

The postal sector: an essential component of the global economy

Nairobi Postal Strategy 2009–2012

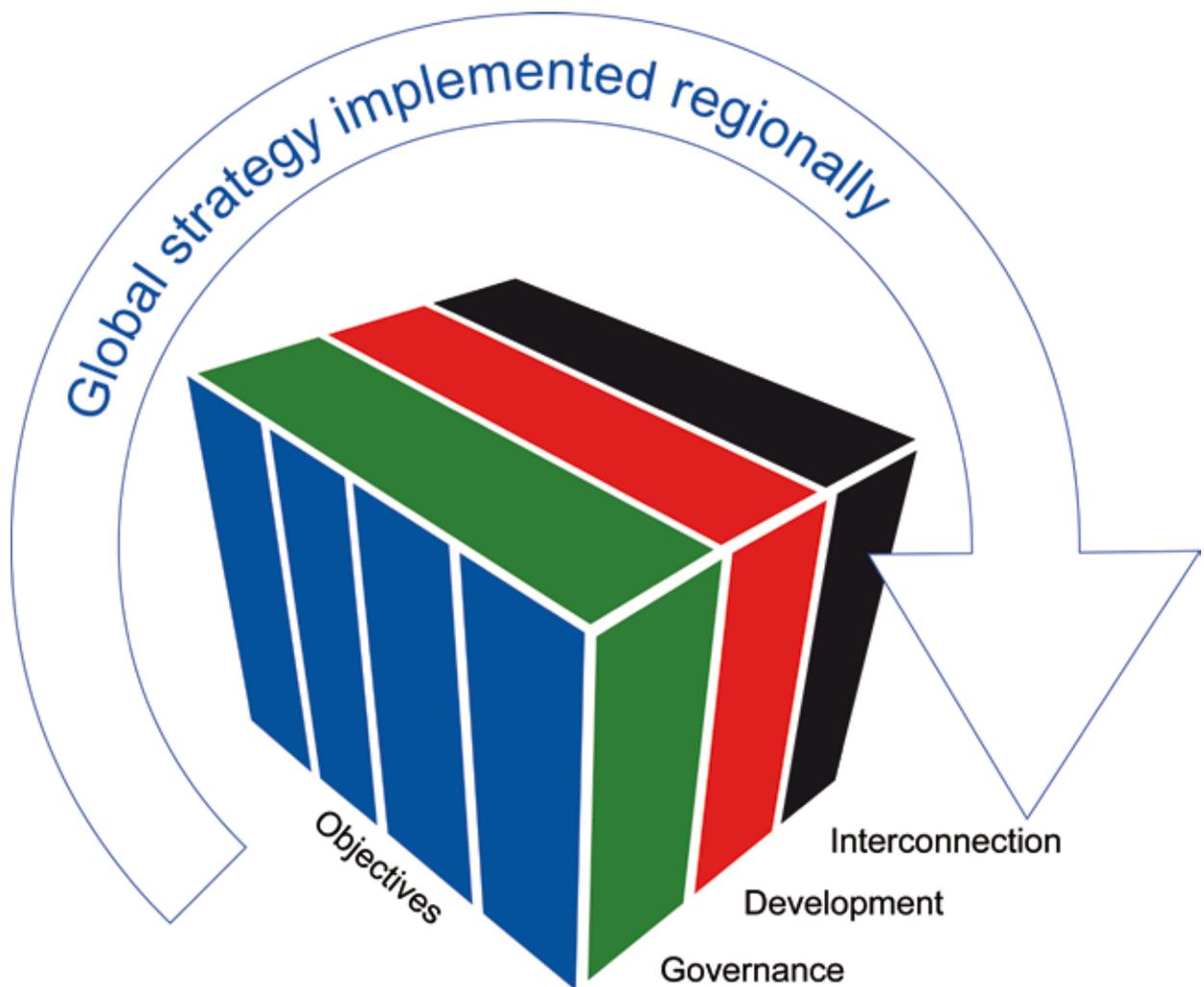


UPU

UNIVERSAL
POSTAL
UNION

The postal sector: an essential component of the global economy

Nairobi Postal Strategy 2009–2012



Nairobi Postal Strategy (NPS)

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Foreword by the Director General



world postal community.

This roadmap should enable us to set clear objectives, and plot our route as we tackle the challenges facing the postal sector today; above all, it should yield measurable results for sustainable development of the postal sector.

As an intergovernmental and sectoral organization, and a specialized agency of the United Nations, the UPU can and must be ambitious. The Nairobi Postal Strategy (NPS) gives meaning and reality to this ambition. Today's UPU stands on solid foundations: great adaptability, concrete results, openness to its environment, and enhanced legitimacy.

Development of the Nairobi Postal Strategy – An open process

The NPS is the product of an open, ongoing endeavour. It stems from a collaborative process involving significant efforts and resources, and is based on in-depth research and technical studies carried out by the various Union bodies and their respective working groups. It has also been enriched by the UPU Strategy Conference held in Dubai in November 2006, and the International Bureau conferences and regional strategy round tables in 2007.

The NPS, approved by the Postal Operations Council (POC) and the Council of Administration (CA), is also the culmination of extensive work carried out by the Strategic Planning Group, chaired by the Russian Federation and made up of Australia, Belgium, Cameroon, China (People's Rep.), Costa Rica, Egypt, France, Romania and the United States of America. Belgium also played an invaluable role by taking charge of the drafting of the text, in its role as Chairman of the Nairobi Postal Strategy Subgroup.

The work carried out by the members and observers of the Strategic Planning Group helped to lay the foundations of a draft strategic plan that is global in scope yet concrete in its aims, designed to carry the UPU further down the road it has been following for the past few years, characterized by a commitment to results, in spite of an ever more difficult budgetary situation.

Moreover, for the first time, in parallel with the usual consultations, the Restricted Unions and the International Bureau joined forces to stage regional round tables, which provided over 150 UPU member countries with the opportunity to discuss the draft NPS while outlining their own regional priorities, before the final text went to the CA for its approval, on the basis of the POC's recommendations, as provided for in the General Regulations. So, in line with the principle of universality which guides our organization, each member country, whatever its size or location, had the chance to help define the role to be played by the UPU in the future.

Architecture and structure of the Nairobi Postal Strategy

The 2006 Dubai Strategy Conference, which took place at the midpoint between the Bucharest and Geneva UPU Congresses, served to broaden the outlook of the postal world and provide a clearer picture of its future role. Discussions focused on the importance of postal sector reform and regulation, the role of the sector as a gateway to new technologies, the ability of the Post to provide electronic fund transfer services, the importance of standards, and the need to ensure that development cooperation takes account of the actual needs of countries, especially the least developed ones.

The Dubai Strategy Conference spawned a number of key concepts for the process of defining the architecture and content of the draft NPS. It also established the following three axes: interconnection, development and governance. These three axes will serve to strengthen the founding principles of the UPU, whether in terms of universal postal service or the creation of a single postal territory, thanks in particular to an increased role for the UPU in the area of standards, but also the intensive use of new technologies.

Following the conference, there was little doubt that it had broadened the outlook of the postal world and provided a snapshot of its future role, which is to help its member countries move for-

ward by sharing a common vision of the postal sector as an essential element of the global economy.

The NPS therefore reflects the determination of the UPU and its member countries to continue their mission in favour of sustainable development of postal services, while justifying the need for the Union's action in an increasingly globalized world. In this context, nothing less than concerted multilateral action will do. As we help the postal network and its three dimensions – physical, electronic and financial – adapt to a fast-changing environment, we must remain true to the values of the UPU, while at the same time striving to serve our member countries and users of postal services throughout the world, individuals and businesses, ever more effectively.

Implementation of the Nairobi Postal Strategy

The NPS will be implemented globally, regionally and nationally, but the regional dimension in particular will be reinforced. This is in line with a general trend in economics and regional integration policy alike. The UPU cannot ignore this trend, which enables better account to be taken of the realities and needs of all parties. The roadmap drawn up on the basis of the draft objectives and programmes will lead to two consecutive Pro-

gramme and Budget documents, starting with the Programme and Budget 2009/2010. Once approved by the 2008 Congress, work will begin on ensuring that the NPS is very much results-oriented, with measurable expected outcomes for each of the programmes. Building on this, the draft Programme and Budget for 2009/2010 will also have measurable expected results and performance indicators for each main activity under the various major programmes. The link between the NPS and the Programme and Budget is critical: it is the latter which provides clear direction for implementing the strategy.

The founding fathers of the UPU had a strategic vision. One hundred and thirty-four years on, as we plot our course for the coming four years, this founding ambition of developing communications between people remains as relevant as ever.

All things change; all things evolve. The UPU has shown its ability to adapt through the years. And it must continue to do so. It must constantly take account of changes taking place in its technical, technological and regulatory environment, but also anticipate the future needs of the users of postal services. The NPS will be our framework for action in the coming four years. It will help the UPU to realize the ambition of its founders, by bringing it squarely into the 21st century.

Berne, May 2008

Edouard DAYAN



Director General

STRUCTURE AND CONTENT OF THE NAIROBI POSTAL STRATEGY DOCUMENT (CONGRÈS–Doc 38)

The Nairobi Postal Strategy (NPS) document (CONGRÈS–Doc 38) lays solid foundations for global, regional and national strategic planning processes within the postal sector. It forms the basis of the UPU Programme and Budget, reflects the dynamic development of the Union, and seeks to map out the future of the postal sector as a whole.

The Nairobi Postal Strategy is presented in the form of a single document, namely CONGRÈS–Doc 38, and consists of six chapters and five annexes, as briefly described below:

Chapter I – Nairobi Postal Strategy – Overview

Chapter I comprises a one-page table summarizing the architecture of the Strategy, which is essentially composed of three main parts:

- four pillars: the four objectives proposed by the Strategic Planning Group and subsequently endorsed by the 2008 CA and POC;
- three axes: interconnection, development and governance;
- three dimensions: physical, electronic and financial.

The pillars of the Strategy are structured around the following four programme-driven objectives for the entire Union, designed to respond to specific global, regional and national challenges:

- improving the interoperability, quality and efficiency of the three-dimensional postal network in order to keep the sector relevant to market and customer needs;
- stimulating a universal postal service that is adapted to the social, economic and technological environment;
- promoting the sustainable development of the postal sector and its economy;
- fostering the growth of the postal market(s) and services.

Eighteen strategic programmes then translate how the four objectives will be implemented through action undertaken by all the actors concerned.

Chapter II – The UPU’s mission

Chapter II discusses the current UPU mission statement and refers to the fact that recent studies and authoritative opinions, and the activities developed by the Union and its members, seem to indicate that there may be a case for UPU members to consider updating and modernizing the current mission statement.

Chapter III – Bucharest World Postal Strategy (BWPS): Summary of results achieved and lessons learned

Even though a separate, comprehensive report (CONGRÈS–Doc 16) on the implementation of the BWPS is to be presented to Congress, it was decided that Chapter III of the Nairobi Postal Strategy document should comprise a brief summary of the conclusions drawn from the implementation of the BWPS. The reasoning is that the results attained and the lessons learned in accomplishing the BWPS objectives will have a key impact on the main drivers that will influence the successful implementation of the Nairobi Postal Strategy.

Chapter IV – Postal scenarios and global trends

Chapter IV briefly describes the results of work undertaken by the UPU’s Strategic Planning Group to identify the anticipated trends, developments and challenges in the postal sector that the UPU is expected to face over the 2009–2012 period, and which will therefore influence the period covered by the Nairobi Postal Strategy.

Chapter V – Strategic direction

The architecture of the Nairobi Postal Strategy and its core elements are described in detail in chapter V of the document, which comprises five sections:

- a brief introduction to the NPS objectives and programmes, the pillars of the strategy;
- an explanation of the «support» and «development» programmes that will help to achieve the goals of the NPS;
- a detailed description of the four proposed objectives and their 18 associated programmes;
- an introduction to the link between the regional perspective (i.e. how the NPS takes

- account of different regional needs) and implementation of the NPS;
- and, finally, a few words on the actual implementation of the proposed NPS objectives and programmes.

Chapter VI – Performance indicators

Chapter VI describes the future publication of continuously updated performance indicators which will be used to gauge the level to which member countries and the UPU permanent bodies – in fact, the UPU as a whole – attain the key objectives in the Nairobi Postal Strategy.

Annex 1 – UPU indicators

Annex 1 contains an example of a set of key performance indicators which are focused on linking the implementation of the Bucharest World Postal Strategy (BWPS) objectives and programmes to the three-dimensional postal network (physical, electronic, financial) and the three axes of UPU activity (interconnection, development, governance).

Once approved by the 2008 Congress, it is intended to review, continuously update and publish, for the period 2009–2012, UPU indicators that show the extent of the implementation of the objectives and programmes defined within the Nairobi Postal Strategy.

Annex 2 – Postal strategy report cards

Annex 2 contains an example of a report card which is focused on the implementation of certain programmes contained within the BWPS objectives.

Once approved by the 2008 Congress, it is intended to review, continuously update and publish, for the period 2009–2012, postal strategy report cards that show the extent of the imple-

mentation of the objectives and programmes defined within the Nairobi Postal Strategy.

Annex 3 – International environment and global trends

As mentioned in Chapter IV of the Nairobi Postal Strategy document, in defining its strategy for the years ahead, the UPU has to take account of its environment in the broad sense.

Annex 3 describes nine topics which may have an impact on the postal sector and which may then have an indirect connection with UPU activities. Challenges and opportunities and key environmental trends are also described.

Annex 4 – Regional perspectives

As mentioned in Chapter V, point D, of the Nairobi Postal Strategy document, regionalization is becoming more and more relevant every day. With this in mind, the Nairobi Postal Strategy has fully integrated the regional dimension not only into its development but also into its implementation. Annex 4 therefore includes a summary of the main priorities identified by eight Restricted Unions, each one representing the interest of a specific region, during a series of Regional Round Tables held throughout 2007.

Annex 5 – Action plan guidelines

In Chapter V of the Nairobi Postal Strategy document, the observation is made that implementation of the objectives and strategies of the Nairobi Postal Strategy is the responsibility of the UPU's members.

To this end, Annex 5 details a series of recommended strategies or guidelines to be implemented by the various responsible parties, in order to achieve the results of the NPS objectives.

I. Nairobi Postal Strategy – Overview

Vision				
“The Postal Sector – an essential component of the global economy”				
Mission				
The mission of the UPU 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: (see Preamble to the Constitution)				
Strategic direction				
The global strategy is to be implemented in line with national and regional policies and regulations and the subsidiarity principle				
<i>Objective 1</i>	<i>Objective 2</i>	<i>Objective 3</i>	<i>Objective 4</i>	I n t e r c o n n e c t i o n
Improving the interoperability, quality and efficiency of the three-dimensional postal network in order to keep the sector relevant to market and customer needs	Stimulating a universal postal service adapted to the social, economic and technological environment	Promoting sustainable development of the postal sector and its economy	Fostering the growth of the postal market(s) and services	
Programmes				
1.1 Enhancing quality of service and efficiency of the postal network	2.1 Stimulating the provision of a quality, affordable and innovative universal postal service adapted to technological changes	3.1 Improving remuneration systems between postal operators	4.1 Providing market and sectoral research and responding to customer needs	D e v e l o p m e n t
1.2 Increasing postal integrity, reliability and security	2.2 Developing universal postal service regulation and criteria	3.2 Developing statistical and analytical/cost accounting procedures	4.2 Modernizing and diversifying postal products and services	
1.3 Improving the customer experience by developing the interoperability and interconnection of national postal networks by means of adequate standards and procedures	2.3 Ensuring that options for financing the universal postal service are developed and understood	3.3 Strengthening reform of the postal sector and the UPU	4.3 Stimulating market growth through the use of new technologies	
1.4 Stimulating the use of ICTs to improve the development of the postal networks	2.4 Improving access to universal postal service	3.4 Promoting environmental protection and sustainable development, including the social dimensions	4.4 Fostering cooperation and interaction among all postal sector players	
	2.5 Understanding the economic and social benefits of a sustainable universal postal service	3.5 Increasing awareness of the role of the postal sector in the information society		
Physical		Electronic	Financial	G o v e r n a n c e
Global strategy implemented regionally				
Supported by the Programme and Budgets 2009/2010 and 2011/2012				

II. The UPU's mission

A. Introduction

1 The UPU's mission (the statement currently appearing in the Preamble to the Constitution) reads as follows: "The mission of the Union 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 inter-connected 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."

B. The UPU's evolving mission

2 Recent studies and authorized opinions, and the activities developed by the Union and its members now appear to support the argument that the UPU's mission should incorporate existing, well-established and forward-looking elements and reflect changes in the postal sector's environment. The current wording of the mission, referring as it does to «communication between the inhabitants of the world», only partly covers the full extent of the postal sector's role and scope. In view of this, UPU members may wish to consider updating and modernizing the current mission statement as a first step towards any future reform of the UPU.

III. Bucharest World Postal Strategy (BWPS): Summary of results achieved and lessons learned

3 The Bucharest World Postal Strategy (BWPS), adopted by the Bucharest Congress, has the following five main objectives:

- Objective 1 – Universal postal service.
- Objective 2 – Quality of service and efficiency of the postal network.
- Objective 3 – Markets and responding to customer needs.
- Objective 4 – Postal reform and sustainable development.
- Objective 5 – Cooperation and interaction among stakeholders.

4 The International Bureau has been monitoring implementation of the BWPS objectives and their associated activities by the UPU's three main bodies (CA, POC and IB) and the member countries themselves, and has produced a comprehensive report (draft CONGRÈS–Doc 16) giving a broad overview of the results achieved during the period 2004–2008. A brief summary of the results achieved and described in the report is given in the following paragraphs.

Results achieved

Objective 1 – Universal postal service

5 Meeting the challenges of the changing economic, regulatory and technological environment was a key driver that guided us in implementing all the BWPS objectives but was particularly evident in our implementation of objective 1. By promoting the universal service, the UPU seeks to enable users of the postal service to send and receive goods and messages from point A to point B anywhere in the world and at affordable prices. With this in mind, the work carried out under this objective focused on increasing the number of countries providing a sustainable universal postal service and ensuring its provision by finding ways to make it financially sustainable.

Objective 2 – Quality of service and efficiency of the postal network

6 This objective proved to be one of the main priorities of member countries. The activities developed under this driver were linked to the implementation of BWPS objective 2 and, to some extent, objective 1. The UPU sees quality of service as key to the ability of the three-dimensional postal network (physical, electronic and financial) to fully contribute to the social and economic development of UPU member countries. The UPU also sees quality of service as a challenge that it cannot ignore. Actions to improve the quality of postal services encompass the use of applications not only to track and trace mail but also to measure service performance and network security.

Objective 3 – Markets and responding to customer needs

7 Implementing this objective helped UPU members to face the new challenges of globalization and greater liberalization. The changing map of the postal sector requires postal operators to become ever more mindful of, and responsive to, the new needs of the customers they serve. In these circumstances, facilitating the growth of the various postal markets and the transfer of knowledge for their development, particularly to developing countries, has been an important driver embraced by the UPU and reinforced by the BWPS.

8 Building the financial postal network also turned out to be one of the main drivers under BWPS objective 3. The United Nations social policy of facilitating migrant workers' access to viable and affordable remittance services, and the importance of these transfers to economic development in terms of value (greater than foreign aid and direct investment combined), both point to a meaningful and strategic role for the UPU in this area, not only through its universal postal network, but also as part of its «Connect the World» commitment.

Objective 4 – Postal reform and sustainable development

9 The new regional approach to postal reform and sustainable development not only involved a significant amount of work needed to implement BWPS objective 4, but also contributed to achieving the goals under objectives 1, 2 and 3. The regionalization of development cooperation activities is based on the fact that the best results come from solid regional strategies. The introduction of a new

integral approach to regional cooperation with governments and the Restricted Unions and national cooperation with governments and regulatory bodies had two outcomes: the regional development plan (RDP) and the integrated postal reform and development plan (IPDP), which both put postal reform and universal service on track in developing countries. The contribution of the postal sector to the development of the Information Society is also envisaged under objective 4 of the BWPS. The work developed reaffirmed the UPU's commitment to adapt the postal sector to the new and evolving environment and to fight against digital exclusion.

Objective 5 – Cooperation and interaction with stakeholders

10 In promoting greater cooperation and interaction with stakeholders, one of the most notable achievements for the UPU was the strengthening of the role of the Consultative Committee through its active involvement in the work of the UPU's permanent bodies. In addition, this objective was responsible for promoting ongoing efforts to strengthen the UPU as a worldwide forum for discussing postal matters and to reinforce its role, and the role of the postal sector, in the international arena, one of the main drivers of BWPS objective 5.

11 The physical, electronic and financial dimensions of the worldwide postal network give the UPU the potential to contribute to the economic and social development of nations, the current focus of many UN specialized agencies. By delivering this message, the Union succeeded, in the 2005–2008 cycle, in expanding cooperation efforts with the United Nations and other organizations so as to position the UPU as an important player in the international arena. By participating in the debates on the Millennium Development Goals, the UPU also established a recognized role that committed it to their implementation.

12 There are other actions aimed at implementing the BWPS not specifically included in its objectives, but nonetheless necessary for achieving results. These cover strategic planning and the institutional activities carried out by the International Bureau, such as financial management, internal and external communications, legal affairs, logistical services, human resources and project management. All of them form part of the infrastructure needed to make the UPU a viable, functioning unit, capable of achieving the mandate given to it by Congress, and enable it and its member countries to accomplish the Union's mission and achieve the BWPS objectives. The main activities and achievements relating to these two drivers are mentioned in the CA/POC/IB joint report to Congress (CONGRÈS–Doc 16) mentioned in paragraph 4 above.

Lessons learned

13 In addressing the challenges presented by the BWPS, a major lesson taken on board was the need to adopt a dynamic approach when implementing the Strategy in a constantly changing postal sector environment. In carrying out the work to achieve the goals of the BWPS, a number of other lessons were also learned and these will have a key impact on the main drivers that will guide our way forward, namely:

- a *Consolidation of projects:* Streamlining and consolidating projects is an important trend in any international organization. Consolidation provides more transparency and efficiency; it also provides an opportunity to bring together common elements and to apply single solutions to universal challenges. There is also a strong willingness for coherence, coordination and consistency. Successful institutional reforms have always been accompanied by the consolidation of many projects into fewer.
- b *Regional approach:* One size does not fit all. The regional approach provides the most suitable framework for considering the needs, specific features and priorities of regions and of countries within the regions. Having each region focusing on its priorities promotes efficiency and, if the approach is well documented, it can provide a recipe for success that can be applied across other regions. Regional implementation results in better allocation of the limited resources available and improves the effectiveness of actions, taking into account the subsidiarity principle.
- c *Coordinating the postal network with other infrastructures:* In order to benefit from the synergies of working together, globalization requires the integration of the postal network with other sectoral and economic infrastructures. There are opportunities for huge potential economies of scale and of scope to be achieved, through integration, by filling the many gaps both within and between infrastructures in developing countries: furthermore, scarce resources call for better

rationalization of the use of infrastructure investment by choosing an approach that provides multi-infrastructure services through common network supports.

d *Integration of the electronic dimension and diversification:* Modernization of the sector requires the use and integration of contemporary tools and new technologies to manage processes and to meet customers' new and evolving needs. Interconnection with, and of, ICTs provides citizens and businesses with access to a wider range of services.

e *Standardization:* Network interconnectivity and optimization, efficiency and economic benefits can all be enhanced through the development of a standardized approach and standardized rules. In a global economy, there is a need for globally managed solutions and the UPU is well placed to provide these. Viewed from another perspective, in a liberalized environment, standardization is necessary so that participation in the postal sector can be increased, thereby fostering positive network externalities and a «club» effect (more participants – more benefits, for both users and businesses) which, in turn, will generate an increase in the demand for postal services.

f *Measurement policies:* You cannot manage what you cannot measure. Measurement of performance is an indispensable tool of good management. The postal world has been slow to adopt this concept, but key initiatives have been taken over recent years by the UPU which has totally embraced the results-based management tool. Monitoring programmes and policies is also part of good governance in institutions and companies. Viewed from another perspective, customers are willing to pay for services with well-defined deliverables. Implementation of a measurement policy with established performance indicators brings customer satisfaction and provides the necessary management tools for ensuring that expectations and commitments are met.

g *Environmental and sustainable dimension:* Any actions undertaken by mankind today will have a lasting impact on future generations and on the global environment. The world community is only now facing up to this reality and, in this respect, the postal sector needs to do its fair share and needs to be seen to be doing so.

h *The sector and customer focus:* The customer is king but the sector is very important as well. The customer will decide to use services offered within the postal sector if the sector is seen to be effective and efficient. But the postal sector includes all postal stakeholders. Streamlining activities within and across the sector will increase the likelihood of providing postal services that the customer needs.

i *Opening up to partnerships:* Public and private partnerships have achieved positive outcomes in a number of economic sectors, and it should be no different for the postal sector. Partnerships can facilitate the implementation of projects and can be key in harnessing innovation and the expertise that follows, in the fastest and most effective way. Institutional partnerships are also important for achieving coherence, coordination and consistency between policy players.

j *Social responsibility:* Social responsibility has always been at the core of the UPU's existence from the very beginning. Fostering the provision of the universal service is part of that social commitment and the Union has included this in its mission statement. The UPU, as an agency of the UN, is also committed to social projects at global level, such as the Millennium Development Goals. As a sectoral organization, representing a labour intensive sector, the UPU also has specific commitments to postal employees, for example, with regard to working conditions or to capacity building.

14 In closing this chapter, it is important not to overlook the fact that the UPU and its member countries faced many challenges in their efforts to implement the BWPS. These challenges, however, should be viewed in a positive light given the following considerations:

a The UPU's intergovernmental and sectoral nature provides exceptional opportunities to make the postal sector an essential infrastructure for:

- the development of economies;
- the achievement of social cohesion;
- the reduction of gaps between countries.

b The Union's mission and role have been reinforced in the eyes of the main stakeholders (governments, regulatory bodies, international organizations, postal operators and other interested parties). The recognition of that role is supported by the following main achievements of the BWPS:

- The concept of a three-dimensional postal network has gained in understanding and force and the initial results achieved can be seen by all.
- The UPU is recognized as a partner in efforts to build the information society.

- A regional approach to cooperation with governments and the Restricted Unions has been developed and the first actions implemented accordingly.
- c The interval between Congresses has been drastically reduced and a zero nominal growth policy continues, with the following results:
 - The activities undertaken are not only to be continued, but also stepped up.
 - Adequate resources must be committed within a secure legal framework that takes into account the status and mission of the UPU.

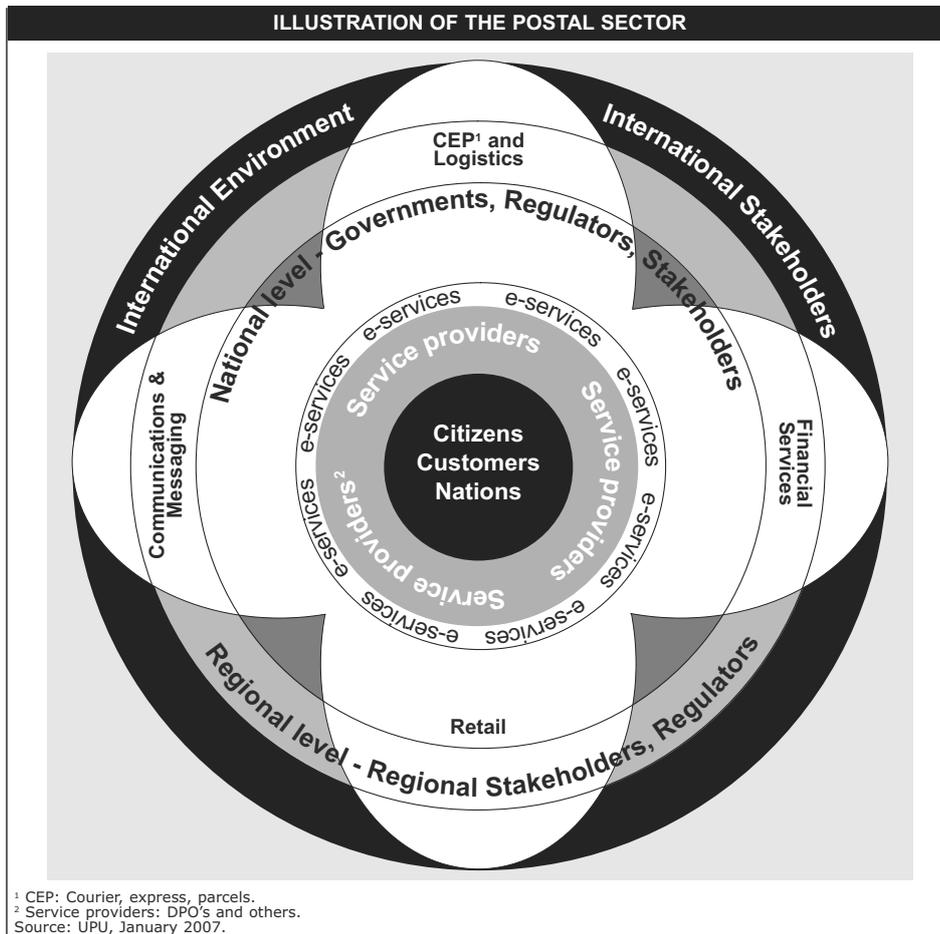
15 These challenges can also be seen as opportunities and clues to be used as guidelines for actions aimed at building the new postal strategy and consolidating the UPU's role in the service of its member countries and the postal sector.

IV. Postal scenarios and global trends

Postal scenarios

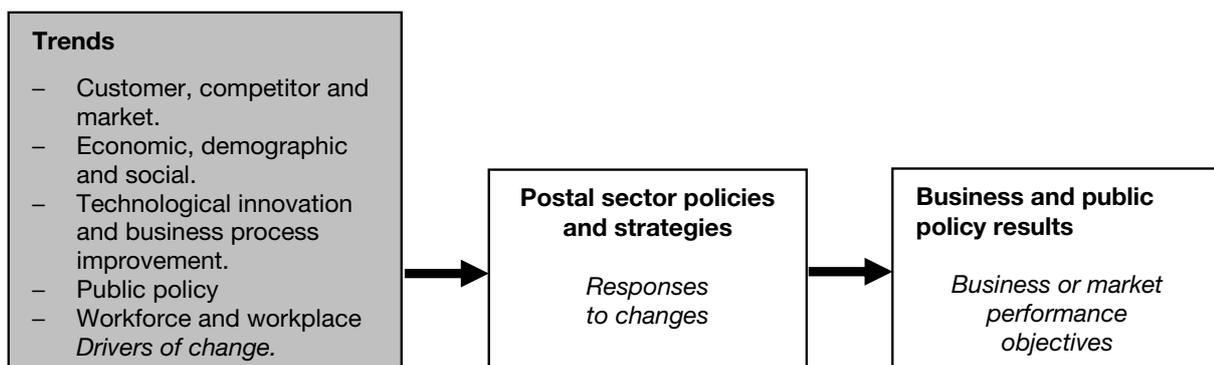
16 The postal sector has traditionally focused on national postal operators and their needs. However, in the current more complex and dynamic environment depicted in Figure 1, many other stakeholders and their interests must be considered in the development of postal strategies and policies.

Figure 1 – Postal sector stakeholders



17 This change from a postal operator-based model has profound implications for the Universal Postal Union and its members. The entire postal sector is undergoing dramatic changes as a result of a number of external trends in the business environment, as shown in Figure 2.

Figure 2 – Business environment assessment



18 The following factors point to the trends and drivers that will affect the rate of change in the postal sector and are important to all stakeholders:

- globalization of the postal sector, creating an increasingly interdependent operating network;
- growing importance of international mail, driven by global commerce and by immigration patterns;
- increasing urbanization and the emergence of an affluent, educated middle class, especially in developing nations;
- emergence of new multi-players in national markets from non-postal operators and other Posts, and from technological alternatives;
- changes in technology and improvements in operating processes;
- public policy decisions relating to the questions of sustainability and privacy and affecting the relationship between postal operators and their governments;
- development of marketing and customer relations management as a critical discipline for postal operators;
- an increasingly educated and skilled postal workforce, with greater diversity and different expectations;
- the importance of management effectiveness in driving organizational success.

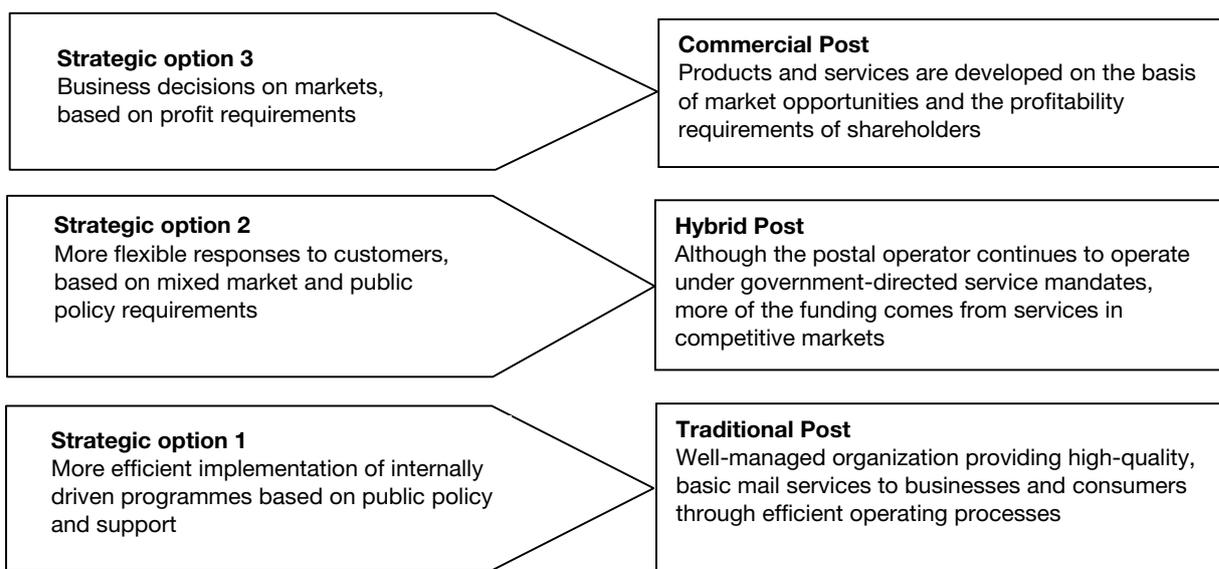
Developments

19 The current trend in many countries is to consider the Post as just one actor in a more complex market environment, with somewhat less direct government support and direction. New forms of national or regional regulation are being developed. Postal operators, which traditionally focused on a public administration model, are becoming more business-oriented, and compromises between public services (including the universal service) and commercial viability are becoming more difficult to achieve. In more and more countries there is a clear distinction between national postal policy and adequate regulation on the one hand, and the operational aspects for the national operators on the other.

20 The market changes that result from these trends will largely depend on the public policy choices made by governments and regulators, the market flexibility or degree of liberalization that postal operators are allowed to take on, and the business decisions taken by postal operators.

21 Postal operators may respond to changes in the environment in a number of ways.

Figure 3 – Strategic options



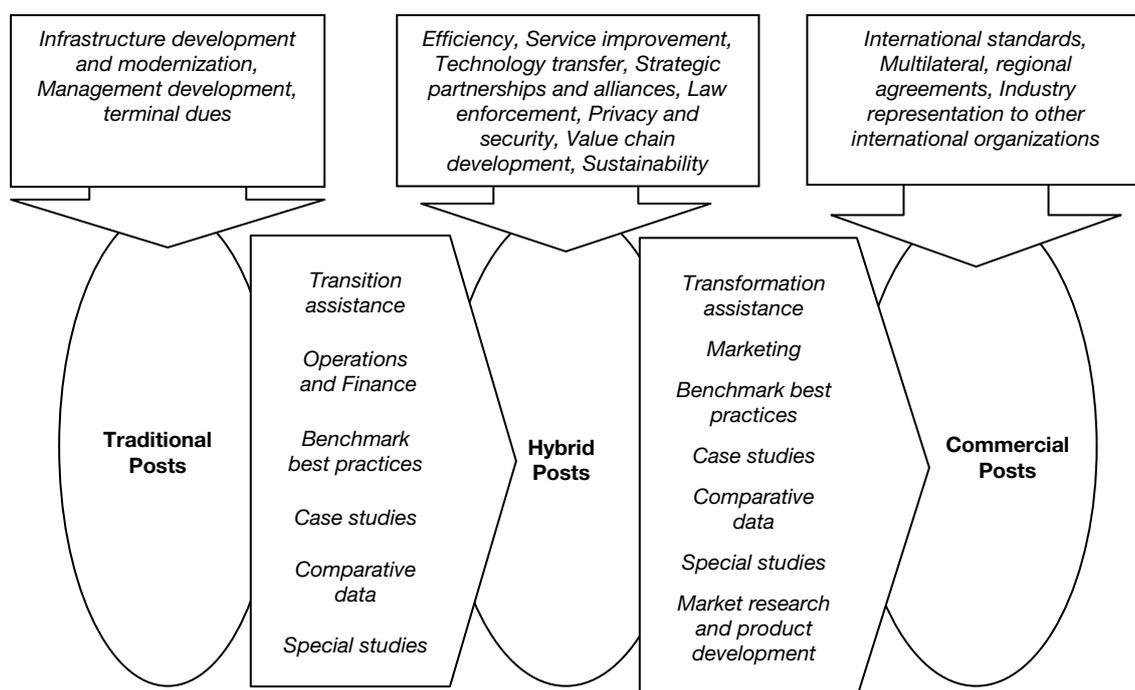
Challenges and implications for the UPU

22 Part of the change will be in response to the recognition that stakeholders other than postal operators form part of an extended value chain and are important for the future development of the sector.

23 The uncertainty about the pace of change in the postal sector, and the variety of strategic options facing postal operators (in UPU member countries) in different markets, will lead to the need for a wider range of differentiated services for members of the Universal Postal Union, targeting different segments.

24 While many Posts will need the traditional services of the UPU, other postal operators in UPU member countries will need to respond to a more rapidly changing business environment. While few will become nearly or fully commercialized, most will have passed through a hybrid stage first.

Figure 4 – Potential future roles for the UPU



25 Postal sector players recognize that the environment for their services is changing fundamentally and irrevocably. They are looking for ways to adjust to the increasing uncertainties in that market, and the UPU can play a role in the transformation of the postal sector.

26 While there is a very marked trend towards an integrated worldwide postal sector, many distinctions will remain as a result of regional and local culture and level of development; the UPU should take into account these differences.

Global trends

27 The UPU also has to incorporate its environment in the broad sense into the process of defining its strategy for the years ahead. This part of the chapter very briefly introduces nine topics which may feature prominently on the agendas of political decision-makers and which may have an indirect connection with UPU activities. Indeed, as the result of globalization, events or issues which, in the past, were at most of peripheral importance to the UPU, now have a direct, lasting impact on the organization and the sector it represents.

28 Annex 3 contains details, including challenges and opportunities, explaining the following key environmental trends which may impact on the postal sector:

- i *Information and communications technologies (ICTs)*: This area will have a tremendous impact in the years ahead. ICTs can play a role in the economic and social development of poor countries. The postal sector can also play a major role in bringing the information society closer to the people.
- ii *Regionalization*: As a result of the globalization of the economy, trade and culture, the regionalization of structures seems, paradoxically, to be more relevant. Increasingly, regions have an important role to play in general, and in the postal sector in particular.
- iii *Development policies*: Development policies, and specifically the United Nations Millennium Development Goals, and the financing of development activities and South-South cooperation, are all key questions to which the UPU is committed.
- iv *International migration*: International migration is a phenomenon that can no longer be ignored under any circumstances. In 2005, some 200 million migrant workers worldwide transferred funds totalling over 200 billion USD.
- v *The international security environment*: Urgent medium-term security threats such as terrorism, money laundering, trafficking in illicit medicines and Internet fraud are all key issues needing to be addressed by the postal sector.
- vi *Urbanization*: In 2007, for the first time in the history of mankind, there were more people living in towns than in the countryside. This phenomenon will certainly have an impact on postal operations, services and markets.
- vii *Transport*: It is important for the postal world to ascertain the dynamics of the transport sector. Significant changes are expected in the years to come. "Sustainable transport" solutions are beginning to emerge, especially in Europe, with its high-speed train network.
- viii *Health and population*: Issues such as AIDS (40 million people worldwide tested positive in 2006), pandemics and the ageing population are having, or could have, a significant impact on the international economy, on society and consequently on the postal world.
- ix *Global warming*: The conclusions of the Intergovernmental Panel on Climate Change, including their estimates, the economic impact of global warming, and renewable energy issues all have a direct impact on the postal sector, which is also working in the area of the environment and sustainable development.

V. Strategic direction

C. NPS objectives and programmes

29 The pillars of the Nairobi Postal Strategy (NPS) are structured around four programme-driven objectives for the entire Union designed to respond to specific global challenges:

- improving the interoperability, quality and efficiency of the three-dimensional postal network in order to keep the sector relevant to market and customer needs;
- stimulating a universal postal service adapted to the social, economic and technological environment;
- promoting the sustainable development of the postal sector and its economy;
- fostering the growth of the postal market(s) and services.

30 Eighteen strategic programmes then translate how the four objectives will be implemented through action undertaken by governments, regulators, Restricted Unions, designated postal operators, the permanent bodies of the Union, and all other postal sector stakeholders. A description of the four proposed objectives and 18 associated programmes is given below.

D. Support and development programmes

31 It is important, however, to note here that effective implementation of the 18 programmes can only be achieved through the setting up and financing of a small number of “support” and “development” programmes managed directly by the Director General of the International Bureau. Examples of these programmes, which may be subject to review, are found below:

“Support” programmes

- a Financial management (e.g. drawing up of Programme and Budget and financial reports).
- b Human resource management (e.g. development and implementation of human resources policy).
- c Logistics (e.g. management of IB building and Conference services such as translation, printing, etc.).
- d Executive office, legal affairs and communications (e.g. management of duties of the Director General and Vice Director General, providing support in the form of legal advice and opinions, as well as the management of UPU communication issues).
- e Project management (e.g. management, coordination and periodic review of, and reporting on, the status of implementation of the 18 NPS programmes as well as the 10 support and deployment programmes).

“Development” programmes

32 Management of development cooperation and reform activities within the following regions:

- a Africa;
- b America and Caribbean;
- c Arab countries;
- d Asia and Pacific;
- e CIS and Europe.

E. A description of the four proposed objectives and eighteen associated programmes

Objective 1 Improving interoperability, quality and efficiency of the three dimensional postal network in order to keep the sector relevant to market and customer needs

Description: The UPU will focus on a better, accessible, secure, interoperable and efficient universal postal service which is relevant to market and customer needs and seeks to grow the overall market. The concept of interconnection is one of the major challenges facing the sector in the world today. For the UPU member states, the interconnection of postal networks and, in a wider sense, of all the players in the

postal sector is of fundamental importance. Operators are more business-oriented and technical cooperation that is based on a business approach becomes more and more frequent. In particular, greater emphasis will be placed on:

Programme 1.1 Enhancing quality of service and efficiency of the postal network

Description: Reliable and consistent quality of service that meets customer demand is of paramount importance for the development and growth of the postal sector, and will increase the efficiency of the three dimensions of the postal network, namely physical (including letters, parcels, EMS), electronic and financial. The UPU should step up its activities in this area, particularly as the need for quality grows and competition intensifies.

Programme 1.2 Increasing postal integrity, reliability and security

Description: As customers have increasing demands for quality, problems with integrity, reliability and security should be addressed and results improved.

Programme 1.3 Improving the customer experience by developing the interoperability and interconnection of national postal networks by means of appropriate standards and procedures

Description: The need to develop, improve and manage UPU standards and procedures in order to ensure the interoperability and interconnection of the three-dimensional postal network is confirmed at national and international level and is becoming an increasingly important issue in meeting market and customer requirements.

Programme 1.4 Stimulating the use of ICTs to improve the development of the postal networks

Description: As customer needs become more demanding and more sophisticated, activities should be undertaken to promote the use of information and communication technologies (ICTs) to improve the postal network. It will be critical to define and use appropriate standards to ensure the development of internationally interoperable postal networks that also interconnect with important partners such as the customs and airlines sectors. At the same time, steps should be taken to emphasize the importance of ICTs in the postal sector by focusing on training postal workers in the use of new technologies and by stressing that ICTs should be seen as an opportunity to modernize and diversify products and services, rather than as a threat.

Objective 2 Stimulating a universal postal service adapted to the social, economic and technological environment

Description: The mission of the UPU is to serve as the single worldwide forum for industry and government to work together to develop, adopt and improve the regulatory framework for the provision of, and access to, universal postal service. To be successful in this area, technical cooperation at the highest political level is necessary and should focus on the following issues:

Programme 2.1 Stimulating the provision of a quality, affordable and innovative universal postal service adapted to technological changes

Description: In order to make possible effective communication and commerce between people around the world and to promote social and economic development, UPU member countries should ensure that the operators responsible for providing the universal postal service comply with the offers of postal services and the quality standards in force. But as communication technologies converge, the concept of universal postal service may need to evolve accordingly to meet the changing needs of customers and to take advantage of the new efficiency and quality gains offered by these innovations.

Programme 2.2 Developing the universal postal service regulations and criteria

Description: Providing member countries with guidance on how the universal service is evolving, keeping in mind the wide national and regional differences in terms of economic development and customer expectations, continues to be of paramount importance for the UPU.

Programme 2.3 Ensuring that options for financing the universal postal service are developed and understood

Description: Analyzing the issue of universal postal service financing in the event that the market is unable to bear the cost is crucial in supporting the existence of the universal postal service.

Programme 2.4 Improving access to universal postal service

Description: Providing improved access to posting, to delivery and, finally, to postal services at affordable prices is still crucial for the UPU, which should encourage the operators responsible for providing the universal postal service to provide accessible services while taking into account national needs and specificities, including the use of ICT-based innovations and hybrid services to improve access.

Programme 2.5 Understanding the economic and social benefits of a sustainable universal postal service

Description: The economic and social aspects of the universal service are of crucial importance and have to be given consideration. A sustainable universal service may enhance the role of the postal service as an intermediary between businesses and consumers, providing benefits for both sides. The role of the universal service as a channel for the distribution of goods and an instrument for regional policies are just two of the positive approaches to justify the need for a universal service.

Objective 3 Promoting the sustainable development of the postal sector and its economy

Description: Provide support and assistance to the membership in executing the UPU's objective of promoting the sustainable development of the three-dimensional postal sector based on the single postal territory. In this regard, the aim is to continue:

Programme 3.1 Improving remuneration systems between postal operators

Description: A requirement to continue the development of such systems between postal service providers based on sound economic principles and quality of service performance is clear. There is also a need to further adapt the clearing and remunerations system in line with the changes in the regulatory environment and other international obligations on the one hand, and with the commercial and operational needs of the sector on the other.

Programme 3.2 Developing statistical and accounting procedures (costing and cost accounting)

Description: Further development and implementation of standardized cost accounting systems is an area in which continued activity is required.

Programme 3.3 Strengthening the reform of the postal sector and the UPU

Description: Member countries should fully understand the structure and needs of the postal sector and the changes it is undergoing. Moreover, governments should encourage operators and give them the flexibility to adapt to these changes. Raising governments' awareness and encouraging them to seek funding sources for postal reform projects (including reform of the UPU) is essential for promoting the effective

tive and successful reform of the postal sector. In order for this to be carried out effectively, account must be taken of the country-specific conditions on the one hand, and on international trends on the other, in order to meet present and future customer requirements.

Programme 3.4 Promoting environmental protection and sustainable development, including the social dimensions:

Description: The UPU should be committed to social responsibility towards postal employees, society and the environment by undertaking further activities to ensure the sustainable development of postal services and to anticipating technological, ecological and regulatory changes.

Programme 3.5 Increasing awareness of the role of the postal sector in the information society

Description: The outcomes of the UN World Summit on the Information Society (WSIS) recognized the postal sector as a key facilitator in the development of the information society, in cooperation with other international organizations active in this field. Working partnerships for capacity building with these organizations should continue to be developed to ensure resources are mobilized efficiently and effectively on common projects to bridge the digital divide and foster physical, financial and electronic inclusion, with special emphasis on rural and underserved areas.

Objective 4 Fostering growth of the postal market(s) and services

Description: The necessary actions are to be undertaken by all postal players (government, regulator, public postal operator, other operators, other players, etc.) on questions related to the development of the postal market in meeting customer requirements, more specifically, in the following fields:

Programme 4.1 Providing market and sectoral research and responding to customer needs

Description: Developing suitable tools for providing appropriate information to the postal stakeholders on the one hand and for better understanding the needs of customers on the other.

Programme 4.2 Modernizing and diversifying postal products and services

Description: Postal services should be adapted to customers' expectations in view of the dramatically changing market and the growing demands of customers.

Programme 4.3 Stimulating the growth of the market through the use of new technologies

Description: Access to information, experience and know-how, etc. regarding new technology will improve understanding of what product development and improvements are possible using new technology, and can thus help to grow the business.

Programme 4.4 Fostering cooperation and interaction among all postal sector players

Description: The UPU is the ideal forum for dialogue and for all stakeholders to work together in order to better understand customer needs.

F. Regional perspective

33 As stressed in previous chapters of this Strategy, in a global economy, regionalization is becoming more and more relevant every day. This is one of the lessons the UPU learned when implementing the Bucharest World Postal Strategy, but it is also a general trend and is one of the main drivers of the NPS.

34 The regional approach, taking into account, as it does, the principle of subsidiarity, which avoids duplication and saves resources, means that the Strategy also fully takes into account the role of the regions, their views and their needs. With this in mind, the outcomes of a series of UPU round tables on strategy, held throughout 2007 in each region, in conjunction with meetings of the UPU Restricted Unions, has been taken into consideration

35 The main objectives of these round tables were as follows:

- i to gather regional viewpoints and priorities concerning the development, content and structure of the future Nairobi Postal Strategy (NPS);
- ii to ensure that the future strategy takes full account of differing regional approaches to the development of the postal sector;
- iii to ensure the future role of the different regions in implementing the Nairobi Postal Strategy;
- iv to reinforce the importance of the way in which Restricted Unions can contribute to the implementation of the future strategy.

36 It is generally felt that all these objectives were fully met, which means that we have been able to ensure that the final version of the Strategy encompasses regional needs and approaches on key issues for the future of the postal sector. A summary of the main priorities identified by each of the regions is given in Annex 4 to this document.

G. Implementation of the proposed NPS objectives and programmes

37 Each of the four objectives defined and described in point E above have been defined in such a way that they all contribute to the accomplishment of the UPU's mission and cover the issues identified by its members as being important for the postal sector. By the same token, each of the eighteen programmes defined above have, as far as possible, been developed in line with the approach taken to the definition of the objectives. In other words, they have been made sufficiently global to apply to all postal activities, rather than focusing on particular products and services.

38 Implementation of the objectives and strategies is the responsibility of the UPU's members. To this end, Annex 5 contains a recommended series of strategies (Action Plan Guidelines) to be implemented by the various responsible parties (governments, designated operators, Restricted Unions and permanent bodies of the Union) to achieve the global results of the objectives.

VI. Performance indicators

39 As mentioned in Chapter III of this report, the International Bureau has been monitoring the implementation of the Bucharest World Postal Strategy (BWPS) objectives and their associated activities by the UPU's three main bodies (CA, POC and IB), as well as by the countries themselves, and has produced a comprehensive report (CONGRÈS–Doc 16) giving a broad overview of the results attained during the period 2004–2008.

40 In addition to this, work has also been undertaken, by the Strategic Planning Group and International Bureau respectively, on producing the following two different sets of selected key performance indicators (KPIs) which have been used for monitoring and showing the results attained during the period 2004–2008.

- / i UPU indicators (see example of actual indicators in Annex 1) – which are focused on linking the implementation of the BWPS objectives and programmes to the three-dimensional postal network (physical, electronic, financial) and the three axes of UPU activity (interconnection, development, governance);
- / ii UPU Postal Strategy Report Card (see example of actual Report Card in Annex 2) – which is focused on the implementation of certain programmes contained within the BWPS objectives.

41 Once approved by the 2008 Congress, it is intended to review, continuously update and publish, for the period 2009–2012, UPU International Bureau indicators and UPU Postal Strategy Report Cards that show the extent of the implications of the objectives and programmes defined within the Nairobi Postal Strategy.

42 And finally, publication of the performance indicators chosen for the period 2009–2012 will be reviewed in the context of the organization's mission statement and on the basis of the strategic objectives and associated programmes, and will be used to gauge the level to which member countries and their postal administrations – and by extension the UPU as a whole – attain the key objectives in the Nairobi Postal Strategy.

UPU indicators

Draft position at 31 December 2007 provided by IB Programme Managers

	INDICATORS	2004	2005	2006	2007	Objectives for 2008	
Interconnection	<i>Letters</i>						
		Number of countries participating in UPU continuous testing	83	95	109	116	132
		Number of links ^a	294	426	466	513	700
		Percentage of items delivered in J + 5	63.0%	62.8%	59.2%	57.2%	65%
		Number of countries participating in UPU QS link monitoring system	n/a	24	26	29	
		Percentage of countries in UPU QS link monitoring system achieving their target	n/a	88%	83%	^b	
	<i>Postal parcels</i>						
		Number of countries setting and publishing delivery standards	n/a	111	121	168	191
		Number of countries exchanging PREDES/RESEDES messages ^c	25	41	47	PRESEDES 83 RESEDES 77	56
		Number of countries using barcodes	51	103	134	153	191

^a Only developing countries.

^b Data to be available in February/March 2008.

^c PREDES: Pre-advice of dispatch prepared. The message contains information about a dispatch of items which has been prepared by an exchange office for delivery to an exchange office in another country.

RESEDES: Administration confirmation of dispatch receipt. The message contains information about a receptacle of items that has been processed at a destination exchange office.

		2004	2005	2006	2007	Objectives for 2008
Interconnection	INDICATORS					
	EMS					
	Delivery on time	81.7%	84.4%	86.9%	85.4% ^a	90%
	Delivery tracking	92.7%	93.2%	93.9%	91.5%	96%
	Rugby System users	100	109	119	138	125
	Exchange of PREDES/RESDES messages	99	110	116	89	120
	Addressing					
	Number of countries with a postcode system	119	124	128	130	134
	Standards					
	Percentage of active standards moved to a different status within the standard approval process	n/a	Target 10% Achieved 18%	Target 5% Achieved 6%	Target 5% Achieved 18%	Not set yet
	Standards being developed	n/a	4	4	9	Does not apply
	Total active UPU standards	n/a	90	90	84	Does not apply
	Security					
Number of countries connected to eMARIA	33	53	59	63	63	
Number of countries receiving PSAG security-related training each year	9	35	41	29	35	
Number of PSAG international airport mail security reviews conducted per year	5	5	7	4	9	

^a In the case of EMS Indicators (Delivery on time, Delivery tracking, Rugby System users, Exchange of PREDES/RESDES messages) the numbers in column "2007" reflect the last results as of November 2007.

INDICATORS	2004			2005			2006			2007			Objectives for 2008			
	IPS	Other	Total	IPS	Other	Total	IPS	Other	Total	IPS	Other	Total	POST*Net	GXS	Total	
Electronic network	<i>Track and trace systems</i>															
	Systems installed	97	n/a	n/a	108	n/a	n/a	129	33	162	137	32	169	135	-	-
	Letters (dispatch/registered)	27	7	34	44	18	62	48	20	68	62	24	86	55	-	-
	Parcels	16	20	36	17	27	44	59	29	88	77	26	103	101	-	-
	EMS	97	n/a	n/a	108	n/a	n/a	115	28	143	127	32	159	132	-	-
	<i>Networks for data exchange</i>															
	Systems connected	97	n/a	n/a	108	n/a	n/a	129	33	162	130	33	163	135	-	-
	Letters (dispatch/registered)	27	7	34	44	18	62	48	20	68	62	24	86	55	-	-
	Parcels	16	20	36	17	27	44	59	29	88	82	27	109	101	-	-
	EMS	92	n/a	n/a	112	n/a	n/a	115	28	143	127	32	159	132	-	-
<i>Postal Payment Services Agreement (PPSA)</i>																
Number of countries party to the PPSA																
129																
129																
<i>IFS application</i>																
Number of countries connected to IFS, IFS Light or STEFI																
22																
22																
Number of IFS services that are operational																
22																
23																
Number of bilateral IFS corridors																
n/a																
n/a																
56																
154																
80																
60																
250																
Financial network																
Number of countries party to the PPSA																
129																
129																
131																
135																
137																

	INDICATORS						Objectives for 2008
	2004	2005	2006	2007			
Development	<i>Quality of Service Fund (QSF)</i>						
	Number of QSF projects approved (aggregate results)	191	254	312	405	412	
	Sums collected (million USD) (aggregate results)	62.3	79.5	93.8	110.8 ^a	124.0	
	Sums disbursed (million USD)	23.3	31.9	42.3	59.4	62.0	
	Sums available (million USD)	39.0	47.6	51.5	58.7 ^a	62.0	
	<i>Regional Development Plans (RDPs)</i> ^b						
	RDPs formulated and presented	n/a	n/a	2 ^c	4 ^d	(6) Already achieved in 2007	
	<i>Integrated Postal Reform and Development Plans (IPDPs) – Aggregate results</i>						
	IPDPs formulated and presented ^e	n/a	16	34	50	60	
	<i>Multi-year Integrated Projects (MIPs) – Aggregate results</i>						
	Regional/international projects	n/a	n/a	27	52	Achieved in 2007	
	National projects	n/a	n/a	22	35	Achieved in 2007	
	<i>Training (aggregate results)</i>						
	Number of actions in group training	13	21	35	52	57	
	Number of participants	260	528	885	1,205	1,335	
<i>Distance learning (aggregate results)</i> ^f							
Number of courses	n/a	n/a	5	15	24		
Number of beneficiary countries	n/a	n/a	24	80	104		
Number of participants	n/a	n/a	150	801	2,300		

^a The numbers shown are for September 2007. Numbers for December 2007 will be available by March 2008.

^b The new regional approach was introduced in 2005. This is why there are no data available for 2004 and 2005.

^c RDPs for Africa and Arab countries.

^d RDPS for Latin America, Caribbean, Europe and CIS, and Asia Pacific.

^e Implementation of the programme began in 2005.

^f The distance learning programme effectively started in 2006.

		2004	2005	2006	2007	Objectives for 2008
Development	INDICATORS					
	<i>Markets growth^a</i>					
	<i>Direct mail</i>					
	Percentage of DPOs offering a direct mail product (addressed) ^b	(first survey carried out in 2007)	(first survey carried out in 2007)	(first survey carried out in 2007)	78%	n/a
	Percentage of DPOs offering a direct mail product (unaddressed)	n/a	n/a	n/a	80%	n/a
	Percentage of DPOs with a master address database (delivery point database)	n/a	n/a	n/a	54%	n/a
	Percentage of DPOs with some kind of change-of-address system	n/a	n/a	n/a	49%	n/a
	Percentage of DPOs performing some kind of quality of service control for direct mail items – measurement	n/a	n/a	n/a	48%	n/a
	Percentage of DPOs with quality of service standards for direct mail items.	n/a	n/a	n/a	47%	n/a
	<i>Philately</i>					
	Number of UPU members participating in WNS	162	170	180	181	191
	Number of WNS members regularly sending in their stamps for registration	90	105	120	130	130
	<i>International reply coupons (IRCs)</i>					
Number of coupons sold	1,570,900	1,247,850	3,484,800	1,361,800	1,500,000	
Amount collected in SDR	1,162,466	923,409	2,578,752	1,029,806.63	1,200,000	

^a The data on postal market growth of postal services are published in the annual UPU statistics.

^b Percentages are based on the number of replies (126 by 31 December 2007) to a survey launched in 2007. Next survey will be launched on 30 January 2008.

		2004	2005	2006	2007	Objectives for 2008	
Development	Market development	<i>External stakeholder relations</i>					
		Number of participants in IB High-level conferences ^a	n/a	n/a	April: 160 June: 170	June: 180 ^b	200
		Number of participants in POST-EXPO	n/a ^c	300	350	350	400
		Number of Consultative Committee (CC) external members	19	18	18	19	25
		Number of CC member organizations participating in CC plenaries	15	POC: 16 CA: 15	POC: 18 CA: 15	POC: 16 CA: 15	100%
Sustainable development	<i>Environment</i>						
	Network of national correspondents for sustainable development – number of correspondents.	n/a	n/a	84	144	150	

^a The cycle of High-level conferences began in 2006.

^b In 2007 only one conference was held due to other events.

^c The World Postal Business Forum was held during the Bucharest Congress in 2004. POST-EXPO was not held that year.

		2004	2005	2006	2007	Objectives for 2008
Governance	INDICATORS					
	<i>Regulatory framework</i>					
	Number of countries having separated operational functions from government	116	135	145	160	n/a
	Number of countries with additional independent regulatory authority	22	50	59	63	n/a
	Number of countries having announced the entity responsible for fulfilling the Acts of the UPU	n/a	161	166	182	185
	<i>Universal service</i>					
	Number of countries that have defined universal service	77	100	135	138	n/a
	<i>Costs/tariffs</i>					
	Percentage of countries for which tariff data are available			149	170	n/a
	<i>Quality of service</i>					
	Number of countries awarded with UPU Certification on Quality of Service (aggregate results)	1	5	6	8	n/a
	<i>Cost accounting</i>					
	Number of projects implemented (aggregate results)	n/a	2	21	27	33
	Number of projects completed and operational (aggregate results)	n/a	1	4	21	33

		2004	2005	2006	2007
Governance	INDICATORS				
	<i>Finances</i>				
	Number of contribution units	877	865	865	867.5
	Number of staff posts in the regular budget	149	146.1	140.5	131.5
	Number of countries with sanctions	14	12	22	26
	Number of amortization plans	37	33	29	25
	<i>Human Resources</i>				
	<i>Appointments and promotions</i>				
	Number of staff appointed	18	18	29	22
	Number of staff promoted	17	21	7	4
	<i>Training</i>				
	Expenditure in CHF (excluding the PTC)	175,000 (2003 + 2004)	312,000		210,000
	Number of staff trained	87	169	218	326
	Number of courses organized	12	23	35	51
	<i>Absences</i>				
Number of days of absence due to sickness/accident (average number of days/percentage)	4.5 1.8%	5.8 2.3%	5.6 2.2%	Still n/a	
	Internal				

		2005	2006	2007	Variation 2006/2007
Governance	Internal				
	INDICATORS				
	<i>Logistics</i>				
	<i>Number of meetings</i>				
	CA sessions	75	89	71	-20%
	POC sessions	73	80	67	-16%
	<i>Room rentals</i>				
	Number of days	52	71	78	+10%
	<i>Number of delegates /Number of countries present</i>				
	CA sessions	698/95	739/101	868/92	+17% delegates - 9% countries
	POC sessions	715/90	818/104	925 /107	+13% delegates +4% countries
	<i>Number of pages /Number of documents</i>				
	CA sessions (English version)	1,700/338	4,020/538	5,038/454	+25% pages -16% docs
	POC session (English version)	1,600/407	3,100/378	5,260 /457	+70% pages +21% docs
	<i>Number of pages (all languages combined)</i>				
	Entire year	78,000	85,000	91,000	+7%
	<i>Number of sheets printed (all languages combined)</i>				
	CA session	550,000	580,000	712,000	+23%
	POC session	500,000	630,000	650,000	+3%
	Outside sessions	4,460,000	6,080,000	5,800,000	-5%
<i>Hardware</i>					
Number of desktop computers		297	292		
Number of laptops		51	49		
Number of servers		29	45		

UPU Postal strategy report cards
2006 results for individual UPU member countries and postal administrations
Effective date: 31 December 2006



Member country or administration	II Quality of service and network efficiency										III Markets and customers			IV Reform and modernization				V Stakeholder cooperation
	1 National legislation or policy on universal postal service	2 Letter-post delivery standards published	3 Inward Letter-post quality of service published	4 Parcels delivery standards published	5 Use of UPU standard item identification parcels	6 Transmission of data: Letter-post dispatches parcels	7 Individual parcels (Postal security data)	8 Postal financial services	7 Growth or decline of volume of basic services (letter post and parcels)	8 Most recent postal reform legislation adopted (month/year)	9 Type of postal reform: Post and telecoms separation	Regulator and operator separation	Corporatization	Licences	VI Viable indicator not so far identified for this objective			
Afghanistan	●	●	●	●	○	●	○	○	○	○	○	○	○	○	○	○		
Albania	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○		
Algeria	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●		
Angola	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○		
Antigua	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○		
Argentina	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●		
Armenia	●	●	●	●	○	●	○	○	○	○	○	○	○	○	○	○		
Aruba	●	●	●	●	○	○	○	○	○	○	○	○	○	○	○	○		
Australia	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●		
Austria	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●		
Azerbaijan	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○		
Bahamas	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○		
Bahrain	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●		
Bangladesh	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○		
Barbados	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●		
Belarus	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●		
Belgium	●	●	●	●	○	○	○	○	○	○	○	○	○	○	○	○		
Belize	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○		
Benin	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○		
Bhutan	●	●	●	●	○	○	○	○	○	○	○	○	○	○	○	○		
Bolivia	●	●	●	●	○	○	○	○	○	○	○	○	○	○	○	○		
Bosnia and Herzegovina	●	●	●	●	○	○	○	○	○	○	○	○	○	○	○	○		
Botswana	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○		
Brazil	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○		
Brunei Darussalam	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○		
Bulgaria (Rep.)	●	●	●	●	○	○	○	○	○	○	○	○	○	○	○	○		
Burkina Faso	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○		
Burundi	●	●	●	●	○	○	○	○	○	○	○	○	○	○	○	○		



Member country or administration	II Quality of service and network efficiency					III Markets and customers		IV Reform and modernization			V Stakeholder cooperation		
	1 National legislation or policy on universal postal service	2 Letter-post delivery standards published	3 Inward Letter-post quality of service	4 Parcels delivery standards published	5 Use of UPU standard item identifier on parcels	6 Transmission of data: Letter-post parcels dispatches	7 Growth or decline of volume of basic services (letter post and parcels)	8 Most recent postal reform legislation adopted (month/year)	9 Type of postal reform: Post and telecoms separation	Regulator and operator separation	Corporatization	Licences	Viable indicator not so far identified for this objective
Cambodia	●	●	●	●	●	○	←	4.2004	○				
Cameroon	●	●	●	●	○	○	-	1981	○				
Canada	●	●	●	●	●	●	→	1.1995	●	●	●		
Cape Verde	●	●	●	○	○	○	-	11.1994	●	●	●		
Central African Rep.	●	●	●	●	○	○	-	8.1998	○	○			
Chad	●	●	●	●	○	○	→	1981	○	●	●		
Chile	○	●	●	●	●	○	→		○	○			
China	○	●	●	○	●	○	→	12.1992	○	○	●		
Colombia	●	●	●	○	○	○	-						
Comoros	●	●	●	●	○	○	-						
Dem. Rep. of the Congo	●	●	●	●	○	○	-						
Congo (Rep.)	●	●	●	●	○	○	-	6.1964	○	○	●		
Costa Rica	●	●	●	○	●	○	←	4.1998	●	●	●		
Cote d'Ivoire (Rep.)	●	●	●	●	●	●	→	6.1998	●	●	●		
Croatia	●	●	●	●	●	●	←		○	○	○		
Cuba	●	●	●	●	●	○	-		○	○			
Cyprus	●	●	●	●	●	●	←	2002	○	○			
Czech Republic	●	●	●	●	●	●	→	1.2000	●	●	●		
Dem. People's Rep. of Korea	●	○	○	○	○	○	-						
Denmark	●	●	●	●	●	●	→	1.1995	●	●	●		
Djibouti	●	○	○	○	○	○	←						
Dominica	●	●	●	●	●	○	-						
Dominican Republic	●	●	●	●	○	○	→	11.1985	●	●	●		
Ecuador	●	●	●	●	●	○	-		●	●	●		
Egypt	●	●	●	●	●	○	→		●	●	●		
El Salvador	●	○	○	○	○	○	-		○	○			
Equatorial Guinea	●	●	●	○	○	○	-						
Eritrea	●	●	●	●	○	○	→		●	●	●		
Estonia	●	●	●	●	●	○	→	8.1997	●	●	●		
Ethiopia	●	●	●	●	●	○	→		●	●	●		



Member country or administration	I Universal postal service		II Quality of service and network efficiency							III Markets and customers		IV Reform and modernization			V Stakeholder cooperation
	1 National legislation or policy on universal postal service	2 Letter-post delivery standards published	3 Inward Letter-post quality of service	4 Parcels delivery standards published	5 Use of UPU standard item identified on parcels	6 Transmission of data: Letter-post parcels dispatched Parcel dispatches		eMIRA (Postal security data)		7 Growth or decline of volume of basic services (letter post and parcels)	8 Most recent postal reform legislation adopted (month/year)	9 Type of postal reform: Regulator and operator separation Corporatization Licences		Viab	Indicator not so far identified for this objective
Fiji															
Finland															
France															
Gabon															
Gambia															
Georgia															
Germany															
Ghana															
Great Britain															
Greece															
Grenada															
Guatemala															
Guinea															
Guinea-Bissau															
Guyana															
Haiti															
Honduras (Rep.)															
Hong Kong, China															
Hungary (Rep.)															
Iceland															
India															
Indonesia															
Iran (Islamic Rep.)															
Iraq															
Ireland															
Israel															
Italy															
Jamaica															
Japan															
Jordan															



Member country or administration	II Quality of service and network efficiency						III Markets and customers		IV Reform and modernization			V Stakeholder cooperation		
	1 National legislation or policy on universal postal service	2 Letter-post delivery standards published	3 Inward Letter-post quality of service	4 Parcels delivery standards published	5 Use of UPU standard item identification on parcels	6 Transmission of data: Letter-post parcels, Letter-post parcels, Parcel dispatches, Parcel dispatches, Individual parcels, eMARIAs (Postal security data), Postal financial services	7 Growth or decline of volume of basic services (letter post and parcels)	8 Most recent postal reform legislation adopted (month/year)	9 Type of postal reform: Post and telecoms separation, Regulator and operator separation, Corporatization, Licences	Viable indicator not so far identified for this objective				
Kazakhstan	●	●	●	●	●	○	○	○	○	○	○	○	○	○
Kenya	●	●	●	●	●	○	○	○	○	○	○	○	○	○
Kiribati	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Korea (Rep.)	●	●	●	●	●	○	○	○	○	○	○	○	○	○
Kuwait	●	●	●	●	●	○	○	○	○	○	○	○	○	○
Kyrgyzstan	●	●	●	●	●	○	○	○	○	○	○	○	○	○
Lao People's Dem. Rep.	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Latvia	●	●	●	●	●	○	○	○	○	○	○	○	○	○
Lebanon	●	●	●	●	●	○	○	○	○	○	○	○	○	○
Lesotho	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Liberia	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Libyan Jamahiriya	●	●	●	●	●	○	○	○	○	○	○	○	○	○
Liechtenstein	●	●	●	●	●	○	○	○	○	○	○	○	○	○
Lithuania	●	●	●	●	●	○	○	○	○	○	○	○	○	○
Luxembourg	●	●	●	●	●	○	○	○	○	○	○	○	○	○
Macau, China	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Madagascar	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Malawi	●	●	●	●	●	○	○	○	○	○	○	○	○	○
Malaysia	●	●	●	●	●	○	○	○	○	○	○	○	○	○
Maldives	●	●	●	●	●	○	○	○	○	○	○	○	○	○
Mali	●	●	●	●	●	○	○	○	○	○	○	○	○	○
Malta	●	●	●	●	●	○	○	○	○	○	○	○	○	○
Mauritania	●	●	●	●	●	○	○	○	○	○	○	○	○	○
Mauritius	●	●	●	●	●	○	○	○	○	○	○	○	○	○
Mexico	●	●	●	●	○	○	○	○	○	○	○	○	○	○
Moldova	●	●	●	●	●	○	○	○	○	○	○	○	○	○
Monaco	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Mongolia	●	●	●	●	●	○	○	○	○	○	○	○	○	○
Montenegro	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Morocco	○	○	○	○	○	○	○	○	○	○	○	○	○	○



Member country or administration	II Quality of service and network efficiency							III Markets and customers		IV Reform and modernization				V Stakeholder cooperation
	1 National legislation or policy on universal postal service	2 Letter-post delivery standards published	3 Inward Letter-post quality of service	4 Parcels delivery standards published	5 Use of UPU standard item identifier on parcels	6 Transmission of data: Letter-post parcels Individual parcels	7 Growth or decline of volume of basic services (letter post and parcels)	8 Most recent postal reform legislation adopted (month/year)	9 Type of postal reform: Post and telecoms separation Regulator and operator separation Corporatization Licences	Viable indicator not so far identified for this objective				
Mozambique	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Myanmar	●	○	○	○	○	○	○	○	○	○	○	○	○	○
Namibia	●	○	○	○	○	○	○	○	○	○	○	○	○	○
Nauru	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Nepal	●	○	○	○	○	○	○	○	○	○	○	○	○	○
Netherlands	●	○	○	○	○	○	○	○	○	○	○	○	○	○
Netherlands Antilles	●	○	○	○	○	○	○	○	○	○	○	○	○	○
New Zealand	●	○	○	○	○	○	○	○	○	○	○	○	○	○
Nicaragua	●	○	○	○	○	○	○	○	○	○	○	○	○	○
Niger	●	○	○	○	○	○	○	○	○	○	○	○	○	○
Nigeria	●	○	○	○	○	○	○	○	○	○	○	○	○	○
Norway	●	○	○	○	○	○	○	○	○	○	○	○	○	○
Oman	●	○	○	○	○	○	○	○	○	○	○	○	○	○
Pakistan	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Panama (Rep.)	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Papua New Guinea	●	○	○	○	○	○	○	○	○	○	○	○	○	○
Paraguay	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Peru	●	○	○	○	○	○	○	○	○	○	○	○	○	○
Philippines	●	○	○	○	○	○	○	○	○	○	○	○	○	○
Poland	●	○	○	○	○	○	○	○	○	○	○	○	○	○
Portugal	●	○	○	○	○	○	○	○	○	○	○	○	○	○
Qatar	●	○	○	○	○	○	○	○	○	○	○	○	○	○
Romania	●	○	○	○	○	○	○	○	○	○	○	○	○	○
Russian Federation	●	○	○	○	○	○	○	○	○	○	○	○	○	○
Rwanda	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Saint Kitts and Nevis	●	○	○	○	○	○	○	○	○	○	○	○	○	○
Saint Lucia	●	○	○	○	○	○	○	○	○	○	○	○	○	○
Saint Vincent and the Grenadines	●	○	○	○	○	○	○	○	○	○	○	○	○	○
Samoa	○	○	○	○	○	○	○	○	○	○	○	○	○	○
San Marino	○	○	○	○	○	○	○	○	○	○	○	○	○	○



Member country or administration	II Quality of service and network efficiency										III Markets and customers		IV Reform and modernization			V Stakeholder cooperation
	1 National legislation or policy on universal postal service	2 Letter-post delivery standards published	3 Inward Letter-post quality of service	4 Parcels delivery standards published	5 Use of UPU standard item identifier on parcels	6 Transmission of data: Letter-post parcels / Parcel dispatches		7 Growth or decline of volume of basic services (letter post and parcels)		8 Most recent postal reform legislation adopted (month/year)	9 Type of postal reform: Post and telecoms separation / Regulator and operator separation / Corporatization / Licences		Viable indicator not so far identified for this objective			
Turkey	○	●	●	●	●	○	○	○	○	○	○	○	○	○		
Turkmenistan	○	●	●	●	○	○	○	○	○	○	○	○	○	○		
Tuvalu	○	○	○	○	○	○	○	○	○	○	○	○	○	○		
Uganda	●	●	●	●	●	○	○	○	○	○	○	○	○	○		
Ukraine	●	●	●	●	●	○	○	○	○	○	○	○	○	○		
United Arab Emirates	●	●	●	●	●	●	●	●	●	●	●	●	●	●		
United States of America	●	●	●	●	●	●	●	●	●	●	●	●	●	●		
Uruguay	●	●	●	●	●	○	○	○	○	○	○	○	○	○		
Uzbekistan	●	●	●	●	○	○	○	○	○	○	○	○	○	○		
Vanuatu	○	●	●	●	○	○	○	○	○	○	○	○	○	○		
Vatican	○	●	●	●	○	○	○	○	○	○	○	○	○	○		
Venezuela	○	●	●	●	○	○	○	○	○	○	○	○	○	○		
Viet Nam	●	●	●	●	○	○	○	○	○	○	○	○	○	○		
Yemen	●	●	●	●	○	○	○	○	○	○	○	○	○	○		
Zambia	●	●	●	●	○	○	○	○	○	○	○	○	○	○		
Zimbabwe	○	●	●	●	○	○	○	○	○	○	○	○	○	○		
Totals	139	170	Average %	158	134	54	56	86	11	26	73	96	14			
	○	○	○	○	○	○	○	○	○	○	○	○	○	○		
	29	23		35	58	139	137	107	44	8	57	1				
	Not known				N/A				N/A		Not known	Not known	Not known			
	49				1				138	159	104	116	168			

Symbol	Explanation
○	Not achieved
●	Achieved
○	Testing
○	Not applicable
○	No data available
○	(Blank)
↑	Growth
↓	Decline
-	No change

International environment and global trends

As mentioned in Chapter IV of this report, the UPU has to incorporate its environment in the broad sense into the process of defining its strategy for the years ahead. Paragraph 28 in Chapter IV very briefly introduces nine topics which may feature prominently on the agendas of political decision-makers and which may have an indirect connection with UPU activities. Indeed, as the result of globalization, events or issues which, in the past, were at most of peripheral importance to the UPU now have a direct, lasting impact on the organization and the sector it represents.

The following tables contain details of the nine topics referred to above, including challenges and opportunities, explaining the key environmental trends which may impact on the postal sector.

<i>Trends</i>	<i>Impact on the UPU</i>	<i>Impact on the postal sector</i>
i Information and communication technologies (ICTs)		
Many intergovernmental organizations representing other sectors, (WHO, UNWTO, IATA, ...) already have clearly defined E-strategies/objectives. These strategies often include partnerships with the private sector	Compared to other sectors, the postal sector appears to be behind the time. Therefore, it would be necessary to: <ul style="list-style-type: none"> – adopt a real E-strategy – think of ways to include the private sector in our ICT-related projects – strengthen/develop partnerships with other international organizations (ITU, among others...) – make clear to governments that postal services also include ICT-related capabilities 	Operators should develop, when possible, ICT-related products as established at the intergovernmental level (top-down approach rather than bottom-up) Other sectors have legitimacy in ICT investments – postal operators should enjoy the same freedom
E-commerce (and soon m-commerce, at least in some regions) will continue to grow	Develop awareness in the outside world of the role that postal services play in the development (or even the mere existence) of commerce (parcel delivery, financial transactions, etc.) Foster interconnection between the different networks so that there is a real <i>global</i> network in term of procedures (principally for track-and-trace instruments) Importance of standards	Increase in the amount of small packages Higher expectation from the customers → need to develop transparency, accessibility and coverage of services Postal operators need to increase integration into the supply chain
Security is one of the major determinants of future Internet developments	".post" as a trusted domain for ICT based services Help define standards that could foster trust in the Internet Develop strategies for the security of all three dimensions of the postal network	Postal operators must take every action possible to gain the trust of customers. This trust could then be used to provide secure E-solutions (i.e. security certificates for E-commerce websites) Greater investment in certification and security solutions

<i>Trends</i>	<i>Impact on the UPU</i>	<i>Impact on the postal sector</i>
ICT and the information society are recognized as a key instrument for fostering economic growth and development	<p>Make governments/players aware of the importance of a strong postal sector for the fulfilment of the promises of ICT for development/ economic growth, for instance by providing access to the Internet in post offices or by facilitating trade/ E-commerce</p> <p>Work with governments so that Posts are included in the ICT part of governments' MDGs and information society goals</p> <p>Promote modernization of the postal sector through use of ICT in order to bridge the <i>postal divide</i></p>	<p>Investments in new technologies</p> <p>Improve efficiency of processes and effectiveness of products</p>
Recent developments in ICT allow people to be reached, even in the remotest communities, in other words ICT can "connect the unconnected"	ICT could help develop a new, dynamic means of delivering the universal postal service, which could be fulfilled by both electronic and physical means	<p>Develop solutions in the vein of "reverse hybrid mail"</p> <p>Electronic pre-notification of delivery</p>
Technology and communications convergence	Impact on the development of the UPU's regulatory/policy models, due to the coming together of sectors that were traditionally separated (cf. ITU and UPU coming closer again)	<p>New/alternative competition for traditional operators...</p> <p>... but also opportunities for new partnerships</p>
ii Regionalization		
<p>This regionalization phenomenon is tending to intensify, both in political and economic terms</p> <p>The regions have different social, economic and cultural situations</p> <p>Regionalization of structures is a consequence of trade globalization</p>	<p>Define priorities, not just in terms of areas of intervention but also of regions</p> <p>Adapt the options offered by the Strategy and the Programme and Budget at regional level by implementing regional development plans (RDPs). At the same time, a certain degree of cohesion between plans will have to be ensured to avoid creating "special cases" and thus "insular" regional units</p> <p>Identify the driving forces in each region to better stimulate other member countries, while securing overall coherence by taking account of developments in intra-regional exchanges (commercial flows) and migratory movements (financial flows)</p> <p>Implement RDPs through UPU presence in the field adapted to each region. In this connection, synergies with the UNDP could be considered</p>	<p>Draw up regional strategies</p> <p>Develop the postal sector of countries in a certain region using a genuine regional action thrust</p>

<i>Trends</i>	<i>Impact on the UPU</i>	<i>Impact on the postal sector</i>
ii Regionalization (cont.)		
	Demonstrate the economic relevance of RDPs and build them into the policy projects of the countries concerned (e.g. decentralization, spatial planning, etc.)	
iii Development policies		
The MDGs will only be partly met in 2015 Africa will not meet a single MDG in 2015.	Cooperation and development policy must fit in with the MDGs. Contribute to MDG achievement through a policy that makes the postal network a poverty-reduction resource UPU development policy must give priority to Africa Develop a policy of raising government awareness of the need to invest in postal infrastructure as a way of meeting the MDGs (build this approach into IPDPs)	Improvement of service to customers Technical assistance programmes at country level for LDCs and low-income countries would help improve the postal service
South-South development cooperation	Promote South-South cooperation, especially through the twinning concept	Greater collaboration with LDCs by the Posts of more advanced countries of the South (e.g. Brazil)
Commitment and acceptance of responsibility on the part of development aid beneficiaries will increasingly be a prerequisite for persuading donor countries to reach the set target of 0.7% of their GDP in Public Development Aid (PDA) PDA is less oriented towards investment in infrastructure	Diversify and reinforce cooperation financing sources UPU action must be directed at "real" fund donors Moreover, real projects with economic, and not merely postal, objectives must be put in place Pursue UPU policy on reform by placing more emphasis on governance issues (commitment and acceptance of responsibility on the part of recipient countries)	Speeding up by governments of the postal sector reform process based on retaining universal service and the introduction of sector regulation Unless governance is strengthened, postal operators, especially in Africa, will be affected, and this is likely to reduce their economic viability, thereby benefiting their competitors
iv International migration		
Number of migrants worldwide: approximately 200 million Permanent phenomenon which is growing steadily for various reasons (employment, conflicts, natural disasters, etc.)	By facilitating migration, Posts make a direct contribution to economic development Stronger links with the IOM	Diversification of activity: other services to migrants (for instance, making it easier to obtain official papers) Source of additional revenue Develop appropriate products/ services

<i>Trends</i>	<i>Impact on the UPU</i>	<i>Impact on the postal sector</i>
iv International migration (cont.)		
Fund transfers by migrants: around 200 billion USD through official channels, plus 100 billion USD through unofficial networks	<p>Raising the awareness of member countries and operators of the need to position themselves to respond to demand and provide a simple, reliable, low-price service to the population groups concerned in terms of remittances. This would also reduce the number of unofficial transactions</p> <p>Setting up of a worldwide electronic payments network based on the UPU's IFS network and linking it to other international networks</p> <p>Convince operators of the need to communicate on this subject</p> <p>Multilateral agreement needed</p>	<p>Creation of electronic payment services (IFS and/or others) Quality, secure payment services provided to customers at affordable prices</p> <p>Exchange of electronic payments through the UPU network</p> <p>Intensifying the impact of remittances on economic and social development (e.g. by providing micro-credit solutions based on the funds transferred, or by enabling groups of migrants to send collective remittances to their countries of origin.</p>
v The international security environment		
Security will be an increasingly frequent issue because of the development of terrorist, drug-trafficking or money-laundering networks	<p>Need to step up security vigilance to allow ongoing analysis of the risks and the techniques used. Keep postal administrations constantly informed of any new developments in security, especially as regards technology</p> <p>Strengthen partnerships with organizations responsible for security (Customs, Interpol, IATA, etc.), ensuring that the rules applied at checkpoints do not impact negatively on quality of service</p> <p>Commitment by governments to define any security rules applicable to the postal sector in line with UPU strategy</p> <p>Security policy has to be built into quality issues</p>	<p>Operators must increasingly build the security issue into their organizational planning (creation of a security unit) and technological planning (equip themselves to identify dangerous items)</p> <p>A growing number of dangerous items will be transported via the postal network</p>
Development of Internet-based fraud	<p>With the development of the postal network's electronic dimension, the issue of Internet security will become more and more pressing</p> <p>The UPU will have to incorporate this issue into its security policy and find ".post"-type and other solutions (see 1. ICT)</p>	Operators should strive to integrate the rules issued by the UPU and should be involved in their development within the UPU
vi Urbanization		
Continuous migration of rural population to cities and slow, gradual desertification of rural areas	<p>Develop the postal economy as a decision-making tool for operators and governments (inter alia, for setting up post offices)</p> <p>Redefine the concept of universal postal service (UPS)?</p>	<p>Increase in the cost of UPS</p> <p>Concentration of postal activity in certain urban centres, which would affect postal transport and delivery networks</p>

<i>Trends</i>	<i>Impact on the UPU</i>	<i>Impact on the postal sector</i>
vi Urbanization (cont.)		
Increase in the urban population	<p>Cooperate with UN-HABITAT</p> <p>Brief member countries on demographic developments, especially in cities</p> <p>Advise member countries on adapting the urban postal network</p>	<p>Increase in the number of delivery points, particularly in residential buildings, which will make delivery more difficult</p> <p>This could result in increased costs and longer waiting times at counters</p> <p>Investment/innovation will be needed (opening more post offices or partnership with other institutions)</p> <p>Improve coverage in outlying metropolitan districts</p>
Growing wealth of urban populations	<p>New services</p> <p>Incorporation of ICT</p>	<p>Higher consumption of postal services</p> <p>Increased postal traffic, retaining jobs</p>
<p>More and more "sensitive" areas as a result of increasingly precarious urban conditions</p> <p>Deterioration of the urban habitat</p>		<p>Addressing problems/risk of more undelivered mail</p> <p>Need for specially trained staff</p> <p>Need to reinforce staff and premises security</p>
vii Transport		
<p>The transport sector is an essential vehicle of economic growth</p> <p>Globalization, especially as the result of corporate relocation, reinforces the sensitive role of the transport system in maintaining the manufacturer–consumer link</p> <p>Cost is a decisive factor in the choice of transport</p>	<p>Document transport as opposed to goods transport</p> <p>More and more documents are being transported via electronic networks: interconnected local hybrid mail centres will consolidate this trend, requiring the UPU to adapt its regulations in a context where document transport by air will tend to decline in favour of electronic document transport. In this context, transport will be electronic and delivery physical. The terminal dues system will be a determining factor in that it represents a substantial share of the total cost (70–80%)</p> <p>The transport issue will also arise for goods transport via the postal network (parcels, EMS ...)</p>	<p>Increased competition between operators will result in lower transport costs and choice of the least costly modes of transport; in this connection, the cost of air conveyance is also important</p>
There are big regional differences in transport infrastructure	Inclusion of the lack of road and rail structures in LDCs in strategic considerations	

<i>Trends</i>	<i>Impact on the UPU</i>	<i>Impact on the postal sector</i>
vii Transport (cont.)		
Development of E-commerce will affect logistics	<p>Closer relations with IATA (new areas for development)</p> <p>Expansion of the Consultative Committee to include transport (rail, road or other)</p>	<p>Development of E-commerce translates into increased single-parcel traffic. Posts will have to position themselves in this segment using their competitive edge, particularly as regards transport costs and delivery network</p> <p>Incorporation of the transport issue into a comprehensive policy based on the whole logistical chain (warehousing, parcel make-up, labelling, conveyance and delivery ...), responding mainly to parcel traffic generated by E-commerce</p> <p>Development of strategic or commercial alliances between postal operators and logistics operators</p>
In future, transport and sustainable development will become inseparable	Need to design policies in cooperation with UNEP (in terms of raising postal-sector awareness of environmental issues)	The transport issue is fundamental in the very short term for both public and private postal operators
Increase in the number of vehicles in general, resulting in worse pollution and access problems (congestion in cities)	The postal sector could have a finger pointed at it as a major polluter because of its large vehicle fleet	Bad public image
Seeking solutions which are less polluting, developing multimodal transport, using/returning to railways	Need to organize a conference on transport issues, taking the environment into account	<p>Use of electric or hybrid vehicles in cities</p> <p>Substantial initial investments to be expected for operators</p>
Restrictions on flights, lower speed limits in Europe → congested conurbation access routes → pollution	Making operators more aware of environment-friendly practices	Impact on quality of service
A sharp rise in the cost of a barrel of oil		Direct, immediate impact on the financial situation of the whole mail-processing chain and suppliers/partners
viii Health and population		
Expansion of the AIDS epidemic in certain regions	Closer cooperation with the WHO on awareness-raising and communication campaigns in post offices	Poorer working conditions because of high mortality rates in certain areas

<i>Trends</i>	<i>Impact on the UPU</i>	<i>Impact on the postal sector</i>
viii Health and population (cont.)		
Threat of an avian flu epidemic	<p>Putting in place of an emergency contingency plan in case of a pandemic</p> <p>Study the possibility of including samples exchanged between laboratories among reduced-rate items</p>	<p>In the event of a pandemic, foreseeable difficulties with postal operations, interruption of service as the result of contamination hazards</p> <p>Setting up of delivery networks for anti-virus medicines for countries with poor hospital infrastructures</p> <p>Regional and national action plans</p>
Faster ageing of the world's population	<p>Strategy on new services</p> <p>Develop local services to provide access to postal services for the aged</p>	<p>Develop savings or investment schemes to attract the larger number of pensions to the postal network</p> <p>Development of new local services</p> <p>Establish the age pyramid of staff for retirement planning purposes</p>
ix Global warming		
Rising sea levels	<p>Need to put in place an awareness-raising programme for the hardest-hit regions and to draw up an action programme with the Environment and Sustainable Development Project Group</p>	<p>Moving post offices from risk areas</p> <p>Higher costs due to moving (or rebuilding) post offices</p> <p>Considerable impact on postal infrastructure</p>
General global warming issues	<p>Study possibilities for closer cooperation with international organizations such as UNEP, UN-HABITAT, etc. The UPU could be a vehicle/partner in conveying key messages at world level through the post office network</p> <p>Stepping up of sustainable development activity/putting in place of a genuine strategy</p> <p>Support for postal staff affected (c.f. MOU with United Network International, a trade union network)</p>	
Importance of actions designed to mitigate global warming (especially by making more use of renewable energies)	<p>Identification and dissemination of best practices could be organized</p>	<p>Need to reduce greenhouse gas emissions</p> <p>Need for accurate mapping of each Post's vehicle fleet</p>

Regional perspectives

As mentioned in Chapter V, point F of the Nairobi Postal Strategy (NPS), regionalization is becoming more and more relevant every day. This is one of the lessons the UPU learned when implementing the Bucharest World Postal Strategy, but it is also a general trend and is one of the main drivers of the NPS. The regional approach, taking into account, as it does, the principle of subsidiarity, which avoids duplication and saves resources, means that the global Strategy also fully takes into account the role of the regions, their views and their needs. With this in mind, the UPU has developed the regional development plans (RDPs), which will be one of the main tools used to facilitate the regional implementation of the global Nairobi Postal Strategy.

Development of the draft NPS has taken into account the role of the regions and has fully integrated the regional dimension by considering the outcomes of a series of UPU round tables on strategy held throughout 2007, in conjunction with meetings of the UPU Restricted Unions. As a result of the round tables, the final version of the NPS encompasses regional views and approaches on key issues for the future of the postal sector; a summary of the main priorities identified by each of the regions is given below.

I. Priorities identified by the Regional Commonwealth of Communications (RCC) during the Regional Round Table on Strategy in St. Petersburg on 21 June 2007

- 1 Improvement of the quality of service and postal network efficiency.
- 2 Development and application of information and communication technologies (ICTs).
- 3 Strengthening postal financial services.
- 4 Increasing human resources potential in the RCC participants' countries.
- 5 Improvement in dialogue and communication between UPU and Restricted Unions.
- 6 Better interaction and cooperation.

II. Priorities identified by the Pan African Postal Union (PAPU) during the Regional Round Table on Strategy in Nairobi on 18 and 19 July 2007

- 1 Improvement in letter post quality of service.
- 2 Development of the postal network in order to strengthen the postal presence in the African region and thus stimulate an increase in postal traffic.
- 3 Diversification of the range of postal services in order to compensate for decreases in postal traffic.
- 4 Improvement in postal business management (analytical accounting, statistics, knowledge of the market).
- 5 Strengthening of human resource capabilities (training).

III. Priorities identified by the Postal Union of the Americas, Spain and Portugal (PUASP) during the Regional Round Table on Strategy in Montevideo on 3 and 4 September 2007

- 1 Reform of the sector.
- 2 Quality of service.
- 3 Universal postal service.
- 4 Human resource development.
- 5 Development cooperation.
- 6 Innovation.
- 7 Investment.

IV. Priorities identified by POSTEUROP during the Regional Round Table on Strategy in Vienna on 11 September 2007

- 1 Market development.
- 2 Quality of service.
- 3 Social responsibility.
- 4 Regulatory environment.

V. Priorities identified by the Caribbean Postal Union (CPU) during the Regional Round Table on Strategy in Martinique on 27 September 2007

- 1 Regional postal harmonization and reform.
- 2 Operational capacity and initiatives.
- 3 New products and services.

VI. Priorities identified by the Arab countries during the Regional Round Table on Strategy in Jeddah on 13 November 2007

- 1 Restructuring and reform.
- 2 Quality of service.
- 3 Financial services.
- 4 Development and application of information and communication technologies (ICTs).
- 5 Development of UPU activities.

VII. Priorities identified by the Asian-Pacific Postal Union (APPU) during the Regional Round Table on Strategy in New Delhi on 30 November 2007

- 1 Improving quality of service.
- 2 Developing financial services.
- 3 Implementing the postal reform process.
- 4 Developing human resources.
- 5 Undertaking accounting and cost studies.
- 6 Understanding and developing the postal market.

VIII. Priorities identified by the European Committee for Postal Regulation (CERP) during its General Assembly in Baku on 5 December 2007

- 1 A need for postal reform, especially in the light of the changing regulatory environment.
- 2 Cooperation between all postal operators and actors.
- 3 A need for reform of the UPU.
- 4 Use of the regional approach to reduce economic differences between different regions.

Action plan guidelines

As mentioned in paragraph 38, Chapter V of the NPS, implementation of the objectives and strategies is the responsibility of the UPU's members. To this end, you will find indicated below a recommended series of strategies (Action Plan Guidelines) to be implemented by the various responsible parties (governments, designated operators, Restricted Unions and permanent bodies of the Union) to achieve the global results of the NPS objectives.

Of course, account needs to be taken of the limited resources available at country level and, even more importantly, at UPU level, which will oblige member countries to make the necessary choices.

Objective 1: Improving interoperability, quality and efficiency of the three dimensional postal network in order to keep the sector relevant to market and customer needs

Programme 1.1: Enhancing quality of service and efficiency of the postal network

What can member countries (government, regulator, public postal operator, other operators, other actors, etc.) do?

The different actors can take the following actions:

- identify the optimum solutions for enhancing quality of service (e.g. introduction of addressing systems);
- define the quality objectives, specify the actions to obtain these objectives, execute and evaluate these actions;
- take the necessary steps to ensure compliance with international quality of service standards.

What can the UPU bodies do?

They can take the following measures:

- identify solutions and recommend policies for enhancing quality of service (e.g. introduction of addressing systems);
- develop adequate test methods for determining, evaluating and publishing the performance levels achieved;
- develop actions in this field, in particular through technical cooperation, with a focus on helping member countries to improve their management systems;
- implement projects aimed at improving the quality of service;
- inform member countries of case studies, best practices, etc.;
- coordinate or organize international testing;
- send out results.

Programme 1.2: Increasing the integrity, reliability and security of postal services

What can member countries (government, regulator, public postal operator, other operators, other actors, etc.) do?

The various actors can take the following measures:

- identify optimum solutions for increasing the integrity, reliability and security of postal services;
- establish security guidelines;
- ensure and take the necessary actions to guarantee a reliable postal service;
- allocate the necessary resources to improve the integrity and security of postal services;
- strictly apply security rules;
- have appropriate technologies at their disposal;
- make postal employees aware of security issues and provide training;
- exchange information on postal security issues.

What can the UPU bodies do?

They can take the following measures:

- identify solutions and recommend policies for increasing the integrity, reliability and security of postal services;
- foster discussion between the different postal and non-postal partners (e.g. Customs) involved in the integrity, reliability and security of postal services;
- integrate the concerns and issues of non-postal partners (e.g. Customs) when developing improved policies for guaranteeing the integrity, reliability and security of postal services;
- design, develop and ensure follow-up of guidelines for the continuity of operations planning;
- develop and supply regional training modules for postal employees;
- cooperate with other international stakeholders on adequate test methods for determining, evaluating and publishing the performance levels achieved;
- develop actions in this field, in particular through technical cooperation, focusing on helping member countries to improve their management systems;
- implement projects aimed at improving quality of service;
- inform member countries of case studies, best practices, etc.;
- coordinate or organize international testing;
- disseminate relevant information;
- monitor security.

Programme 1.3: Improving the customer experience by developing the interoperability and inter-connection of national postal networks by means of appropriate standards and procedures

What can member countries (government, regulator, public postal operator, other operators, other actors, etc.) do?

The different actors can take the following action:

- assess the economic costs (in terms of economic and trade development for customers, citizens and businesses) of deficient interoperability and interconnection of national postal networks;
- identify solutions and recommend policies, using appropriate standards and procedures, for developing the interoperability and interconnection of national postal networks;
- define sound standardization policies for postal and delivery network services;
- stimulate and implement standardization activities;

- publish relevant standards;
- use standardized measurement systems.

What can the UPU bodies do?

They can take the following measures:

- estimate the economic costs (in terms of economic and trade development for customers, citizens and businesses) of deficient interoperability and interconnection of national postal networks;
- establish open dialogue with international governmental agencies on any relevant matter related to international postal interoperability and interconnection;
- promote sound international postal interoperability and interconnection consistent with international trade, financial and other relevant policies;
- keep the Letter Post, Parcel Post and Postal Payment Services manuals up to date;
- manage the development and approval process for UPU standards;
- cooperate with other standardization bodies;
- promote the use of UPU standards, particularly in technical operations;
- encourage the use of technical tools to ensure the interoperability of networks and improve quality of service;
- disseminate the relevant information.

Programme 1.4 Stimulating the use of ICTs to improve the development of the postal networks

What can member countries (government, regulator, public postal operator, other operators, other actors, etc.) do?

The different actors can take the following action:

- develop an action plan for the implementation of their E-services strategy which takes into account an increase in the amounts to be invested in the modernization of postal processes using ICTs;
- increase the amounts to be invested in network technologies to link all post offices in a global network, for improved security and customer service;
- increase policy cooperation, technical cooperation and development projects between local customs, telecommunications and postal agencies in order to strengthen the local economy.

What can the UPU bodies do?

They can take the following measures:

- establish a research capability to monitor progress with the deployment of E-services and ICTs and provide benchmarking and best practice information;
- implement greater flexibility in extra budgetary funding models for postal ICT and E-services developments;
- facilitate and improve the international and cross-border flow of postal items through increased emphasis on electronic activities designated for this purpose;
- work with governments and key stakeholders in helping them to develop an E-services strategy and action plan for their country;
- continue to define UPU standards in areas affecting ICTs and electronic services, such as hybrid mail, electronic registered mail, secure electronic postal services, .post, E-shopping, and other electronic postal services.

Objective 2: Stimulating a universal postal service adapted to the social, economic and technological environment

Programme 2.1: Stimulating the provision of a quality, affordable and universal postal service adapted to technological changes

What can member countries (government, regulator, public postal operator, other operators, other actors, etc.) do?

The different actors can take the following measures:

- supervise and take the necessary steps to implement universal postal services;
- extend access to collection and delivery services under the universal postal service;
- make use of ICTs to develop products and services satisfying the criteria for a universal postal service that is accessible, affordable and of good quality;
- increase the use of ICTs for the modernization of postal processes, such as counter automation systems, automated sorting and mailing machines, computer systems for Enterprise Resource Planning, Management Information Systems, and general administration.

What can the UPU bodies do?

They can take the following action:

- monitor the degree of development of the universal postal service worldwide;
- provide prospective scenarios on how technological change could affect provision of universal postal service across regions;
- foster open dialogue and exchange of experiences with other universal providers of infrastructure services;
- study the implications and potential of the use of electronic postal services to fulfil universal postal service obligations;
- develop necessary policy and regulations concerning E-products and services in the Regulations and Acts of the UPU.

Programme 2.2: Developing the universal postal service regulations and criteria

What can member countries (government, regulator, public postal operator, other operators, other actors, etc.) do?

The different actors can take the following measures:

- identify the constraints for providing a universal postal service;
- identify universal postal service users' needs and concerns;
- define the content and scope of the universal postal service through a participative process inclusive of all stakeholders, and ensure that this service is incorporated into the appropriate legislative and regulatory texts;
- define minimum quality objectives for the universal postal service that correspond to the public's expectations;
- participate in UPU activities and studies pertaining to the universal postal service;
- disseminate information and best practices.

What can the UPU bodies do?

They can take the following action:

- continuously update member countries and provide them with guidance on defining standards and criteria for the universal postal service in terms of quality, accessibility and customer satisfaction;
- develop activities and projects, particularly regarding the definition of the universal postal service;
- develop cooperation projects aimed at improving and extending the universal postal service at international level;
- disseminate information on models, concepts and standards for the provision of universal postal service and best practices;
- incorporate recommendations and strategies into integrated postal development plans (IPDPs) and regional development plans.

Programme 2.3: Ensuring that options for financing the universal postal service are developed and understood

What can member countries (government, regulator, public postal operator, other operators, other actors, etc.) do?

The different actors can take the following measures:

- define the regulatory framework establishing the conditions for funding the universal postal service;
- define pricing rules for universal postal services;
- assess multi-sector universal postal service funding strategies;
- participate in forums dealing with this topic.

What can the UPU bodies do?

They can take the following action:

- conduct economic research on universal service funding policies;
- participate in international forums and conferences tackling the issue of universal postal service funding;
- support activities aimed at developing methodologies for defining the universal postal service at regional level and share this information;
- monitor the degree of development of these methodologies and disseminate the results;
- benchmark universal postal service funding with the strategies and solutions adopted in the provision of other infrastructure services;
- incorporate recommendations and strategies into IPDPs and regional development plans.

Programme 2.4: Improving access to universal postal service

What can member countries (government, regulator, public postal operator, other operators, other actors, etc.) do?

The different actors can take the following measures:

- develop a public-private partnership approach;
- develop a franchising approach;

- organize consultation with all postal and non-postal stakeholders;
- explore the use of ICTs to fulfil universal service obligations.

What can the UPU bodies do?

They can take the following action:

- benchmark access improvement with ways developed by other infrastructure service providers and network industries;
- design strategies for removing constraints on improving access at national and regional level;
- help developing countries obtain financing for improving access to universal postal service;
- monitor international official development assistance (ODA) obtained by developing countries for extending access to services through postal infrastructures;
- incorporate recommendations and strategies into IPDPs and regional development plans;
- study the implications and potential of the use of electronic postal services to fulfil universal service obligations.

Programme 2.5: Understanding the economic and social benefits of a sustainable universal postal service

What can member countries (government, regulator, public postal operator, other operators, other actors, etc.) do?

The different actors can take the following measures:

- leverage the universal reach of the postal infrastructure for sustaining any relevant economic inclusion policy, such as financial, trade or digital inclusion;
- develop public-private partnerships for filling missing gaps in the provision of basic infrastructure services;
- consider the postal infrastructure as essential in national development plans and poverty reduction strategies.

What can the UPU bodies do?

They can take the following action:

- demonstrate the positive side effects of universal postal service on economic and social development;
- measure the impact of universal postal service policies on economic inclusion policies;
- form partnerships with international donor agencies in order to design strategies aiming at leveraging postal infrastructure, so as to fill missing gaps in terms of provision of infrastructures and ICT services in developing countries;
- provide guidance to member countries in order to take advantage of public-private partnerships;
- participate in the construction of infrastructure performance indices worldwide.

Objective 3: Promoting the sustainable development of the postal sector and its economy

Programme 3.1: Improving remuneration systems between postal operators

What can member countries (government, regulator, public postal operator, other operators, other actors, etc.) do?

The different actors can take the following measures:

- identify all kinds of economic and trade distortions related to remuneration for the final delivery of services;
- define the regulatory framework regarding pricing;
- follow up and participate in the design of international remuneration systems;
- use international remuneration systems;
- publish relevant standards;
- use standardized measurement systems.

What can the UPU bodies do?

They can take the following action:

- determine the costs in terms of economic and trade development losses introduced by distorted remuneration systems;
- determine the worldwide loss of value for the postal sector resulting from distorted remuneration systems;
- conduct studies and analyses regarding the establishment of sound and market-compatible remuneration systems taking into account the growing multi-operator environment;
- benchmark with remuneration systems applied in other non-postal networks for the final delivery of services;
- recommend coherent remuneration systems for different postal products and services;
- establish non-discriminatory remuneration systems;
- take into full account possible development of services liberalization at the World Trade Organization;
- disseminate information on the remuneration system.

Programme 3.2: Developing statistical and accounting procedures (costing and cost accounting)

What can member countries (government, regulator, public postal operator, other operators, other actors, etc.) do?

The different actors can take the following measures:

- include postal indicators among broader infrastructure development indicators;
- participate in the development of major international infrastructure and logistics performance indices;
- monitor investment in the postal infrastructure;
- foster the use of international accounting standards;
- introduce cost accounting systems to show the costs of the various services and their components;
- introduce or improve statistical and accounting procedures relating to international services.

What can the UPU bodies do?

They can take the following action:

- identify the most relevant postal indicators to be included in international infrastructure and development indices;
- cooperate in terms of statistical methodology and data with the major international agencies in charge of establishing infrastructure indicators and development indices;

- determine the amount of official development assistance ODA (grants + preferential lending) invested in postal infrastructure and sector every year;
- dedicate resources for capacity building for the implementation of international accounting standards;
- encourage and support regional cooperation among least developed countries in order to improve their accounting and statistical systems;
- conduct studies and analyses and help member countries by introducing these systems;
- improve the necessary data collection;
- disseminate information about best practices for the application of cost accounting systems.

Programme 3.3 Strengthening the reform of the postal sector and the UPU

What can member countries (government, regulator, public postal operator, other operators, other actors, etc.) do?

The different actors can take the following measures:

- identify the contributions of the postal sector to economic development and trade;
- incorporate postal reform into broader development, trade and infrastructure policies;
- where relevant, link postal reform to poverty reduction strategies and the achievement of Millennium Development Goals;
- organize reform that includes all postal stakeholders and relevant non postal stakeholders;
- take into account technological change;
- consider capacity building for postal sector employees;
- strengthen management skills in the postal sector;
- set political objectives for the reform process at national and regional level;
- within the framework of appropriate national policies, put in place measures to promote a legal and commercial framework favouring the transformation of postal structures;
- allocate the necessary resources for reforming the postal sector;
- follow up and monitor the postal reform process;
- evaluate the public postal operator's business model and adapt it if necessary;
- focus on quality and on services adapted to customers' needs;
- participate actively in the work related to the reform of the UPU.

What can the UPU bodies do?

They can take the following action:

- strengthen the IPDP approach by linking postal reform to broader relevant key policy issues;
- form partnerships with international donor agencies to help member countries finance reform;
- produce economic research on postal reform and regulation in developing countries;
- measure the economic and social benefits of successful postal reforms;
- benchmark postal reform with other infrastructure reforms;
- recommend reform strategies focused on adding value to the sector and on increasing sustainability of reforms;
- incorporate reform issues into regional development plans;
- collect and make available complete information on examples of successful reform projects already carried out and the conclusions drawn from their assessment;

- strengthen communication activities relating to the postal reform process and its benefits;
- assist member countries in preparing postal reform projects and provide methodological support;
- foster regional cooperation for reforming the postal sector;
- adapt the UPU structure in line with changes.

Programme 3.4: Promoting environmental protection and sustainable development including the social dimensions

What can member countries (government, regulator, public postal operator, other operators, other actors, etc.) do?

The different actors can take the following measures:

- make production of postal services compliant with environmentally-friendly standards;
- take into account possible difficulties in the application of restrictive environmental standards by least developed countries;
- leverage postal networks for promoting broader environmental protection and sustainable development policies.

What can the UPU bodies do?

They can take the following action:

- recommend inclusive policies able to reduce risks for the environment and promote the sustainability of other development policies;
- include the environmental dimension in quality of service policies;
- support regional efforts for converging towards more effective environmental standards;
- form partnerships with international agencies in major actions targeting environmental protection and sustainable development.

Programme 3.5: Increasing awareness of the role of the postal sector in the information society

What can member countries (government, regulator, public postal operator, other operators, other actors, etc.) do?

The different actors can take the following measures:

- include the utilization of postal networks and services when formulating national ICT policies;
- develop a sector strategy for electronic postal services that supports United Nations recognition of the essential role of the postal sector in the development of the information society;
- encourage cooperation between postal operators and external partners to enable developing countries to equip themselves with the necessary infrastructure, technology, and know-how and thus contribute to reducing the digital divide.

What can the UPU bodies do?

They can take the following action:

- develop policies on the participation of the UPU in the information society;
- develop closer links with the Global Alliance for ICT and Development and other relevant UN and development organizations, as well as with donors, to mobilize resources in the implementation of information society capacity-building projects in the postal networks;
- advocate for the role of the postal sector in the information society;
- prepare benchmarks and share best practices in the area of new technologies.

Objective 4: Fostering growth of the postal market(s) and services

Programme 4.1: Providing market and sectoral research and responding to customer needs

What can member countries (government, regulator, public postal operator, other operators, other actors, etc.) do?

The different actors can take the following measures:

- develop and improve knowledge and understanding of postal markets;
- undertake customer-oriented reforms, including structural reforms and the re-engineering of systems and processes;
- develop marketing expertise and help to share experience in all areas concerning customer issues;
- measure customer satisfaction on a regular basis.

What can the UPU bodies do?

They can take the following action:

- develop tools to help operators to better respond to customer needs;
- monitor market trends and issues that will have an impact on the postal business;
- improve knowledge of markets;
- encourage and facilitate the adoption of best practices;
- maintain statistical data.

Programme 4.2: Modernizing and diversifying postal products and services

What can member countries (government, regulator, public postal operator, other operators, other actors, etc.) do?

The different actors can take the following measures:

- implement the reform process;
- participate in the transformation and modernization of the UPU by taking an active part in discussions on the Union's missions.

What can the UPU bodies do?

They can take the following action:

- continue efforts to transform and modernize the Union;
- identify and analyze the expectations of member countries with regard to the Union;
- continue to improve the management, organization and operation of the International Bureau in order to respond to the needs of member countries;
- promote transparency in decision-making processes within the Union;
- monitor the progress made and disseminate the results;
- improve the capabilities of the Union bodies by developing human resource skills.

Programme 4.3: Stimulating the growth of the market through the use of new technologies

What can member countries (government, regulator, public postal operator, other operators, other actors, etc.) do?

The different actors can take the following action:

- highlight the importance of ICTs in the postal sector as a stimulator rather than a threat;
- develop electronic postal services on both a domestic and international scale, as a means of bringing about economic benefits, market expansion and improving the cross-border flow of postal and financial items;
- consider the contribution of the postal network when developing policies and strategies in the areas of E-business and E-government.

What can the UPU bodies do?

They can take the following action:

- facilitate and improve the international and cross-border flow of postal items through increased emphasis on electronic activities designated for this purpose;
- develop a communications programme to inform the sector of E-services, their benefits, and industry best practices.

Programme 4.4: Fostering cooperation and interaction among all postal sector players

What can member countries (government, regulator, public postal operator, other operators, other actors, etc.) do?

The different actors can take the following measures:

- facilitate the establishment of a framework for stakeholder dialogue on the basis of their capabilities and needs;
- develop partnerships with stakeholders.

What can the UPU bodies do?

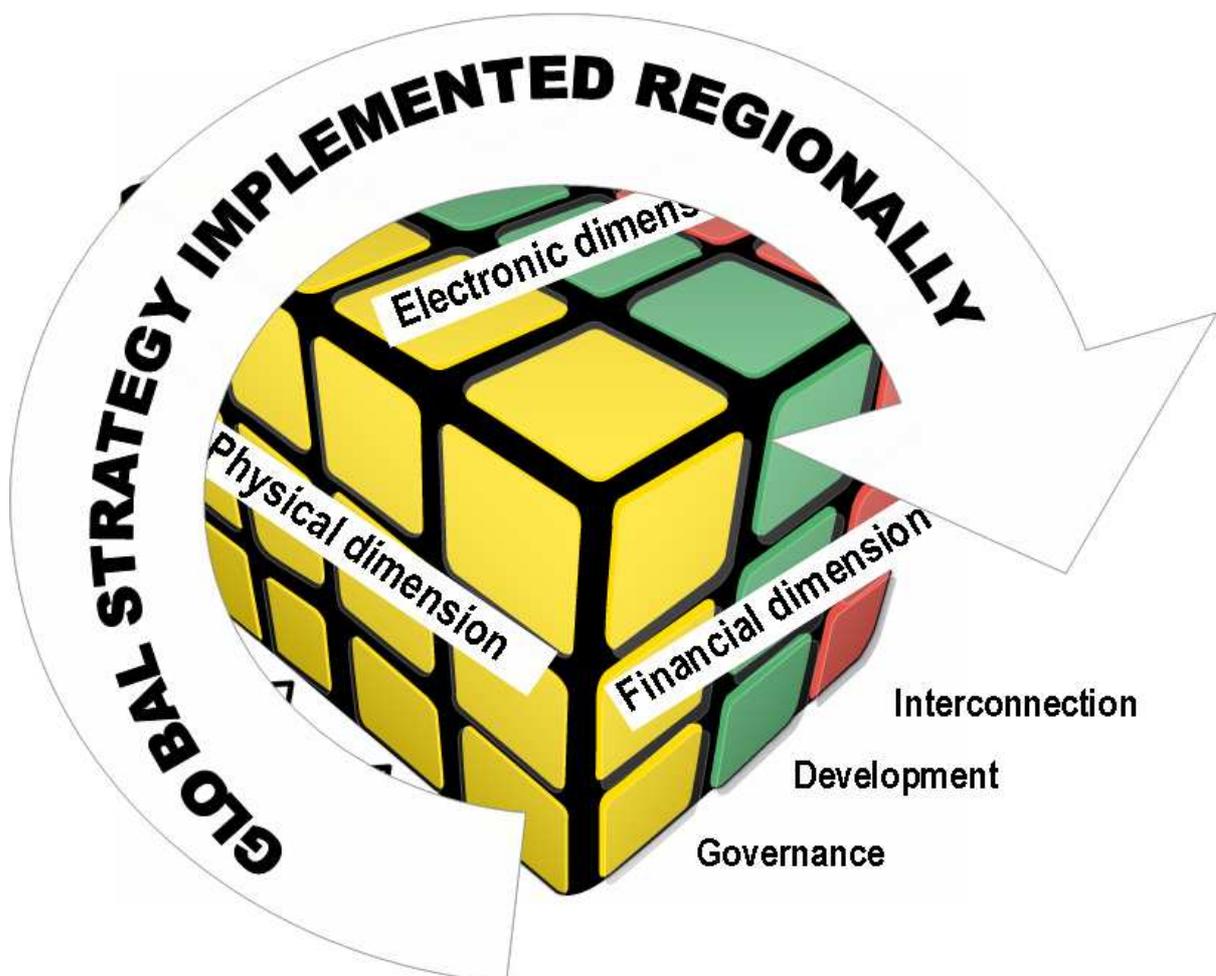
They can take the following action:

- establish and extend the structured dialogue involving all stakeholders, including public/private partnerships;
- provide methodological assistance by developing a mechanism for implementing and promoting information and communication programmes among postal sector partners.



The postal sector: an essential component of the global economy

Nairobi Postal Strategy 2009–2012



As the Secretariat's contribution to keeping costs to a minimum, documents for the 24th Congress are being printed in limited quantities only and will not be distributed again during the Congress. Participants are therefore kindly requested to bring these documents with them.

Description of the structure and content of the Nairobi Postal Strategy document (CONGRÈS–Doc 38)

The Nairobi Postal Strategy (NPS) document (CONGRÈS–Doc 38) lays solid foundations for global, regional and national strategic planning processes within the postal sector. It forms the basis of the UPU Programme and Budget, reflects the dynamic development of the Union, and seeks to map out the future of the postal sector as a whole.

The Nairobi Postal Strategy is presented in the form of a single document, namely CONGRÈS–Doc 38, and consists of six chapters and five annexes, as briefly described below:

Chapter I – Nairobi Postal Strategy – Overview

Chapter I, reproduced in full in this booklet, comprises a one-page table summarizing the architecture of the Strategy, which is essentially composed of three main parts:

- four pillars: the four objectives proposed by the Strategic Planning Group and subsequently endorsed by the 2008 CA and POC;
- three axes: interconnection, development and governance;
- three dimensions: physical, electronic and financial.

The pillars of the Strategy are structured around the following four programme-driven objectives for the entire Union, designed to respond to specific global, regional and national challenges:

- improving the interoperability, quality and efficiency of the three-dimensional postal network in order to keep the sector relevant to market and customer needs;
- stimulating a universal postal service that is adapted to the social, economic and technological environment;
- promoting the sustainable development of the postal sector and its economy;
- fostering the growth of the postal market(s) and services.

Eighteen strategic programmes then translate how the four objectives will be implemented through action undertaken by all the actors concerned.

Chapter II – The UPU's mission

Chapter II discusses the current UPU mission statement and refers to the fact that recent studies and authoritative opinions, and the activities developed by the Union and its members, seem to indicate that there

may be a case for UPU members to consider updating and modernizing the current mission statement.

Chapter III – Bucharest World Postal Strategy (BWPS): Summary of results achieved and lessons learned

Even though a separate, comprehensive report (CONGRÈS–Doc 16) on the implementation of the BWPS is to be presented to Congress, it was decided that Chapter III of the Nairobi Postal Strategy document should comprise a brief summary of the conclusions drawn from the implementation of the BWPS. The reasoning is that the results attained and the lessons learned in accomplishing the BWPS objectives will have a key impact on the main drivers that will influence the successful implementation of the Nairobi Postal Strategy.

Chapter IV – Postal scenarios and global trends

Chapter IV briefly describes the results of work undertaken by the UPU's Strategic Planning Group to identify the anticipated trends, developments and challenges in the postal sector that the UPU is expected to face over the 2009–2012 period, and which will therefore influence the period covered by the Nairobi Postal Strategy.

Chapter V – Strategic direction

The architecture of the Nairobi Postal Strategy and its core elements are described in detail in chapter V of the document, which comprises five sections:

- a brief introduction to the NPS objectives and programmes, the pillars of the strategy;

- an explanation of the "support" and "development" programmes that will help to achieve the goals of the NPS;
- a detailed description, reproduced in full in this booklet, of the four proposed objectives and their 18 associated programmes;
- an introduction to the link between the regional perspective (i.e. how the NPS takes account of different regional needs) and implementation of the NPS;
- and, finally, a few words on the actual implementation of the proposed NPS objectives and programmes.

Chapter VI – Performance indicators

Chapter VI describes the future publication of continuously updated performance indicators which will be used to gauge the level to which member countries and the UPU permanent bodies – in fact, the UPU as a whole – attain the key objectives in the Nairobi Postal Strategy.

Annex 1 – UPU indicators

Annex 1 contains an example of a set of key performance indicators which are focused on linking the implementation of the Bucharest World Postal Strategy (BWPS) objectives and programmes to the three-dimensional postal network (physical, electronic, financial) and the three axes of UPU activity (interconnection, development, governance).

Once approved by the 2008 Congress, it is intended to review, continuously update and publish, for the period 2009–2012, UPU indicators that show the extent of the implementation of the objectives and programmes defined within the Nairobi Postal Strategy.

Annex 2 – Postal strategy report cards

Annex 2 contains an example of a report card which is focused on the implementation of certain programmes contained within the BWPS objectives.

Once approved by the 2008 Congress, it is intended to review, continuously update and

publish, for the period 2009–2012, postal strategy report cards that show the extent of the implementation of the objectives and programmes defined within the Nairobi Postal Strategy.

Annex 3 – International environment and global trends

As mentioned in Chapter IV of the Nairobi Postal Strategy document, in defining its strategy for the years ahead, the UPU has to take account of its environment in the broad sense.

Annex 3 describes nine topics which may have an impact on the postal sector and which may then have an indirect connection with UPU activities. Challenges and opportunities and key environmental trends are also described.

Annex 4 – Regional perspectives

As mentioned in Chapter V, point D, of the Nairobi Postal Strategy document, regionalization is becoming more and more relevant every day. With this in mind, the Nairobi Postal Strategy has fully integrated the regional dimension not only into its development but also into its implementation. Annex 4 therefore includes a summary of the main priorities identified by eight Restricted Unions, each one representing the interest of a specific region, during a series of Regional Round Tables held throughout 2007.

Annex 5 – Action plan guidelines

In Chapter V of the Nairobi Postal Strategy document, the observation is made that implementation of the objectives and strategies of the Nairobi Postal Strategy is the responsibility of the UPU's members.

To this end, Annex 5 details a series of recommended strategies or guidelines to be implemented by the various responsible parties, in order to achieve the results of the NPS objectives.

Nairobi Postal Strategy – Overview

Vision				
"The Postal Sector – an essential component of the global economy"				
Mission				
The mission of the UPU 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: (see Preamble to the Constitution)				
Strategic direction				
The global strategy is to be implemented in line with national and regional policies and regulations and the subsidiarity principle				
Objective 1	Objective 2	Objective 3	Objective 4	I n t e r c o n n e c t i o n
Improving the interoperability, quality and efficiency of the three-dimensional postal network in order to keep the sector relevant to market and customer needs	Stimulating a universal postal service adapted to the social, economic and technological environment	Promoting sustainable development of the postal sector and its economy	Fostering the growth of the postal market(s) and services	
Programmes				
1.1 Enhancing quality of service and efficiency of the postal network	2.1 Stimulating the provision of a quality, affordable and innovative universal postal service adapted to technological changes	3.1 Improving remuneration systems between postal operators	4.1 Providing market and sectoral research and responding to customer needs	D e v e l o p m e n t
1.2 Increasing postal integrity, reliability and security	2.2 Developing universal postal service regulation and criteria	3.2 Developing statistical and analytical/cost accounting procedures	4.2 Modernizing and diversifying postal products and services	
1.3 Improving the customer experience by developing the interoperability and interconnection of national postal networks by means of adequate standards and procedures	2.3 Ensuring that options for financing the universal postal service are developed and understood	3.3 Strengthening reform of the postal sector and the UPU	4.3 Stimulating market growth through the use of new technologies	G o v e r n a n c e
1.4 Stimulating the use of ICTs to improve the development of the postal networks	2.4 Improving access to universal postal service	3.4 Promoting environmental protection and sustainable development, including the social dimensions	4.4 Fostering cooperation and interaction among all postal sector players	
	2.5 Understanding the economic and social benefits of a sustainable universal postal service	3.5 Increasing awareness of the role of the postal sector in the information society		
Physical		Electronic	Financial	
Global strategy implemented regionally				
Supported by the Programme and Budgets 2009–2010 and 2011–2012				

A description of the four proposed objectives and eighteen associated programmes

Objective 1: Improving interoperability, quality and efficiency of the three dimensional postal network in order to keep the sector relevant to market and customer needs

Description: The UPU will focus on a better, accessible, secure, interoperable and efficient universal postal service which is relevant to market and customer needs and seeks to grow the overall market. The concept of interconnection is one of the major challenges facing the sector in the world today. For the UPU member states, the interconnection of postal networks and, in a wider sense, of all the players in the postal sector is of fundamental importance. Operators are more business-oriented and technical cooperation that is based on a business approach becomes more and more frequent. In particular, greater emphasis will be placed on:

Programme 1.1: Enhancing quality of service and efficiency of the postal network

Description: Reliable and consistent quality of service that meets customer demand is of paramount importance for the development and growth of the postal sector, and will increase the efficiency of the three dimensions of the postal network, namely physical (including letters, parcels, EMS), electronic and financial. The UPU should step up its activities in this area, particularly as the need for quality grows and competition intensifies.

Programme 1.2: Increasing postal integrity, reliability and security

Description: As customers have increasing demands for quality, problems with integrity, reliability and security should be addressed and results improved.

Programme 1.3: Improving the customer experience by developing the interoperability and interconnection of national postal networks by means of appropriate standards and procedures

Description: The need to develop, improve and manage UPU standards and procedures in order to ensure the interoperability and interconnection of the three-dimensional postal network is confirmed at national and international level and is becoming an increasingly important issue in meeting market and customer requirements.

Programme 1.4: Stimulating the use of ICTs to improve the development of the postal networks

Description: As customer needs become more demanding and more sophisticated, activities should be undertaken to promote the use of information and communication technologies (ICTs) to improve the postal network. It will be critical to define and use appropriate standards to ensure the development of internationally interoperable postal networks that also interconnect with important partners such as the customs and airlines sectors. At the same time, steps should be taken to emphasize the importance of ICTs in the postal sector by focusing on training postal workers in the use of new technologies and by stressing that ICTs should be seen as an opportunity to modernize and diversify products and services, rather than as a threat.

Objective 2: Stimulating a universal postal service adapted to the social, economic and technological environment

Description: The mission of the UPU is to serve as the single worldwide forum for industry and government to work together to develop, adopt and improve the regulatory framework for the provision of, and access to, universal postal service. To be successful in this area, technical cooperation at the highest political level is necessary and should focus on the following issues:

Programme 2.1: Stimulating the provision of a quality, affordable and innovative universal postal service adapted to technological changes

Description: In order to make possible effective communication and commerce between people around the world and to promote social and economic development, UPU member countries should ensure that the operators responsible for providing the universal postal service comply with the offers of postal services and the quality standards in force. But as communication technologies converge, the concept of universal postal service may need to evolve accordingly to meet the changing needs of customers and to take advantage of the new efficiency and quality gains offered by these innovations.

Programme 2.2: Developing the universal postal service regulations and criteria

Description: Providing member countries with guidance on how the universal service is evolving, keeping in mind the wide national and regional differences in terms of economic development and customer expectations, continues to be of paramount importance for the UPU.

Programme 2.3: Ensuring that options for financing the universal postal service are developed and understood

Description: Analyzing the issue of universal postal service financing in the event that the market is unable to bear the cost is crucial in supporting the existence of the universal postal service.

Programme 2.4: Improving access to universal postal service

Description: Providing improved access to posting, to delivery and, finally, to postal services at affordable prices is still crucial for the UPU, which should encourage the operators responsible for providing the universal postal service to provide accessible services while taking into account national needs and specificities, including the use of ICT-based innovations and hybrid services to improve access.

Programme 2.5: Understanding the economic and social benefits of a sustainable universal postal service

Description: The economic and social aspects of the universal service are of crucial importance and have to be given consideration. A sustainable universal service may enhance the role of the postal service as an intermediary between businesses and consumers, providing benefits for both sides. The role of the universal service as a channel for the distribution of goods and an instrument for regional policies are just two of the positive approaches to justify the need for a universal service.

Objective 3: Promoting the sustainable development of the postal sector and its economy

Description: Provide support and assistance to the membership in executing the UPU's objective of promoting the sustainable development of the three-dimensional postal sector based on the single postal territory. In this regard, the aim is to continue:

Programme 3.1: Improving remuneration systems between postal operators

Description: A requirement to continue the development of such systems between postal service providers based on sound economic principles and quality of service performance is clear. There is also a need to further adapt the clearing and remunerations system in line with the changes in the regulatory environment and other international obligations on the one hand, and with the commercial and operational needs of the sector on the other.

Programme 3.2: Developing statistical and accounting procedures (costing and cost accounting)

Description: Further development and implementation of standardized cost accounting systems is an area in which continued activity is required.

Programme 3.3: Strengthening the reform of the postal sector and the UPU

Description: Member countries should fully understand the structure and needs of the postal sector and the changes it is undergoing. Moreover, governments should encourage operators and give them the flexibility to adapt to these changes. Raising governments' awareness and encouraging them to seek funding sources for postal reform projects (including reform of the UPU) is essential for promoting the effective and successful reform of the postal sector. In order for this to be carried out effectively, account must be taken of the country-specific conditions on the one hand, and on international trends on the other, in order to meet present and future customer requirements.

Programme 3.4: Promoting environmental protection and sustainable development, including the social dimensions:

Description: The UPU should be committed to social responsibility towards postal employees, society and the environment by undertaking further activities to ensure the sustainable development of postal services and to anticipating technological, ecological and regulatory changes.

Programme 3.5: Increasing awareness of the role of the postal sector in the information society

Description: The outcomes of the UN World Summit on the Information Society (WSIS) recognized the postal sector as a key facilitator in the development of the information society, in cooperation with other international organizations active in this field. Working partnerships for capacity building with these organizations should continue to be developed to ensure resources are mobilized efficiently and effectively on common projects to bridge the digital divide and foster physical, financial and electronic inclusion, with special emphasis on rural and underserved areas.

Objective 4: Fostering growth of the postal market(s) and services

Description: The necessary actions are to be undertaken by all postal players (government, regulator, public postal operator, other operators, other players, etc.) on questions related to the development of the postal market in meeting customer requirements, more specifically, in the following fields:

Programme 4.1: Providing market and sectoral research and responding to customer needs

Description: Developing suitable tools for providing appropriate information to the postal stakeholders on the one hand and for better understanding the needs of customers on the other.

Programme 4.2: Modernizing and diversifying postal products and services

Description: Postal services should be adapted to customers' expectations in view of the dramatically changing market and the growing demands of customers.

Programme 4.3: Stimulating the growth of the market through the use of new technologies

Description: Access to information, experience and know-how, etc. regarding new technology will improve understanding of what product development and improvements are possible using new technology, and can thus help to grow the business.

Programme 4.4: Fostering cooperation and interaction among all postal sector players

Description: The UPU is the ideal forum for dialogue and for all stakeholders to work together in order to better understand customer needs.



Resolution

Nairobi Postal Strategy

Congress,

Taking account of:

- the fruitful and intensive discussions which took place during the UPU's Strategy Conference in Dubai in November 2006;
- the work of the Council of Administration and the Postal Operations Council in the area of strategic planning;
- the conclusions and views expressed during a series of regional round tables, held throughout 2007, which provided over 150 countries with the opportunity to discuss the draft Nairobi Postal Strategy while outlining their own regional priorities;
- the results of the work of Congress as a whole,

Also taking account of

the draft Nairobi Postal Strategy, prepared collaboratively by the CA, the POC and the International Bureau, which takes account of the views expressed during a general consultation of the Chairmen of the CA and POC Committees, Action Groups and Project Groups, all Union member countries, and the Restricted Unions,

Aware

of the continuing need to adapt the provision of postal services to developments in the postal environment and the changing needs of customers,

Approves

the Nairobi Postal Strategy,

Appeals urgently

to governments, postal administrations and the Restricted Unions to take all necessary action to implement the Nairobi Postal Strategy, adapting it as necessary to their regional, national and legislative particularities,

Invites

the regions and the Restricted Unions to integrate the relevant elements of the Nairobi Postal Strategy into their respective priorities and action programmes,

Instructs

the permanent bodies of the Union, in accordance with the provisions set out in the UPU's General Regulations:

- to implement the objectives and programmes defined in the Nairobi Postal Strategy;
- to take without delay, within the framework of their respective competencies, all appropriate measures to attain the objectives set and, to this end, determine means of implementing the strategies to achieve the expected results;

Pro

22.7.2008

- to regularly examine the state of implementation of the Nairobi Postal Strategy and, following this examination, to:
 - make whatever changes in direction and adjustments that are necessary;
 - reassign available resources, whilst noting that the degree of implementation of the Nairobi Postal Strategy will be subject to the ceiling of expenses set and approved by Congress as well as by the budget established and approved by the newly-elected CA;
- to support member countries in the implementation of the Nairobi Postal Strategy, in particular by establishing procedures for carrying out the strategies;
- to regularly disseminate the results achieved to Union member countries;
- to report to the next Congress on the results achieved and the experiences recorded.

Reasons. – See CONGRÈS–Doc 38 and proposal 28.