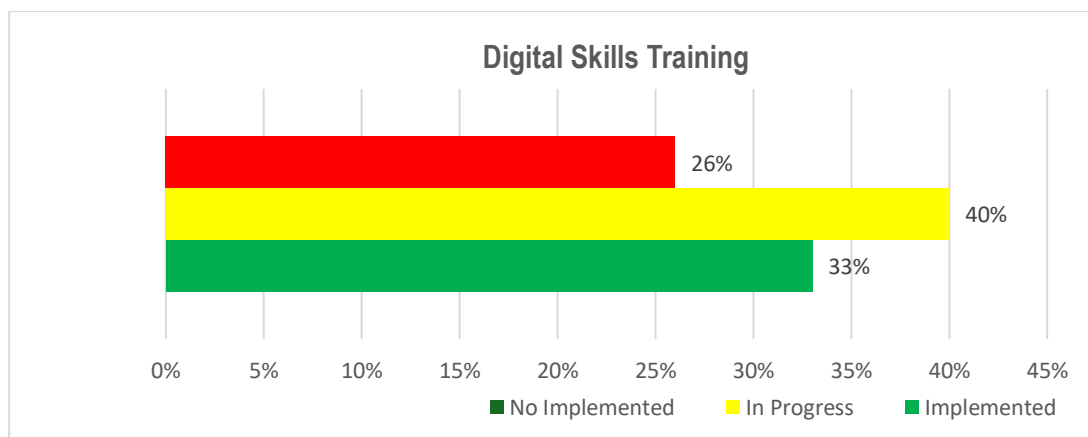
- i) 5% have implemented,
- ii) 17% are in progress
- iii) 67% have yet implemented.

The process of digitizing stamps is still modest according to the responses received from the DOs

10.5.3 Digital Skills Training

The Diagram below shows the status of implementation of the Digital Skills Training by Member States.

Diagram 46



- i) 33% of the DOs that responded to the questionnaire have conducted Digital Skills Training to the Staff,
- ii) 40% are in progress,
- iii) 26% have not implemented

The DOs need to upskill their employees and equip them with digital skills for them to be able to drive the digitalization agenda.

Employees lacking digital skills are a handicap to the business as they cannot;

- Identify market opportunities
- Deliver quality digital services desired by customers
- Interact with Partners whose businesses are hinging on technology platforms

10.5.4 Digital Marketing Plan

A digital marketing plan is a strategy outlining how the Post will use Digital Channels to promote its products and services, among others.

A digital marketing Plan is a vital go-to-market tool that ensures that the business fully exploits the technology-based opportunities in the market

- i) 26% of the responding DOs have developed Digital Marketing Plans to promote their products and services.
- ii) 36% are in process of developing Digital Marketing Plans.
- iii) 38% have not implemented.

10.5.5 Partnership for Multi-Vendor B2C /G2C Marketplace

The status of implementation of the Partnership for Multi-vendor B2C /G2C marketplace by Member States is indicated below.

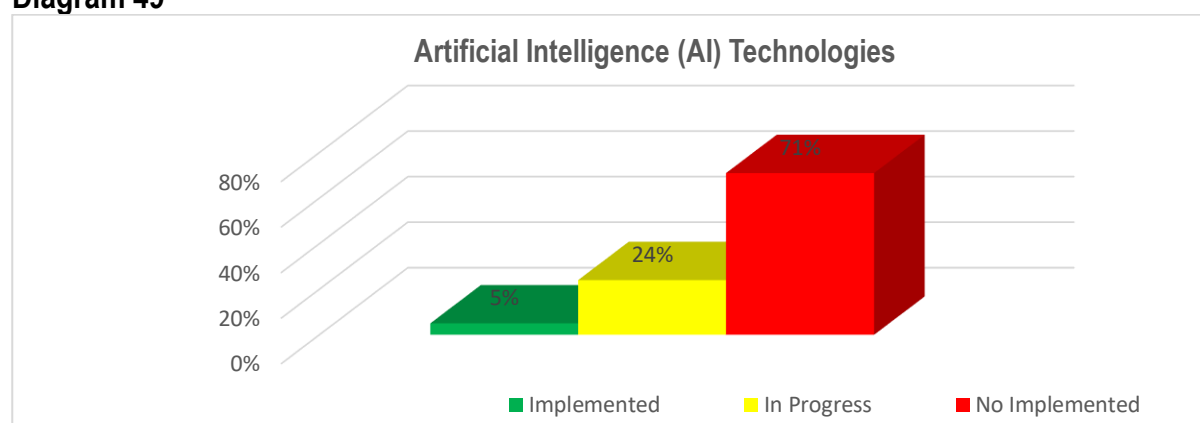
- i) 31% of DOs have implemented,
- ii) 33% are in progress to be partners with multi-vendor B2C/G2C marketplace.
- iii) 36% have not yet implemented.

The partnership (B2C/G2C) is in the take-off phase

10.5.6 Artificial Intelligence (AI) Technologies

The Diagram below shows the status of implementation of the Artificial Intelligence (AI) Technologies by Member States.

Diagram 49



According to the responses,

- i) 5% of the DOs that responded to the questionnaire are using AI.
- ii) 24% are in progress of implementing
- iii) 71% have not yet implemented

The integration of Artificial Intelligence (AI) remains very low yet the world is moving at a galloping speed in the application of AI.

10.5.7 Quality Management System (QMS)

A Quality Management System is a structured framework that defines and documents an organization's processes, procedures and responsibilities for achieving policies and objectives.

- i) 27% of the DOs that responded to the questionnaire have already implemented the QMS.
- ii) 40% are still in progress,
- iii) 33% have not implemented QMS.

QMS is necessary for streamlining processes to achieve efficiencies in service delivery, improve services provision and manage cost of service provision.

10.5.8 Structure Aligned to Digital Transformation

The ratings below show the status of implementation of the Structure Aligned to Digital Transformation by Member States.

- i) 26% of the DOs have implemented the Structure aligned to Digital Transformation.
- ii) 50% are in progress of implementing,
- iii) 24% have not yet implemented.

While in business Structure follows Strategy; the low (26%) alignment of the structure to digital transformation is indicative of lack of comprehensive digital strategy

DOS are strongly urged to craft digital strategies that will ensure that the business is ready to play in the digital space.

10.5.9 ACTION POINTS

The following are the recommendations under the Support Functions pillar:

1. Designated Operators are encouraged to digitalize stamps in line with global trends to ensure continued market development by targeting the Youth;
2. DOs should strengthen investment in support functions, particularly staff training in cutting-edge technologies such as artificial intelligence, modern management, business monitoring, and decision-making tools;
3. Designated Operators are encouraged to develop digital marketing strategies, which are highly accessible to the new generation, to increase visibility and grow market share;
4. Designated Operators should consider outsourcing some of their functions, such as the call center, for greater efficiency and profitability;
5. Designated Operators should craft comprehensive digital strategy that covers all aspects of the business like operations, marketing, Client Relationship Management (CRM), Information Technology, Human Resources Management, Fleet Management, Mail Logistics, Real Estate.

10.5.10 Global Monitoring System (GMS)

The Global Monitoring System (GMS) is a measurement system managed by the UPU International Bureau which uses Radio Frequency Identification (RFID) technology to monitor quality of service for non-tracked ordinary letters. Its primary objective is to provide Designated Operators (DOs) with accurate, high-quality operational results.

- i) 43% of the responding Designated Operators have implemented the GMS
- ii) 19% of the respondents are in the process of implementing GMS
- iii) 38% have not implemented the GMS system

10.5.11 How Did the Designated Operator Cover the Initial Implementation Costs of GMS?

Participation in the GMS measurement programme requires the installation of RFID equipment at the mail units and offices of exchange. Designated Operators may finance the initial installation of the equipment using various sources of funding at their disposal. They may use own resources or Quality of Service Fund (QSF) resources to fund the Project if they have enough available balances in the fund.

DOs eligible for funding from the QSF Global Project prepared on their behalf by the International Bureau each year may also finance their participation costs from the project.

- i) Four DOs representing 12% of the DOs that have participated in GMS namely Senegal, South Africa, Tanzania, and Zimbabwe financed their GMS participation using their own budget resources.
- ii) Seventeen (17) Designated Operators representing 65% of DOs that have participated in GMS utilized Quality of Service Fund resources to cover GMS costs.
 - Angola and Cameroon funded their GMS participation by neither their own budget nor QSF implying they used other resources.
 - Botswana and Madagascar did not provide information on their sources of funding

10.5.12 How Much were the Annual Subscription Fees for the Past Three Years?

Designated Operators, that have implemented GMS for measuring quality of service, pay annual subscription fees to the Postal Technology Centre (PTC) for use of the system

- Ten (10) DOs representing 42% of the DOs that participated in GMS provided information on the subscriptions paid in the last three years.
- From the submissions, GMS annual subscriptions are generally high, ranging from USD 8 000 to USD 38 000.
- The subscriptions vary per country depending on their mail volumes.

10.5.13 Has the DO participated in Quality-of-Service Link Dues in the Past Three Years?

The UPU International Bureau sends out a Circular each year requesting Designated Operators to indicate their participation in the Quality-of-Service Link to Terminal Dues system.

After the 28th UPU Congress, **‘remuneration shall be based on quality performance in the country of destination’** as per Congress Proposal 20.27B.1. DOs shall base their terminal dues on quality-of-service performance and participate in a UPU-agreed quality measurement system compliant with the UPU Global Monitoring System (GMS) technical design.

Exceptionally, DOs whose total annual inward mail volume is less than 100 tons may request exemption from the quality link to terminal dues, which means they opt to receive and pay all DOs the base terminal dues without the adjustment based on quality-of-service performance.

The details below show the DOs’ participation in the Quality-of-Service Link to Terminal Dues.

- i) Eight (8) DOs representing 24% have participated in the quality of service on an optional basis, namely, Benin, Botswana, Burkina Faso, Cote d'Ivoire, Eswatini, Ghana, Nigeria, and Tanzania.
- ii) 74% of the DOs have not participated in the Quality-of-Service Link to Terminal Dues opting to be exempted from the participation due to inbound low volumes below the 100-ton threshold.

10.5.14 If Participating in the Quality-of-Service Link to Terminal Dues using the GMS Link, has the DO ever Achieved the Target and Received the Additional Bonus Payment?

- i) Out of the eight (8) DOs above that have participated in Quality-of-Service Link to Terminal Dues, only Eswatini indicated that they have ever achieved the target and received the additional bonus payment.

10.5.15 The African Designated Operator's Reasons for Joining GMS.

The DOs provided an array of reasons for joining GMS which are summarized as below:

- i. Measure quality of service performance of ordinary mail and ensure continuous quality improvement.
- ii. Monitor and evaluate end-to-end delivery performance across the international mail network.
- iii. Monitor performance levels and initiate corrective strategies for enhancing the quality performance of international mail.
- iv. Increase visibility of mail operations on the international postal network.
- v. Achieve accurate, high-quality operational results for decision making purposes.
- vi. Ascertain quality of service delays and delivery time bottlenecks and improve quality of service.
- vii. Improve letter-post mail service quality to strengthen the worldwide postal network.
- viii. Get ready for the quality performance linked terminal dues remuneration.
- ix. Earn additional funds from the Quality-of-Service Link to Terminal Dues system by participating in GMS Link.
- x. Increase customer confidence and ensure supply chain reliability.
- xi. Ensure compliance with quality standards and targets set by the UPU.
- xii. Determine the best transport for international mail.
- xiii. Access technical support and training provided by the GMS team.
- xiv. Enhance tracking to support internal monitoring and customer service, by combining barcodes with RFID data captured automatically from letter-post receptacles.
- xv. Improve quality of service and tracking of items thereby enhancing customer satisfaction.
- xvi. Monitor and measure leg 3 lead times, particularly in the last mile delivery.
- xvii. Measure how much time it takes to process mail at the office of exchange.

10.5.16 The African Designated Operator's Reasons for not joining GMS

- i) Egypt Post indicated that they require complex security approvals to join the system,
- ii) Liberia has no financial capacity to join GMS.

- iii) Sierra Leone cited non-affordability given other PTC system they pay for annually. The high GMS installation costs and annual subscriptions against the DO's low volume will not be viable.

10.5.17 The Other Systems for Measuring Quality of Service for Ordinary Letter Used by DOs in Africa.

Designated Operators can use alternative systems to monitor and measure quality of service for international mail. In response to the question, DOs proposed the use of the following systems:

- i) Quality Control System (QCS).
- ii) Integrated Quality Reporting System (IQRS).
- iii) International Postal System (IPS/ IPS.POST).
- iv) Domestic Quality of Service Monitoring System (GMS ONE)
- v) External measurement of delivery times by a service provider.

A system to measure quality of service for trackable ordinary small packets

- Measuring quality of service for ordinary mail is no longer necessary due to the decline in mail volumes. Quality of service for ordinary mail does not therefore reflect the Operator's performance. There is no longer a need to invest in measuring quality for these items.
- Current and future focus should be on monitoring quality of service for e-commerce items containing goods. These items have barcodes which makes them trackable hence quality can be monitored and measured using available UPU tools. Investment should therefore be channeled towards tracking of e-commerce items.

10.5.18 SUMMARY OF HIGH-LEVEL OBSERVATIONS

The following observations can be drawn from the responses to the questionnaire:

- i. Not all Designated Operators are keen to implement GMS.
- ii. Some Designated Operators who were members of GMS withdrew membership because of high costs of membership.
- iii. The bonuses are far between as only one country Eswatini has benefitted only once which could be an indication of the unrealistic nature of the bonus system.
- iv. DOs are interested in measuring their quality of service and improving their services in order to improve their earnings.
- v. Letter mail volumes, on average, have been on a continuous decline thereby requiring that any system used to measure the service should be affordable.
- vi. Resources that are deployed for the measurement of quality of service on untracked letter post items are best utilized in funding projects or efforts on measuring e-commerce items

10.6 THE STATE OF AFRICAN POSTAL REGULATION

10.6.1 What Type of Postal Regulation System Does the Regulator Use? Multi Sector or Sole Sector?

The analysis of responses to this question indicates that many Member States have a multi-sector regulatory system, while others have opted for sector-specific regulation regime.

Result: Out of the **27 respondent Member States**, only **six Member States** have opted for sector-specific regulation while **21 (i.e. 78%)** have introduced multisectoral regulation. The **six respondent Member States** with sector-specific regulation are: **Cameroon, Namibia, Morocco, Central African Republic, Comoros and Nigeria**.

Irrespective of the sector, regulation operates on virtually the same principles, techniques and methods. Setting up a multi-sector regulatory system therefore holds numerous benefits, including pooling financial, material and human resources, promoting experience and knowledge sharing, etc.

In light of the above-mentioned benefits, it would be recommended to establish a multi-sector regulatory authority that covers postal regulation as well.

10.6.2 What is the Status of the Entity Responsible for Postal Regulation?

An analysis of responses to this question shows that the legal status of entities responsible for postal regulation varies from one Member State to another. The Regulatory Authorities were established as independent administrative authorities or agencies or departments within the ministry responsible for postal services

Result: The majority of respondents, i.e. **21 Member States (78%)** stated that the entity responsible for postal regulation was established as an independent administrative authority. **Six Member States (i.e. 23%)** have a regulatory authority with the legal status of an agency or department within the ministries responsible for postal affairs.

The regulatory authorities of **Angola, Central African Republic, Republic of Congo and Nigeria** have the legal status of an agency. In contrast, the postal regulatory authorities of **Morocco and Cameroon** are departments in the ministries in charge of postal services.

Analysis: To carry out its regulatory mission successfully, any regulatory authority needs guarantees, the most important of which are autonomy and independence. The effectiveness of this autonomy and independence depends inter alia on the authority's legal status and institutional arrangements.

Recommendation: It is strongly recommended that Member States opt for the distinct legal status of Independent Administrative Authority in order to minimize the risks of undue interference and to guarantee the independence, autonomy and impartiality of the regulatory authorities.

10.6.3 TO WHAT EXTENT IS THE POSTAL MARKET OPENED UP?

In response to the question of whether the national postal market is fully or partially liberalized (opened up to competition) the responses revealed that in some Member States the postal market is fully liberalized, while in others it is partially liberalized.

Results: The results show that **55%** of Member States have opted for full liberalization, while **41%** have partially opened up the postal market. Only Eswatini's postal sector remains a monopoly of the state-owned postal operator. However, some Member States have made provision for reserved services in addition to full liberalization. These are **Benin, Cameroon, Botswana, Kenya, Lesotho, Mozambique, Tanzania, Zambia, Mali, Niger** and **Comoros**.

Analysis: Full liberalization promotes increased competitiveness and investment in the postal sector and, consequently, greater satisfaction for consumers of postal services.

Recommendation: In order to increase competitiveness and investment in the postal sector, it is recommended that the postal sector be reasonably opened up or liberalized. In exchange for full liberalization, safeguard mechanisms ought to be developed to replace reserved services in order to compensate for the net cost of the universal postal service

10.6.4 AVAILABLE POLICY OR STRATEGY FRAMEWORKS

The questionnaire asked Member States to avail it with their policy/strategy documents on postal regulation

Results: The results show that all other Member States, excluding the Central African Republic, have a legal framework for regulation, which is also the legal basis for postal regulation. However, the following countries South Africa, Burkina Faso, Democratic Republic of Congo, Zambia, Niger, and Nigeria have a national postal strategy in addition to the legal framework for regulation.

Analysis: While a legal framework is essential for effective regulation of postal activities, it is not sufficient on its own. In addition to the legal framework for regulation, member states must adopt strategic documents to, among other things, define priorities, strategic and operational objectives, potential risks and the necessary resources, anticipate challenges, promote innovation and consider future prospects.

Recommendation: In order to successfully carry out regulatory activities, Member States that do not have Strategic or Policy framework are recommended to adopt a strategic planning document for postal regulation.

10.6.5 What is the Scope of Postal Regulation?

The scope of regulation varies from one Member State to another. While in some States postal regulation covers only postal services, in others it covers other services in addition to postal services, particularly financial services.

Result: Postal regulation covers postal services in all the Member States that replied to the questionnaire. In addition to postal services, it covers financial services in the following Member States: **Botswana, Burkina Faso, Cameroon, Kenya, Morocco, Côte d'Ivoire, Malawi, Niger, Nigeria** and **Tanzania**. However, postal regulation in **Kenya and Morocco** incorporates, in addition to postal services and postal financial services, other services including electronic transactions, e-commerce and electronic financial services.

Analysis: The main mission of postal regulation is to ensure the application of regulations in the provision of postal services which includes the **three** dimensions: physical, electronic and financial.

Recommendation: It is recommended that Member States, which have not yet done so, extend postal regulation to postal financial services and electronic services

10.6.6 What is the Scope of Universal Postal Service In Your Country?

The questionnaire sought information on the content of the universal postal service in each Member State, and the scope of the universal postal service in the Member States that responded is as follows

Result: The scope of the universal postal service in the Member States mainly includes items of correspondence, postal parcels, registered items, items with declared value and literature for the blind. As far as electronic services are concerned, only **Benin** has included electronic services in its scope of universal postal service. In addition to traditional postal services, **Tanzania** has included other services in its universal postal service, in particular financial representation services (bureaux de change, travel agencies, etc.) and one-stop e-government services. However, in some Member States, the scope of the postal service has not been defined or is in the process of being defined. This is the case for **Namibia, Lesotho and Kenya**. Indeed **Namibia and Lesotho** which currently apply the Acts of the Universal Postal Union (UPU) while the legislative framework of the universal postal service is being developed in **Kenya**.

Analysis: The current context, marked by the emergence of Information and Communication Technologies (ICTs) and the widespread desire to digitalize services, as well as the changing needs of consumers of postal services towards digital products, requires not only an update of the portfolio of postal products and services but also the taking into account of new consumer needs brought about by the emergence of new technologies. As a result, the scope of the universal postal service in several Member States has become obsolete in the current context.

Recommendation: In the light of the above, Member States should be recommended to update the scope of the universal postal service and include, as far as possible, electronic services and support basic public services provision (health, education, etc.).

10.6.7 What Other Public Service Responsibilities Are Entrusted to the Designated Operator?

This question enquired whether, in addition to the universal postal service, the designated operator has one or more other public service missions

Out of a total number of **27 respondents**, **13 designated operators** perform at least one public service mission other than the provision of the universal postal service. In contrast, **14 designated operators (52%)**, are exclusively responsible for providing universal postal service. These are Benin, Botswana, Ghana, Kenya, Lesotho, Namibia, the Republic of Côte d'Ivoire, the Democratic Republic of the Congo, the Republic of the Congo, Eswatini, Niger, Nigeria, South Africa and Zimbabwe.

Result: With the exception of **Mozambique, Malawi, Senegal and Zambia**, all the other designated operators in the Member States have, in addition to providing the universal postal service, a mission to facilitate provision of government services in remote areas. They also carry out general interest missions, in particular: the express delivery service for biological samples in Tanzania, national defence and security missions in Mali, the distribution of financial aid to the needy, services and grants to students, the distribution of administrative documents and the management of road traffic offence complaints in Morocco.

Analysis: It is worth noting that, in addition to providing the universal postal service, many designated operators carry out other public service missions, in particular facilitation of the provision of government services in remote areas, which consists of ensuring an effective postal presence throughout the territories of the Member States. This generates additional costs distinct from those resulting from the provision of the universal postal service.

Recommendation: It is recommended that Member States provide for measures to support designated operators in carrying out public service missions other than the universal postal service, for which one or more compensation mechanisms are provided. These support measures may involve, but are not limited to, subsidies or a dedicated fund.

10.6.8 WHAT COMPENSATION MECHANISM(S) ARE USED TO RECOUP UNIVERSAL POSTAL SERVICE COSTS?

Several compensation mechanisms have been put in place by Member States to bear the additional costs of providing the universal postal service. The responses to this question are therefore intended to provide information on these mechanisms.

Result: With the exception of **Mozambique and Zimbabwe**, all other Member States have at least one of the following universal postal service cost compensation mechanisms: reserved services, compensation fund or state subsidies. However, while **Burkina Faso, Cameroon and Mali** have established three mechanisms to compensate for the unfair costs of the universal postal service, other Member States use **two** of the **three** compensation mechanisms so far in use. These are **South Africa, Angola, Botswana, Kenya, Côte d'Ivoire, Democratic Republic of Congo, Tanzania, Comoros, Malawi, Niger and Zambia**.

Analysis: Defined as quality services offered on a permanent basis at affordable costs to all populations, the provision of the universal postal service generates a shortfall (unfair charges) for the designated operators. It is therefore necessary to compensate for the net cost incurred in order to guarantee the continuity of the effective provision of the universal postal service.

Recommendation: it is recommended that Member States provide for and diversify the mechanisms for compensating the additional costs of the universal postal service

10.6.9 What is the Scope of Reserved Postal Services?

This question enquired about information on the postal products and services included in the scope of reserved services defined by Member States.

Results: Out of 27 respondents, the following Member States have not defined the scope of reserved postal services: the Republic of Côte d'Ivoire, the Democratic Republic of Congo, and Zimbabwe. While the Democratic Republic of Congo and Zimbabwe have opted for total liberalization, Côte d'Ivoire has opted for partial liberalization but without defining the content of the reserved postal services.

Furthermore, the reserved postal services, for those Member States that have them, mainly include:

- **MAIL:** With the exception of Angola, the Central African Republic and the United Republic of Tanzania, all other member states have included mail within the scope of reserved postal services. However, the reserved postal services in Benin, Morocco, Senegal, Malawi and Nigeria consist exclusively of mail items. In general, the weight limit for mail provided in reserved postal services varies from one member state to another and ranges from 100 grams to 2 kilograms;

- **PARCEL POST:** Lesotho, Burkina Faso, Namibia, and Niger have included parcel post cumulatively with mail and/or other postal services within the scope of their reserved postal services. The weight limit varies between 20 kilograms and 30 kilograms.

- **OTHER POSTAL SERVICES:** these consist exclusively of the reserved postal services provided in Angola, the Central African Republic and the United Republic of Tanzania. Other postal services included in the scope of reserved postal services of Member States mainly consist of the issue of postage stamps, registered postal items, postal items with declared value, the rental of post office boxes and the issue and payment of postal money orders

Analysis: Reserved postal services are provided for in many national regulatory frameworks and constitute one of the mechanisms for compensating the net cost of the universal postal service. However, Member States face many difficulties in ensuring that private postal operators effectively comply with the reserved services. This results in a loss of revenue for designated operators in terms of both turnover and compensation for the net cost of the universal postal service.

Recommendation:

- i) Fully liberalize the postal sector and, in return, increase the contribution rate of private operators to the compensation fund;
- ii) Gradually liberalize the postal sector by gradually reducing the weight limits for reserved postal services.

10.6.10 Is the Cost of Providing Universal Postal Service Usually Recovered?

This question enquired on whether there is, and how often compensation is made for the net cost of the universal postal service. In other words, the question was whether the cost of universal postal service is actually paid to the designated operator year-on-year or as soon as the invoice is submitted or whether the net cost is actually determined first.

Result: 27 Member States (i.e. 78%) of respondents, do not compensate the net cost of universal postal service. In contrast, only six Member States (i.e. 22%) of respondents, routinely compensate the net cost of universal postal service.

Analysis: Failure to routinely compensate for the burdensome costs incurred in providing universal postal service leads to considerable financial losses that are likely to jeopardize the viability of postal operators and universal postal service.

Recommendation: Member States are strongly advised to routinely compensate the net cost of universal postal service at a fair price in order to guarantee viability of postal operators and continuity of service

10.6.11 How Do You Establish Your Universal Postal Service Cost?

This question enquired whether Member States have established systems for determining the net cost of universal postal service.

Result: Apart from **Benin, DRC, Kenya, Eswatini, Zimbabwe** and **Lesotho**, all Member States have an established mechanism for determining the net cost of universal postal service. Only Morocco and Senegal use cost accounting to determine the cost of unfair charges generated by universal postal service. As for the other Member States, they use a cost calculation model and/or the designated operator's invoice.

Analysis: Determining the actual net cost is a sine qua non for fair compensation of the net cost of universal postal service. In this respect, operators and postal regulators must introduce cost accounting.

Recommendation: Member States are strongly urged to introduce cost accounting in determining the true cost of postal service provision especially UPS provision.

10.6.12 Do You Have Tools to Assess Quality of Services Delivered by Postal Operators?

The questionnaire enquired on the existence or otherwise of tools that would enable postal regulators to assess quality of services delivered by designated operators

Results: Only **eight respondent Member States (i.e. 30%)** do not have QoS assessment systems. These are **Cameroon, Mali, Mozambique, Namibia, Central African Republic, Côte d'Ivoire, Zimbabwe and Comoros**. In contrast, **19 respondent Member States (i.e. 70%)** have introduced tools for assessing the quality of service delivered by their designated operator and/or private postal operators.

Analysis: One of the main duties of the regulatory authority is to ensure satisfaction of postal service customers by means of routine quality of service assessments. In this regard, they must develop appropriate systems for assessing quality of service.

Recommendation: Regulatory authorities of Member States are advised to develop appropriate quality of service assessment tools.

10.6.13 What Are The Main Challenges Facing Postal Regulation In Africa?

The major challenges raised by the respondent Member States are as follows:

- i. Ensuring healthy and fair competition;
- ii. Fair compensation for the net cost of universal postal service;
- iii. Reforming and harmonizing the legal framework for postal regulation in Africa, taking into account innovative postal services;
- iv. Enhancing satisfaction and protection of consumers of postal services;
- v. Building capacities of regulators, particularly in the new lines of activity brought about by technological breakthroughs;
- vi. Developing a harmonized institutional framework for postal regulation in Africa;
- vii. Strengthening cooperation between regulators;
- viii. Strengthening cooperation between postal sector players at national and international level;
- ix. Encouraging greater investment in the postal sector;
- x. Strengthening the role of the postal sector in the socio-economic development of PAPU Member States, in particular by ensuring that the postal sector is taken into account in government policies and priorities;
- xi. Ensuring effective regulation of e-commerce and digital financial services;
- xii. Reducing the environmental footprint of postal activities.

11. AFRICA'S KEY PRIORITY AREAS THE PAPU STRATEGIC PLAN 2026-2030

During the strategy round table held in June 2024 in Arusha, United Republic of Tanzania, African delegates identified the priority areas and objectives to address structural challenges, leverage opportunities, and ensure sustainable postal sector growth.

The Strategy Committee of the Pan-African Postal Union (PAPU) met prior to the UPU Regional Strategy Forum and submitted “**PAPU Position Paper on UPU Strategy 2026 -2029**”. In this position paper, the PAPU members reached a consensus and highlighted the following priority areas for the African continent.

These priorities were identified in the backdrop of the need to align UPU and revise its 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. This would be aimed at sustaining the international postal network financially.

11.1. Africa Priority Areas and Regional Objectives for the 2026–2029 Period

At the Regional Strategy Forum, members emphasised the need to focus the future UPU strategy on enabling the core postal business through services diversification, operations innovation, and to design strategies on how best to bring back volumes to the postal network capitalizing on the eCommerce boom.

There was reiteration that sustainability, climate change, gender equality, and meeting SDG targets **are lower order priorities** since these were not major concerns for the region. Members were clear, adequately addressing core postal business would lend itself towards achieving these higher order goals.

The broad Priority Areas identified by Africa that are the bedrock of the Africa Strategy (2026-30) centred on Digitalisation of Postal Services, Growth of E-commerce and focus on customers

1. **Enhancing services to capture the e-commerce market:** there is a need to ensure universal, affordable, and high-quality postal packet and parcel delivery to support B2C bulk shipments operations, with a focus on speed and predictability to enhance customer experience.
2. **Improving the fintech business model:** by developing a financially sustainable postal service that connects all citizens and businesses, ensuring equal access to financial services.
3. **Enhancing the Postal Customer Experience:** through improved delivery speed, reliability, and communication. There is also a need to implement real-time tracking and convenient tools, as well as streamlining returns and customer support.
4. **Digitalizing of Postal Services:** Expand the digitalization of postal services to include postal registered electronic mail and other digital solutions, enabling cross-border transactions and upgrading to align with the latest technologies
5. **A Holistic, Tailored Postal Sector Reform Agenda for Africa:** there was a call for the UPU to support postal sector reform through a whole-of-government approach and tailored regulatory frameworks to decrease regulatory burdens and improve internal coordination.
6. **Review, and Potentially Revise, the Mandate of the UPU:** this should be done considering a mandate beyond communications, including trade, e-commerce, and citizen-centric service delivery.
7. **Review Current Postal Definitions:** with the view of accommodating the variety of (new) actors involved in the postal services.
8. **Pan-African harmonization of Key Regulations:** such as customs, security, and transport across countries for seamless postal supply chain integration.
9. **Advocating the Value of Postal Services:** especially to governments and citizens, focusing on youth as future users. There was a call for the UPU to advocate for increased government investment and commitment to postal reforms.

12. ALIGNMENT WITH THE DUBAI POSTAL STRATEGY

At the UPU Regional Strategy Forum for Africa Arusha, Tanzania 13 – 14 June 2024, the African delegates expressed their views on the future UPU Strategy and other strategic matters as indicated below;

❖ GOAL 1: To leverage the Single Postal territory through an effective rules-based system.

Strategic outcome 1.1: Improved, market-relevant, multilateral rules- based system guaranteeing universally accessible postal service.

Africa's View

- Postal sector reform promoted by whole of government approach and dedicated regulatory frameworks, opportunity to reduce regulatory burden and improve internal coordination.
- Revisit the mandate of the UPU to focus beyond communications but to include trade, ecommerce, citizen-centric services delivery.
- Review current postal definitions to recognize multiplicity of actors in the market.

Strategic outcome 1.2: Strengthened cross-border postal supply chains.

Africa's View

- Greater harmonization of key regulations (customs, security and transport) for seamless integration of the supply chain across countries.
- Soft instruments such as guidelines, model contracts and model laws to promote greater alignment and Standardization.

Strategic outcome 1.3: Enhanced platforms for dialogue and knowledge sharing.

Africa's View

- Raising awareness of the value of the post amongst governments and citizens (in particular the youth as next generation users)
- Advocacy to increase government investment in postal sector as a shareholder, to increase government spend as a customer (across multiple sectors and ministries) and achieve political commitment to leadership stability and reform.
- Systemic dialogue (global and regional levels) for knowledge sharing and showcasing best practice aimed at plugging gaps for sustained growth.
- UPU to act as a postal innovation bootcamp that can identify, attract and incubate postal solutions

❖ GOAL 2: To Strengthen the Global Postal Ecosystem Through Innovations.

Strategic outcome 2.1: Improved, customer-centric, innovative postal products, services and supply chain solutions.

Africa's View

- Get fundamentals right with a focus on effectively implementing existing solutions to serve ecommerce growth.
- Develop end-to-end solutions that address resourcing gaps like infrastructure, human capacity, technology while meeting future needs.
- Partnerships and interoperability with WPSPs to enhance the value chain.
- Pan-African postal partnerships in sharing innovation experience in operations, service diversification, and client service ensured by PAPU and supported by UPU.

Strategic outcome 2.2: Improved ability to diversify services.

Africa's View

- Targeting government services as a key pillar of service delivery
- Coherent strategies and guidance for services diversification across Africa aligned with strengths of individual Posts, market particularities and AfCFTA opportunities.
- B2B and B2B2C market growth support from UPU – strategies, interoperability and interconnectivity with partner platforms, model contracts, and solutions.

Strategic outcome 2.3: Improved ability of the postal network to contribute towards development goals including the UN SDGs.

Africa's View

- Advocacy for the role of the post as a key enabler of economic growth. Pitched as a critical player in national development plans and essential service provider.
- Diversified postal solutions that are aligned with national development policies and global goals; creating opportunities for Financing.

Strategic outcome 2: Enhanced Stakeholder Collaboration for Ecosystemic Growth.

Africa's View

- Pooling of pan-African resources and (bilateral) experience for collective growth and overall market development ensured by PAPU supported by UPU.
- Engage governments and investors to make the case for investing in the post; national resource mobilization efforts to be augmented by PAPU and the UPU through advocacy and coordination.
- Engage in strategic partnerships to exploit the strengths of WPSPs for mutual benefit even on commercial terms. UPU should be a provider of standardized, world-class tools for such engagements.

❖ **Goal 3: To facilitate postal development through enhanced cooperation.**

Strategic outcome 3.1: Enhanced digital postal infrastructure

Africa's View

- Posts need to be digitally connected, since digital transformation and connectivity remains a challenge. Requires end-to-end thinking and solutions
- Need to enhance and strengthen the cyber resilience and security of the sector
- Providing affordable technology solutions that are tailored for individual country's social and linguistic context
- Ability to leverage consolidated volumes and demand for affordable pricing

Strategic outcome 3.2: Strengthened Postal Capacity of Member Countries.

Africa's View

- UPU to foster and facilitate South-South cooperation.
- UPU to collaborate closer with PAPU to deliver solutions that are tailored to the specific need of the countries in the continent.
- Recourse to strategic partnerships to plug capacity and funding gaps.
- Review of the UPU funding mechanisms, including the QSF, to expand to include broader set of postal services

13.1.1 Postal Networks, Infrastructure Modernization and Resilience

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

Objectives:

- Upgrade postal infrastructure and delivery networks to support e-commerce and last-mile logistics, particularly in rural and underserved areas.
- Enhance operational reliability, security, and customer trust through modern tracking systems, secure handling, and compliance with quality standards.
- Strengthen regional cross-border e-commerce and logistics integration by harmonizing customs processes, developing transport corridors/ hubs and participation in digital marketplaces.
- Build disaster resilience and business continuity plans to mitigate climate risks and geopolitical disruptions.
- Invest in human capital and institutional capacity through training in digital skills, logistics, and leadership.

13.1.2 Driving Digitalization, Financial Inclusion, and Service Diversification

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

Objectives:

- Expand digital infrastructure (e.g., electronic advance data, addressing systems) to enable Posts to offer digital services.
- Accelerate digital inclusion by leveraging postal networks for e-government, e-commerce, and community access.
- Scale digital financial services (e.g., mobile wallets, remittances) to advance financial inclusion, especially for rural populations and MSMEs.

13.1.3 Regulatory and Policy Reform and Market Adaptation

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

Objectives:

- Strengthen ongoing efforts to modernize postal regulatory frameworks in line with e-commerce growth, digital payment systems, and sustainable financing of the Universal Service Obligation (USO).
- Adapt regulations for the digital economy, including cybersecurity and cross-border data flows.
- Promote comprehensive postal policy reforms that address competition, licensing, pricing, interoperability, and institutional governance to ensure a level playing field and sustainable sector growth.
- Redefine the scope of postal services to align with evolving market dynamics, particularly in the context of e-commerce, logistics, and other emerging trends

13.1.4 Regionalization and Resource Mobilization

Regional collaboration and decentralized support are essential to ensuring sustainable growth and reducing disparities among African countries. This priority strengthens UPU's regional footprint while mobilizing new resources for national and regional projects.

Objectives:

- Strengthen UPU field presence through regional offices and localized technical assistance.
- Develop innovative financing models (e.g., PPPs, voluntary contributions) to fund infrastructure and digital projects.
- Enhance South-South cooperation to share best practices and resources among African nations.

13. FINANCING OF THE STRATEGIC PLAN IMPLEMENTATION

Mandatory contributions from Member States and Associate Members contributes over 80% of the Union's Revenue. However, member countries have faced challenges in meeting their financial

obligations, which has been a perennial problem affecting the ability of the the Union to execute its activities and programmes.

Through the MOU signed with UPU and the close cooperation in the implementation of the RDP for Africa for the 2026–2029 cycle PAPU will leverage on the funding from and resource mobilization:

13.1. Funding from UPU Partnership

Whereas PAPU may not have access to some of the Funding schemes, there are opportunities of assisting PAPU Members to access funding from the UPU to implement National, Sub-Regional and Regional Projects.

- **Quality of Service Fund (QSF):** This Fund is mainly used to fund projects aimed at improving international mail quality, operational efficiency, and capacity-building, especially in least developed countries (LDCs).
- **Common Fund Projects:** Access funds under joint projects that align with the RDP objectives from the UPU raised through mobilization from multi-donor contributions.

13.2. Strengthening Voluntary Contributions from Development Partners

- PAPU will engage possible contributors and development partners to co-finance regional projects under the tied funds approach or scheme.
- Unlock partnership funding from international financial institutions like the African Development Bank, World Bank etc larger-scale infrastructure and digital transformation projects.

13.3. Mobilizing Domestic Resources

- Encourage governments to integrate postal sector development into national digital economy and financial inclusion strategies, allocating budgetary resources accordingly or utilizing the Public Sector Investment Projects.
- Promote the designation of postal operators as essential service providers to attract public funding, especially for rural access, e-government, and last-mile delivery initiatives.

13.4. Public-Private Partnerships (PPPs)

- Foster PPPs to co-develop digital platforms, e-commerce logistics networks, and renewable energy solutions for postal infrastructure.
- Encourage private sector investments through incentives, co-branding, and revenue-sharing models aligned with RDP priorities.

13.5. Cost Recovery and Revenue Diversification

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

14. QUADRIANAL PROGRAMME OF ACTION FOR PERIOD 2026 – 2030

14.1. SECURITY ACTION PLAN

S/N	Objective	Activities	KPI/ Measure	Target	Frequency
1.	Coordination of PAPU Supply Chain Working Group activities	Assist in facilitating responses of DOs in addressing security matters brought up by the Supply Chain Working Group	Level of responsiveness to SCG	100%	Quarterly
2.	Cooperation and collaboration with DOs	Reconcile postal security units' focal points within the PSAG sub-regional Reps	% of DOs focal points reconciled	100%	Bi-annual
3.	Establishment of sub-regional security coordination liaison.	Establish security coordination liaison of focal points within the sub-regions to tackle postal supply chain security concerns	Number of security issues identified and resolved	5	Bi-annual
4.	Create a continuous peer engagement platform	Initiate a continuous engagement with sub-regional postal security focal points for information sharing and best practices	Number of meetings held	2	Bi-annual
5.	Postal security standards S58 & S59 awareness campaign	Develop an awareness program on postal security standards S58 and S59 for the sub-regional security focal points	% awareness roll-out	100%	Bi-annual
6.	Risk assessment technical or expertise assistance	Assist DOs with expertise to conduct risk assessments of their facilities	Number of DOs assisted	2	Annual
7.	Compliance with UPU postal security standards S58 & S59	Coordinate and facilitate implementation of and continuous monitoring of adherence to security standards S58 & S59,	Number of DOs assisted	2	Annual
		Assist the UPU Postal Security Group (PSG) in conducting security process reviews in the sub-regional DOs towards achieving certification	Number of DOs committing to certification	2	Annual
8.	Enhance postal supply chain resilience	Coordinate trainings on Dangerous Goods, Cyber-security threats, Fraud prevention and trafficking of illicit pharmaceuticals	Number of trained personnel per DO	20	Quarterly
9.	Stakeholder Engagement	Establish collaborative platforms with regional bodies, including customs, civil aviation, law enforcement, etc.	Number of meetings held	2	Bi-annual
10.	Progress Reports	Initiate and ensure continuous reporting of DOs on matters	Number of reports per DO	1	Quarterly

		concerning the security of the postal supply chain,			
		Evaluate and report progress made on the implementation of the PSAG Action Plan.	Number of reports by PSAG	1	Quarterly

14.2. POSTAL REGULATION PROGRAMME OF ACTIVITIES IN AFRICA?

Member States made the following recommendations to address the Regulation Challenges

No.	CHALLENGES FACING AFRICA'S POSTAL SECTOR	RECOMMENDATIONS	RESPONSIBLE
1.	Ensuring healthy and fair competition	- Combating illegal postal activities	- Postal Regulators
2.	Fair compensation for the net cost of universal postal service;	- Introduce cost accounting	- Postal operators - Postal Regulators
		- Diversify and adapt Universal Postal Service (USP) financing mechanisms	- Governments
		- Require private courier services to contribute to funding Universal Service Obligations (USO)	- Governments - Postal Regulators
3.	Reforming and harmonizing the legal framework for postal regulation in Africa, taking into account innovative postal services;	- Review and adopt the African Postal Guidelines;	- PAPU General Secretariat - Member States
		- Redefine postal services	- PAPU General Secretariat - Member States
		- Clearly differentiate postal services from delivery services and the logistics services	- PAPU General Secretariat - Member States
		- Develop service quality standards	- PAPU General Secretariat - Member States
		- Standardize the scope of postal regulation, taking into account postal and postal financial services	- PAPU General Secretariat - Member States
		- Redefine the scope, content and obligations of UPS	- PAPU General Secretariat - Member States
		- Strengthen the regulatory powers of postal regulators	- Governments

		- Harmonize postal regulation policies and procedures	- PAPU General Secretariat - Member States
		- Develop harmonized regulations and monitor their implementation	- PAPU General Secretariat - Member States
		- Propose postal regulation policies	- PAPU General Secretariat - Member States
4.	Enhance satisfaction and protection of consumers of postal services;	- Improve satisfaction and protection of consumers of postal services;	- PAPU General Secretariat - Member States
		- Introduce systems for assessing and inspecting service quality and compliance with obligations;	- PAPU General Secretariat - Member States
		- Strengthen controls on postal operators' obligations	- Postal Regulators
5.	Build capacities of regulators, particularly in the new lines of activity brought about by technological breakthroughs;	- Organize capacity-building sessions for postal operators and regulators	- PAPU General Secretariat -
6.	Developing a harmonized institutional framework for postal regulation in Africa;	- Strengthen the independence and autonomy of postal regulators.	- Governments
		- Pool infrastructure and other resources needed for postal regulation	- Governments - Postal Regulators
7.	Enhance collaboration among regulators	- Appoint a focal point per country to monitor and evaluate postal regulatory activities	- PAPU General Secretariat - Postal Regulators
		- Develop a road map for focal points	- PAPU General Secretariat - Postal Regulators
		- Set up an African association of postal regulators	- PAPU General Secretariat - Postal Regulators
		- Strengthen regional cooperation	- PAPU General Secretariat
		- Strengthen collaboration and cooperation between regional and international	- PAPU General Secretariat

		organizations, including UPU, Restricted Unions.	
8.	Strengthen cooperation between postal sector players at national and international level;	- Enhance cooperation between PAPU and UPU	- PAPU General Secretariat
		- Establish periodic consultation platforms at national level	- Postal Regulators - Governments - Postal operators
9.	Encouraging greater investment in the postal sector;	- Lower postal sector entry barriers	- Governments
		- Develop an attractive tax regime	- Governments
10.	Strengthen the role of the postal sector in the socio-economic development of PAPU Member States, in particular by ensuring that the postal sector is taken into account in government policies and priorities;	- Advocate for the postal sector to be considered by Member States in setting their priorities	- PAPU General Secretariat
		- Make adequate financial resources available to postal regulators	- Governments
		- Strengthen the role of public authorities in revitalizing the postal sector	- Governments
		- Sign framework agreements between postal operators and Member States	- Governments - Postal operators
11.	Ensure effective regulation of e-commerce and digital financial services;	- Establish co-regulation between postal regulators and other relevant stakeholders	- Postal Regulators
12.	Reduce the environmental footprint of postal activities	- Form a working group on sustainable development	- PAPU General Secretariat - Member States

15. THE RISK AND OPPORTUNITIES

15.1. The Global Postal Sector in 2029

The UPU has conducted a survey highlighting common elements in the collective assessment of risks facing the postal sector by ministries, regulators and designated operators. The threat of further declines in letter volumes looms large, posing a shared challenge that calls for innovative solutions. The financial viability of services under universal service obligations is a persistent issue. Furthermore, changing customer expectations, particularly with regard to postal parcels, highlight the sector's critical need for flexibility and adaptability.

Table: 3 Five top risks facing the Post by 2029

Ministries	Regulators	Designated operators
1. Steady decline in letter volumes	1. Steady decline in letter volumes	1. Services provided under the universal service obligation are no longer financially viable.
2. Services provided under the universal service obligation are no longer financially viable.	2. Postal regulatory frameworks are no longer fit for purpose	2. Inability to meet changing customer expectations for postal parcels
3. Services provided under the universal service obligation no longer meet the needs of the citizens	3. Cybersecurity risks for digital postal infrastructure	3. Decline in cross-border e-commerce shipments by designated operators
4. Inability to make capital investments in new technologies	4. Services provided under the universal service obligation are no longer financially viable.	4. Steady decline in letter volumes
5. Inability to develop innovative products and services	5. Inability to meet changing customer expectations for postal parcels	5. Inability to make capital investments in new technologies

Source: UPU survey

15.2. Risks Facing The African Postal Sector.

#	RISK CATEGORY	RISK TITLE	DESCRIPTION OF RISK

A) NATURAL DISASTERS			
1.	GLOBAL CLIMATE CHANGE	Hurricanes, cyclones & typhoons	<ul style="list-style-type: none"> Violent cyclonic system that forms in the tropics
		Flooding	<ul style="list-style-type: none"> Flooding is the overflow of water onto land that is normally dry. It can happen during heavy rains, when sea levels are excessively high, when snow melts too quickly for the rivers to move the resulting volumes of water within their normal water course.
		Earthquakes	<ul style="list-style-type: none"> it's a sudden and violent shaking of the ground as result of movements within the earth's crust and tectonic plates or volcanic action
		Pandemics/ Influenza Pandemics (COVID-19)	<ul style="list-style-type: none"> An influenza pandemic is a global outbreak of a new influenza A virus. A pandemic is a disease epidemic that has spread across a large region, for instance, multiple continents or worldwide
2.	CIVIL UNREST	International Conflicts	<ul style="list-style-type: none"> Wars or Terrorist activities
B) CORPORATE RISKS			
3.	STRATEGIC RISKS	Inappropriate Business Model.	<ul style="list-style-type: none"> The risk of transacting agency business where there is no direct control of the products and services. Engaging in unrelated business lines leading to loss of business growth and profitability. Lack of appropriate technology leading to lack of business migration
		Projects Failure Risk	<ul style="list-style-type: none"> Caused by lack of finance, support from stakeholders or poor project management skills The organization is not generating enough revenue to fund working capital or to meet its financial obligations
4.	FINANCIAL RISKS	Vulnerable Financial Management System	<ul style="list-style-type: none"> The risk that financial reports are not accurate, sufficient, reliable, timely leading to poor decisions and non-compliance with regulatory expectations
		Liquidity risk	<ul style="list-style-type: none"> Risk that the organization will have cash flow problems owing to poor sales volumes Poor revenue flows to fund working capital or to meet company financial obligations.
		Currency risk	<ul style="list-style-type: none"> The risk that the company may suffer a financial loss due to currency depreciation against other currencies

		Funding risk	<ul style="list-style-type: none"> The risk that the company may fail to get funding to finance its various projects and operating expenses
		Interest rate risk	<ul style="list-style-type: none"> The risk of financial loss due to unpredicted interest rate volatility
		Bankruptcy/Insolvency risk.	<ul style="list-style-type: none"> When the company incurs a loss or has a working capital deficit. Material financial uncertainty casting doubt on company's going concern status
		Poor Debt Management Risk	<ul style="list-style-type: none"> Continuous debt accumulation due to weak internal controls and financial indiscipline
		Financial Management Risk	<ul style="list-style-type: none"> Software risks People integrity challenges Systems and procedures shortfalls
5.	HUMAN RESOURCE S RISK	People and Culture	<ul style="list-style-type: none"> Risk of having a wrong calibre of employees, culture and occupational health and safety issues
		Loss of skilled and competent staff	<ul style="list-style-type: none"> Due to high staff turnover Failure to attract highly competent staff
		Lack of or inadequate succession planning	<ul style="list-style-type: none"> Risk that the company may fail to continue operating if key staff leave the company Poor handover procedures Lack of continuity on resignations
		Poor industrial relations	<ul style="list-style-type: none"> Risk of work stoppages as a result of strikes by employees
		Fines and Penalties, Litigation	<ul style="list-style-type: none"> Risk of non-compliance with rules and regulations resulting in penalties and interest
6.	OPERATION S RISK	Security risks	<ul style="list-style-type: none"> Risk of fraud/ theft/ burglary at post offices, Cash-In-Transit heists or fire/accident if the cash is not secured
		Reputational and image damage	<ul style="list-style-type: none"> The risk of losing customers due to poor customer relations or poor service
7.	TECHNOLOGICAL RISK	Lack of technological fit	<ul style="list-style-type: none"> Failure to make full utilization of new technologies in business transactions Low level of digitalization. Use of antiquated technology which lags technological innovations.
		Lack of IT-Digital training & capacity	<ul style="list-style-type: none"> Risk that IT utilization may be reduced due to lack of training and skills

		ICT System and Data Security System Failure	<ul style="list-style-type: none"> Revenue loss arising from down time caused by IT system failure and business interruptions. The risk of loss of all financial records and financial information due to a system failure Data security breaches and hacking which is an inherent risk on cloud-based storage facilities, failure to protect the privacy of customer information. Risk of financial loss due to fraud committed using the IT system
8.	SOCIO-POLITICAL RISK	Demographic Risk	<ul style="list-style-type: none"> Risk that new tastes and product preferences lead to low demand
		Political Risks	<ul style="list-style-type: none"> The risk that business objectives may not be achieved due to political instability in the country Policy and legislative changes; Regulatory framework changes
		HIV/AIDS risk	<ul style="list-style-type: none"> Risk of working hours being shortened due to HIV/AIDS or pandemic related issues
9.	COMMUNICATION AND MARKETING RISKS	Publicity Risk	<ul style="list-style-type: none"> Inadequate and ineffective awareness and out reach
		Business viability risk	<ul style="list-style-type: none"> Losing value due to other factors in the market resulting in loss in market share Uncertain market conditions caused by e.g. changes in consumer tastes
		Market Risk	<ul style="list-style-type: none"> Insufficient financial support for marketing and promotional activities Lack of product innovation
		Branding Risk	<ul style="list-style-type: none"> Bad image due to poor branding
10.	LEGAL AND ENVIRONMENTAL RISK	Compliance Risk	<ul style="list-style-type: none"> Losses arising from penalties for failing to follow policies, procedures, regulations, contractual obligations, laws and non-payment of statutory obligations
		Exposure to biohazardous materials	<ul style="list-style-type: none"> Anthrax and other dangerous mail or goods e.g., bombs etc;
C) REGULATORS RISKS			
	REGULATORS RISKS		<ul style="list-style-type: none"> Regulatory frameworks struggles to keep pace with innovation Private players circumventing regulations Backward progress and regulator credibility loss. Poor international transport network in the region

11.	<ul style="list-style-type: none"> • The social and financial sustainability of the USO
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15.3. Opportunities For the Post⁷

Despite the challenges, partners clearly identified numerous opportunities—including the sector's ability to leverage a positive macro-social environment that can drive e-commerce growth, which in turn drives collective growth, against a backdrop of flexible regulatory regimes and diversified solutions. Additionally, the opportunity to modernize operations emerges as a transformative driver for improving operational efficiencies to meet evolving customer expectations. These commonalities among key partners underscore the interconnectedness of challenges and opportunities facing the postal sector and the need for hyper-collaborative responses across the sector.

The main opportunities for the global postal sector identified from the survey and subsequent discussions include the following:

1. African Continental Free Trade Area (AfCFTA):

- The Africa Continental Free Trade Area (AfCFTA) is a flagship project of Agenda 2063 of the African Union;
- Promotes intra-Africa Trade by easing the flow of goods and services
- Eliminates tariff and non-tariff barriers on trade in goods
- Facilitates free movement of services across the continent;
- Is a market of 1.4 billion Africans with combined GDP of 3.4trillions dollars
- The African Posts can play a pivotal role in the logistics of the projected Trade boom.

2. Enabling macro-social environment fueling e-commerce growth:

- This opportunity focuses on the rise of cross-border e-commerce and changes in customer shopping habits in recent years, which may increase demand for a range of value-added postal services.

3. Use of innovative new technologies and data analytics:

- This opportunity involves the use of innovative technologies and infrastructure such as AI to optimize the physical movement of mail and parcels, thereby improving efficiency in tracking, sorting, delivery and customer satisfaction, which is also a key area with opportunity for the sector.

4. Essential innovative services:

- This opportunity focuses on the development of innovative solutions and services that meet customer needs and expectations, such as new delivery options (e.g., the use of drones) or new value-added services.

5. Improved IT standards:

- This opportunity involves upgrading and standardizing IT systems and infrastructure to improve connectivity, data security and interoperability within the postal sector.

⁷ AC C 3 2025.1–Doc 4. Annex 1

6. More opportunities to serve disadvantaged communities:

- This opportunity focuses on creating more inclusive and accessible postal services for disadvantaged communities, ensuring that everyone can enjoy postal services.

7. Increased partnerships:

- This opportunity involves promoting collaboration and partnerships with external partners – wider postal sector players – to stimulate innovation and collaboration and create new opportunities for the postal sector.

8. “Green economy” transition:

- This opportunity involves adopting sustainable practices and technologies to minimize the postal sector’s environmental impact.