



ABIDJAN POSTAL STRATEGY AND BUSINESS PLAN 2021–2025

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UPU MISSION

To stimulate the lasting development of efficient and accessible universal postal services of quality in order to facilitate communication between the inhabitants of the world by:

guaranteeing the **free circulation** of postal items over a **single postal territory** composed of interconnected networks;

encouraging the adoption of fair common **standards** and the **use of technology**;

ensuring cooperation and interaction among stakeholders;

promoting effective **technical cooperation**;

ensuring the satisfaction of **customers' changing needs**

2021–2025 IN A NUTSHELL

POSTAL VISION 2030 FOR THE SECTOR

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.

UPU STRATEGIC PILLARS

Postal sector stakeholders have expressed their preference for three key categories of UPU solutions that most closely match their objectives. These can be organized according to the following three main pillars, expressing what the UPU as an organization will aim to achieve by the end of the 2021–2025 cycle.

Strengthen the UPU's mandate as the foremost **forum** for postal sector development.

Organization of events and meetings of technical working groups

Treaties and international agreements

Settlement mechanisms

Reinforce the UPU's role as **a provider** of innovative and affordable **technical solutions** for postal sector stakeholders

Consulting and capacity building

IT solutions

Standards

Enable the UPU to become the prime information and **knowledge centre** of the postal sector

Research and insights on market trends

Focused analysis on various topical issues

Data storage and protection

Categories of UPU solutions

Categories of UPU solutions

Categories of UPU solutions

TABLE OF CONTENTS

1	INTRODUCTION	7
2	PROCESS FOR DEVELOPING THE NEW STRATEGY AND THE BUSINESS PLAN	9
3	RISKS AND OPPORTUNITIES FOR THE SECTOR'S STAKEHOLDERS	11
	3.1 Key global trends	11
	3.2 The current state of multilateralism	12
	3.3 Key developments in the postal sector	12
	3.4 Input from the consultation with the sector's stakeholders	13
4	THE UPU'S CURRENT SITUATION AND ITS SOLUTIONS FOR THE SECTOR'S STAKEHOLDERS	17
	4.1 The UPU as an organization of the UN system	17
	4.2 The UPU as an organization for the postal sector	18
	4.3 Implementation of the previous strategy (2017–2020)	19
	4.4 2018 Ministerial Strategy Conference – Building a global vision for the sector	19
	4.5 Input from the consultation with the sector's stakeholders	20
	4.6 Regional strategy forums	22
5	KEY ELEMENTS OF THE STRATEGY	25
	5.1 The UPU's mission	25
	5.2 Postal Vision 2030	25
	5.3 Strategic pillars for the 2021–2025 period	26
	5.4 Key success factors	27
6	TARGETS AND IMPLEMENTATION PROCESS	29
7	FINANCIALS AND RESILIENCE	31
	7.1 Costs	31
	7.2 Investments	32
	7.3 Revenues	33
	7.4 Net invested revenues (NIR)	33
	ANNEXES	37

1

INTRODUCTION

Like the rest of the global economy, the postal sector is facing unprecedented change as the decades-long trends of liberalization and digitalization continue to transform the world. Multilateralism is undergoing its own transformation too, as the United Nations system works towards the achievement of the 2030 Agenda and its Sustainable Development Goals (SDGs). Furthermore, all of these long-term trends have been accelerated by the COVID-19 pandemic. As the UN agency for the postal sector, the Universal Postal Union is called upon to play a role in this new environment. In order to do so, the organization needs a strategy that builds on past successes while opening a prosperous way forward.

It is in this context that the UPU drafted an ambitious roadmap for the 2021–2025 period,¹ the “Abidjan Postal Strategy”, eventually approved by the 27th Congress in Abidjan in August 2021.

This strategy is the culmination of an extensive and inclusive process, which has seen a wide array of stakeholders from over 170 member countries and territories actively take part in various rounds of data analysis, consultation, outreach, discussion and drafting.

Furthermore, the strategy reaffirms the UPU’s mission enshrined in its Constitution, which is “to stimulate the lasting development of efficient and accessible universal postal services of quality in order to facilitate communication between the inhabitants of the world”.

Achieving this mission in line with the SDGs requires a long-term vision, an advocacy message called “Postal Vision 2030”, which urges all key postal sector stakeholders to take action in a number of areas. Governments are thus invited to reduce gaps in postal development by utilizing the postal network for socio-economic development. Regulators are encouraged to harmonize and enhance the frameworks under their responsibility. Operators are expected to boost their performance through diversification and operational improvements. Other stakeholders are encouraged to integrate further with the postal world, which will also trigger changes in the UPU’s role.²

In order to support Postal Vision 2030 throughout the 2021–2025 period, the UPU, as a UN agency, must coordinate its action around three main strategic pillars: being the main forum, the provider of innovative and affordable technical solutions, and the prime information and knowledge centre of the postal sector.

Ensuring success through these strategic pillars demands a greater focus on new products and services, greater financial strength through new funding models, efforts towards building a diversified and highly competent workforce, and increased regionalization.

This document presents the revised draft of the UPU’s strategy and business plan. It is organized into seven main sections. After the present introduction, section 2 outlines the process that led to the formation of this strategy and business plan. Section 3 captures the risks and opportunities for the sector’s stakeholders. Section 4 presents the UPU’s current situation and the solutions that the organization could bring to the sector. Section 5 sets out the key elements of the strategy for the 2021–2025 period. Section 6 provides details on the implementation process for this roadmap. And, finally, section 7 covers the financials associated with this strategic plan. The document also contains numerous annexes, with additional supporting information for each section.

¹ The strategy was initially drafted for the 2021–2024 period. However, owing to the postponement of the Abidjan Congress to 2021 and the corresponding deferral of the subsequent Congress to 2025, the period of consideration for the strategy has been extended to 2025, with 2021 being regarded as a transitional year.

² In line with the results-based management (RBM) framework used in the UN system, Postal Vision 2030 and its underlying elements will serve as the key “outcomes” to fulfil the ultimate “impact” of socio-economic development through the postal sector and thus the corresponding contribution to the achievement of the UN SDGs. In the same vein, the strategic pillars for 2021–2025 will constitute the “outputs”, which will be enabled by the activities outlined through the deliverables included in the work proposals of the business plan.

2

PROCESS FOR DEVELOPING THE NEW STRATEGY AND THE BUSINESS PLAN

Developing the UPU's strategy and business plan for the 2021–2025 period was part of a robust process that involved 10 key steps, which concluded with the Abidjan Congress in August 2021.

First, throughout the 2017–2020 period, with the support of the UPU's International Bureau (IB), the organization's Council of Administration (CA)³ continuously monitored the key trends affecting the postal sector and the UPU, relying on an unprecedented consolidation of data available for strategy evaluation. This served as a powerful foundation for all subsequent actions in the strategy development process.

Second, the UPU reached out to policymakers to collect their views on the vision for the sector. This step was taken at the UPU Ministerial Strategy Conference⁴ held in September 2018.

Third, an inclusive consultation with a wide array of postal sector stakeholders was held at the end of 2018. The results were consolidated in January 2019 and updated to include inputs from UN organizations in September 2019.

Fourth, the input from the above consultation and from major recent events was reviewed by a dedicated task force⁵ under the CA,⁶ which, in early 2019, together with the IB, produced an initial draft strategy.

Fifth, the initial draft was presented to the April 2019 session of the CA (S5), and subsequently approved by that body.

Sixth, the draft strategy was taken to six regional strategy forums, held between April and August 2019, in Thailand (for Asia-Pacific), Burkina Faso (Africa), Cuba (Caribbean), Belarus (Europe and Central Asia), Egypt (Arab countries), and Costa Rica (Americas). This led to the revised version of the strategy contained in this document.

Seventh, at its October 2019 session (S6), the CA approved this revised draft strategy.

Eighth, based on this new version, the draft business plan was produced, containing further details on expected outcomes, outputs and financial resources required to implement the strategy.

Ninth, the strategy, together with the new business plan, was submitted to and approved by the CA for final validation before Congress.

Tenth, the strategy and the new business plan were approved by the 27th Congress in Abidjan in August 2021.

Throughout the process, the aim was to combine consultation and outreach with the UPU's capacity in analytics to produce an insightful, data-driven and sound roadmap for the future.

³ The task of monitoring the implementation of the organization's strategy during the 2017–2020 period was part of the remit of CA Committee 3. This has been achieved through, among other things, deliverable CA C 3–D1 and the Strategy Implementation Report published at every CA session. The CA C 3 work programme for the period also included one deliverable that was associated with the development of the UPU's strategic plan for the 2021–2025 period, and another deliverable related to the development of the UPU's 2021–2025 business plan.

⁴ UPU Ministerial Strategy Conference 2018 – Final report (<https://www.upu.int/UPU/media/upu/files/UPU/aboutUpu/bodies/congress/finalReportMinisterialStrategyConferenceEn.pdf>).

⁵ The task force was chaired by Australia and South Africa and was composed of the following other member countries: Algeria, Brazil, Burkina Faso, Japan, Kazakhstan, Kenya, Spain, Tunisia, Turkey and Uganda. In addition, Argentina, Cameroon, Senegal, Tanzania (United Rep.) and CERP (the European Committee for Postal Regulation) participated as observers.

⁶ The work of this task force was undertaken under the remit of CA Committee 3, in charge of strategy and postal economics.

3

RISKS AND OPPORTUNITIES FOR THE SECTOR'S STAKEHOLDERS⁷

Throughout the monitoring and evaluation part of the UPU's strategic process, the organization regularly analyzes global and regional trends affecting the wider economy, multilateralism and the postal sector.⁸ When drafting the Abidjan Postal Strategy, these insights, together with the input provided by key stakeholders through a survey, were used to establish a clear picture of the main risks and opportunities facing the postal sector's stakeholders.

3.1

KEY GLOBAL TRENDS

The advent of the COVID-19 pandemic shattered all global economic prospects. A full year on from the global outbreak in 2020, the diagnosis is incontestable: in addition to its terrible impact in terms of health and the tragic death toll, the crisis has had devastating socio-economic consequences. Although governments, firms and citizens have adapted to the new reality, most macroeconomic aggregates have collapsed to unprecedented levels. The year 2020 delivered the worst economic performance measured since World War II.

According to the estimates published by the World Bank in June 2021, global growth contracted by 3.5% in 2020. The forecasts for 2021 (+5.6%) and 2022 (+4.3%) are encouraging, although the recovery appears to be uneven, amid inequalities around the globe in terms of access to vaccination. Global trade volumes followed a similar path, with an overall decrease of 8.3% being recorded. Trade will likely rebound in 2021 (+8.3%) and stabilize in 2022 (+6.3%).⁹ Nevertheless, all predictions should be taken with extreme care, as they are dependent on a successful vaccination campaign and the resumption of most economic activities.

The risks to future growth are greater now than ever. Government intervention to restrict mobility, while necessary, has limited the labour supply and caused much economic activity to come to a halt. Although governments have injected stimulus packages into the economy, the uncertain outlook has resulted in a shortage of investment and an erosion of both human and digital capital.

These trends will not necessarily limit the growth of e-commerce, but they will change consumer behaviour, at least in the short term. At the broad sectoral level, retail e-commerce sales were valued at 4,206 billion USD and the expected compound annual growth rate for 2021–2023 is 9% (Statista, 2021 figures). This implies that market players, including in the postal sector, can expect to see an increase in services that are complementary to retail e-commerce, from payments to parcels and logistics.

The remittances market has also exhibited significant changes in recent years. After a slight downturn from 2014 to 2016, inflows of personal remittances picked up during the 2017–2019 period, totalling more than 717 billion USD in 2019. Owing to the COVID-19 crisis, remittances declined in 2020 with respect to 2019 (-7.0%) and this trend is expected to continue in 2021, falling to 619 billion USD, which would be a greater drop than that seen during the 2009 global recession.¹⁰

Despite the crisis, Internet connectivity is expanding and therefore further compounding the transformational impact of digitalization in all sectors. According to the latest estimates by the International Telecommunication Union (ITU), global Internet penetration stood at 51% in 2019. As Internet connectivity remains essential in providing alternative working conditions during the pandemic, ITU expects that demand will pursue its upward trend in the coming years.¹¹

Furthermore, climate change will be a key influencing factor for the future of the postal sector, posing a risk to core postal operations but also an opportunity for large scale investments in infrastructure.

According to the WMO (2021), the past six years have been the warmest on record. Greenhouse gas concentrations reached new highs in 2019, global greenhouse gas emissions further increased in 2020, and there has been an unprecedented increase in the numbers of climate-related disasters and extreme weather events since 2019¹². The global postal network, through its cross-border transport connectivity, universal reach to even the remotest areas, and its transport-intensive last-mile daily delivery is a significant contributor to global carbon emissions.

Increasing resource scarcity, the necessary reduction of emissions and changing consumer demands for sustainable solutions will radically impact all economic sectors, including the postal industry and concomitant e-commerce (CO2 neutral delivery, packaging, sustainable buildings, smart cities, etc.).

⁷ The comments and figures presented in this section refer to what was produced when the Business Plan was approved by the Abidjan Congress and the subsequent CA (2021). They are kept here in their original form for future reference. For more detailed and updated information on trends affecting the macro-environment throughout the 2021–2025 period, please refer to the UPU strategy implementation report (CA C 3 2022.1–Doc 3a and 3b).

⁸ UPU (2019), Annual Strategic Review 2019.

⁹ World Bank (2021). Global Economic Prospects, June 2021. Washington, DC: World Bank.

¹⁰ World Bank (2020), "Phase II: COVID-19 Crisis through a Migration Lens", Migration and Development Brief No. 33, October 2020.

¹¹ ITU (2020), "Measuring digital development, Facts and figures".

¹² WMO (2021), State of the Global Climate 2020.

3.2

THE CURRENT STATE OF MULTILATERALISM

International organizations are also being affected by these trends. Owing to the pandemic, leaders from around the world sent pre-recorded speeches to the General Debate of the 75th session of the United Nations General Assembly, which took place from 22 to 29 September 2020. The theme of the event was “The future we want, the United Nations we need: reaffirming our collective commitment to multilateralism – confronting COVID-19 through effective multilateral action”.

During the session, the UN Secretary General reiterated the health-related and socio-economic effects of the pandemic, which have resulted in increased inequality. In particular, he noted that the world had suffered a “great leap backwards”. Several members echoed these remarks and emphasized the need to ensure that no-one is left behind and to embrace multilateral solutions to global problems.¹³

Indeed, one example of the continued importance of multilateralism in a rapidly changing world has been the UPU’s accelerating pace of reforms during the 2017–2020 period. In October 2018, one of the organization’s most active (founding) members, the United States of America, announced its intention to consider withdrawing from the organization, owing to its disagreement with some provisions of the terminal dues settlement system for international letter-post exchanges. In order to face the challenges brought by this new situation, the UPU held an Extraordinary Congress in Geneva in September 2019. On 25 September 2019, the Congress approved by acclamation a solution to the issue, which reformed the current system of terminal dues and allowed the postal network to continue to function.

3.3

KEY DEVELOPMENTS IN THE POSTAL SECTOR

In recent years, postal revenues have grown in nominal terms. In 2020, revenue amounted to 291 billion SDR, i.e. 6.4% growth compared with 2019.

Although the largest source of financial income for postal operators remains the letter-post segment (32.6% in 2020), the proportion of revenue stemming from parcels and logistics continues to expand (30.2% in 2020). Despite a sharp decrease in letter-post items, COVID-19 has not dented postal operators’ revenue. The diversification strategies currently in place have shielded the sector from the more adverse effects of the pandemic. In particular, a record increase of 17.7% in domestic parcel-post flows helped to sustain and expand operating revenues, especially in developed countries.

The events of 2020 accelerated the long-term trend of decreasing letter-post flows, marking a new contraction in both domestic and international letter-post flows. The volume of domestic letter-post items shrank by a record 13.6% with respect to 2019. This rate of decline was lower than the 10-year trend of -2.5% per year, suggesting an acceleration with respect to the long-term evolution. Volumes of international letter-post items have continued to decline, with -27.6% recorded in 2020 owing to challenges in the international postal chain, below the 10-year trend of -5% per year.

According to 2020 estimations, the global infrastructure of postal operators comprises approximately 618,416 post offices. This number has remained relatively stable over the last decade, with an estimated average annual decrease of 0.12%. Furthermore, around one third of these offices (185,327) are outsourced. The total number of staff employed by postal operators in 2020 has been estimated at 5.06 million. The workforce has gradually shrunk over the last decade and is now 7.4% smaller than 10 years ago.¹⁴

¹³ November 2021 update: The 76th General Debate of the United Nations General Assembly, which took place from 21 to 27 September 2021, was conducted in a hybrid fashion, through live interventions from the podium of the General Assembly Hall and pre-recorded messages. The theme was “Building resilience through hope to recover from COVID-19, rebuild sustainably, respond to the needs of the planet, respect the rights of people, and revitalize the United Nations”. The UN Secretary General issued a strong warning to global leaders, reiterating that the world is “moving in the wrong direction” and that “we face the greatest cascade of crises in our lifetimes”. His message was that the combination of the climate crisis, the COVID-19 pandemic, political unrest and surges of mistrust in science is posing unprecedented challenges to the planet. During the session, the UN Secretary General restated the need for solidarity, as primarily wealthy countries had had access to sufficient vaccine supplies while a staggering 90% of Africans were still to receive a first dose of the COVID-19 vaccine. Therefore, there is a need to restore solidarity and global collaboration, in the same spirit as the momentum that led, in 2020, to the fastest vaccine rollout in human history.

¹⁴ Source: UPU official postal statistics (2020).

COVID-19 has exacerbated the pressures on postal infrastructure that had already been accumulating over the years. The disruption caused to postal supply chains and the subsequent losses in volumes must be added to the increasing costs of running such a large and dense network. The low-margin nature of parcel post and the decline in letter-post volumes combine to compound the impact on the economics of the sector. Productivity gains will become all the more critical for the sustainability of postal operators in the medium to long term.

In this context, investing in the improvement of postal infrastructure is instrumental in bridging the considerable postal development gaps across the globe. These gaps have been identified, inter alia, in the Postal Development Report 2021 (featuring the latest 2IPD¹⁵ ranking). A total of 168 countries were assessed to produce the 2021 global 2IPD ranking. Switzerland, Germany and Austria topped the list, followed by Japan and France. These countries owe their high scores to a consistently balanced performance across the four dimensions of the 2IPD: they have all managed to build reliable, well-connected, relevant and resilient postal services.

Digitalization has also changed the boundaries of the traditional postal sector, with DOs no longer covering the bulk of the market. As their market share decreases (72.8% for letters, 39.3% for express and 37.8% for parcels),¹⁶ DOs are relegated to the low-growth segments, with the risk of jointly becoming a global “network of leftovers”. Indeed, decades ago, in most countries, the postal sector used to be fully run by a single operator, which was usually part of government and was in charge of covering the universal service obligation (USO). Nowadays, the sector has become increasingly liberalized and many traditional operators have been privatized, but the USO remains an imperative, especially because some sections of the world’s population remain without access to postal services.

Other sectors, such as telecommunications, have been similarly affected, prompting governments to adopt different models to finance the USO, e.g. by creating a fund fed, inter alia, by proceeds from rates and tariffs levied on all market participants. In the postal sector, no such model has yet prevailed in a large number of countries, and the regulatory framework (and funding mechanism) for the USO has not necessarily been fully adapted to the new circumstances of liberalized postal markets worldwide.

In spite of these challenges, opportunities abound thanks to the unprecedented e-commerce boom worldwide, which opens growth prospects for all market participants, including DOs. Indeed, DOs could leverage their existing networks and trusted reputation to benefit from the tremendous growth in international postal exchanges. Moreover, thanks to their public service tradition, they could serve as natural partners for governments and contribute towards the achievement of the UN SDGs. The importance of regulation is critical in such

a climate, prompting the need to harmonize rules to create a denser network that can boost innovation and economic growth and help countries to achieve the SDGs.

3.4

INPUT FROM THE CONSULTATION WITH THE SECTOR’S STAKEHOLDERS

During the fourth quarter of 2018, the UPU conducted a survey on strategic perspectives, seeking input from the organization’s key stakeholders. A total of 170 responses were received from 128 member countries, covering all of the UPU’s regions, including 106 responses from DOs, 35 from governments/ministries, 28 from regulators, and one from a restricted union. In terms of functional responsibility, most of the respondents work in an international affairs or general postal services department (88), but some are also representatives from strategy and business development (50), and from general management (32).

In order to assess the external environment facing the postal sector, respondents were asked to choose a maximum of two risks and opportunities each that would impact the achievement of their strategic objectives.

Their responses reflected the current global trends highlighted above, with a majority of respondents identifying the fast pace of market dynamics (consumer/citizen needs, new entrants, suppliers, substitute products and services) as the most critical external risk facing their organizations. Many also pointed to the fast pace of technological change, a restrictive legal and regulatory environment, and negative macroeconomic growth (low growth, interest rates, etc.) as factors that could have a significant impact on their activities in the coming year. Some respondents were also concerned, albeit to a lesser extent, about unstable political situations, demographic change (population growth, ageing), and environmental damage and risks.

¹⁵ 2IPD stands for Integrated Index for Postal Development, issued on an annual basis by the UPU.

¹⁶ Source: Postal economic outlook (2019), UPU.

Interestingly, most respondents highlighted market dynamics not only as their most pressing risk, but also as their greatest external opportunity, particularly with reference to the new growth it generates. The prospects provided by booming international trade and technological change were also seen as major catalysts to business growth, supported by positive macroeconomic growth and a stable political situation. Very few respondents considered demographic change and environmental sustainability as major opportunities. The detailed results are presented in the table below.

In the consultation, in addition to considering external/ macro risks beyond their control, stakeholders were asked to indicate the risks and opportunities internal to them (within their control) that could affect the achievement of their strategic objectives.

A need for investments was clearly reflected in the overall postal trends. Similarly, many respondents concurred that a challenging financial situation (declining revenues, low profitability, cash, etc.) had the greatest negative effect. Many further indicated that a lack of adequate human capital (poor skill set, disabling organizational culture, etc.)

Table 1 – EXTERNAL RISKS AND OPPORTUNITIES *(based on the results of the consultation with postal sector stakeholders)*

Rank	EXTERNAL RISKS	Number of responses	EXTERNAL OPPORTUNITIES	Number of responses
1	Fast pace of market dynamics (consumer/citizen needs, new entrants, suppliers, substitute products and services)	101	New growth generated by market dynamics (consumer/citizen needs, new entrants, suppliers, substitute products and services)	73
2	Fast pace of technological change	77	Technological change as a lever for economic and business growth	73
3	Restrictive legal and regulatory environment	51	Booming international trade	67
4	Negative macroeconomic outlook (low growth, interest rates, etc.)	46	Positive macroeconomic outlook (high growth, stable monetary policy, etc.)	44
5	Unstable political situation	27	Stable political situation	40
6	Barriers to international trade	24	Enabling legal and regulatory environment	28
7	Demographic change (population growth, ageing)	8	Demographic change (population growth, ageing)	7
8	Environmental damage and risks	3	Environmental sustainability to enable growth	6

and insufficient resources for research and development also had a substantial impact on their organizations. The repercussions of a poor logistics infrastructure, an outdated information and communication technology (ICT) environment, a lack of compliance and ethics, and a lack of relevance (low market share, unclear mandate and mission) were seen by most respondents as less serious than other risks.

On the other hand, many other respondents also indicated that their biggest internal opportunities were adequate human capital and a positive financial situation, supported by an up-to-date ICT environment and an adequate

logistics infrastructure. Respondents were also positive about the prospects offered by their organization's continued or growing relevance and, to a lesser extent, by a robust compliance and ethics environment and sufficient resources for research and development. Overall, as can be seen from the results, global trends are being perceived by postal sector stakeholders as having a dual impact, constituting both a risk and an opportunity. The results are presented in detail in the table below.

Table 2 – INTERNAL RISKS AND OPPORTUNITIES *(based on the results of the consultation with postal sector stakeholders)*

Rank	INTERNAL RISKS	Number of responses	INTERNAL OPPORTUNITIES	Number of responses
1	Challenging financial situation (declining revenues, low profitability, cash, etc.)	109	Adequate human capital (desired skill set, enabling organizational culture, etc.)	63
2	Lack of adequate human capital (poor skill set, disabling organizational culture, etc.)	63	Positive financial situation (revenues, profitability, cash, etc.)	63
3	Insufficient resources for research and development	50	Up-to-date ICT environment	56
4	Poor logistics infrastructure	32	Adequate logistics infrastructure	46
5	Outdated ICT environment	31	Continued or growing relevance (growing market share, undisputed mandate and mission)	44
6	Lack of relevance (low market share, unclear mandate and mission)	14	Robust compliance and ethics environment	19
7	Lack of compliance and ethics	12	Sufficient resources for research and development	15

4

THE UPU'S CURRENT SITUATION AND ITS SOLUTIONS FOR THE SECTOR'S STAKEHOLDERS

As postal sector stakeholders gear up to face the future, the UPU is also at a crossroads. The organization faces risks and opportunities that are common to other UN agencies, but it also has to ponder its value proposition to the postal sector as a whole. In order to develop a new vision for the future, it needs to take inspiration in the voice of governments, while developing a range of activities that more closely fulfil the needs of all its stakeholders.

4.1

THE UPU AS AN ORGANIZATION OF THE UN SYSTEM

In order to better understand the UPU's situation as an intergovernmental agency, it is useful to benchmark it against similar sector-based organizations of the UN system. While many such organizations have mandates that are not comparable to that of the UPU, a number of them display similar characteristics, owing to their technical nature and their particular ties to specific sectors. This is the case with the International Civil Aviation Organization (ICAO), the International Maritime Organization (IMO), the International Telecommunication Union (ITU), and the World Intellectual Property Organization (WIPO).

Using this sample, the benchmark can focus on three main areas:

- mandate and key segments of activity;
- geographical footprint, size and membership; and
- financial situation.

The key segments of activity of the UPU currently revolve around support for technical working bodies, solutions for DOs, and information about the postal sector. Other organizations in the sample have a similar focus on their respective sectors, such as air transport and navigation, shipping, ICTs, and intellectual property, with the IMO focusing in particular on regulation.

To date, the UPU is the only agency in this sample from which a large member (the United States) has at some point considered withdrawing owing to an institutional mechanism that was considered outdated. This prompted the UPU to rethink its role and objectives as a UN agency that runs a multilateral framework for a fast-changing market.

In terms of geographical footprint, the five organizations in the sample are mostly headquarter-based, with regional coordinators and/or usually small representative offices in the field. However, the size of their staff varies considerably: UPU – 269 employees; IMO – 300; ITU – 684; ICAO – 932; and WIPO – 1,508.¹⁷ Moreover, in a context of liberalized markets, most organizations have opened up their membership base in order to ensure greater inclusiveness for all the stakeholders that compose their respective sectors. For instance, ITU has more than 900 other members taking part in its work, including private-sector entities and academic institutions. In this regard, the UPU has remained a notable exception.

With respect to financials, the five organizations are in very different situations. For instance, the annual revenue-generating capacity of WIPO (over 457 million CHF in 2019) is in stark contrast with that of ICAO (equivalent to 222 million CHF in 2019), ITU (184.4 million CHF in 2019), IMO (equivalent to 97.2 million CHF in 2019) and the UPU (74.6 million CHF in 2019).¹⁸

In terms of financial performance, WIPO has been generating an average net result of over 37 million CHF per year since 2012. This is due to its unique funding model: more than 90% of its funding stems from sales of products and services, with assessed contributions representing less than 5% of the total (as opposed to the 50% to 70% of regular budget funding that prevails in the other organizations of the sample). Although at a much lower base, ICAO and the IMO have also generally recorded surpluses equivalent to a few million CHF per year, especially since 2014. The UPU and ITU, in contrast, have been posting negative net results for most of the period since 2011, owing to the stagnation or even decrease in the core revenue base, in spite of a concomitant expansion in activities. With regard to long-term financial position, only WIPO and IMO display positive net assets.

¹⁷ Source: reports available on the websites of these organizations, accessed on 15 March 2020: IMO What it is, N096E; ITU Human Resources Reporting and Statistics, 2019 (C20/INF/15-E); ICAO Annual Report 2019, Human resources statistics; staff@wipo – Workforce 2020.

¹⁸ Figures taken from the corresponding annual financial statements of these organizations, converted into Swiss francs based on the exchange rate of 15 March 2020, i.e. 1 CAD to 0.746965 CHF, and 1 GBP to 1.29579 CHF.

4.2

THE UPU AS AN ORGANIZATION FOR THE POSTAL SECTOR

Over the past few decades, the demand for what the UPU has to offer has continuously increased, together with the variety and the depth of products and services provided by the organization. Traditionally structured as a secretariat to help governments of member countries to manage a treaty centred on the terminal dues system, the UPU has progressively morphed into a multi-functional organization serving a greater range of stakeholders.

Nowadays, beyond governments, the organization serves regulatory authorities and DOs, as well as, to a lesser extent, other wider postal sector players. It also has the potential to appeal to an even wider audience, by banking on its uniqueness as the only truly global organization of the postal sector that can set standards, measure their implementation electronically, analyze the corresponding trends and constitute a platform to discuss and negotiate multilateral agreements on postal matters.

Through its mix of solutions, the UPU is able to support the activities of the postal sector, including:

2.59 billion international letter-post items in 2019;

13,899 bilateral postal corridors in 2020;

Over 741,000 tonnes of letters and parcels in 2019;

274 billion SDR in DO operational revenues in 2019.

As challenges to the sector have mounted and pressure on funding has increased, the UPU has attempted a number of changes over the years. It has created the Consultative Committee in order to give a voice to other stakeholders in the sector. It has also expanded its value proposition to encompass a wide range of products and services for DOs, assisting them in the improvement and expansion of their activities. In doing so, it has accumulated a vast amount of data and knowledge about the postal sector. Furthermore, it has consistently increased its reliance on extrabudgetary funding in order to compensate for the effects of the zero nominal growth rule weighing on the organization's regular budget.

Nevertheless, these adjustments may not have been sufficiently proportional to the magnitude of the transformations that have impacted the postal sector in an environment of digital disruption, with an increasing demand for UPU services. Indeed, the organization's main risks today still revolve around relevance and funding. With a total annual budget (49 million SDR)¹⁹ that is equivalent to roughly 0.02% of the total operating revenues of DOs (274 billion SDR) worldwide, the UPU would need a substantial increase in investment to respond in a timely manner to the needs expressed by its traditional stakeholders. It also does not serve the entirety of the market, thus depriving it of additional sources of revenue and relevance.

This situation begs the question of how the UPU can adequately respond to emerging demands from an expanding stakeholder base in a way that brings value to member countries and boosts the postal sector's ability to (continue to) fulfil its socio-economic role. Before attempting to answer this question, it is worth delving into the assessment of the strategy that guided the 2017–2020 period.

¹⁹ 2019 figures, as per UPU postal statistics and the UPU Programme and Budget. The total UPU budget approved by the CA for the same year amounted to 65.4 million CHF, converted at an exchange rate of 1 SDR to 1.32 CHF.

4.3

IMPLEMENTATION OF THE PREVIOUS STRATEGY (2017–2020)

The 2016 Istanbul Congress adopted the strategy for the 2017–2020 period, inspired by the organization’s mission and the UN SDGs. The Istanbul World Postal Strategy comprised three goals and one supporting lever. It was also supported by a comprehensive business plan, which contained full details on the financial allocation for each activity.²⁰

Over the 2017–2020 period, goal 1 (“Improve the interoperability of network infrastructure”) was successful in achieving 25 of out 34 targets by the end of 2020. This goal captured the bulk of the organization’s budget (41% of the total funding planned for the 2017–2020 period).

In the case of goal 2 (“Ensure sustainable and modern products”), 13 out of 34 targets were achieved by the end of 2020. This goal captured a much lower share of the budget, accounting for 15% of the total planned funding.

With respect to goal 3 (“Foster market and sector functioning”), 11 out of 18 targets were achieved by the end of 2020. In terms of budget, only 3% of the total planned funding was allocated to this goal.

As for the supporting lever (“Development cooperation”), 100% of targets were achieved by the end of 2020, with 9% of the total financial resources reserved for this activity over the 2017–2020 period.

When regard to the deliverables to be completed by the councils, the completion rate stood at 97% (96% for the CA, 98% for the Postal Operations Council (POC)) after the sessions of February 2020 (S7).

Overall, although the completion of planned deliverables remained on course, the achievement of targets proved to be challenging in 2020 owing to the COVID-19 pandemic, further compromising performance in areas that had already been struggling in previous years.

From a financial perspective, the 2020 financial year ended with a net result of -1.66 million CHF. In terms of the financial position, net assets have remained negative (-236 million CHF at the end of 2020), with assets worth 266 million CHF against total liabilities amounting to 502 million CHF. In the long term, the main outstanding obstacle remains the need to service liabilities related to employee benefits of 280 million CHF.²¹ These combined challenges make the need for revenue growth and investment a priority, regardless of any consolidating measures.

4.4

2018 MINISTERIAL STRATEGY CONFERENCE – BUILDING A GLOBAL VISION FOR THE SECTOR

While the UPU faces its share of challenges, it also plays an important role in bringing together the global postal sector through its high-level events. In this regard, the 2018 UPU Ministerial Strategy Conference was held on 6 and 7 September 2018 in Addis Ababa, Ethiopia, as part of the second UPU Extraordinary Congress. Over 30 ministers and heads of international organizations took part, delving into the question of how to promote socio-economic development through the postal sector. The discussions constituted a milestone on the road to building a comprehensive agenda for the sector to be achieved by 2030, further reinforcing the findings of the annual CEO forums held in 2016, 2017 and 2018.²²

20 Revised Istanbul Business Plan (CA C 3 2019.2–Doc 4) and Draft Programme and Budget for 2019 (CA C 1 2019.2–Doc 8).

21 Financial statements of the Universal Postal Union for the financial period ending on 31 December 2020.

22 UPU World CEO Forum Istanbul 2018. Postal digital dividends: A new portfolio, better performance or a redefined mission? (https://www.upu.int/UPU/media/upu/files/UPU/outreachAndCampaigns/upuWorldCeoForum/WCF2018_final_report_EN.PDF).

Through four panels over two days, the event was an opportunity to consider the best policies, investments, regulations and partnerships to ensure that postal operators can realize their potential in the areas of service delivery and profitability.

Based on the input from the ministers present at the conference, four key areas of action for the postal sector were identified, which could serve to form the essence of a comprehensive agenda to be implemented by 2030:

First, **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;

Second, **regulators** should **harmonize and enhance the sector's regulatory framework**;

Third, **operators** should seek to **enhance their performance** by implementing diversified strategies and operational improvements;

Fourth, **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.

As for the UPU, it should align its activities in order to enable the sector to achieve this transformation, with the overarching goal of contributing to the UN SDGs.

4.5

INPUT FROM THE CONSULTATION WITH THE SECTOR'S STAKEHOLDERS

To better understand how the UPU can align its activities to fulfil the 2030 vision outlined by ministers at the 2018 Ministerial Strategy Conference while addressing the demands of its key stakeholders, it is important to look at the results of the consultation described earlier. As part of the consultation, respondents were asked to identify the UPU solutions that would best help them achieve their strategic objectives.

The majority of respondents identified the UPU's consulting and capacity-building solutions as the most relevant to their needs. This was closely followed by three other UPU solutions, namely, research and insight on market trends, IT solutions, and treaties and international agreements. Respondents also acknowledged the significance of the UPU in organizing key events and meetings of technical working groups, providing focused analysis on various topical issues, and establishing and overseeing standards for the global postal sector. Lastly, a smaller number of respondents chose to highlight the UPU's settlement mechanisms as well data storage and protection as critical to their objectives. The detailed results are presented in the table on the right.

Table 3 – KEY UPU SOLUTIONS TO HELP POSTAL SECTOR STAKEHOLDERS ACHIEVE THEIR STRATEGIC OBJECTIVES *(based on the results of the consultation)*

Rank	EXTERNAL RISKS	Number of responses
1	Consulting and capacity building	98
2	Research and insights on market trends	78
3	IT solutions	78
4	Treaties and international agreements	74
5	Organization of events and meetings of technical working groups	56
6	Standards	51
7	Focused analysis on various topical issues	51
8	Settlement mechanisms	30
9	Data storage and protection	21
10	Other	5

4.6

REGIONAL STRATEGY FORUMS

As indicated in section 2, the initial draft for the development of the strategy was approved in April 2019 and then taken to the six UPU regions for further consultation and discussion between April and August 2019.

The regional strategy forums held in 2019 were generously hosted by Belarus, Burkina Faso, Costa Rica, Cuba, Egypt, and Thailand. Representatives from more than 133 member countries from all regions of the world actively took part in these events.

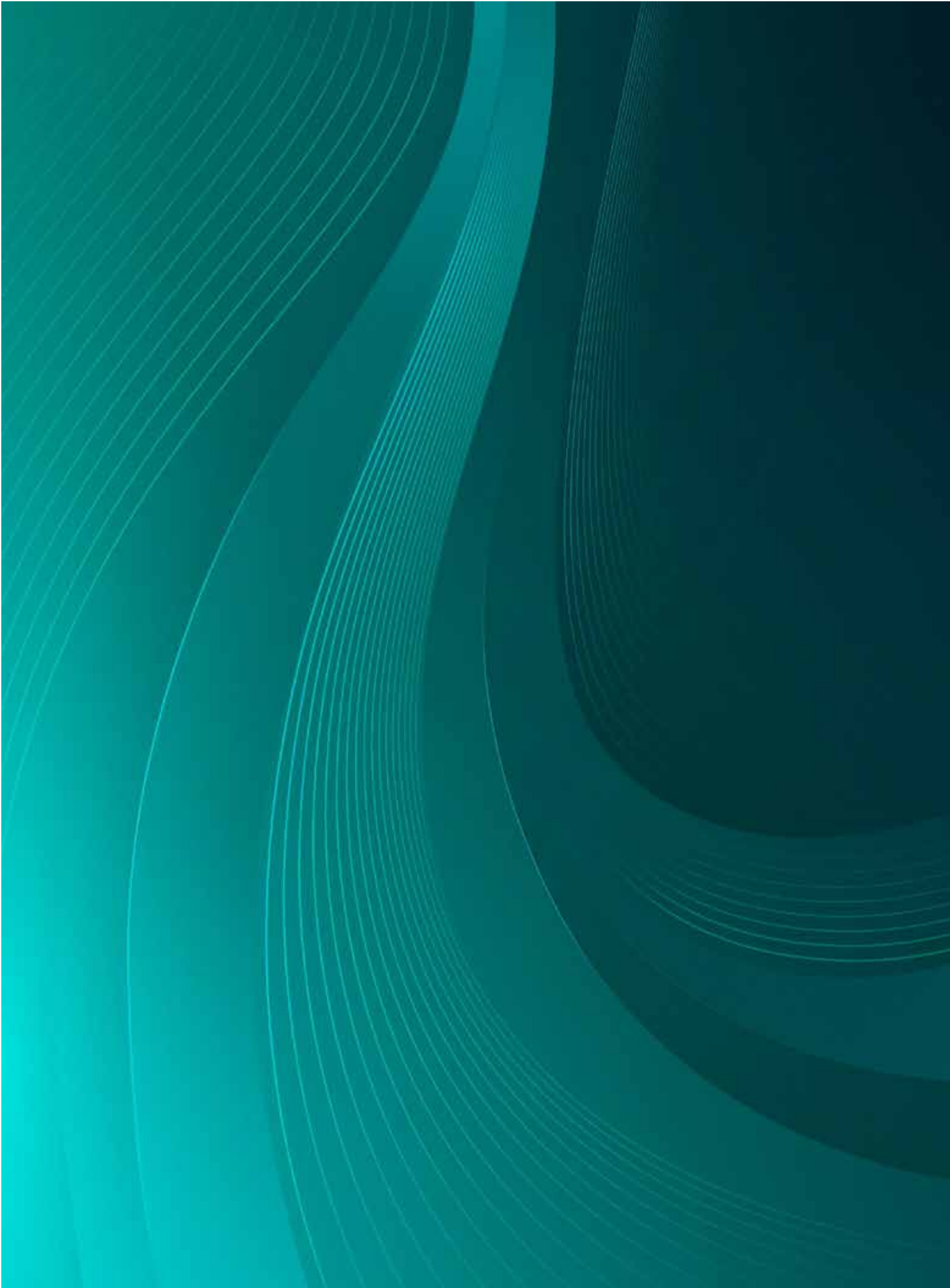
A similar structure was used in each region, with each event spanning two days. All the forums began with a formal opening ceremony featuring speeches from high-level government representatives, such as presidents and ministers from the host country.

After the opening ceremony, dedicated panel discussions were held for governments, regulators and operators with dynamic speakers, including ministers, CEOs and other decision-makers from the sector. Through a concluding section on the second day, member countries were able to agree on the key outcomes of their respective regions. A summary of this information was shared with all participants following each forum.

The conclusions of the different discussions enabled the UPU to identify which areas in the draft strategy are valued by the different regions. This is explained in greater detail in the section below on key performance indicators (KPIs) for Postal Vision 2030.

Table 4 – UPU REGIONAL STRATEGY FORUMS HELD IN 2019

REGION	LOCATION	DATE
ASIA-PACIFIC	Thailand	25–26 April 2019
AFRICA	Burkina Faso	14–15 June 2019
CARIBBEAN	Cuba	24–25 June 2019
EUROPE AND CENTRAL ASIA	Belarus	9–10 July 2019
ARAB COUNTRIES	Egypt	23–24 July 2019
AMERICAS	Costa Rica	12–13 August 2019



5

KEY ELEMENTS OF THE STRATEGY

The basis for the Abidjan strategy was built on the conclusions of the information presented in the sections above. The analysis of the environment, as well as the input from key events and from the consultation, has enabled the UPU to draw a comprehensive roadmap for the 2021–2025 period with a long-term vision and a strategy focused on articulating solutions for the sector’s key stakeholders, always with the organization’s mission in mind.

5.1

THE UPU’S MISSION

In the preamble of the UPU’s Constitution, one can read that the mission of the organization is “to stimulate the lasting development of efficient and accessible universal postal services of quality in order to facilitate communication between the inhabitants of the world by:

guaranteeing the **free circulation** of postal items over a **single postal territory** composed of interconnected networks;

encouraging the adoption of fair common **standards** and the **use of technology**;

ensuring cooperation and interaction among stakeholders;

promoting effective **technical cooperation**;

ensuring the satisfaction of **customers’** changing **needs**.

This mission, with some incremental modifications added in the early 2000s, has been guiding the UPU through over 145 years of history, and its message remains as relevant as ever.

5.2

POSTAL VISION 2030

In the preamble of the UPU’s Constitution, one can read that the mission of the organization is “to stimulate the lasting development of efficient and accessible universal postal services of quality in order to facilitate communication between the inhabitants of the world by: Based on the overarching aim of promoting socio-economic development and contributing to the achievement of the UN SDGs, the vision of the postal sector for 2030 relies on the four key areas of action outlined by ministers in charge of the sector:

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.

Postal Vision 2030 is thus the UPU’s advocacy message for the sector. It aims to inspire the different categories of stakeholders to take action in their respective fields of competence. It is also expected to guide the UPU’s value proposition, articulated through the strategic pillars presented on following page.

5.3

STRATEGIC PILLARS FOR THE 2021–2025 PERIOD

Through the extensive and inclusive consultation conducted on the future strategy, postal sector stakeholders have expressed their preference for three key categories of UPU solutions that most closely match their objectives. These can be organized according to the following three main pillars, expressing what the UPU as an organization aims to achieve by the end of the 2021–2025 period:

Strengthen the UPU's mandate as the foremost **forum** for postal sector development. This will be achieved through the following types of solutions:

Organization of events and meetings of technical working groups: the UPU will pursue its historic calling to become the unique global forum where all key postal sector stakeholders can meet to share best practices, devise strategies and gather support to achieve socio-economic development and the vision for the sector;

Treaties and international agreements: the UPU will rekindle its role as a place where governments can find multilateral solutions to global and regional bottlenecks, and thus reinvigorate the concepts of the universal service obligation and a single postal territory;

Settlement mechanisms: the UPU will enhance its offering of mechanisms through which postal sector stakeholders can settle transactions and differences in a manner that is most beneficial and efficient to all parties involved.

Reinforce the UPU's role as a **provider of innovative and affordable technical solutions** for postal sector stakeholders. This will be achieved through three main types of solutions:

Consulting and capacity building: the UPU will seek to offer postal sector stakeholders quality advice, training and technical cooperation options to support them in navigating the challenges and opportunities of a fast-changing sector;

IT solutions: the UPU will further develop its portfolio of IT solutions to more closely match the needs of stakeholders from all stages of development in an environment of digital disruption;

Standards: the UPU will reinforce its standard-setting and certification activities, thus promoting global interoperability for the benefit of all postal sector stakeholders in all territories.

Enable the UPU to become the prime information and **knowledge centre** of the postal sector. This will be attained through the following types of solutions:

Research and insights on market trends:

the UPU will further develop its in-depth research capacity in order to support postal sector stakeholders in better understanding and anticipating trends that affect the sector as a whole;

Focused analysis on various topical issues:

the UPU will leverage the potential of the postal big data that it holds, and articulate solutions for postal sector stakeholders in the form of focused insights and analysis;

Data storage and protection: the UPU will strengthen its role as a custodian of international data about the sector, storing it in a secure and neutral manner.

Overall, these three pillars ought to enable the UPU to boost its relevance and financial strength, while supporting postal sector stakeholders in achieving Postal Vision 2030.

5.4

KEY SUCCESS FACTORS

In order to ensure a successful outcome in the three strategic pillars, the UPU has to:

Focus a greater share of its financial, human and material resources on the creation of **new products and services** for a **wider stakeholder base**;

Improve its **financial strength** by **increasing its revenues** and **diversifying its funding** structure, resorting more extensively to **fee-paying models** for each of its solutions, which would thus be directly financed by users. In this context, UPU **products** would need to be opened up **at a fee** to external users (e.g. global logistics companies, market research firms), thus potentially increasing the revenue-generating capacity of the organization;

Continue efforts towards building a **diversified and highly competent workforce** capable of responding to the needs of all users of the UPU's solutions;

Increase the level of **regionalization** of the UPU's activities, with **greater presence in the field** and a higher share of production and distribution activities undertaken outside of the headquarters in Berne.

6

TARGETS AND IMPLEMENTATION PROCESS

When implementing the strategy, the UPU can rely on a comprehensive business plan, including inter alia:

A set of expected outcomes for the postal sector by 2030 (expressed as KPIs);

A set of expected outputs from the UPU by 2025 (also expressed as KPIs);

An estimate of the financial resources required to generate the expected outputs.

Further details of these elements are included in the annexes to the present document.

The results of this comprehensive plan will be monitored, evaluated and reported upon through regular strategy implementation reports. This, in turn, could potentially lead to adjustments in the business plan subject to new circumstances that may arise during the 2021–2025 period, especially in terms of funding. In particular, the regular budget will be limited, as in the past, by the ceiling approved by the 27th Congress.



7

FINANCIALS AND RESILIENCE

In order to finance its activities over the 2021–2025 period, the UPU will have to raise a total of 398,441,580 CHF, including 377,730,010 CHF for operating expenses, 18,617,500 CHF for non-operating expenses, and 2,094,070 CHF in investments. The UPU should strive to have sufficient funds to cover its daily expenses, maintain its assets, cover its liabilities and absorb any major shock in its financial position. This increased financial resilience should, in turn, enable the UPU to achieve its long-term goals, effectively serving its member countries, the postal sector and the wider global logistics environment.

An indicator, called net invested revenues (NIR), has been created in order to evaluate the degree of success of the organization in ensuring long-term financial sustainability in the implementation of the Business Plan. The NIR should always have a value above zero. In simple terms, this means that, each year, the organization should be able to generate sufficient revenues to cover at least the investments made to keep the system working in the long term, as well as the costs incurred to cover daily expenses and meet financial commitments, all of which are inherent to the organization's existence and sustainability.

The following sections provide further details on these different elements.

7.1

COSTS

Total operating expenses of 377,730,010 CHF for the 2021–2025 period can be broken down into the three main strategic pillars, to which functional support (e.g. human resources, finance, logistics) needs to be added. The detailed breakdown is presented in the table below.

Table 5 – OPERATING EXPENSES BY STRATEGIC PILLAR AND CATEGORY OF UPU SOLUTIONS (2021–2025)

Strategic pillar	UPU SOLUTIONS	Amount for 2021–2025 (in CHF)	Amount for 2021 (in CHF)	Amount for 2022 (in CHF)
1 Forum	1.1 Organization of events and meetings of technical working groups	27,683,733	5,781,152	5,561,580
	1.2 Treaties and international agreements	9,674,550	1,868,700	1,959,731
	1.3 Settlement mechanisms	7,055,500	1,209,100	1,402,425
	Total for 1 – Forum	44,413,783	8,858,952	8,923,736
2 Provider of technical solutions	2.1 Consulting and capacity building	107,499,430	19,686,406	10,684,524
	2.2 IT solutions	98,928,340	19,813,148	21,194,671
	2.3 Standards	9,050,250	1,697,250	1,650,940
	Total for 2 – Provider of technical solutions	215,478,020	41,196,804	33,530,135
3 Knowledge centre	3.1 Research and insights on market trends	17,125,908	2,792,914	2,759,061
	3.2 Focused analysis on various topical issues	4,860,500	956,600	1,027,275
	3.3 Data storage and protection	3,600,000	582,525	695,585
	Total for 3 – Knowledge centre	25,586,408	4,332,039	4,481,921
4 Functional support	4.1 Executive office	19,861,500	3,972,300	3,856,200
	4.2 Finance	11,224,300	2,262,500	2,214,263
	4.3 Human resources	12,821,000	2,564,200	2,409,704
	4.4 Legal	5,041,000	1,008,200	1,004,700
	4.5 Logistics	43,304,000	6,665,300	7,358,000
	Total for 4 – Functional support	92,251,800	16,472,500	16,842,867
Total operating expenses		377,730,010	70,860,294	63,778,659

In addition to operating expenses directly associated with the UPU's work plan, 18,617,500 CHF should also be budgeted to service employee liabilities, since this has an impact on the final result and the cash flow position reported in the annual consolidated financial statements.

Table 6 – SERVICING EMPLOYEE LIABILITIES AND NON-OPERATING EXPENSES (2021–2025)

Expense category	EXPENSE	Amount for 2021–2025 (in CHF)	Amount for 2021 (in CHF)	Amount for 2022 (in CHF)
Servicing of employee liabilities	Provident Scheme	18,617,500	3,723,500	3,723,500
	After-service health insurance	–	–	–
	Total servicing of employee liabilities	18,617,500	3,723,500	3,723,500
Other non-operating expenses	Financial costs	–	–	–
	Other expenses	–	–	–
	Total non-operating expenses	–	–	–
Total non-operating expenses		18,617,500	3,723,500	3,723,500

7.2

INVESTMENTS

Investments are another important factor to be taken into account in order to ensure the successful implementation of the business plan and the resilience of the organization in the long term: without them, the UPU cannot reasonably replace existing assets, acquire new ones to fulfil growing needs, and build up reserves to cushion potential shocks. The breakdown of planned investments is provided in the table below.

Table 7 – PLANNED INVESTMENTS (2021–2025)

Category	AGGREGATE	Amount for 2021–2025 (in CHF)	Amount for 2021 (in CHF)	Amount for 2022 (in CHF)
Investments	Development and acquisition of assets	3,165,000	1,057,000	1,020,000
	Amortization of existing assets	-8,570,930	-1,714,186	-1,422,200
	Reserves	7,500,000	1,238,500	0
Total investments		2,094,070	581,314	402,200

7.3

REVENUES

The UPU is expected to generate total revenues of 405,640,690 CHF over the 2021–2025 period, broken down as indicated in the table below.

Table 8 – EXPECTED REVENUES (2021–2025, ALL FIGURES IN CHF)

ALLOCATION AND SOURCE OF FUNDING	Regular budget	Voluntary funding	Sales of products and services	Total
1 Forum	26,461,883	13,071,900	4,880,000	44,413,783
2 Provider of technical solutions	57,490,245	85,815,400	72,894,625	216,200,270
3 Knowledge centre	18,330,108	6,816,300	440,000	25,586,408
4 Functional support	91,198,800	125,000	928,000	92,251,800
5 Non-operating expenses	18,617,500	–	–	18,617,500
6 Replacement, development and acquisition of assets	8,570,930	–	–	8,570,930
Total revenues (entire period)	220,669,465	105,828,600	79,142,625	405,640,690

7.4

NET INVESTED REVENUES (NIR)

As already briefly alluded to above, the starting basis for this approach is that the financial sustainability of the organization is to be ensured by the constant monitoring of one indicator: the net invested revenues of the UPU, which should always have a value above 0. This can be expressed as follows:

Where:

$$\text{NIR} = \text{R} - \text{I} - \text{C}$$

With $\text{NIR} > 0$

R represents the revenues generated by the organization;

I represents the investments made by the organization; and

C represents the costs incurred each year by the organization.



Based on the information presented in the previous sections, the expected value of the NIR for the 2021–2025 period is 7,199,110 CHF, -935,598 CHF in 2021 and 402,200 CHF in 2022. Assuming an annual regular budget ceiling of 38,890,030 CHF, this leads to a total impact on cash flows of -25,646,698 CHF for the period. However, through additional contributions from member countries and operational budget savings that are already planned for 2021, this impact could be reduced to -21,923,198 CHF for 2021–2025, with a positive net impact on cash flows of 2,787,902 CHF in 2021 and 402,200 CHF in 2022.

The details of the calculation are provided in the table below.

Table 9 – NIR AGGREGATES (2021–2025)

AGGREGATE	SUB-AGGREGATE	Amount for 2021–2025 (in CHF)	Amount for 2021 (in CHF)	Amount for 2022 (in CHF)
Regular budget	Total regular budget	220,669,465	38,890,030	38,890,030
Voluntary funding	Total voluntary funding	105,828,600	20,245,155	11,812,119
Sales of products and services	Total sales of products and services	79,142,625	15,094,325	16,800,010
Total revenues (R)		405,640,690	74,229,510	67,502,159
Operating expenses	Total operating expenses	377,730,010	70,860,294	63,778,659
Non-operating expenses	Total non-operating expenses	18,617,500	3,723,500	3,723,500
Total costs (C)		396,347,510	74,583,794	67,502,159
Replacement, development and acquisition of assets	Total development and acquisition of assets	3,165,000	1,057,000	1,020,000
	Total amortization of existing assets	-8,570,930	-1,714,186	-1,422,200
Reserves	Total reserves	7,500,000	1,238,500	0
Total investments (I)		2,094,070	581,314	-402,200
Net invested revenues (NIR)	Revenues (R) – Investments (I) – Costs (C)	7,199,110	-935,598	402,200
Application of regular budget ceiling	Reduction in projected revenues if a regular budget ceiling of 38,890,030 CHF per year is applied	-32,845,808	0	0
Total impact on cash flows after application of the ceiling		-25,646,698	-935,598	402,200
Additional funding options	Savings on the regular budget	2,068,470	2,068,470	0
	Additional contributions to the regular budget from member countries	1,655,030	1,655,030	0
	Other funding options	0	0	0
Total additional funding options		3,723,500	3,723,500	0
Net impact on cash flows		-21,923,198	2,787,902	402,200

ANNEXES

FIGURES ON TRENDS IN THE WORLD ECONOMY AND THE POSTAL SECTOR

Table 10 – WORLD ECONOMIC OUTLOOK

GLOBAL FIGURES²⁴	2000	2005	2010	2015	2016	2017	2018	2019	2020
GDP, PPP (constant 2017 international \$, base 100=1996)	115	138	164	194	200	208	215	221	214
GDP, PPP (constant 2017 international \$) in billions	67,549	80,910	95,833	113,474	117,175	121,586	125,916	129,427	125,096
Real GDP annual growth (in %)	4.7	4.6	5	3.4	3.3	3.8	3.6	2.8	-3.3
World trade index (total exports in USD, base 100 = world in 1996)	136	174	211	250	257	270	282	285	259
Exports of goods and services (constant 2015 USD) in billions	11,604	14,842	17,984	21,281	21,854	22,981	23,979	24,235	22,059
Annual export growth (in %)	11.6	6.9	11.5	3.4	2.7	5.2	4.3	1.1	-9
Trade (% of GDP)	50.7	56.7	57	56.3	54.5	56.2	57.8	56.5	52.8
Individuals using the Internet (% of population)	6.7	15.7	28.9	40.9	43.8	46.3	49.9	56.7	56.7

Sources: World Bank, International Monetary Fund, International Telecommunication Union, UPU calculations

Table 11 – WORLD POSTAL ECONOMIC OUTLOOK

GLOBAL FIGURES	2005	2010	2014	2015	2016	2017	2018	2019	2020
Percentage of income linked to letter post	50.1	43.6	41.4	40.8	38.9	38.8	38.7	35.4	32.7
Percentage of income linked to parcels and logistics services	11.1	17.0	19.3	20.0	23.0	24.9	26.9	28.4	30.2
Percentage of income linked to postal financial services	15.3	19.0	17.5	17.7	17.9	16.6	17.0	16.4	18.4
Percentage of income linked to other products	23.5	21.4	21.8	21.5	20.3	19.7	17.4	19.8	18.8
Nominal operating revenues (SDR), in billions	190	219	240	245	247	257	266	274	291
Operating revenues (annual growth, as a percentage)	7.9	3.3	2.0	1.7	0.9	4.2	3.5	3.0	6.4

Sources: World Bank, UPU official statistics (2020).

²³ Based on world aggregate defined by the World Bank Group.

Table 12 – POSTAL DEVELOPMENT OUTLOOK

2IPD SCORES (MAX 100) ²⁵	2021 2IPD score	Reliability	Reach	Relevance	Resilience	2020 2IPD score
GLOBAL AVERAGE SCORE	33.3	39.6	30.6	10.9	57.5	35.6
<i>By region (regional average scores)</i>						
Africa	17.6	16.3	11.7	1.6	51.6	19.8
Latin America and Caribbean	18.7	16.3	15.2	4.0	48.9	22.6
Asia-Pacific	28.6	38.3	29.1	4.7	49.19	30.0
Eastern Europe and CIS	49.8	66.3	43.9	16.9	73.0	51.2
Arab region	25.6	34.2	24.6	2.2	49.0	28.5
Industrialized countries	68.3	79.8	70.9	41.9	75.9	70.6

Sources: UPU, Postal Development Report (2021).

FIGURES ON THE SITUATION OF THE UPU IN THE 2017–2020 PERIOD

Table 13 – SELECTED FINANCIAL INDICATORS

INDICATORS	2013	2014	2015	2016	2017	2018	2019	2020
<i>(all figures in CHF)</i>								
ASSETS	197,010,481	213,574,968	218,573,614	227,199,327	239,119,800	226,900,186	242,101,501	265,648,634
Of which cash and invested cash	118,340,127	138,461,768	135,069,114	143,838,217	151,568,893	160,875,324	159,374,431	158,409,582
Of which equipment, intangible assets, land and buildings	30,883,374	31,012,766	29,273,220	28,170,453	27,511,844	26,611,581	25,462,345	23,818,101
LIABILITIES	274,347,880	291,527,844	305,117,453	313,054,605	430,452,075	424,500,033	477,128,644	501,746,701
Of which long-term employee benefits	128,149,231	126,605,451	130,834,615	135,622,976	229,814,817	242,353,410	278,820,259	280,224,531
NET ASSETS	-77,337,395	-77,952,874	-86,543,839	-85,855,279	-191,332,276	-197,599,847	-235,027,143	-236,098,067
REVENUES	67,291,623	64,557,224	69,312,715	80,743,392	67,734,625	74,273,780	74,586,151	82,748,066
EXPENSES	68,810,418	62,423,596	78,552,366	79,338,624	76,614,269	74,195,196	79,581,846	84,412,728
NET RESULT	-1,518,795	2,133,628	-9,239,651	1,404,768	-8,879,645	78,584	-4,995,694	-1,664,662

²⁴ These averages are based on the list of countries covered by the ranking in any given year. This list may vary owing to new countries entering or exiting the ranking.

INDICATORS

(all figures in CHF)

	2013	2014	2015	2016	2017	2018	2019	2020
YEARLY BUDGET	59,650,169	59,643,704	58,663,415	58,970,415	60,029,430	63,475,140	65,446,343	65,955,569
REGULAR BUDGET	36,697,925	37,064,500	36,739,695	36,824,735	37,235,000	37,235,000	37,235,000	37,235,000

Sources: UPU consolidated financial statements for the years 2013–2020; figures at 31 December of the respective years.

EXPECTED OUTCOMES FOR THE POSTAL SECTOR BY 2030

During the regional strategy forums, stakeholders from the different regions expressed their views on the different sections of the Abidjan Postal Strategy, giving further details on their understanding of the different elements that compose the long-term vision of the UPU. During the subsequent sessions of the CA, further comments were provided by countries. This wealth of information has been used to build the outcomes, expressed as key performance indicators, that will underpin the process of monitoring and evaluating the strategy during the 2021–2025 period.

The table below includes the suggested KPIs for each component of Postal Vision 2030, with the corresponding applicability by region. References to the indicators to measure the outputs of the strategic pillars are included in the next annex.

Table 14 – KEY PERFORMANCE INDICATORS FOR POSTAL VISION 2030

PV 1 GOVERNMENTS SHOULD CLOSE GAPS IN POSTAL DEVELOPMENT		ASIA-PACIFIC	AFRICA	CARIBBEAN	EUROPE & CENTRAL ASIA	ARAB COUNTRIES	AMERICAS
No.	TARGET						
PV 1	Governments should close gaps in postal development through increased investments and focused policies, and promote various ways to utilize the postal network for socio-economic development	X	X	X	X	X	X
PV 1.1	By 2030, each country should have drafted and approved a national policy for the postal sector, with clear roles and expectations for each of the sector's stakeholders (ministry, regulator, operators, and other market participants and governmental authorities)		X	X	X	X	X
PV 1.2	By 2030, each country should be measuring the amount of annual investments from government towards activities associated with the universal service obligation (USO) in the postal sector, so as to ensure full cost-recovery	X				X	X
PV 1.3	By 2030, each country should provide at least 10 government/citizen services through the postal sector. These can include services related to financial inclusion, disaster risk management, services for seniors/watch-over services, pension payments, support to small and medium-sized enterprises (SMEs), agriculture, cultural heritage, technology, etc.	X	X	X	X	X	X
PV 1.4	By 2030, each country should have a national emergency postal plan as part of their national and local disaster risk reduction strategies			X			
PV 1.5	By 2030, the gaps in postal development within regions should have decreased by 10% (as measured through UPU-calculated indices)			X			
PV 1.6	By 2030, in each country, the postal sector should be included in the national strategy for the achievement of the SDGs	X			X	X	X

PV 2 REGULATORS SHOULD HARMONIZE AND ENHANCE THE SECTOR'S REGULATORY FRAMEWORK

No.	TARGET	ASIA-PACIFIC	AFRICA	CARIBBEAN	EUROPE & CENTRAL ASIA	ARAB COUNTRIES	AMERICAS
PV 2	Regulators should harmonize and enhance the sector's regulatory framework	X	X	X	X	X	X
PV 2.1	By 2030, 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)	X	X	X		X	X
PV 2.2	By 2030, 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	X	X	X	X		
PV 2.3	By 2030, each country should have clearly drafted and approved a comprehensive regulatory framework for all market participants operating in the postal sector, not only the traditional operator			X			X
PV 2.4	By 2030, 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		X	X			X
PV 2.5	By 2030, each country should have developed and implemented a formal process for monitoring, evaluating and updating regulations for the postal sector on a 2–3 year basis				X	X	
PV 2.6	By 2030, 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)		X	X			
PV 2.7	By 2030, 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	X	X	X	X	X	X
PV 2.8	By 2030, 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 (ETOEs), etc.)	X	X	X		X	X
PV 2.9	By 2030, each country should have built formal communication channels between the regulatory authority and the different enterprises operating in the postal sector (such as regular meetings in which authorities meet representatives of all market participants to discuss pending issues)						X

PV 3 OPERATORS SHOULD SEEK TO ENHANCE THEIR PERFORMANCE

No.	TARGET	ASIA-PACIFIC	AFRICA	CARIBBEAN	EUROPE & CENTRAL ASIA	ARAB COUNTRIES	AMERICAS
PV 3	Operators should seek to enhance their performance by implementing diversified strategies and operational improvements	X	X	X	X	X	X
PV 3.1	By 2030, 90% of all households in developing countries and LDCs should receive mail at home		X	X			
PV 3.2	By 2030, 100% of the population should have access to postal services						X
PV 3.3	By 2030, all operators in the postal sector should comply with national USO definitions and policies as well as with governmental targets for socio-economic development			X			X
PV 3.4	By 2030, all operators should have developed means to calculate accurately the cost of providing the USO			X		X	
PV 3.5	By 2030, all operators delivering government services and/or USO services should have developed a national campaign to promote their contribution to SDGs and their socio-economic role			X		X	X
PV 3.6	By 2030, all countries should have reviewed their performance in postal development (as per measures such as the 2IPD), in order to develop precise targets for improvement	X	X		X	X	X
PV 3.7	By 2030, all operators should be equipped to provide international remittance services	X					
PV 3.8	By 2030, all operators should create a specific channel/activity for delivering services to SMEs (e.g. exports, training for e-trading, etc.)				X		X
PV 3.9	By 2030, all operators should have reduced delivery time to at least the equivalent of the regional average for all mail classes (letters, parcels and express) in 2020	X	X			X	X
PV 3.10	By 2030, all operators should have increased the number of international network partners to reach at least the regional average (as measured by the big data platform) in 2020	X					
PV 3.11	By 2030, all operators should have increased the number of exchanged mail items with international partners to reach at least the regional average (as measured by the tonnage of exported mail) in 2020				X		
PV 3.12	By 2030, all concerned postal staff should have received training on skills pertinent to digital transformation			X			X
PV 3.13	By 2030, all operators should recognize and support the Paris Agreement goals of limiting the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit it to 1.5°C above pre-industrial levels, including through reducing their greenhouse gas emissions.	X	X	X	X	X	X

PV 4 OTHER STAKEHOLDERS SHOULD PURSUE INTEGRATION INTO THE SECTOR

No.	TARGET	ASIA-PACIFIC	AFRICA	CARIBBEAN	EUROPE & CENTRAL ASIA	ARAB COUNTRIES	AMERICAS
PV 4	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	X	X	X	X	X	X
PV 4.1	By 2030, each UPU region should have established hubs to facilitate exchanges of postal items between countries, by integrating all stakeholders of the supply chain, both private and public	X			X		X
PV 4.2	By 2030, each country should have managed to reduce delivery time (speed and predictability) in the international exchanges of postal items between the different stakeholders of the supply chain, including operators, Customs, airlines and roadways/railways			X	X		X
PV 4.3	By 2030, each country should have developed and implemented a formal framework for establishing public-private partnerships between stakeholders of the postal supply chain, including operators, Customs, airlines, start-ups and other companies	X	X		X	X	X
PV 4.4	By 2030, the UPU should have undertaken significant efforts to organize itself (in a way yet to be decided) for the participation of relevant categories of market participants which includes accessibility to UPU operational solutions (where UPU member countries consider it appropriate)	X	X	X	X	X	X
PV 4.5	By 2030, the UPU should have established formal relations (or further enhanced existing ones) with all organizations that contribute to elements of Postal Vision 2030 (e.g. UN agencies and restricted unions)				X	X	

EXPECTED OUTPUTS FROM THE UPU BY 2025

In order to support the achievement of Postal Vision 2030 by its member countries, the UPU is expected to launch a number of activities between 2021 and 2025. Such activities will be organized along the nine categories of UPU solutions under each of the three strategic pillars (forum, provider of technical solutions and knowledge centre).

A number of work proposals will be launched under each of these categories, with specific outputs, expressed as KPIs, so as to track progress throughout the period.

In this section, a series of tables present the linkages between the global vision for the sector and the exact pieces of work that will support it. A short summary precedes each table.

STRATEGIC PILLAR 1 – FORUM

1.1 EVENTS AND MEETINGS OF TECHNICAL WORKING GROUPS

Through the first category under this strategic pillar, the UPU will pursue its historic calling to become the unique global forum where all key postal sector stakeholders can meet to share best practices, devise strategies and gather support to achieve socio-economic development and the vision for the sector.

The above objective will be implemented through 27 work proposals under the category of events and meetings of technical working groups. In order to monitor implementation, progress will be measured through a varied set of outputs. These include indicators such as the number of thematic forums organized, new members joining information-sharing platforms, and the degree of awareness-raising on specific themes conducted with external stakeholders.

The solutions offered by the UPU under this category target a diverse set of stakeholders, supporting the achievement of a wide range of Postal Vision 2030 indicators, such as governmental contributions towards the USO, analysis of postal operator activities and applicable regulations, an increased number of international partners for operators, and formal frameworks for public-private partnerships.

The table below presents the outputs related to each of the work proposals under this category of solutions, as well as the Postal Vision 2030 indicators that they are expected to support:

Work proposal reference	RELATED OUTPUTS FOR THE THREE STRATEGIC PILLARS	POSTAL VISION 2030 INDICATORS SUPPORTED
1.1.1	SP 1	PV 3.4, PV 3.5, PV 3.6, PV 3.10, PV 4.5
1.1.2	SP 5, SP 6, SP 7, SP 8	PV 1.3, PV 3.2
1.1.3	SP 240, SP 241, SP 242, SP 243, SP 244, SP 245, SP 246	PV 3.2, PV 3.9, PV 4.2, PV 3.11
1.1.4	SP 247, SP 248, SP 249	PV 3.1, PV 3.2, PV 3.9, PV 4.2, PV 3.10
1.1.5	SP 250, SP 251, SP 252	PV 3.2, PV 3.6, PV 3.9, PV 4.2
1.1.6	SP 253, SP 255	PV 3.2, PV 3.6, PV 3.9, PV 4.2
1.1.7	SP 256, SP 257, SP 258, SP 259	PV 3.2, PV 3.6, PV 3.9, PV 4.2
1.1.8	SP 260, SP 261, SP 262, SP 263	PV 3.1, PV 3.2
1.1.9	SP 264, SP 265	PV 3.1, PV 3.2
1.1.10	SP 266, SP 267	PV 3.6, PV 3.9, PV 4.2, PV 3.10, PV 3.11
1.1.11	SP 268, SP 269, SP 270, SP 328	PV 3.6, PV 3.9, PV 3.10, PV 3.11, PV 4.2, PV 4.3
1.1.12	SP 271, SP 272, SP 273	PV 3.9, PV 4.2
1.1.13	SP 274, SP 275, SP 276, SP 277	PV 3.10, PV 3.12, PV 4.3, PV 4.5
1.1.14	SP 278, SP 279, SP 280, SP 281	PV 3.9, PV 3.10, PV 3.11, PV 4.2, PV 4.3
1.1.15	SP 75, SP 76, SP 303, SP 304	PV 3.12, PV 4.4, PV 4.5

Work proposal reference	RELATED OUTPUTS FOR THE THREE STRATEGIC PILLARS	POSTAL VISION 2030 INDICATORS SUPPORTED
1.1.16	SP 77, SP 78, SP 80, SP 81	PV 3.8, PV 2.1, PV 2.3, PV 4.3, PV 4.4, PV 4.5
1.1.17	SP 82, SP 83, SP 84, SP 85, SP 86	PV 1.3, PV 3.3, PV 3.7, PV 4.5
1.1.18	SP 87	PV 1.3, PV 2.6, PV 3.3, PV 3.7, PV 4.5
1.1.19	SP 88, SP 89	PV 3.3, PV 4.5
1.1.20	SP 91, SP 92, SP 93, SP 94	PV 4.3, PV 4.4, PV 4.5
1.1.21	SP 95, SP 96, SP 97, SP 98, SP 99	PV 1.3, PV 3.8, PV 4.4, PV 4.5, PV 4.3
1.1.22	SP 100, SP 101, SP 102, SP 103, SP 297, SP 305, SP 306	PV 1.3, PV 3.8, PV 4.4, PV 4.5, PV 4.3
1.1.23	SP 104, SP 105, SP 106	PV 1.3, PV 1.6, PV 3.5, PV 3.13, PV 4.3, PV 4.4, PV 4.5
1.1.24	SP 107, SP 108, SP 109, SP 110, SP 111	PV 1.2, PV 2.1, PV 2.2, PV 2.3, PV 2.4, PV 2.5, PV 2.6, PV 2.7, PV 2.8, PV 2.9 and PV 3.4
1.1.25	SP 299, SP 300	PV 1, PV 2, PV 3 and PV 4
1.1.26	SP 301, SP 302	PV 1, PV 2, PV 3 and PV 4
1.1.27	TBD	PV 4

1.2 TREATIES AND INTERNATIONAL AGREEMENTS

By offering the second category of solutions under this strategic pillar, the UPU will rekindle its role as a place where governments can find multilateral solutions to global and regional bottlenecks, and thus reinvigorate the concepts of the USO and the single postal territory.

This is expected to be achieved through 13 work proposals. As with the previous category, implementation of these work proposals will be monitored through quantifiable outputs. These include indicators such as the number of countries becoming signatories to the Postal Payment Services Agreement, assessment of the current state of UPU remuneration systems, and the amendment of General Regulations articles to improve rationalization and harmonization.

The UPU solutions relating to treaties and international agreements support governments, regulators, postal operators and other stakeholders in realizing Postal Vision 2030. The indicators supported include providing government/citizen services, drafting a comprehensive regulatory framework, increasing the percentage of the population with access to postal services, and establishing a membership mechanism at the UPU for relevant categories of market participants.

The table below presents the outputs related to each of the work proposals under this category of solutions, as well as the Postal Vision 2030 indicators that they are expected to support:

Work proposal reference	RELATED OUTPUTS FOR THE THREE STRATEGIC PILLARS	POSTAL VISION 2030 INDICATORS SUPPORTED
1.2.1	SP 240, SP 241, SP 242, SP 243, SP 244, SP 245, SP 246	PV 3.2, PV 3.9, PV 4.2, PV 3.11
1.2.2	SP 247, SP 248, SP 249	PV 3.1, PV 3.2, PV 3.9, PV 4.2, PV 3.10
1.2.3	SP 253, SP 255	PV 3.2, PV 3.6, PV 3.9, PV 4.2
1.2.4	SP 256, SP 257, SP 258, SP 259	PV 3.2, PV 3.6, PV 3.9, PV 4.2
1.2.5	SP 264, SP 265	PV 3.1, PV 3.2
1.2.6	SP 266, SP 267	PV 3.6, PV 3.9, PV 4.2, PV 3.10, PV 3.11
1.2.7	SP 268, SP 269, SP 270, SP 328	PV 3.6, PV 3.9, PV 4.2, PV 3.10, PV 3.11, PV 4.2, PV 4.3
1.2.8	SP 271, SP 272, SP 273	PV 3.9, PV 4.2
1.2.9	SP 274, SP 275, SP 276, SP 277	PV 3.10, PV 3.12, PV 4.3, PV 4.5
1.2.10	SP 278, SP 279, SP 280, SP 281	PV 3.9, PV 3.10, PV 3.11, PV 4.2, PV 4.3
1.2.11	SP 112, SP 113, SP 114, SP 115	PV 1.3, PV 2.6, PV 3.3, PV 3.7, PV 4.5
1.2.12	SP 117, SP 119, SP 327	PV 2.1, PV 2.3, PV 2.4, PV 3.3, PV 4.5
1.2.13	SP 127, SP 128, SP 129, SP 130, SP 131, SP 132	PV 1.2, PV 2.1, PV 2.2, PV 2.3, PV 2.4, PV 2.5, PV 2.6, PV 2.7, PV 2.8, PV 2.9 and PV 3.4

1.3 SETTLEMENT MECHANISMS

The final category of solutions under the strategic pillar of “Forum” allows the UPU to enhance its offering of mechanisms through which postal sector stakeholders can settle transactions and differences in a manner that is most beneficial and efficient to all parties involved.

This can be achieved through eight work proposals for the 2021–2025 period. Implementation will be monitored and evaluated through a number of outputs. These include indicators such as the number of members of UPU*Clearing and PPS*Clearing, as well as the number of matters processed by the UPU through its formal dispute settlement mechanism (expert determination, mediation and arbitration).

UPU stakeholders can progress towards achieving Postal Vision 2030 by benefiting from the solutions in this category. Specific indicators that could receive greater support as a result of the UPU’s settlement mechanisms include the provision of international remittance services, percentage of the population of developing countries and LDCs receiving mail at home, and a reduction in delivery time due to partnerships with various stakeholders of the supply chain.

The table below presents the outputs related to each of the work proposals under this category of solutions, as well as the Postal Vision 2030 indicators that they are expected to support:

Work proposal reference	RELATED OUTPUTS FOR THE THREE STRATEGIC PILLARS	POSTAL VISION 2030 INDICATORS SUPPORTED
1.3.1	SP 14	PV 3.7, PV 3.10
1.3.2	SP 15	PV 3.7, PV 3.10
1.3.3	SP 20	PV 4.5
1.3.4	SP 247, SP 248, SP 249	PV 3.1, PV 3.2, PV 3.9, PV 4.2, PV 3.10
1.3.5	SP 271, SP 272, SP 273	PV 3.9, PV 4.2
1.3.6	SP 278, SP 279, SP 280, SP 281	PV 3.9, PV 3.10, PV 3.11, PV 4.2, PV 4.3
1.3.7	SP 133, SP 134, SP 135, SP 136, SP 137, SP 138, SP 139, SP 140, SP 141, SP 142	PV 3.3, PV 4.5
1.3.8	SP 143, SP 144, SP 145, SP 146, SP 147, SP 148, SP 149, SP 150, SP 151, SP 152, SP 153, SP 154, SP 156, SP 157, SP 158	PV 3.3, PV 4.5

STRATEGIC PILLAR 2 – PROVIDER OF INNOVATIVE AND AFFORDABLE TECHNICAL SOLUTIONS

2.1 CONSULTING AND CAPACITY BUILDING

Through the first category of solutions under this strategic pillar, the UPU will seek to offer postal sector stakeholders quality advice, training and technical cooperation options to support them in navigating the challenges and opportunities of a fast-changing sector.

The above objective will be implemented through 27 work proposals under the category of consulting and capacity building. In order to monitor implementation, progress will be measured through a varied set of outputs. These include indicators such as the number of countries benefiting from addressing assistance, cross-cutting projects to strengthen supply chain infrastructure and quality of service improvement, and annual use of OSCAR by stakeholders.

The solutions offered by the UPU under this category target a diverse set of stakeholders, supporting the achievement of a wide range of Postal Vision 2030 indicators, such as the drafting and approval of national policies for the postal sector, analysis of the current status of national regulatory environments, review of performance in postal development as per the 2IPD, and the possibility of all operators contributing towards the USO.

The table below presents the outputs related to each of the work proposals under this category of solutions, as well as the Postal Vision 2030 indicators that they are expected to support:

Work proposal reference	RELATED OUTPUTS FOR THE THREE STRATEGIC PILLARS	POSTAL VISION 2030 INDICATORS SUPPORTED
2.1.1	SP 2	PV 1.1, PV 1.2, PV 1.3, PV 1.4, PV 1.5, PV 1.6
2.1.2	SP 3	PV 2.1, PV 2.2, PV 2.3, PV 2.4, PV 2.5, PV 2.6, PV 2.7, PV 2.8, PV 2.9
2.1.3	SP 1	PV 3.4, PV 3.5, PV 3.6, PV 3.10, PV 4.5
2.1.4	SP 4	PV 3.1, PV 3.2, PV 3.3, PV 3.4, PV 3.5, PV 3.6, PV 3.7, PV 3.8, PV 3.9, PV 3.10, PV 3.11, PV 3.12
2.1.5	SP 21, SP 22	PV 3.2, PV 3.6, PV 3.9, PV 4.2
2.1.6	SP 240, SP 241, SP 242, SP 243, SP 244, SP 245, SP 246	PV 1.3, PV 4.3, PV 4.5
2.1.7	SP 247, SP 248, SP 249	PV 3.2, PV 3.9, PV 4.2, PV 3.11
2.1.8	SP 282, SP 283, SP 284, SP 285	PV 3.1, PV 3.2, PV 3.9, PV 4.2, PV 3.10
2.1.9	SP 253, SP 255	PV 3.2, PV 3.6, PV 3.9, PV 4.2, PV 4.4
2.1.10	SP 264, SP 265	PV 3.2, PV 3.6, PV 3.9, PV 4.2
2.1.11	SP 266, SP 267	PV 3.1, PV 3.2
2.1.12	SP 268, SP 269, SP 270, SP 328	PV 3.6, PV 3.9, PV 4.2, PV 3.10, PV 3.11, PV 4.2, PV 4.3
2.1.13	SP 271, SP 272, SP 273	PV 3.9, PV 4.2
2.1.14	SP 274, SP 275, SP 276, SP 277	PV 3.10, PV 3.12, PV 4.3, PV 4.5
2.1.15	SP 278, SP 279, SP 280, SP 281	PV 3.9, PV 3.10, PV 3.11, PV 4.2, PV 4.3
2.1.16	SP 159, SP 160, SP 161, SP 162	PV 1.1, PV 1.3, PV 3.12, PV 4.4, PV 4.5
2.1.17	SP 163, SP 164, SP 165	PV 1.3, PV 3.3, PV 3.7, PV 4.5
2.1.18	SP 166, SP 167, SP 168	PV 1.3, PV 3.3, PV 3.7, PV 4.5
2.1.19	SP 169, SP 170, SP 171, SP 172, SP 173	PV 1.3, PV 2.6, PV 3.3, PV 3.7, PV 4.5
2.1.20	SP 174, SP 175, SP 176, SP 177, SP 178	PV 2.1, PV 2.3, PV 2.4, PV 3.3, PV 4.5
2.1.21	SP 179, SP 180, SP 181	PV 1.3, PV 3.8, PV 4.4, PV 4.5, PV 4.3
2.1.22	SP 182, SP 183, SP 184, SP 185, SP 186, SP 187, SP 307	PV 1.3, PV 1.6, PV 3.5, PV 3.13, PV 4.3, PV 4.4, PV 4.5
2.1.23	SP 188, SP 189, SP 190	PV 1.2, PV 2.1, PV 2.2, PV 2.3, PV 2.4, PV 2.5, PV 2.6, PV 2.7, PV 2.8, PV 2.9 and PV 3.4

Work proposal reference	RELATED OUTPUTS FOR THE THREE STRATEGIC PILLARS	POSTAL VISION 2030 INDICATORS SUPPORTED
2.1.24	SP 191, SP 192, SP 193, SP 194, SP 195	PV 1.1, PV 1.3, PV 3.8, PV 4.1, PV 4.3, PV 4.5
2.1.25	SP 297, SP 305, SP 306	PV 1, PV 2, PV 3, PV 4
2.1.26	SP 315, SP 316, SP 317, SP 318, SP 319, SP 320, SP 321, SP 322	PV 3
2.1.27	SP 323, SP 324, SP 325	PV 3

2.2 IT SOLUTIONS

By offering the second category of solutions under this strategic pillar, the UPU will further develop its portfolio of IT solutions to more closely match the needs of stakeholders from all stages of development in an environment of digital disruption.

This is expected to be achieved through 14 work proposals. As with the previous categories, implementation of these work proposals will be monitored through quantifiable outputs. These include indicators such as the number of operators and wider sector stakeholders adopting e-services-related ICT tools offered by the UPU, data interchange partners on POST*Net, and users of the postal payment services mobile solution.

The UPU products and services relating to IT solutions support governments, regulators, postal operators and other stakeholders in realizing Postal Vision 2030. The indicators include the training of postal staff on skills pertinent to digital transformation, reducing delivery time to at least the regional average, and developing regulatory maps and dashboards at the national level.

The table below presents the outputs related to each of the work proposals under this category of solutions, as well as the Postal Vision 2030 indicators that they are expected to support:

Work proposal reference	RELATED OUTPUTS FOR THE THREE STRATEGIC PILLARS	POSTAL VISION 2030 INDICATORS SUPPORTED
2.2.1	SP 240, SP 241, SP 242, SP 243, SP 244, SP 245, SP 246	PV 3.2, PV 3.9, PV 4.2, PV 3.11
2.2.2	SP 282, SP 283, SP 284, SP 285	PV 3.2, PV 3.6, PV 3.9, PV 4.2, PV 4.4
2.2.3	SP 260, SP 261, SP 262, SP 263	PV 3.1, PV 3.2
2.2.4	SP 268, SP 269, SP 270, SP 328	PV 3.6, PV 3.9, PV 4.2, PV 3.10, PV 3.11, PV 4.2, PV 4.3
2.2.5	SP 271, SP 272, SP 273	PV 3.9, PV 4.2
2.2.6	SP 274, SP 275, SP 276, SP 277	PV 3.10, PV 3.12, PV 4.3, PV 4.5
2.2.7	SP 278, SP 279, SP 280, SP 281	PV 3.9, PV 3.10, PV 3.11, PV 4.2, PV 4.3
2.2.8	SP 196	PV 3.12, PV 4.4, PV 4.5
2.2.9	SP 197, SP 198, SP 199, SP 200	PV 1.3, PV 2.6, PV 3.3, PV 3.7, PV 4.5
2.2.10	SP 201, SP 202	PV 1.3, PV 3.8, PV 4.4, PV 4.5, PV 4.3
2.2.11	SP 203, SP 204	PV 1.3, PV 1.6, PV 3.5, PV 3.13, PV 4.3, PV 4.4, PV 4.5
2.2.12	SP 286, SP 287, SP 288	PV 3.12, PV 4.5

Work proposal reference	RELATED OUTPUTS FOR THE THREE STRATEGIC PILLARS	POSTAL VISION 2030 INDICATORS SUPPORTED
2.2.13	SP 289, SP 290, SP 291	PV 4.4, PV 4.5, PV 3.6, PV 3.9, PV 2.4
2.2.14	SP 326	–

2.3 STANDARDS

The final category of solutions under the strategic pillar of “Provider of innovative and affordable technical solutions” allows the UPU to reinforce its standard-setting and certification activities, thus promoting global interoperability for the benefit of all postal sector stakeholders in all territories.

This can be achieved through 11 work proposals for the 2021–2025 period. Implementation will be monitored and evaluated through a number of outputs. These include indicators such as the number of certified regional security auditors, monthly compliance measurement reports, and annual review of the list of existing standards.

UPU stakeholders can progress towards achieving Postal Vision 2030 by benefiting from the solutions in this category. Specific indicators that could receive greater support as a result of the UPU’s standards include an increase in mail items exchanged with international partners to reach at least the regional average, as well as a reduction in delivery times.

The table below presents the outputs related to each of the work proposals under this category of solutions, as well as the Postal Vision 2030 indicators that they are expected to support:

Work proposal reference	RELATED OUTPUTS FOR THE THREE STRATEGIC PILLARS	POSTAL VISION 2030 INDICATORS SUPPORTED
2.3.1	SP 9, SP 10	PV 1.3, PV 3.2
2.3.2	SP 11	PV 1.3, PV 3.2
2.3.3	SP 250, SP 251, SP 252	PV 3.2, PV 3.6, PV 3.9, PV 4.2
2.3.4	SP 253, SP 255	PV 3.2, PV 3.6, PV 3.9, PV 4.2
2.3.5	SP 256, SP 257, SP 258, SP 259	PV 3.2, PV 3.6, PV 3.9, PV 4.2
2.3.6	SP 260, SP 261, SP 262, SP 263	PV 3.1, PV 3.2
2.3.7	SP 266, SP 267	PV 3.6, PV 3.9, PV 4.2, PV 3.10, PV 3.11
2.3.8	SP 268, SP 269, SP 270, SP 328	PV 3.6, PV 3.9, PV 4.2, PV 3.10, PV 3.11, PV 4.2, PV 4.3
2.3.9	SP 271, SP 272, SP 273	PV 3.9, PV 4.2
2.3.10	SP 274, SP 275, SP 276, SP 277	PV 3.10, PV 3.12, PV 4.3, PV 4.5
2.3.11	SP 278, SP 279, SP 280, SP 281	PV 3.9, PV 3.10, PV 3.11, PV 4.2, PV 4.3

STRATEGIC PILLAR 3 – INFORMATION AND KNOWLEDGE CENTRE

3.1 RESEARCH AND INSIGHTS ON MARKET TRENDS

Through the first category of solutions under this strategic pillar, the UPU will further develop its in-depth research capacity in order to support postal sector stakeholders in better understanding and anticipating trends that affect the sector as a whole.

The above objective will be implemented through 11 work proposals under the category of research and insights on market trends. In order to monitor implementation, the progress of these work proposals will be measured through a varied set of outputs. These include indicators such as the number of countries having benefited from a fully-fledged country analysis, joint research projects with other international organizations, and the percentage of all EDI records used for global postal economic analysis.

The solutions offered by the UPU under this category target a diverse set of stakeholders, supporting the achievement of a wide range of Postal Vision 2030 indicators, such as the reduction of postal development gaps within regions, inclusion of the sector in national strategies for the achievement of the SDGs, and the establishment or enhancement of formal relations with all organizations that contribute to elements of Postal Vision 2030 (e.g. UN agencies).

The table below presents the outputs related to each of the work proposals under this category of solutions, as well as the Postal Vision 2030 indicators that they are expected to support:

Work proposal reference	RELATED OUTPUTS FOR THE THREE STRATEGIC PILLARS	POSTAL VISION 2030 INDICATORS SUPPORTED
3.1.1	SP 2	PV 1.1, PV 1.2, PV 1.3, PV 1.4, PV 1.5, PV 1.6
3.1.2	SP 3	PV 2.1, PV 2.2, PV 2.3, PV 2.4, PV 2.5, PV 2.6, PV 2.7, PV 2.8, PV 2.9
3.1.3	SP 205, SP 206, SP 207, SP 208, SP 209, SP 210, SP 211, SP 212, SP 314	PV 1.1, PV 1.5, PV 1.6, PV 2.1, PV 3.5, PV 4.5
3.1.4	SP 266, SP 267	PV 3.6, PV 3.9, PV 4.2, PV 3.10, PV 3.11
3.1.5	SP 271, SP 272, SP 273	PV 3.9, PV 4.2
3.1.6	SP 213, SP 214, SP 215, SP 216	PV 1.1, PV 1.3, PV 3.12, PV 4.4, PV 4.5
3.1.7	SP 217, SP 218, SP 219, SP 220	PV 1.3, PV 3.3, PV 3.7, PV 4.5
3.1.8	SP 221, SP 222	PV 3.3, PV 4.5
3.1.9	SP 223, SP 224	PV 1.3, PV 3.8, PV 4.4, PV 4.5, PV 4.3
3.1.10	SP 225, SP 226, SP 298	PV 1.3, PV 1.6, PV 3.5, PV 3.13, PV 4.3, PV 4.4, PV 4.5
3.1.11	SP 227, SP 228, SP 229	PV 1.1, PV 1.3, PV 3.8, PV 4.1, PV 4.3, PV 4.5

3.2 FOCUSED ANALYSIS ON VARIOUS TOPICAL ISSUES

By offering the second category of solutions under the “information and knowledge centre” pillar, the UPU will leverage the potential of the postal big data that it holds, and articulate solutions for postal sector stakeholders in the form of focused insights and analysis.

This is expected to be achieved through six work proposals. As with the previous categories, implementation of these work proposals will be monitored through quantifiable outputs. These include indicators such as the number of policy briefs on key trade issues, the number of countries participating in the global database of regulatory frameworks, and the number of analytical studies on ETOEs.

The UPU solutions relating to focused analysis on various topical issues support governments, regulators, postal operators and other stakeholders in realizing Postal Vision 2030. The indicators supported include the implementation of a process to update national postal regulations on a two-to-three-year basis, development of an updated USO definition, and analysis of the cost of USO and new ways to fund it.

The table below presents the outputs related to each of the work proposals under this category of solutions, as well as the Postal Vision 2030 indicators that they are expected to support.

Work proposal reference	RELATED OUTPUTS FOR THE THREE STRATEGIC PILLARS	POSTAL VISION 2030 INDICATORS SUPPORTED
3.2.1	SP 240, SP 241, SP 242, SP 243, SP 244, SP 245, SP 246	PV 3.2, PV 3.9, PV 4.2, PV 3.11
3.2.2	SP 264, SP 265	PV 3.1, PV 3.2
3.2.3	SP 271, SP 272, SP 273	PV 3.9, PV 4.2
3.2.4	SP 230, SP 231, SP 232	PV 1.1, PV 1.3, PV 3.12, PV 4.4, PV 4.5
3.2.5	SP 233, SP 234, SP 235, SP 236, SP 237, SP 238	PV 1.2, PV 2.1, PV 2.2, PV 2.3, PV 2.4, PV 2.5, PV 2.6, PV 2.7, PV 2.8, PV 2.9, and PV 3.4
3.2.6	SP 239	PV 1.1, PV 1.3, PV 3.8, PV 4.1, PV 4.3, PV 4.5

3.3 DATA STORAGE AND PROTECTION

The final category of solutions under the strategic pillar of “Information and knowledge centre” allows the UPU to strengthen its role as a custodian of international data about the sector, storing it in a secure and neutral manner.

This can be achieved through five work proposals for the 2021–2025 period. Implementation will be monitored and evaluated through a number of outputs. These include indicators such as the number of Universal POST*CODE database users, expansion of the UPU big data platform, and the introduction of a standard for privacy information management.

UPU stakeholders can progress towards achieving Postal Vision 2030 by benefiting from the solutions in this category. Specific indicators that could receive greater support as a result of UPU solutions for data storage and protection include the percentage of the population with access to postal services, reduction in delivery times, and increased communication and partnerships with other stakeholders in the supply chain.

The table below presents the outputs related to each of the work proposals under this category of solutions, as well as the Postal Vision 2030 indicators that they are expected to support:

Work proposal reference	RELATED OUTPUTS FOR THE THREE STRATEGIC PILLARS	POSTAL VISION 2030 INDICATORS SUPPORTED
3.3.1	SP 12, SP 13	PV 1.3, PV 3.2
3.3.2	SP 253, SP 255	PV 3.2, PV 3.6, PV 3.9, PV 4.2
3.3.3	SP 260, SP 261, SP 262, SP 263	PV 3.1, PV 3.2
3.3.4	SP 271, SP 272, SP 273	PV 3.9, PV 4.2
3.3.5	SP 292, SP 293, SP 294, SP 295	PV 3.12, PV 4.5

FUNCTIONAL SUPPORT

The support functions lay the foundation for the work of the three strategic pillars presented above. In this sense, they contribute to the achievement of all the indicators of Postal Vision 2030.

4.1 EXECUTIVE OFFICE

The Executive Office category consists of four work proposals related to cabinet and council affairs, governance and internal control, strategic planning and communications. The related outputs include indicators such as the number of council sessions successfully organized, number of views on the UPU website and percentage of CA/POC deliverables as well as audit recommendations that have been implemented.

Work proposal reference	RELATED OUTPUTS FOR THE THREE STRATEGIC PILLARS	POSTAL VISION 2030 INDICATORS SUPPORTED
4.1.1	SP 46, SP 47, SP 48, SP 49, SP 50, SP 51	PV 1, PV 2, PV 3 and PV 4
4.1.2	SP 52, SP 53, SP 54, SP 55, SP 296, SP 308, SP 309, SP 310, SP 311, SP 312, SP 313	PV 1, PV 2, PV 3 and PV 4
4.1.3	SP 56, SP 57, SP 59	PV 1, PV 2, PV 3 and PV 4
4.1.4	SP 60, SP 61, SP 62, SP 63, SP 64, SP 65, SP 66, SP 67, SP 68, SP 69, SP 70, SP 71	PV 1, PV 2, PV 3 and PV 4

4.2 FINANCE

The finance category covers two work proposals related to the support role as well as resource mobilization. The progress of the planned work can be measured through outputs such as the approval of financial reports without reservation by the External Auditor, the number of new partnerships formalized with multilateral donors for global or country-level intervention, and the number of voluntary contributors found to support the implementation of the strategy.

Work proposal reference	RELATED OUTPUTS FOR THE THREE STRATEGIC PILLARS	POSTAL VISION 2030 INDICATORS SUPPORTED
4.2.1	SP 16, SP 17, SP 18, SP 19	PV 1, PV 2, PV 3 and PV 4
4.2.2	SP 72, SP 73, SP 74	PV 1, PV 2, PV 3 and PV 4

4.3 HUMAN RESOURCES

The third category under “Functional support” relates to human resources and consists of three work proposals concerning training and development, HR policy and administration (benefits and payroll). The objectives of the work proposals can be quantified through outputs such as the percentage of staff completing training on IT or new technology (under the second strategic pillar), and increased speed of recruitment for fixed-term positions.

Work proposal reference	RELATED OUTPUTS FOR THE THREE STRATEGIC PILLARS	POSTAL VISION 2030 INDICATORS SUPPORTED
4.3.1	SP 26, SP 27, SP 28, SP 29, SP 30, SP 31, SP 32	PV 1, PV 2, PV 3 and PV 4
4.3.2	SP 33, SP 34	PV 1, PV 2, PV 3 and PV 4
4.3.3	SP 35, SP 36, SP 37, SP 38, SP 39, SP 40	PV 1, PV 2, PV 3 and PV 4

4.4 LEGAL

The progress of the work proposal on legal support can be measured through its outputs such as the percentage of external legal clarification requests processed within seven working days (only requests coming from Union member country governmental entities and their designated operators), and the percentage of internal IB requests for drafting, review and/or validation of contractual instruments processed within seven working days.

Work proposal reference	RELATED OUTPUTS FOR THE THREE STRATEGIC PILLARS	POSTAL VISION 2030 INDICATORS SUPPORTED
4.4.1	SP 23, SP 24, SP 25	PV 1, PV 2, PV 3 and PV 4

4.5 LOGISTICS

The two final work proposals under “Functional support” concern the area of logistics. Outputs to measure progress include the percentage of documents and premises ready for each meeting or event.

Work proposal reference	RELATED OUTPUTS FOR THE THREE STRATEGIC PILLARS	POSTAL VISION 2030 INDICATORS SUPPORTED
4.5.1	SP 41, SP 42	PV 1, PV 2, PV 3 and PV 4
4.5.2	SP 43, SP 44, SP 45	PV 1, PV 2, PV 3 and PV 4

WORK PROPOSALS

In order to enable the delivery of the expected outputs outlined above, a number of detailed work proposal sheets have been drafted. They are grouped by category of UPU solutions that they are aimed at supporting. Further information about target outputs associated with each work proposal (expressed as key performance indicators) is available in the UPU strategy implementation report (CA C 3 2022.1–Doc 3a and 3b). Updates on deliverables allocated to different UPU bodies can be found in the work programmes of the CA (CA 2022.1–Doc 12) and POC (POC 2022.1–Doc 13.Rev 1).

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