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OPERATIONS AND TECHNOLOGY COMMITTEE (OTC)

3, 4 JUNE 2024, ARUSHA, TANZANIA

DIGITALIZATION AND INNOVATION WORKING GROUP (DIG) REPORT

1. Subject Digitalization and Innovation Working Group (GID) Report	References/Paragraphs
2. Decisions expected <ul style="list-style-type: none">• Adopt the Report;• Consider and adopt the recommendations of the Working Group.	

1.0 INTRODUCTION

The Digitalization and Innovation Working Group (GID) meeting was held virtually on 11 March 2024. As indicated below, some issues on the agenda were discussed and deliberated during the meeting.

2.0 THE MAIN ISSUES TABLED AND DISCUSSED

The following salient issues were deliberated upon during the meeting:

- i) Status of Implementation of Working Group Action Plan;
- ii) Report on Postal Digitalization Activities:
 - a. AU Digital Transformation Strategy
 - b. Administration of questionnaire on postal service digitalization in Africa
- iii) Project implementation in cooperation with the UPU;
 - a. Financial Inclusion Technical Assistance Facility (FITAF)
 - b. Electrification and Connectivity Project of Post Offices in Africa
 - c. Postal Prosperity Zone (PPZ) Initiative
- iv) Report on postal innovations

- a. Africa Integrated E-Commerce Platform;
- b. Experience-sharing by Member States
- c. Draft Questionnaire on diversification of products and services

3.0 REPORT SUBMISSION

The detailed report of the Working Group meeting is annexed herewith.

4.0 RECOMMENDATIONS

The following recommendations are being tabled by the Working Group for consideration and adoption by the Operations and Technology Committee:

- ✓ Since Artificial Intelligence (AI) is a vital component of digital transformation, it needs to be integrated into our digitalization plans or future developments.
- ✓ Member States are urged to complete the questionnaire to expedite the progress of building an African database on digital postal services.
- ✓ PAPU Member States are encouraged to take advantage of this opportunity to submit their applications to UPU to get support for the Digitalization of Financial Services (DFS).
- ✓ The General Secretariat is instructed to continue engaging with project parties, namely UPU and AU, to identify potential funding partners and ensure the projects' success.
- ✓ PAPU Member States should consider embracing the Postal Prosperity Zone Initiative to boost business volumes, especially in e-commerce.
- ✓ The development of the Africa Integrated E-Commerce Platform should be expedited so that members can benefit from its pooled collective capacities.
- ✓ Designated Operators were encouraged to learn from shared experiences and increase the shared success stories in line with the implementation of the Working Group's Action Plan

5.0 DECISIONS EXPECTED

The report is submitted for the Committee to:

- Adopt the Report;
- Consider and adopt the recommendations of the Working Group.



1.0 INTRODUCTION

The Digitalization and Innovation Working Group (DIG) held its online meeting on Monday, 11th March 2024, to deliberate on the working documents in line with the PAPU Action Plan (2021-2025) and its mandate as specified in the Working Group's Terms of Reference (ToRs).

2.0 OPENING REMARKS

2.1 Remarks by Chairperson

The meeting was chaired by Senegal, represented by Mr. Abdaty Ka, who called the meeting to order and kicked off the day's proceedings at 11:10 hours (GMT). After welcoming participants, the Chair thanked the PAPU Secretary General and his entire team for organizing the meeting before proceeding to extend his appreciation to Uganda and South Africa as Vice-Chairpersons and to all participants for honouring the invitation to attend the Working Group's meeting.

The Chairman underscored the Working Group's commitment and resolve to drive the digitalization and innovation agenda, which is an ambitious and challenging undertaking for the postal industry. Lastly, the Chairman wished everyone productive deliberations.

2.2 Remarks by PAPU Secretary General

The Secretary General, Dr. Sifundo Chief Moyo, acknowledged the steadfast commitment of the Chairman, Mr. Abdaty Ka, in spearheading the Working Group on Digitalization and Innovation activities, highlighting his valuable insights during other meetings convened by the General Secretariat. He also thanked the meeting's bureau and participants for taking the time to prepare for and attend the meeting.

The Secretary General pointed out that digital transformation pre-supposes strategic alliances with digital and technological players, including researchers, academia, start-ups, integrators, FinTech, etc. In this regard, he referred to the signing of a Memorandum of Understanding (MoU) with Nelson Mandela African Institute of Science and Technology University (NM-AIST), an Arusha-based institution whose broad objective is to lay down a cooperation framework geared towards e-commerce, data analytics, and skills development, interoperability of

postal payment systems, and cybersecurity for a successful postal digital transformation. The ultimate goal is to support PAPU Member States in building digital capabilities and advancing research and innovation, thereby making the postal sector competitive and meeting growing customer demands.

In the same breath, the Secretary General announced the signing of an MoU with the Visa International Association to foster cooperation in digital payments and digital transformation of post offices in the PAPU Member States. These are valuable developments, particularly considering the bold plans to drive digital transformation in Africa.

Finally, the Secretary General assured the Working Group of the General Secretariat's unflagging support and wished participants fruitful deliberations. He also used the opportunity to introduce the newly appointed Digitalization and Financial Inclusion Officer at PAPU, Mr. Abdoulaye Niang, who will serve as the Secretary of the Working Group henceforth.

3.0 CONFIRMATION OF BUREAU

3.1 Working Group Bureau

The Bureau membership was confirmed as follows:

Chair: Senegal

1st Vice-Chair: Uganda

2nd Vice-Chair: South Africa

Rapporteurs: (vacant)

Secretary: PAPU General Secretariat.

3.2 Participation

3.2.1 Member States in Attendance

More than 75 participants from the following PAPU Member States attended the meeting: Burkina Faso, Republic of Congo, Côte d'Ivoire, Democratic Republic of Congo (DRC), Egypt, Ghana, Kenya, Malawi, Nigeria, Senegal, South Africa, and Uganda.

3.2.2 PAPU General Secretariat

The PAPU Secretary General, Dr. Sifundo Chief Moyo, led the PAPU General Secretariat team, which consisted of the Assistant Secretary General, Heads of Department, the technical support team, and interpreters.

4.0 ADOPTION OF AGENDA

The General Secretariat presented the Draft Agenda contained in document **PAPU/OTC/DIG/01/2024 – Doc No. 01**, which was adopted unanimously without amendment.

5.0 CONSIDERATION OF WORKING DOCUMENTS

The meeting proceeded to discuss and review the four (4) documents tabled for the agenda items as below:

5.1 Status of Implementation of the Working Group Action Plan (Document No. 02)

The General Secretariat presented the Status of implementing the Working Group's Action Plan and **Resolution No. 02/PAPU/AC/XLI/2023** on Operations and Technology.

i) Regarding this Resolution, No. 02/PAPU/AC/XLI/2023 on Operations and Technology:

It was noted that all items had either been completed or were in progress.

ii) On participation in international meetings and experience sharing:

It was noted that it is an ongoing activity until the end of the cycle.

iii) Regarding the questionnaire on the status of the implementation of postal service digitalization:

This is being pursued to assess individual and collective performance in the digital transformation of services.

iv) Other activities in the Action Plan 2022-2025 like

- Setting up a smart post office,
- Improving digital infrastructure and modernizing operations,
- Enhancing digitalization of postal services,

These are work in progress, monitored by the Secretariat, environmental scanning, and experience sharing by Member States on noteworthy advances in innovative projects.

v) Regarding developing postal-specific digital innovations:

A workshop will be held from 13th to 15th August 2024 at the PAPU Headquarters to advance this matter.

5.2 Report On Postal Digitalization Activities (Document No. 03)

As indicated hereafter, the General Secretariat reported its participation in two meetings organized by the African Union Commission Department on Infrastructure and Energy.

5.2.1 AU Digital Transformation Strategy

Firstly, the General Secretariat, represented by the Digitalization and Financial Inclusion Officer at PAPU, Mr. Abdoulaye Niang, participated in the Workshop on the AU Digital Transformation Strategy (DTS) organized in September 2023. The DTS aimed to achieve “**An integrated and inclusive digital society and economy in Africa by 2030.**”

Workshop objectives were as follows:

- i) Clarify the roles and responsibilities of Member States, Regional Economic Communities (RECs), AU specialized agencies, Partners and the Private Sector;
- ii) Present the Union’s collaborative data management tool;
- iii) Specify how and why we need to fill in the indicators using this dynamic tool for monitoring Digital Transformation in Africa;
- iv) Present how to automate individual and collective performance reports and improve evaluation, learning, and communication within the Union through instantly viewable dashboards.

5.2.2 African Forum on Data Governance

The General Secretariat’s Digitalization and Financial Inclusion Officer also participated in the first African Forum on Data Governance, which dealt with the following themes:

- i) Common African approach to data governance;
- ii) How to guarantee a secure and fair data environment for all Africans;
- iii) Africa’s contribution to the global data governance discourse;
- iv) Cybersecurity capacity and partnership for data governance in Africa.

5.2.3 Analysis of the Questionnaire on Postal Service Digitalization In Africa

The following is the feedback on the analysis of the findings from the questionnaire on the digitalization of postal services in Africa

a) Response Rate

- The questionnaire was circulated twice, namely in 2023 and 2024, due to a low response rate.
- Member States that did not respond are Algeria, Benin, Chad, Eritrea, Equatorial Guinea, Gabon, Gambia, Libya, Mozambique, Republic of Central Africa, Republic of Congo, Somalia, Sudan, and Togo.
- The General Secretariat will issue a reminder to be circulated to Member States for the completed questionnaires to be returned.
- The Working Group Chairman and the Secretary General urged these Member States to complete the questionnaire to expedite the progress of building an African database on digital postal services.

b) Summary of Findings

- i) The overall implementation rate of ongoing projects in the 32 Member States that responded is estimated at 21%.
 - ii) Out of the five (5) pillars of postal digitalization assessed, Mail Services account for over 86%, followed by the Supply Chain with over 53%.
 - iii) Digitalization of financial services of financial - 26%
 - iv) Support functions, which account for 25%
 - v) The rate of digitalization for infrastructure and mobile applications remains low at 40%.
- ✓ It was recommended that Artificial Intelligence (AI) be integrated into our digitalization plans or future developments since it is a vital component of digital transformation.
 - ✓ Member States are urged to complete the questionnaire to expedite the progress of building an African database on digital postal services.

5.3 Projects Implementation In Cooperation With The UPU (Document No. 04)

Some projects are being implemented by PAPU either in partnership or with UPU. These projects are indicated below: -

5.3.1 Financial Inclusion Technical Assistance Facility (FITAF)

It was reported that the online webinar, “**The role of postal networks in financial inclusion**”, organized in collaboration with UPU's FITAF on 27 November 2023, offered a good platform to explore a broad range of business models and experiences. Seven (7) key types of partnerships and eighty-seven (87) lessons (experiences) are available on the UPU website.

A call for applications for increased participation was circulated, and designated operators were encouraged to tender applications. Some countries have already received support for the Digitalization of Financial Services (DFS). This information is also available on the UPU Website.

- ✓ **It was recommended** that PAPU Member States take advantage of this opportunity to tender their applications to get support for the Digitalization of Financial Services (DFS)

5.3.2 Electrification and Connectivity Project of Post Offices in Africa

This project, which was muted by PAPU in collaboration with the AU and UPU, aims to curb financial exclusion, bridge the digital divide, provide rural communities with the infrastructure they need, and help foster the sustainable development of these areas. However, the project's implementation phase is slow due to a lack of technical and financial support.

A pilot was conducted in the following countries, and the project needs to be rolled out to all the other Member States.

The General Secretariat is exploring ways of re-igniting the implementation of this project. The link between this Project and the recently adopted Project on the 'Study on Improving the Digitalization of Postal Services in Africa' is being explored. Engagements are ongoing with the Partners UPU and AU to drive the Project forward by identifying donors and partners.

- ✓ **It was recommended** that the General Secretariat continue engagements with the parties to these Projects, namely UPU and AU, to identify funding partners and ensure that the projects take off.

5.3.3 Postal Prosperity Zone (PPZ) Initiative

A PAPU joint Working Group meeting of the Supply Chain Working Group and the Digitization and Innovation Working Group, in collaboration with the UPU's Consultative Committee (CC), organized an online meeting on the Postal Prosperity Zone (PPZ) initiative on 31st January 2024, which was attended by PAPU Members.

The CC presented the Postal Prosperity Zone (PPZ) initiative, which seeks to help PAPU Member States to increase volumes in the postal supply chain while maintaining their identity in the UPU network by interconnecting e-commerce platforms and marketplaces using the UPU's S26 standard.

Under this initiative for wider postal services players (WPSPs), three main membership categories are offered: Bronze, Silver, and Gold. Additionally, the newly introduced Platinum category allows members to connect to the UPU's worldwide network, provided they pay the annual fee and are certified for advanced electronic data (EAD). The latter category will accommodate operators who have already secured large volumes. It is worth noting that this innovation will be presented during the UPU POC and CA meetings in April 2024.

- ✓ **It was recommended** that the PAPU Member States consider embracing the Postal Prosperity Zone Initiative to boost their business volumes, especially for e-commerce.

5.4 Report on Postal Innovations (Document No. 05)

An ad hoc Experts Team comprising representatives from the five (5) African subregions was created to spearhead the implementation of the Africa Integrated E-Commerce Platform. It was set up in 2023 by the Working Group and tasked with developing a framework for an e-commerce platform and reporting to the Working Group

5.4.1 Africa Integrated E-Commerce Platform

The General Secretariat organized an online meeting of the Digitalization and Innovation Working Group on 27 July 2023, at which Ship2MyId and TAO Digital made presentations on solutions for an E-commerce Platform and Cybersecurity, respectively, to guide the Expert Team in developing the platform.

The PAPU partners Ship2MyId and TAO Digital presented solutions for a platform, E-commerce, and Cybersecurity, respectively, for the Post in Africa. The meeting was about helping the continent's posts realize our ambition to recover the volumes generated by the ZPP and achieve the set goals.

- ✓ **It was recommended** that the Africa Integrated E-Commerce Platform be expedited so that Members can benefit from the pooled collective capacities.

5.4.2 Experience-Sharing by Member States

The following Designated Operators shared their experience in digital innovation:

a. Burkina Faso:

In pursuit of its technological transformation agenda, the Post, in partnership with a mobile phone operator (Orange Money), has rolled out innovative services to shorten processing times for operations at post-office counters while decongesting customer service areas and front desks by **offering wallet-to-wallet and wallet-to-account payment solutions online**. This solution has started bearing fruits and is available 24/7.

b. Uganda:

Uganda Post has developed a system called **ePOSTA, which brings together a range of independent solutions interfaced via APIs**. The interconnected solutions include Online Point of Sale (POS), electronic addressing (eBoxes), online self-service portal, electronic notification and national mail automation i.e. mainly processing and delivery of government mail.

The Post **is partnering with Eurogiro for payment services** around an e-payment supermarket with some transfer products such as: **“PostalPay” and “KoronaPay”**.

The outlook revolves around **implementing an e-commerce platform and e-government service** in a single window. Also noteworthy is the population's use of USSD codes for online services. Uganda Post constantly monitors all technological developments.

c. Ghana:

Ghana Post has innovated its services by **developing strategic alliances with other players, such as banks and insurance companies**. Agency **banking is offered** in over 180 service outlets.

Ghana Post, the only organization distributing driving licenses, is booming with e-service solutions. It has also developed a downloadable application called GhPostPay for financial transactions using USSD codes. Customers can access information requests and consult administrative services online, such as student enrollment and university guidance.

In addition, this **application can be used to make purchases online, pay online**, and have them delivered by post. **Customers can track their orders in real-time** and receive notifications accordingly.

d. Senegal:

Senegal Post has embarked on a vast innovation programme in its services and customer areas. New set-ups, including **telecommunications shops** (telephones, computers, printers, chargers, etc.), are displayed in the customer area. An **automatic queue management system** has been rolled out.

The **post office has installed automated machines/kiosks** offering a wide range of services, including buying stamps, bill payment services, prepaid card top-ups, and paying for or renewing subscriptions.

Additionally, **automated teller machines (ATMs) have been installed** in partnership with banks as part of its product offerings. The e-commerce platform is currently being rolled out **with a partner, Shyp2Myld**.

All the presentations were greatly appreciated during the Q&A sessions that followed each presentation, with participants expressing keen interest in having in-depth information after sharing these experiences.

- ✓ **It was recommended** that DOs learn from shared experiences and increase the shared success stories in line with the implementation of the Working Group's Action Plan.

5.4.3 Draft Questionnaire On Diversification Of Products And Services

E-services have been classified into four categories:

- E-mail and e-government services;
- Digital financial and payment solutions;
- E-Commerce;
- Support services;
- Other services (to be specified by the designated operator, if necessary).

The proposed questionnaire was approved and will be administered before the next OTC meeting in Jun 2024.

6.0 RECOMMENDATIONS

The following recommendations will be tabled by the Working Group to the Committee

- ✓ Since Artificial Intelligence (AI) is a vital component of digital transformation, it needs to be integrated into our digitalization plans or future developments.
- ✓ Member States are urged to complete the questionnaire to expedite the progress of building an African database on digital postal services.
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- ✓ Designated Operators were encouraged to learn from shared experiences and increase the shared success stories in line with the implementation of the Working Group's Action Plan

7.0 DATE AND VENUE OF NEXT MEETING

The General Secretariat informed members that, following consultations with members, the date and venue of the Working Group's next meeting would be notified in due time.

8.0 ANY OTHER BUSINESS

No issue was raised under this item.

9.0 CLOSING

In his closing remarks, the Secretary General thanked participants for their attendance and active participation and reiterated the General Secretariat's unwavering support in advancing the mandate of the Digitalization and Innovation Working Group.

The Chairman thanked everyone for their valuable contributions and then closed the meeting at 14:18 hours (GMT).