



OPERATIONS AND TECHNOLOGY COMMITTEE

PAPU/OTC/RG/01/2026 – Doc No. 4

REMUNERATION WORKING GROUP

28TH JANUARY 2026 (VIRTUAL)

TIME: 09:00 (GMT)

REMUNERATION STRATEGIC ISSUES FOR CYCLE 2026/2027 – 2029/2030

1. Subject Remuneration Strategic Issues for the cycle 2026/2027 – 2029/2030	References/Paragraphs Draft Africa Postal Strategy 2026-2030
2. Decisions expected <ul style="list-style-type: none">• Take note of the document• Provide the necessary guidance	

1. INTRODUCTION

The Africa Postal Strategy 2026–2030 outlines a renewed and unified vision for Africa’s postal transformation, aligning with the Universal Postal Union (UPU) Dubai Strategy 2026–2029, the African Union’s Agenda 2063, and the Digital Transformation Strategy for Africa (2020–2030). It represents a collective commitment by African Member States, under the coordination of the Pan African Postal Union (PAPU), to reposition the postal sector as a critical enabler of digital connectivity, trade facilitation, and social inclusion across the continent.

The Africa Postal Strategy pursues an integrated approach to transformation. It aligns Africa’s regional priorities with the three global goals adopted by the UPU, while maintaining the five (5) distinctive pillars that define PAPU’s operational identity and respond to Africa’s contextual realities.

2. STRATEGIC FRAMEWORK

The Africa Postal Strategy 2026–2030 is organized around five strategic pillars, each designed to contribute to the realization of the UPU’s global goals and Africa’s development aspirations as follows:

- ***Pillar 1: Policy, Regulation and Governance;***
- ***Pillar 2: Innovation, Digital Transformation, and E-commerce;***
- ***Pillar 3: Operations, Quality of Service and Infrastructure Development;***
- ***Pillar 4: Financial and Social Inclusion;***
- ***Pillar 5: Institutional Capacity, Partnerships and Resource Mobilization.***

3. REMUNERATION STRATEGIC ISSUES FOR THE CYCLE

The 2026–2030 cycle presents a critical transformation window for the global postal remuneration systems. These reflect the pressures of e-commerce growth, changes in operational costs, digitalization, and shifts in global trade policies. The core strategic issue for 2026–2030 is creating a remuneration system that is cost-reflective, performance-oriented, digitally aligned, and capable of sustaining a unified, competitive, and inclusive global postal network.

Below are the strategic issues to guide the implementation of remuneration activities by the General Secretariat and Member States during the cycle.

3.1 Pillar 1: Policy, Regulation, and Governance

Strategic issues under the Policy, Regulation, and Governance Pillar are:

S/N	Strategic issue	Strategic Focus
1.	UPU rules remain partly rooted in letter-post structures rather than high-volume parcels and tracked items	i) Alignment of remuneration regulations with modern e-commerce flows.
2.	Misalignment between the Integrated Product Plan (IPP) regulations and remuneration frameworks	i) Connect product definitions with compensation models to close gaps in planning and compliance
3.	Fragmentation caused by a glut of bilateral and multilateral agreements	i) Convergence of existing remuneration deals to create a coherent single postal territory
4.	Full transposition of remuneration rules into national policy and customs environments	i) Harmonization of VAT, customs, data, and security to achieve uniform application of UPU remuneration

3.2 Pillar 2: Innovation, Digital Transformation, and E-commerce

Strategic Issues under the Innovation, Digital Transformation, and E-commerce Pillar are:

S/N	Strategic issue	Strategic Focus
1.	Insufficient remuneration for Electronic Advance Data (EAD) and visibility requirements	i) Provision of customs/security data, scanning events, and IT upgrades to be fully reflected in remuneration
2.	The remuneration system is not fully adapted to digital, tracked, customer-centric products	i) Satisfy modern e-commerce services requirements for remuneration logic aligned with IPP and digital expectations
3.	Increase in the use of data-driven remuneration models	i) Get Digital tools (analytics, automated measurement) to be fully embedded in settlement processes

3.3 Pillar 3: Operations, Quality of Service, and Infrastructure Development

S/N	Strategic issue	Strategic Focus
1.	Operational cost–revenue imbalance for small packets and bulky e-commerce items	i) Address the current remuneration shortcoming that does not reflect real handling, sorting, and last-mile costs
2.	Sufficient Remuneration linked to Quality of Service (QoS):	i) Strengthen performance-based incentives to drive consistent service improvement
3.	Unequal operational capabilities between operators	i) Assist countries with lower infrastructure capacity with meeting the standards for remuneration optimization
4.	Rising compliance costs (EAD, security screening, handling, customs alignment):	i) Pursue the full capture in remuneration models for mandatory procedures to manage associated costs

3.4 Pillar 4: Financial and Social Inclusion

S/N	Strategic issue	Strategic Focus
1.	Remuneration does not fully support the financial sustainability of the universal postal service	i) Explore compensation mechanisms for Operators serving rural, remote, and low-density areas.
2.	Drive for equitable participation in global e-commerce	i) Develop remuneration aligned with cost structures that are competitive for cross-border services for low-income countries
3.	Consideration and promotion of affordability for SMEs and micro-traders	i) Seek alignment of remuneration to operational realities, to make cross-border more inclusive.
4.	Availability and application of modern Cost Accounting models to support remuneration decisions	i) Developing Countries to develop robust cost accounting capacity; ii) Enhancement of ability to calculate accurate inbound/outbound costs; iii) Deploy UPU tools and enlist UPU support for training to improve cost-calculation capabilities.

3.5 Pillar 5: Institutional Capacity, Partnerships and Resource Mobilization.

S/N	Strategic issue	Strategic Focus
1	Limited capacity of many Designated Operators to implement new remuneration rules	i) Address gaps in costing, settlement, data management, and regulatory compliance

2.	Establish strong cross-sector partnerships to align remuneration with real supply-chain costs	ii) Stakeholder engagements with customs, airlines, digital platforms, and regional logistics bodies
3.	Lack of analytical tools and modelling capabilities	iii) Develop the capability, culture, and practice of forecasting the financial impact of remuneration reforms

4. RECOMMENDATIONS

Member States are encouraged to analyze the new remuneration systems for the Cycle and align them with national postal operational plans while addressing the strategic issues for future systems.

5. DECISIONS EXPECTED

The Working Group is hereby requested to:

- i) Take note of the Report and provide the necessary guidance to Member States.
- ii) Table the consolidated Remuneration Strategic Issues for Cycle 2026/2027 – 2029/2030 to the Operations and Technology Committee.