



POSTAL FINANCIAL SERVICES



DRAFT DUBAI BUSINESS PLAN: DOMAIN WORK PROPOSAL 26

**DEVELOPMENT OF THE UPU'S VISION 2030 FOR POSTAL
PAYMENT AND FINANCIAL SERVICES:** DRAFT CONGRESS— DOC 40

DRAFT DUBAI BUSINESS PLAN

■ DOMAIN WORK PROPOSAL 26

- Increase the number of UPU member countries adhering to the postal financial services (PFS) framework
- facilitate the interconnection of wider postal sector players with the UPU network
- advisory and technical support to member countries and their designated operators
- promotion of PFS through the creation of a knowledge-sharing database
- publication of a new PFS Global Panorama
- update and dissemination of the UPU framework and related agreements.

UPU'S VISION 2030 FOR POSTAL PAYMENT AND FINANCIAL SERVICES

Situation in 2022

- ❑ Turbulent financial and payment services industry,
- ❑ Challenges of the COVID-19 pandemic,
- ❑ Low postal payment service (PPS) volumes
- ❑ Declining financial services business,

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- ❑ UPU hired EY-Parthenon:
 - ❑ Conduct a complete end-to-end evaluation
 - ❑ Due diligence on the UPU's postal financial services (PFS) and solutions
- ❑ Key outcomes
 - ❑ Focus on 5 parameters
 - ❑ 12 Recommendations and Action Plan

KEY LEARNINGS OF THE EY-PARTHENON STUDY

5 parameters

☐ Enhancement of the existing Postal Payment Services Agreement (PPSA) and UPU operating model

- Enhance access to PPS through a more integrated and inclusive process
- Diversify the financial service offering

☐ Improvement of the sharing of knowledge, expertise and best practices

- Facilitate and drive knowledge transfer
- Increase awareness of the role of the UPU

☐ Diversification of the existing UPU offering through new partnerships and funding models

- ☐ Assess the viability of existing products and solutions, and the funding allocated to grow PFS
- ☐ Assess new operating and partnership models
- ☐ Enable/diversify voluntary funding from members and extrabudgetary funding

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❑ Enablement of provision of tailored/customized technological solutions, advisory services and technical assistance

- ❖ Customize technological solutions, advisory services and technical assistance
- ❖ Build strategic partnerships with DO suppliers and service providers

❑ Expansion of the voice of Posts in PFS policymaking

- Promote the postal role in domestic financial service stakeholder engagements
- Develop special target programmes promoting financial inclusion
- Promote the Post as a trusted governmental partner to serve the population

TASKS AHEAD

- ❑ Redesign the UPU financial services platform;
- ❑ Secure adequate additional extra budgetary funding from PPSA signatories and/or interested third parties through partnerships;
- ❑ Secure the right digital financial service (DFS) resources;
- ❑ Enhance and examine the UPU stakeholder value proposition;
- ❑ Define new external partnership engagement models;
- ❑ Meet requirements to further assess UPU member countries' needs for suitable DFS solution

CURRENT POSTAL PAYMENT AND FINANCIAL SERVICES

- Doha Congress: 2012, 123 Member Countries signed the PPSA to create a global framework for cost effective postal remittance
- Istanbul: 104
- Abidjan: 66- a. Suspension of services by the countries
 - b. Absence of countries due to Covid 19
- Since Abidjan only 6 countries have signed the PPSA
- Since 2020, low transaction volume in UPU-PPS network:
 - Suspension of key services for member countries
 - Contraction of PPS Market because of political reasons
 - Covid 19
 - Competition from FinTech

DEVELOPMENT DURING THE ABIDJAN CYCLE

- Increase in PPSUG members 32 to 35
- Adoption of revised fee structure aimed at securing financial Stability
- Tech Improvement UPU-IP
- Engagements with 3rd Party providers
- Design and launch of UPI
- Design and launch of the UPU-TechCert certification programme
- Launch of UPU-UPI, Adoption of PosTransfer, South-South Dev Corridor

VISION 2030 FOR POSTAL PAYMENT AND FINANCIAL SERVICES

- 2 proposals (05 and 06) and amendments to PPSA : Extra Ordinary Congress Riyadh
- Proposal 5: Key recommendations:
 - Review of the existing UPU treaty framework dealing with postal payment services and submission of proposed revisions to the Dubai Congress;
 - Development of a contractual framework and draft agreement template for other financial or payment services with non-postal payment service providers following the Riyadh amendments to the PPSA;
 - Draft contractual framework/licensing of WPSPs;
 - Draft WPSP certification mechanism;
 - Extension of the centralized UPU technical architecture with real-time connectivity (UPU-IP) for the connection of WPSPs offering solutions for money transfers and other financial services.

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- **Proposal 6: Key Recommendations:**
- **Knowledge creation and dissemination:**
- **Capacity building**
- **Networking and partnership**
- **Advocacy and awareness raising**
- **Extrabudgetary Funding**

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- UPU-UPI Cross Border Remittance

- Digital Financial Services through the Japan Fund (Djibouti, Rwanda, Mongolia, Senegal and Uzbekistan)

POSTAL PAYMENT/FINANCIAL SERVICES: DUBAI CYCLE

- Recentre on the role of the UPU as a facilitator and promoter of financial services
- Development of interconnection of WPSPs with the postal network
- Adoption of other payment and financial products and services provided by WPSPs
- Creation of a knowledge database
- Dissemination of financial services information through a publication entitled “Global Panorama on Postal Financial Services
- Prioritisation of Financial Inclusion
 - Digital payments, Digital savings, Inclusive insurance and Microfinance

THANK YOU & HAVE A GREAT DAY