PAPU/PRC/PLG/01/2022 - Doc No.05
POLICY AND REGULATION COMMITTEE

POLICY AND LEGAL HARMONISATION WORKING GROUP
22ND JUNE 2022 (VIRTUAL)

PAPU AFRICAN POSTAL GUIDELINES RECASTING

1. Subject **Update PAPU African Postal Guidelines**	Resolution No. 18/PAPU/CA/XXXVI/2017 on Postal Regulation and Decision No. 16/PAPU/PC/X/2021
2. Decision Expected	

1.0 INTRODUCTION

In order to harmonize policies, regulations and establish a single regulatory model in Africa's postal sector, the 36th Ordinary Session of the PAPU Administrative Council (AC), held from 8th to 10th May 2017 in Nairobi (Kenya) adopted Resolution No. 18/PAPU/CA/XXXVI/2017 on Postal Regulation, whereby the AC instructed the General Secretariat *to "propose a set of continent-wide postal guidelines drawing on existing sub-regional and international models".*

Accordingly, the 10th Ordinary Session of the Plenipotentiary Conference in held in Victoria Falls, Zimbabwe from 24th to 25th June 2021 passed Decision No. 16/PAPU/PC/X/2021, adopting the African Postal Guidelines tabled and setting out the procedure for bringing this instrument into force.

2.0 OPERATIONALIZATION PROCEDURE

Following the adoption by the Plenipotentiary Conference the Guidelines are supposed to be forwarded to the African Union Commission for approval by the competent body after the necessary amendments are done.

3.0 ALIGNMENT WITH UPU QUALITY OF SERVICE STANDARDS AND TARGETS

The General Secretariat has aligned the African Postal Guidelines that were approved and is tabling them in this Working Group for recommendation through the Union's Governance structures before they can be dispatched to the African Union Commission. The main focus of the changes was on conformity with global standards in line with the Universal Postal Union Methodology for measuring global end-to-end quality of service performance as highlighted (in yellow) in the attached Guidelines.

4.0 Conclusion

The Policy and Legal Working Group is hereby requested to

1. Consider and note the Guidelines being recast
2. Make recommendations on the amended and aligned African Postal Guidelines for lodging with the Policy and Regulation Committee

AFRICAN POSTAL GUIDELINES

PREAMBLE

The Pan African Postal Union (PAPU) is a Specialized Agency of the African Union (AU) responsible for coordinating postal sector development in Africa. It was this mission that informed the decision taken in 1977 by the Heads of State and Government of the Organization of African Unity (currently the African Union), which led to the founding of PAPU on 18th January 1980. PAPU had developed the African Postal Guidelines which are designed to serve as an instrument for African countries to strengthen the role of the postal sector as an essential infrastructure for their economic development

In the face of swift and sweeping changes the business environment is currently experiencing, it is absolutely necessary for the Post to come up with effective strategies, policies, as well as smart and harmonized solutions.

Postal services have always been a key economic driver and enabler from time immemorial. The Post is actually a vast communications network. Moreover, the Post has always represented the State in the country's most far-flung locations delivering Government and other essential agency services.

The postal network is, thus, considered as a key infrastructure for delivering basic services to both rural and urban settlements. The Post has equally been recognized as a key contributor to the achievement of the African Union's Agenda 2063 and the UN Sustainable Development Goals (SDGs). The Post may indeed be a key contributor to the achievement of the UN's SDGs Goal 8 by fostering financial inclusions, Goal 9 through postal interconnectivity (accessibility), Goal 11 through its enhanced resilience to natural disasters and finally, Goal 17 by easing access to the Internet, leveraging on key underlying factors (reliability, accessibility, relevance and resilience).

The role of Government in meeting the Universal Service Obligation (USO) can no longer be overlooked. Indeed, Governments have defined Universal Postal Service (UPS) and are ensuring that the necessary adjustments are made in line with customer needs, market trends and technological breakthroughs.

In the meantime, Information and Communication Technologies (ICTs) have revolutionized social and business communications, bringing about a steep decline in traditional letter post volumes. The rapid pace of digitization of postal services and products raises the issue of choosing appropriate models for regulation and organization of the market. Furthermore, technological advancements have led to massive changes in the industry like e-commerce not only exploding in growth, but is also equally evolving into mobile trade (m-commerce) powered by mobile technologies.

CHAPTER I

1.0 DEFINITIONS

The definitions adopted in these Guidelines are drawn from the Acts of the Universal Postal Union adopted by its Member States during the UPU's respective Congresses.

The terms below shall have the following meanings:

a. **Universal Postal Service (UPS):** The permanent provision of quality basic services at all points in the country's territory for all customers, at affordable prices;

b. **Basic postal services**: These are;
   - Priority and non-priority letters, postcards and printed papers up to 2 kilograms;
   - Priority and non-priority small packets (letter post items with goods) up to 2 kilograms;
   - Items for the blind containing goods or documents up to 7 kilograms;
   - M Bags containing goods or documents up to 30 kilograms being special bags containing newspapers, periodicals, books and similar printed documentation for the same recipient and the same address.

c. **Value- added Services/Supplementary services: These include;**
   - Registration service for letter post items (mandatory);
   - Tracked delivery service for letter post; an optional service that can be applied to both goods and documents up to 2 kilograms;
   - Insurance for letter post items (optional);
   - Insurance for parcel post items (optional).

d. **Optional Services: These are;**
   - ECOMPRO Parcel (E-Commerce Product): A priority but optional service under the parcel post category;
   - EMS- Expedited Mail Service;

e. **Other Services, these are additional services like;**
   - Postal Financial services;
   - Domestic logistics;
   - Partnership with supermarkets/ restaurants in delivery services of online purchases;
   - Payment of pensions through mobile money;
   - Passenger transportation services / Hiring out buses (Post Buses);
   - Pick- up and delivery services;
   - Payment of pension at beneficiaries' home;
   - Transportation of humanitarian supplies to needy areas;
   - Transportation of test samples from various places to national laboratory;
   - Use of cargo planes;

- Working from home for non- essential staff,
- Production of face masks for staff and for sale etc.

f. **Access point:** Physical facilities (mailboxes, premises of the universal service) where postal items may be deposited and collected by users;
g. **Operator/universal service provider:** Any governmental or non-governmental entity officially designated by the Member State to operate postal services and fulfill the related obligations arising from the Acts of the UPU on its territory;
h. **Collection:** Operation involving the lifting and gathering of items deposited at access points;
i. **Distribution:** Treatment process at the mail distribution center and delivery of the items to the recipients;
j. **Reserved services:** Services which may be reserved for the universal service provider only by a Member State, under the terms and conditions defined in these Guidelines, for the maintenance and development of universal postal service within the Community;
k. **Authorizations and licenses:** Instrument issued by the Regulatory Authority laying down specific rights and obligations of the postal sector and allowing business entities to provide non-reserved postal services;
l. **National Regulatory Authority:** Body to which the Member State entrusts the regulatory functions in line with the terms and conditions of these Guidelines and National postal laws;
m. **Sender:** Private individual or legal entity who is the source or originator of a postal item;
n. **Recipient:** Private individual or legal entity to whom a postal item is addressed;
o. **User:** Any private individual or legal entity enjoying postal services as a sender or a recipient;

CHAPTER II

2.0 AIM AND SCOPE OF THE GUIDELINES

The aim of the African Postal Guidelines is to firmly enshrine the principle of the Single African Postal Territory by guaranteeing a harmonized, sustainable and high quality universal service within the continent. It equally seeks to ensure a seamless blend between a participatory, gradual and properly-controlled liberalization of the postal market, and the sustainability of universal postal service providers.

The Guidelines lay down common guidelines for the Continent's Postal Sector, including:

- A definition of the building blocks of universal postal service at African level;
- The definition of potential universal postal service financing facilities;
- Requirements for non-reserved postal services delivery;
- A blueprint on how to organize postal regulation;
- Principles on how non-designated postal operators can access the designated operators' network and infrastructure;
- Information Management.

CHAPTER III

3.0 UNIVERSAL POSTAL SERVICE

A. Characteristics of Universal Postal Service

3.1 Scope of Intra-African Universal Service

Over and above the single postal territory principle enshrined in the Universal Postal Union Convention, and in line with PAPU's vision, Member States shall adopt the necessary measures to secure access to at least the basic postal services listed in Chapter I above for African citizens.

3.1.1 Universal Service Access Policy

The overarching aim of the universal postal service access policy is to ensure the delivery of accessible, affordable, equitable, high quality and efficient postal infrastructure and services, with a view to reducing postal exclusion.

i) The objectives of the universal access policy are as follows:

a. Ensure affordable and equitable access to postal infrastructure and services at the level of each community in the country;
b. Promote social inclusion and economic growth;
c. Mobilize available resources in policy, regulation and financing to provide effective and widespread access to postal services at community level;
d. Expand opportunities for information sharing and knowledge acquisition;
e. Boost international and intra-African cooperation.

The postal network must therefore be sufficiently extensive to meet demand. However, its geographical outreach must be built on forms of presence that are flexible enough to allow the universal service provider to continue to viably operate.

ii) Access to Universal Postal Service is thus determined by the following criteria:

a. The average area served or the number of inhabitants by point of access, while considering the geographical situation and demographics of each country.
b. Postal service access levels. The percentage of the population with access to postal services should not be less than 50%.
c. Access to receiving mail by the majority of potential users: Ensure the collection and delivery of letters and parcels at least five working days a week in urban areas and three times a week in rural areas.
d. Access to equal service for consumers in similar situations.
e. Access to service without discrimination in any form whatsoever, including racial, political, religious or ideological.

iii) Quality of Postal Service

Quality of Service (QoS) requirements must be clearly defined, alongside quality of service standards. These standards do change over time and they must be aligned with the global standards in line with the Universal Postal Union Methodology for measuring global end-to-end quality of service performance. The minimum global E2E standard between regions is six working days and the maximum is 11 working days.

End-to-End transmission Standards Within the Africa Region

	1	2	3	4	5
Geographical Regions	AFRICA-CENTRAL	AFRICA-EAST	AFRICA-NORTH	AFRICA-SOUTH	AFRICA-WEST
AFRICA-CENTRAL	8	9	9	9	9
AFRICA-EAST	9	8	9	9	9
AFRICA-NORTH	9	9	8	9	9
AFRICA-SOUTH	9	9	9	8	9
AFRICA-WEST	9	9	9	9	8

End-to-End transmission Standards between the Africa Region and Other Regions of the World

	6	7	8	9	10	11	12	13	14	15	16	17	18
Geographical Regions	AMERICAS-CARIBBEN	AMERICAS-CENTRAL	AMERICAS-NORTH	AMERICAS-SOUTH	ASIA – ARAB	ASIA – CENTRAL	ASIA – NORTH	ASIA – SOUTH	ASIA-OCEANIA	ASIA – PACIFIC	EUROPE – EAST	EUROPE – NORTH	EUROPE – SOUTH
AFRICA-CENTRAL	11	11	10	11	11	11	11	11	10	11	11	10	10
AFRICA-EAST	11	11	10	11	11	11	11	11	10	11	11	10	10
AFRICA-NORTH	11	11	10	11	11	11	11	11	10	11	11	10	10
AFRICA-SOUTH	11	11	10	11	11	11	11	11	10	11	11	10	10
AFRICA-WEST	11	11	10	11	11	11	11	11	10	11	11	10	10

PAPU should conduct periodic assessments of the quality of universal service delivered to consumers and report accordingly to Member States.

iv) Pricing

Member States should ensure that prices for each of the services contained in the universal service package are affordable and allow all consumers to have access to the services offered. In this respect, Member States should set-up a price monitoring mechanism to ensure basic postal services at an affordable price.

Prices for basic postal services may be based on the cost accounting of the Designated Operators providing the universal service, particularly costs inherent is the delivery of such services.

Where there is no updated cost accounting system, prices may still be set by indexing and benchmarking them against acceptable proxies.

B. Financing Universal Postal Service

The Member State's Postal Law should establish financial mechanisms to support access to universal service. These may include grants, public-private partnerships (PPPs), public financing and the creation of a Universal Service Fund.

More especially, the law requires that state funding or grants should be targeted, determined and provided in a transparent, non-discriminatory, low-cost and competitively neutral manner.

Indirect funding for access and universal service operations through inter-operator compensation charges, access shortage charges and other indirect sources may equally be considered.

Another potential source of financing would be preferential or reduced tariffs for good quality access in schools, clinics, telecentres or other community access points or access points for disabled users.

Funding could be provided to operators or projects in order to expand postal infrastructure, encourage market entry and facilitate the launching of infrastructure and services. However, this should not create long-term dependency on such funding.

As far as possible, Member States may reserve certain services. Reserved services shall include collection, sorting, transportation and delivery of domestic postal items, be they accelerated mail or not. This has to be aligned with the prevailing global conditions as contained in the Universal Postal Union decisions as revised from time to time.

CHAPTER IV

4.0 REQUIREMENTS FOR NON-RESERVED POSTAL SERVICES DELIVERY

Member States may grant individual permits or licenses to operate non-reserved postal services that are not universal postal services.

Member States agree that such permits or licenses shall be issued subject to a contribution to the universal postal service fund, where the Member State has opted to establish one at national level. This shall also be subject to an obligation to avoid undermining the exclusive rights granted to the Designated Operator or universal postal service provider.

Through the PAPU General Secretariat, Member States shall lay down harmonized policies for issuing permits and licenses to operate non-reserved services that are not universal postal services.

National regulatory authorities shall be responsible for issuing licenses and permits on their national territory in line with the relevant harmonized continental policies.

CHAPTER V

5.0 DESIGNATING THE UNIVERSAL SERVICE PROVIDER

Each Member State shall take steps to ensure that universal service is effectively delivered, including universal service obligations and identifying, designating the service provider to shoulder this obligation.

By means of a concession agreement or technical specifications, each Member State shall determine the obligations to be assigned to the universal service provider.

5.1 The universal service provider must fulfill the following requirements:

a. Tamper-protection for all postal items entrusted to it;

b. Security of items and facilities open to postal service consumers;
c. Services that meet the key requirements in terms of accessibility on the national territory, quality and pricing;
d. Equal service for consumers in similar situations;
e. Barring a force majeure, continuous and non-discriminatory services regardless of racial, political, religious or ideological considerations;
f. A service allowing for adjustments in line with economic, social and technological developments, as well as changing customer needs.

5.2 The concession agreement or technical specifications should include the following requirements:

a. The nature, characteristics and coverage areas of the postal network;
b. Conditions to guarantee service continuity, availability, service quality, neutrality, security and accessibility;
c. The nature and characteristics of services offered;
d. Technical requirements for accessing the network;
e. Setting prices applicable to services belonging to the universal service package;
f. Operating requirements that guarantee fair competition;
g. Relations with consumers and other postal operators;
h. Periods and requirements for suspension, termination and renewal of concession agreements;
i. A cost accounting system that effectively identifies costs inherent in universal service delivery.

The designated service provider shall be remunerated by operating the universal service, which entitles it to collect fees from its consumers.

CHAPTER VI

6.0 POSTAL REGULATION

The primary goal of regulation is to create an enabling environment for the growth of a thriving postal market through fair competition and a regulatory framework that caters for the activities of all Stakeholders, including postal operators, service providers, consumers and the Regulatory Authority, mindful of the vital need to safeguard and advance universal postal service goals.

Member States shall take the necessary steps to foster the development of an integrated continental postal market. In this respect, they will set out common rules and regulations to regulate the African postal market. Member States therefore agree to establish an independent national authority to regulate their domestic postal market.

They equally agree to create an enabling environment for the authority to perform its duties in a fully independent manner.

Member States shall assign the following key responsibilities to their national regulatory authorities:

6.1 Ensure that high quality universal postal services are delivered.

a. Set service quality standards and prices for basic services.
b. Laying down criteria for the development and extension/reduction of universal postal services according to economic, social and technological developments in the country, as well as the changing needs of postal service consumers.

c. Monitor the operation of universal postal service financing mechanisms (use of compensation funds and allocation of State grants);
d. Establish a mechanism for oversight and monitoring of universal postal service delivery by the operator responsible for universal service obligations.

6.2 Create a healthy competitive environment that guarantees the relevance and viability of the postal sector

a. Foster fair competition by laying down rules that guarantee transparency and fairness;
b. Administer customer satisfaction surveys to sound out the opinion of postal service consumers and urge postal operators to better respond to customer needs;
c. Ensure that universal postal service providers are remunerated fairly, considering that they will increasingly pay more attention to their operating costs.
d. Make recommendations on the pricing universal postal services and encourage the universal postal service provider to a cost accounting system to determine its operating costs.
e. Encourage partnerships among operators, particular in accessing the postal network.

6.3 Protecting the interests of consumers

a. Establish a postal operator performance tracking system for Government and postal service consumers;
b. Handle claims/complaints not adequately addressed by operators, including in cases of theft, loss, damage or non-compliance with service quality standards;
c. Settle disputes in a fair manner by providing for mechanisms for reimbursement and/or compensation by Operators where justified.

In line with the provisions of these Guidelines, each Member State may assign other duties to the Regulatory Authority based on its specific needs.

Member States equally recognize the need for ongoing interaction and sharing of best practices between PAPU Member State Regulatory Authority.

6.4 Providing security

a. Ensure public security and foster moral rectitude;
b. Prevent or minimise risks arising from decadence of values.

CHAPTER VII

7.0 HOW NON-DESIGNATED POSTAL OPERATORS CAN ACCESS DESIGNATED OPERATORS' NETWORK INFRASTRUCTURE

The competition in the letter post market mainly involves end-to-end delivery services provided by operators who have created their own distribution network, thus enabling them to deliver directly to recipients.

In order to prevent any form of abuse of a dominant position by universal service operators, MEMBER STATES have agreed to introduce rules on how to access the network of these providers, on commercial terms, whereby other operators convey letter post items, after prior sorting, to the universal service provider for final delivery.

In the same spirit, Member States have agreed to ~~ban~~ address cases of:

~~i) Unlawful discounts granted to business customers;~~

ii) Margin squeeze and predatory pricing;

iii) Drastic licensing conditions for new entrants to the postal market.

CHAPTER VIII

8.0 FINAL PROVISIONS

8.1 Information management

Following a time frame determined by the Council, the PAPU General Secretariat will present the Administrative Council and the Plenipotentiary Conference with an analytical report on the African postal market and, where necessary, propose provisions aimed at improving these Guidelines and aligning them with the evolving demands of the postal market.

Each Member State may analyze its own domestic market based on a schedule it shall set out. The Member State may take the necessary steps to present the PAPU General Secretariat with the findings from its domestic market survey for onward circulation to Member States for purposes of knowledge sharing.

Member States shall reserve the right to set restrictions on circulation of the analytical report findings to entities other than the competent PAPU organs.

8.2 Maintenance or introduction of more liberal provisions

Member States agree to domesticate these Guidelines into their legislative, regulatory and administrative instruments.

Each Member State may maintain or introduce more liberal provisions than those set out in these Guidelines. However, such provisions must not be less enabling than those contained in the UPU Acts and the PAPU Convention.

8.3 Adoption procedure and entry into force

Firstly, these Continental Guidelines shall be submitted to the PAPU Conference of Plenipotentiaries for adoption before being forwarded to the African Union for approval by the competent body.

It shall enter into force on the thirtieth day following its publication by the PAPU General Secretariat.

Thereafter, it shall be binding on all African countries that are members of the African Union and not just PAPU.

8.4 Amendments

Any Member State may present a written proposal for amendment of these Guidelines to the General Secretariat, which shall circulate same to all Member States within six (6) months prior to the Plenipotentiary Conference.

Amendments shall be adopted by a two-thirds majority of Member States present and voting during a session of the Conference, whereupon they shall be forwarded to the African Union Commission for final approval by the competent body.