



LEVERAGING AFRICAN POSTAL NETWORKS IN INNOVATING RURAL ACCESS TO REMITTANCES AND FINANCIAL SERVICES

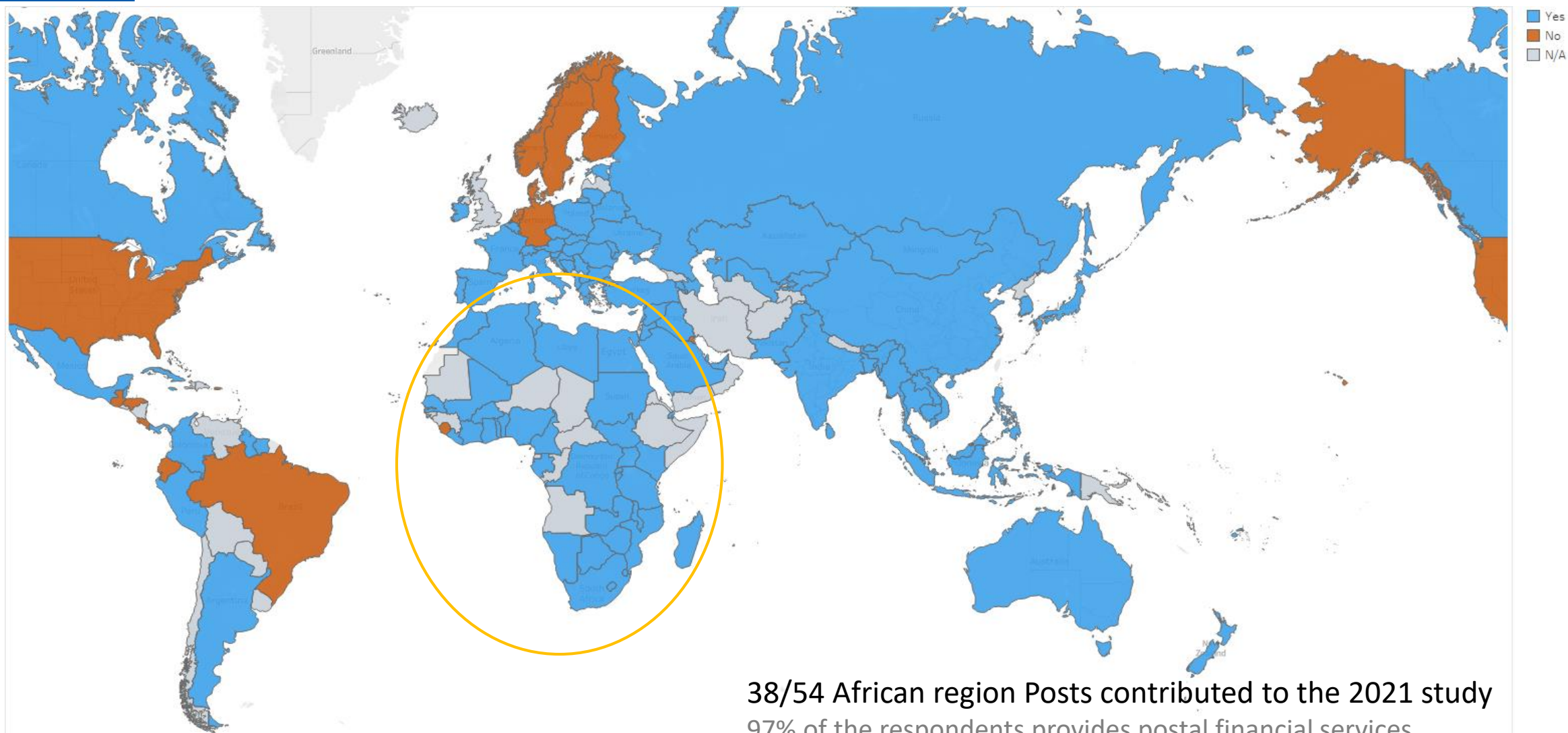
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We are (almost) everywhere ...





Most DOs provide financial services

4 out of 5 DOs provide PFS

84% of DOs from 134 countries provide some type of financial services

All DOs in E. Europe & N. Asia provide PFS

97% of African Posts provides PFS

Only 65% Posts in the Americas do so



Globally 78% post offices in rural areas

Only 56% of African Post Offices are in rural areas

86% of all post offices in S. Asia & Oceania are in rural areas

Only 50% in the Americas



Financial services offered by Posts represent approximately 18% of total postal revenue, remaining stable over the past five years.

Types of postal financial services (PFS)

Account-based services

- ▶ Includes postal savings bank and postal bank accounts
- ▶ Posts have approx. 2,4 billion accounts for a total of approx. 1 billion customers

Payment services

- ▶ Transfers of money from one party to another (P2P, P2B, P2G, G2P, etc.)
- ▶ Primary FS offered by Posts with approx. 1.5 billion customers worldwide²

Domestic

Gov. payments

Bills

Money orders

International

Sent

Received

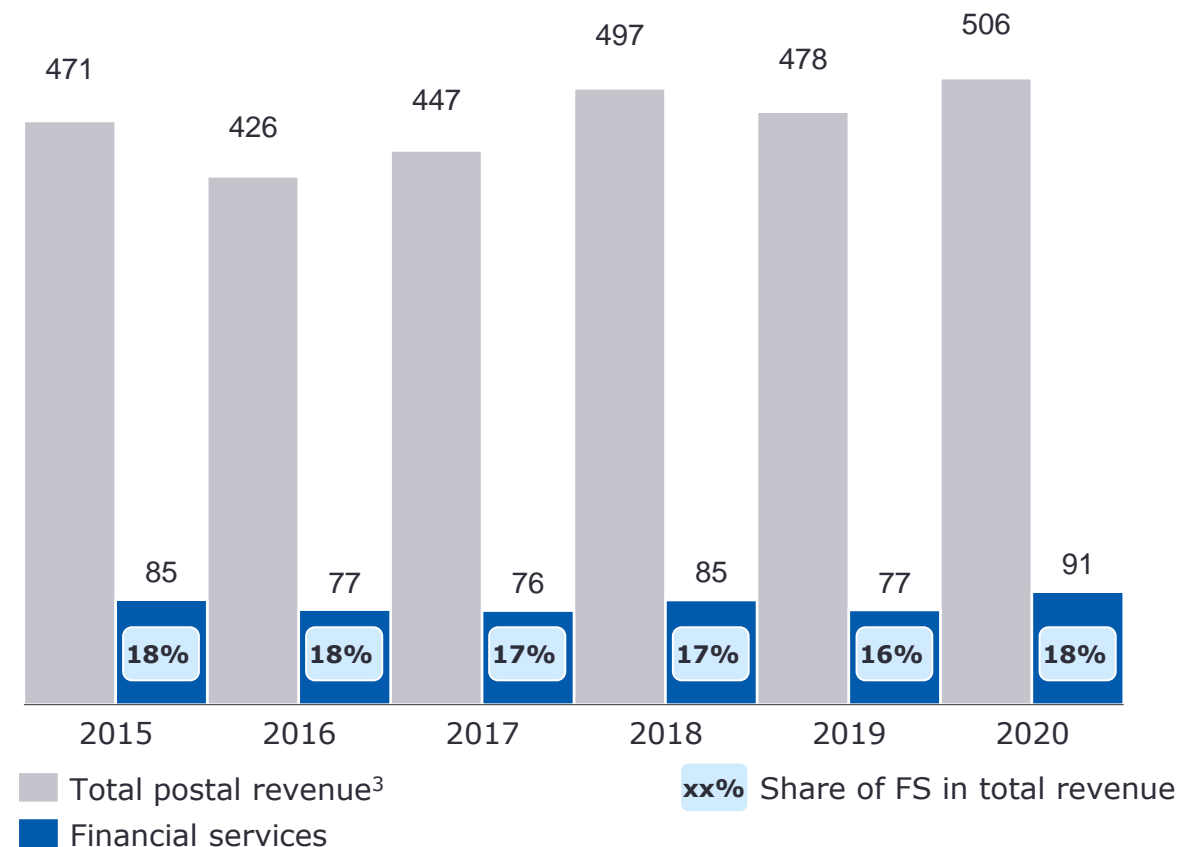
Insurance services

- ▶ More Posts in developed countries provide insurance than in developing countries

Credit services

- ▶ Only a few Posts worldwide provide loans directly to their customers, with most deploying alternative strategies to penetrate this market (e.g. partnering with other institutions)

Financial services provided by Posts as a proportion of total postal revenue, worldwide (billions of USD)⁴

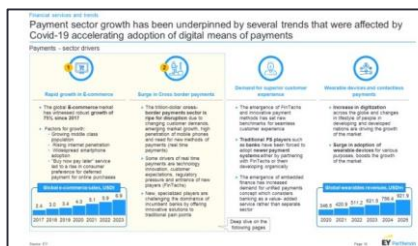




Postal operators are in a position to benefit from opportunities arising from market, technological, policy and regulatory trends in the area of financial services

Opportunity trends

Market trends



Technological trends



Policy and regulatory trends

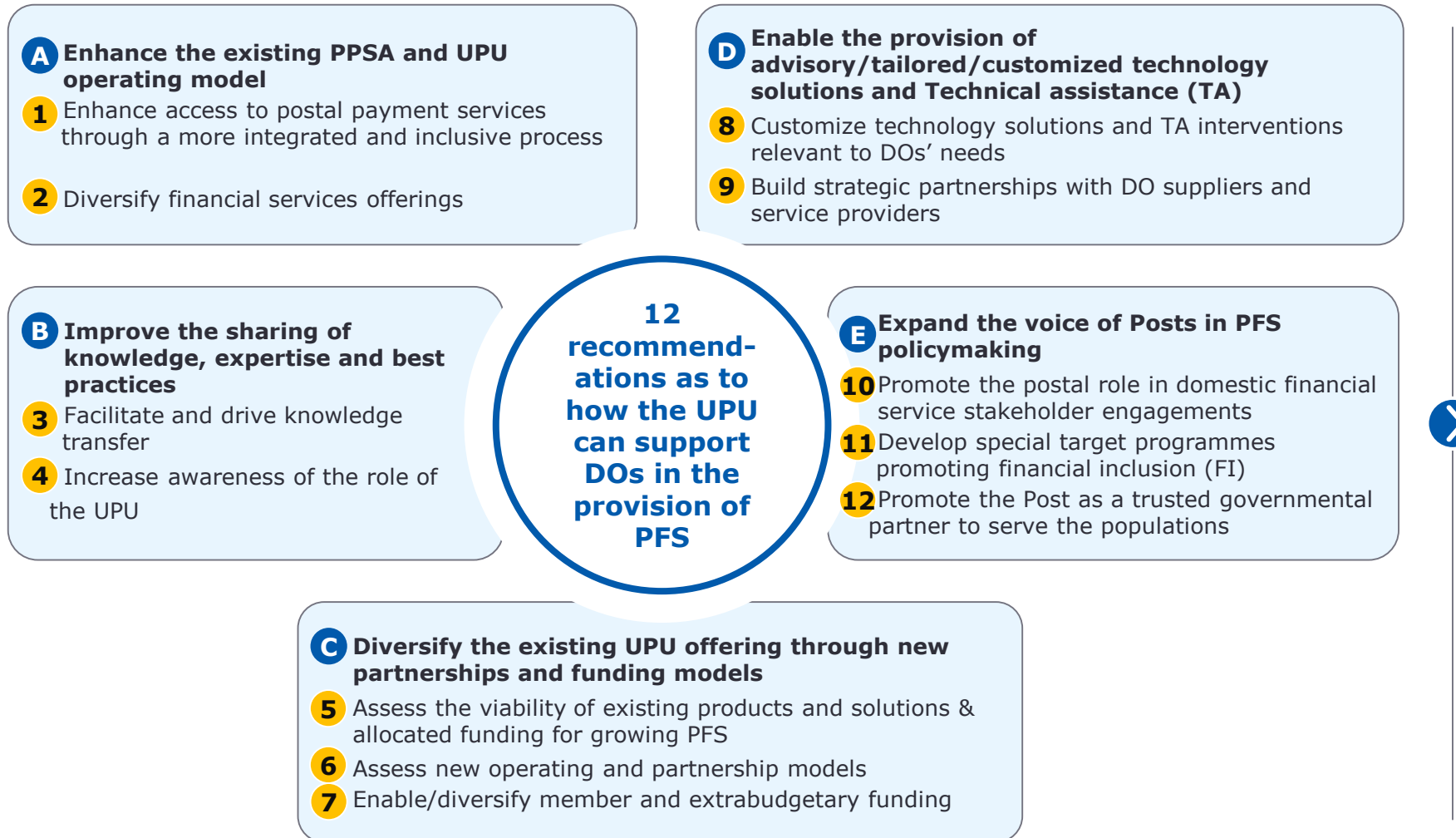


Benefits for postal operators

- ▶ Diversifying into **e-commerce** payments could increase Posts' revenue
- ▶ Offering more innovative solutions to traditional pain points could allow Posts to further reap the benefits from the surge in **cross-border payments**
- ▶ Improving **customer perception** will be necessary for Posts in order to respond to rising customer standards and hence improve competitiveness
- ▶ Partnering with **fintechs** could enable Posts to implement innovative automated services
- ▶ Emphasis on **digital remittance channels** could help Posts to increase remittance volume
- ▶ Developing **mobile money** solutions could make transfers easier and faster
- ▶ Leveraging **blockchain and cryptocurrencies** could increase speed and reduce costs of remittances for postal operators
- ▶ In certain, especially African countries, Posts could strategically position themselves as key **financial inclusion** actors through confirmed government policy and partnerships. Key strengths are: better usage of existing public assets, confidence, digital financial education and cash availability
- ▶ By adhering to stringent **anti-money laundering/combating the financing of terrorism regulatory requirements**, Posts could position themselves as the most trusted (public) FS players
- ▶ In certain countries, Posts could benefit from policymakers' desire to support the **organizational agility** of FS providers (e.g. regulatory sandboxes, innovation adoption)



The study resulted in 12 recommendations structured around five areas that the UPU can leverage to meet the stakeholders needs regarding the provision of PFS



These 12 recommendations have been identified **based on findings from desktop research, interviews with DOs and financial and postal regulators, and questionnaires completed by DOs**, and taking into account an assessment of deployment constrains.



Financial Inclusion Technical Assistance (FITAF) Program Goals in Partnership with Gates Foundation & VISA

1. Support postal digitisation initiatives on Financial Inclusion

2. Enhance DFS infrastructures to better serve customers

3. Deploy relevant DFS solutions to meet customer needs

4. Leverage FITAF initiatives to accelerate DFS strategy roadmaps

5. Partner with Governments on initiatives to advance DFS

6. Advance financial literacy initiatives (unbanked & underbanked)

7. Deploy capacity building training initiatives

8. Drive Usage Activation to advance DFS programs

9. Target enabling scalable solutions

10. Assess & measure DFS impacts



UPU Financial Inclusion Technical Assistance Projects

Deliver Technical Products & Solutions

Country	DFS Program Type	FITAF Enabling & Expanding Financial Inclusion Through Digital Financial; Services Solutions							How do people make & receive Payments	How do People Access & Use Accounts	Target Customer
Postal Network	Program Summary To Deploy Technical DFS Programs	Enabling Digital Platforms	Mobile Access/ Products	Digital Bill Payments	Gov. Payments G2P/P2G	Digital Savings	Money Transfer P2P	Digital Wage Transfers	Financial Literacy	Capacity Building	By Segment
Kyrgyzstan	Platform to integrate Financial Institutions/act as agent 140 branches	★	★	★			★		★	★	Unbanked/ Underbanked
Morocco	Mobile payment platform national enablement to pay & receive payments	★	★	★	★	★	★	★	★	★	Unbanked/ Underbanked
Vietnam	Integrate with Vietnam Social Security/ digitally enrol health/pension customer	★	★						★	★	Unbanked/ Underbanked
Benin	Mobile banking Application for Debit/Prepaid access via GIM UEMOA	★	★	★		★			★	★	Unbanked/ Underbanked
Grenada	Technical Platform to enable DFS services for ePayments & eServices	★	★						★	★	Unbanked/ Underbanked
Jordan	Prepaid Card for Aid disbursement for unbanked promoting ATM & POS usage	★		★	★	★	★	★	★	★	Unbanked/ Underbanked
Ghana	Mobile platform for eMoney closed loop customers & open loop via GHIPPS	★	★				★		★	★	Unbanked/ Underbanked
Tunisia	Mobile Banking Application to promote digital access & savings	★	★	★		★	★	★	★	★	Unbanked/ Underbanked
B. Faso	Launching Debit Card Solution via GIM UEMOA to drive ATM usage & Savings	★		★					★	★	Unbanked/ Underbanked
Cuba	Consultant completing due diligence to determine suitable next steps	★									Unbanked/ Underbanked
Tanzania	Evaluating National Educational Platform/Farmers Subsidy	★	★	★			★		★	★	Unbanked/ Underbanked



Thank you for your attention