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Digitalization of African postal services: Insights on regulatory issues

PAPU Regulators Forum
8 July 2022



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UPU digital services overview

<https://www.upu.int/en/Universal-Postal-Union/Activities/Digital-Services>

Consolidated view of the outputs of the previous cycles.

About UPU ▾

Activities ▾

Outreach & Campaigns ▾

Conference Services

Procurement

Careers

Universal Postal Union > Activities > Digital Services

Digital Services

Digitalization and **digital transformation** of postal services has become a strategic priority as the digital economy is expanding. Postal operators worldwide are implementing new technologies to modernize, diversify and adapt services to customer demand.

According to UPU research, over 93% of Posts provide some form of digital postal services either directly or in partnership with other companies. From basic digital postal services such as online track and trace, e-post through to e-government and e-commerce services such as digital identities, national marketplaces, e-payments and e-logistics, innovation continues at pace.



.POST

The .POST internet top-level domain, managed by the UPU, protects and promotes the postal sector in cyberspace.

Cybersecurity

The UPU has approved security policy recommendations in order to reduce the incidence of domain hijacking, phishing and spoofing in the postal sector.

Research and publications

Insights into the digital transformation of postal services, from regular research to measure and monitor the latest digital developments in the sector.

eTrade for All

eTrade-for-all is a collaborative UN wide multi-stakeholder effort to scale up cooperation, transparency and aid-efficiency for inclusive e-commerce.

ICT4development and SDGs

The postal sector is a key element of the World Summit on the Information Society (WSIS) which oversees the development of the Information Society.

UPU Secure E-services Framework

The UPU has developed a range of tools and legal instruments for countries interested to link their national e-services into the international digital postal network – a single territory allowing the circulation of secure communication services around the globe.

Digital Readiness for E-commerce (DRE)

The UPU aims to ensure the digital readiness of Posts for seamless cross-border e-commerce, aligning the Post's e-commerce strategy with government digital strategies and using the UPU digital enablers to provide all citizens with simple, reliable digital access to postal services.

E-Learning Course on TRAINPOST

A complete training package on Electronic Postal Services is also available on the Trainpost platform.



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UPU Toolkit – Ecommerce Guide



For policymakers, Postal executives, industry partners and development agencies

Provides a holistic view on the key elements that Posts can contribute to the development of national and cross-border e-commerce

Now available on the UPU website

<https://www.upu.int/en/Publications/Digital-services/Boosting-e-commerce-a-how-to-guide-for-postal-operators>





In 2020, the UPU members studied and prepared a proposal on an innovative framework for postal sector participation in e-commerce (POC C 3 2020.1–Doc 2a)

Recommendations for regulators

Policymakers should work together to ensure a framework that:

- Provides flexibility to adapt to changing technology services and evolving customer expectations;
- Enables e-commerce to deliver benefits to consumers, society and the economy;
- Is technologically viable to implement in practice;
- Provides clarity and reliability for consumers, citizens and postal operators.

Proposal for flexible postal sector framework to support e-commerce growth

To accelerate e-commerce development, the postal sector needs to foster sustainable and supportive innovation. In this context, regulators would play a dual role, ensuring both social inclusion and consumer protection, thus providing fair sector conditions.

In order to address the challenges affecting the e-commerce ecosystem (for example, disruption by e-commerce platforms), it is important for the postal sector to pursue the following general objectives:

- Preserve confidence in the system;
- Ensure system integrity and stability;
- Protect users – whether consumers, businesses or investors;
- Promote efficiency.



Proposal on an innovative framework for postal sector participation in e-commerce (POC C 3 2020.1–Doc 2a)

Regulatory scope	
Stakeholder engagement options	Public hearings, high-level round tables, expert workshops and hackathons, to allow for the pooling of resources and expertise to inform major regulatory decisions
E-commerce regulations	Establish the legal remedy for disruption created by e-commerce platforms, e.g. addressing competition issues
Collaboration among regulatory agencies	Ensure consistency of the new regulatory framework with other regulatory frameworks, such as those on consumer rights, customs, data protection, freight transport, and security of goods
Regional and international cooperation	Strengthen the institutional framework for ensuring cooperation between designated operators and a consistent and coherent implementation and application of the regulatory framework
Regulatory impact assessment (RIA)	Enhanced with new benchmarks and data analysis, RIA allows for better decision making and should be introduced as a regular practice before major regulatory decisions are made, as well as throughout the regulatory lifecycle



Two key trends in digital governance



Principles-based regulation

Moving away from reliance on detailed, prescriptive rules and relying more on high-level, broadly stated rules or Principles to set the objectives and standards by which regulated firms must conduct business.

Co-regulation

"the mechanism whereby a Community legislative act entrusts the attainment of the objectives defined by the legislative authority to parties which are recognised in the field (such as economic operators, the social partners, non-governmental organisations, or associations).

This mechanism may be used on the basis of criteria defined in the legislative act so as to enable the legislation to be adapted to the problems and sectors concerned, to reduce the legislative burden by concentrating on essential aspects and to draw on the experience of the parties concerned".



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Postal E-commerce Readiness Program



DRE

Enhance digital capabilities and use all available tools to implement digital solutions that meet e-commerce requirements

POLICY FRAMEWORKS: e-commerce policy (policy and regulatory framework for the participation of the Post in e-commerce)

DIGITAL STRATEGY: postal e-commerce and digital strategy (strategy, digital economy)

DIGITAL TRANSFORMATION: implementing digital capabilities (cybersecurity, product and services, and strategy)





Improving the digitization of postal services

POSTAL SERVICES SHIFT TO DIGITAL **DURING COVID**

New needs lead to new services

- ✓ *Access to postal services from home on mobile or internet platforms*
- ✓ *Contactless services from postal employees*
- ✓ *Avoiding crowding or overcrowding at post offices*
- ✓ *Collaboration on digital platforms for distribution of social welfare*
- ✓ *Customer care via digital channels*
- ✓ *Increase in demand for e-commerce and digital platforms*

*5 areas posts must **better** cover **now***

- ✓ **eCommerce**
- ✓ **eGovernment**
- ✓ **ePayments**
- ✓ **Business Support**
- ✓ **Operational performance**



5 Areas of action



eCommerce

Development of **national, continental and cross-border e-commerce**

Marketplace, online payment, track & trace, customs duties and taxes, etc.



eGovernment

Support for the **public authorities' actions to reform and modernize for developing the digital economy**

Digital addressing, digital identity, eEducation, eHealth, Collection of taxes, Digital sovereignty, Compliance data, Pensions payments, Census, elections, Electronic signature, Electronic invoice, legal framework, etc.



ePayments

Strengthen the **financial services for the payment for ecommerce and government services**

Financial inclusion, Mobile banking & Wallet, Digital remittances, Foreign e-commerce payments, etc.



Business Support

Support for **SME development**

Direct marketing, Investment products, Credit facility, Digital safe, Open Innovation, Registered mail, Entrepreneurship & Startup,



Operational Performance

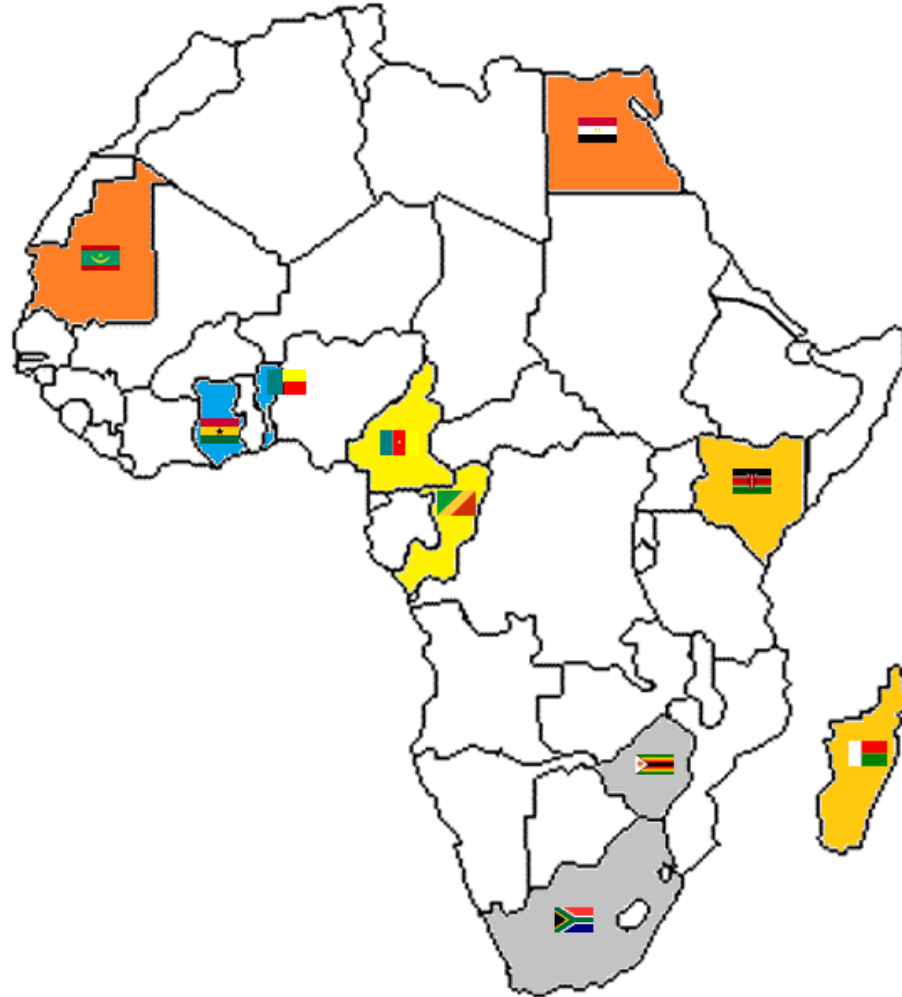
Improvement of **operational performance to decrease costs and serve more and better**

Customer knowledge, Digitization of customer journeys, efficiency of internal processes, Documentary base, Security of transactions, Employees Training, etc.

Study on improving the digitalization of postal services in Africa



- ✓ Project launched 12 August 2021
- ✓ 10 countries selected by AUC:
2 per AU geographic region;
- ✓ Assessments made in these 10 countries
 - ✓ PESTLE, SWOT
 - ✓ Challenges, Successes and Key factors
 - ✓ Recommendations to accelerate digitalization
- ❖ Continental report to identify priority activities
- ❖ Final report presented to AUC in Q2/2022
- ❖ Expected donor roundtable in Q4/2022 to seek funds to implement the recommendations



Northern Africa

- *Egypt*
- *Mauritania*

Western Africa

- *Ghana*
- *Benin*

Central Africa

- *Cameroon*
- *Congo Brazzaville*

Eastern Africa

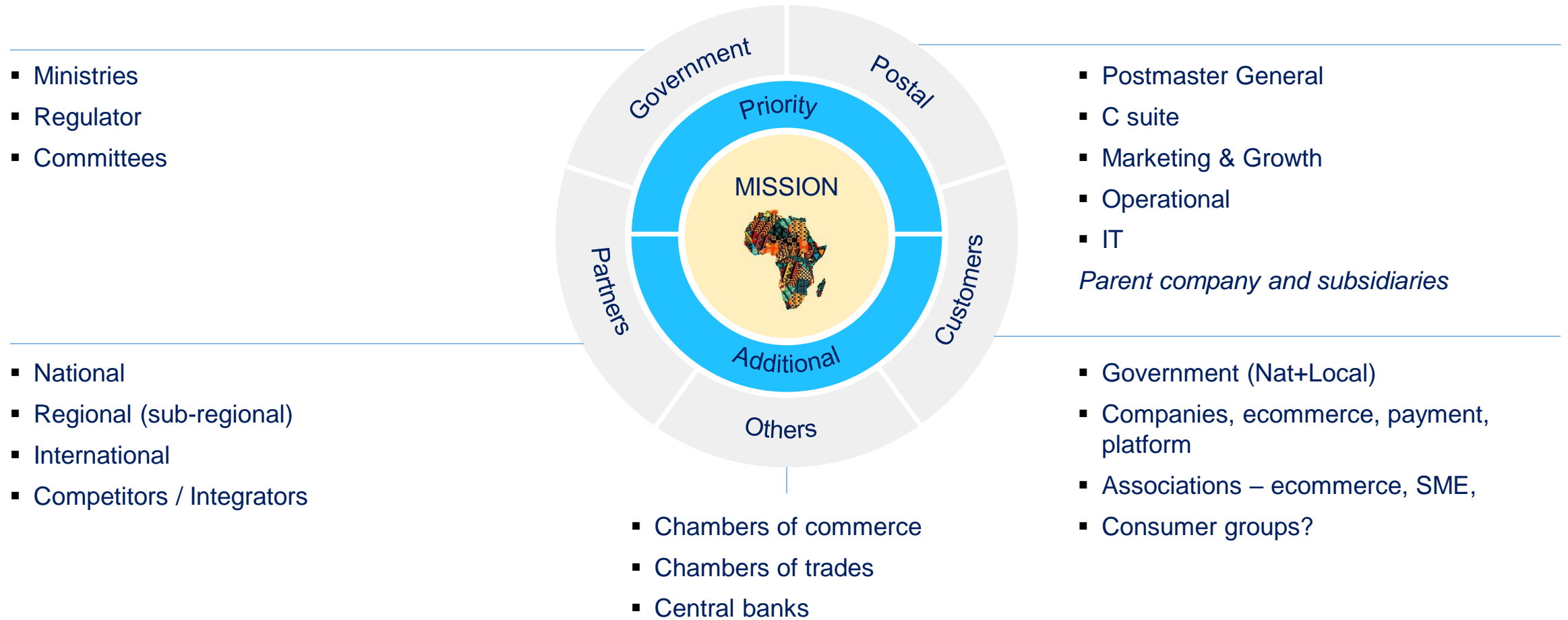
- *Kenya*
- *Madagascar*

Southern Africa

- *South Africa*
- *Zimbabwe*

Improving the digitization of postal services in Africa

STAKEHOLDERS





- each country should have analyzed the current status of its national regulatory environment in the light of technological and market changes, and in comparison with models used in other industries (e.g. telecommunications);
- each country should have developed a policy to revitalize and harmonize its regulatory environments for the postal sector, aligning them to international standards developed by the UPU;
- each country should have regulatory maps and dashboards, detailing all the players in the market, their exact share and the applicable regulatory framework for each one of them;
- each country should have analyzed all the activities covered by postal operators and defined the applicable regulation and regulatory authority (e.g. regulation for postal payment services under the responsibility of a clearly defined agency or set of agencies);
- each country should have updated and redefined its USO and licensing systems to meet socio-economic development targets, changing technologies, and market and citizen needs;
- each country should have analyzed the current provisions, costs and licensing systems of the USO, and have an up-to-date model to fund it (e.g. universal service fund, levy on all operators, levy on extraterritorial offices of exchange (ETOE), etc.);

Regulators should harmonize and enhance the sector's regulatory framework;

POSTAL VISION 2030

Postal Vision 2030 is the UPU's advocacy message for the sector. It will inspire postal sector stakeholders to take action in their respective fields of competence. It will also guide the UPU's value proposition, articulated through the strategic pillars.

Governments should **decrease gaps in postal development** through increased investments and focused policies, and promote various ways to utilize the postal network for socio-economic development;

Regulators should **harmonize and enhance the sector's regulatory framework**;

Operators should seek to **enhance their performance** by implementing diversified strategies and operational improvements;

Other stakeholders from the private sector and public institutions should **pursue integration into the sector** by engaging with traditional stakeholders, and vice-versa. This means opening up the market, fostering partnerships and enhancing the role of the UPU.



Summary of key findings on Regulation

- ❑ Most Posts are facing a complex, new and demanding digital transformation journey, and that they will not succeed without the **active planning and support from their Governments**.
- ❑ Postal digital transformation requires the supervising **ministry to have clearly set out upfront the strategic direction for digitalization** and to demonstrate its active support through **well-defined policies and effective oversight through efficient regulation**.
- ❑ **Postal regulations** required in the frame of emerging digital technologies will **need to evolve rapidly** to support the focus and evolution of **Posts towards e-commerce** and enable their key role to advance digital, social and financial inclusion.
- ❑ For the majority of the countries assessed, the **existing postal regulations are not yet fit for the digital economy**.
- ❑ The **modernization of postal regulations**, foreseeing the necessary digital transformation, is an absolute priority.



Summary of key recommendation for Regulators

Organized around seven strategic pillars as follows:

1. **Adoption of regulatory reforms**

2. Development of infrastructure and mobile applications
3. Development of digital postal services linked to electronic administration (e-government)
4. Development of e-logistics for shipping and delivering parcels and packages for e-commerce
5. Enhancement of the role of Posts in digital payments and financial services

6. **Development of B2C e-commerce platforms, oriented towards postal and SMEs products**

7. Recommendations for support functions

- Develop the legal framework to integrate electronic postal services into the Universal Postal Service
- Include the Posts in national priorities
- Create a common fund for the digital economy

- Build a reliable national network of local door-to-door delivery partners (last mile) and an integrated international network
- Develop a network of relay points and smart lockers



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Thank you

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