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**REPORT ON POSTAL FINANCIAL SERVICES IN AFRICA:
STRATEGIES TO INCREASE
THE INCLUSION OF LOW-INCOME POPULATIONS**

January 2013

I. Introduction

Recently the potential of the existing 26,000 post offices in Africa is being re-discovered with a view to increase financial inclusion. Many of the post offices play a diverse and relevant but often underestimated low-cost role in promoting financial inclusion. An estimated 10% of Africa's adult population uses post offices for payments, savings or other financial services.. Postal networks deliver an estimated 5% of the migrant remittances. Post offices can fill in gaps in the landscape for financial inclusion, in between bank branches and micro finance outlets, and complement the access infrastructure in peri-urban and rural areas. In many cases the **post offices have substantial potential to provide access to a broader range of financial services to more individuals** but lack effective strategies, capacity and resources to capture the potential.

AUC's Department for Infrastructure and Energy, Telecom and Post Dept. commissioned a Study related to Postal Financial Services in Africa; Strategies to increase the inclusion of Low-income populations.

II. Background

As regards the background and rationale of the Study reference is made to the following :

- i. The Constitutive Act of the African Union, the AU Vision and the Millennium Development Goals as well as the decisions made by the Heads of State, the Ministers and the Executive Council in the field of poverty reduction through improving social, digital and financial inclusion
- ii. The initiatives of the UN agencies and the G20 Global Partnership for Financial Inclusion and its development partners to improve financial inclusion; the multi-donor programs Making Finance Work For Africa (MFW4A), African Diaspora Program (ADP), and the African Institute for Remittances (AIR) and more specifically:
 - o Initiatives of the Bill and Melinda Gates Foundation through the World Savings Bank Institute to double the savings accounts in the hands of the poor through 8 African postal operators and postal banks, and;
 - o Programs lead by the International Fund for Agricultural Development (IFAD) to increase the delivery of migrant remittances through rural post offices in collaboration with Universal Postal Union (UPU), and World Bank;
- iii. The decision of EX.CL/435 (XIII) of the Executive Council 24-28 June 2008 in Sharm-el-Sheikh, Egypt based on the report of the 2nd ordinary session of the Conference of the AU Ministers in charge of Communications and Information Technology (CITMC);
- iv. The 2012 Khartoum Declaration (AU/CITCMC-4/MIN/Decl.(IV)Rev2), par. 18 to develop guidelines for the liberalization of the postal sector and templates for legal frameworks for postal sector policy and regulations.

III. Statement of Problem

Financial inclusion is a top priority in poverty reduction. Recent reports of World Bank, IMF, CGAP and others indicate that 80% of the African adult population is un(der)banked, and that more than 97% of children have no access to financial services. More than 60% of the African Governments and/or African financial sector regulators have already published their commitments to and are active in improving financial inclusion, including financial literacy, consumer protection. **The insufficient infrastructure for physical access to financial services and financial literacy are key issues in financial inclusion where postal networks could contribute to improvements.**

Unleashing the potential of the 26,000 post offices in Africa to increase the financial inclusion of low-income population appears as a challenge. It seems to make socially and economically sense as many of the postal networks in Africa feature a high degree of underutilization of state-owned assets and low productivity of the human resources employed. There appears a continued sharp decline in the demand for conventional postal mail services provided by designated state-owned postal operators. In many cases a vicious circle evolves, leading to marginalization of conventional mail flows within the country.

Nearly all African households have at least one mobile telephone set and use primarily this for communications. The increasing and accumulated losses to maintain a quasi-monopoly for postal services are in many cases financed by revenues from the postal financial services. Consequently, the weak and in-transparent financial condition and financial management of the postal operators present a major obstacle in the opportunity to improve access to financial services via the 26,000 post offices to the un(der)banked, particularly in rural areas

IV. Objective of the Study

Strategies to unleash the potential of postal networks in Africa to ultimately increase the (rural) access to financial services for low-income populations

V. Key findings

Data on the role of the African postal networks in delivery of financial services are in most cases not or only partly included in standard reports on the financial sector, and the quality of data is often ambiguous. In many cases, the absence of reliable and comparable data about financial services delivered via post offices implies that the actual role is not clearly visible in reports of financial regulators. Consequently, financial regulators, governments and international organizations cannot adequately assess options or prioritize strategies to improve the role of postal networks in financial inclusion. The Study provides per country relevant detailed data as currently available about the relative condition, position and potential of the postal networks. This is meant to serve as a first input to the stakeholders to further standardize and complete the data.

Access to financial services is a key priority issue in poverty reduction in nearly all African countries. The penetration of the formal banking sector is often small and the approx. 25,000 bank branches are highly concentrated in urban areas, serving about 10% of the African adult population. Banks expand their outreach with electronic channels with currently more than 40,000 ATMs and more than 1 million terminals for EFT POS at retailers for payments. New dimensions are added through agents and partnerships with Mobile Telecom Network operators for access to financial services via mobile phones. Moreover, there are about 100,000 outlets for Microfinance in Africa. In this context the existing 26,000 post offices can fill in some of the gaps, as a physical and public access infrastructure especially in peri-urban and rural areas and in-between the bank branches and the micro finance outlets. Estimates suggest that a 10 % of the African adults use the post office as channel to access one of more financial services.

In several African countries considerable progress is made in the provision of financial services through the post offices. Most frequently the key components of the strategies are:

- i. Institutional reform**, towards a corporate structure for the designated postal operator, able to grow competitive business, with improved corporate governance, management accountable for performance, with separate business units, improved financial management, risk management and Human Resource Management, and with financial services managed by entities that are licensed by the financial regulator.
- ii. Marketing**, based on a business concept to deliver demand driven services ,responding to the specific needs in the underserved and unbanked population, supported by a broader and a new mix of products, transparent pricing, financial literacy and mass communications, and using placing the post office in a multi-channel concept. Particular opportunities tend to exist in marketing migrant remittances and promoting the adoption of cashless payments for G2P;
- iii. Technology** or ICT and Business Process Reengineering, implementation of advanced 'light' technology in post offices on-line connected to adequate back office systems for processing, and management. In particular the new light solutions for broadband connectivity and for cashless payments appear as relevant.

Most (>85%) postal operators actively pursue diversification of services, mainly into financial services and ICT based consumer services and record significant progress. Reform approaches and the results achieved differ widely. The result of the on-going business driven diversification is that

most postal operators become increasingly operators of a retail network providing access to a range of consumer services, and lead by ICT-based financial services. The traditional postal services then become a non-core business line. This is already the case in 70% of the African postal operators. The legacy of the historic legal and institutional framework however presents severe barriers in facilitating business, or to operate in competition. In particular this harms the effectiveness of strategies to increase financial inclusion through the post offices, because financial services are part of the financial sector.

The separation of functions of postal sector policy, postal regulation, and ownership and management of the state-owned postal operator is often not yet effectively or fully achieved. Several postal operators have been incorporated, but the majority continues to operate under specific law or statute. This means that they cannot operate as a business within a competitive environment. In an increasing number of African states, independent postal sector regulators have been established and start to looking into ways to promote competitiveness and growth in the postal sector.

There appears broad recognition of the need to reform the postal sector and to incorporate the postal operator. This transformation process is a complex process with involvement of various stakeholders with different interests and politically sensitive. Frequently, postal transformations take more than 7 years and that is (too) long given the vibrant dynamics of competitive markets and technology. The long duration of the process implies increased risks in consistency and effectiveness of the envisaged change process.

The progress in advancing financial inclusion through postal networks can be grouped in four main models of transformation:

- i. **a Group company with a licensed bank as subsidiary**, which has increased control over operations in the postal retail network ; this is applicable in situations where the postal mail and parcel operations are of an sufficiently large scale and quality to operate in a competitive market (examples are Algeria and South Africa) ;
- ii. **a Postal financial services group** (or Bank) with the postal services as a division; this is applicable in cases where diversification into financial services has changed the nature of the operation, while conventional postal services have been marginalized (examples are Comoros and Republic of Congo);
- iii. **an ICT based consumer service network providing agency services for multiple purposes**, including public services (e.g. ID cards), financial services for many banks, microfinance institutions and money transfer operators, telecom operators and other retailers, and with postal services. This appears applicable when the postal operator does not control (historic) postal financial services or has not built a partnership on an exclusive basis (examples are Kenya and Zambia) ;
- iv. **Rental or lease of un(der)utilized space in post offices** to banks and microfinance institutions (examples are Ghana and Uganda)

Many variations and mixtures exist on the above models, with a large number of countries at an early stage of transformation. The consequences of delay in modernization and business transformation become also visible, in e.g. Nigeria, leading to closure of a large number of post offices as a way to adapt cost to the decrease in revenues.

VI. Key constraints

The most relevant obstacles and bottlenecks in the transformations include:

- **Capacity**; in most African countries, lack of capacity is the critical bottleneck to expanding access to financial services via the postal networks. This refers to a broad range of issues. Strong management and leadership is needed in the transformation of the postal network, and especially in financial management, marketing management and human resource management.
- **Access to finance to modernize**; in most cases postal operators are excluded from access to (corporate) finance to fund modernization given the absence of a clear-cut business case, and IFRS audited financial accounts.

- **Postal USO**; in most African countries, designated state-owned postal operators need to fulfill a broad universal service obligation for postal services at regulated tariffs below the cost of the service. With demand for traditional postal services in decline, postal markets increasingly liberalized and most households using mobile communications, the cost of the USO tend to absorb the net earnings from financial services.

VII. Conclusions and Recommendations

Several successful initiatives in expanding financial inclusion via the postal network exist across Africa, but ensuring that access to financial services continues to improve will require a strong commitment from all stakeholders. The AU can bring significant value added to the unleashing of the potential of postal network in financial inclusion in Africa by leveraging roles that it has effectively used in other domains. To that end the following Strategic Principles and Action Plan are recommended to be adopted.

10 Strategic Principles to increase financial inclusion via postal networks in Africa

A set of strategic principles for policymakers and international institutions is proposed as a framework helping to accelerate the process of transformation, and bundling international efforts to catalyze the process. The following principles are seen as essential for strategies to increase financial inclusion through postal networks, and highlight the factors that are considered essential for viability of the provision of financial services through the postal network to the low-income populations.

1. **Post offices need to be seen as an existing specific component of the financial access infrastructure** and as a distribution channel with substantial unutilized potential. Post offices are not bank branches and also not a group of random retail agents. Post offices carry a social and public responsibility to provide reliable, fair and transparent financial services, and where applicable a specific role in promoting financial literacy.

To function as a distribution channel of one or more financial institutions, at least three key issues require to be addressed:

- interoperable ICT supporting the operations in post offices and connected with financial institutions;
- sufficient control by the financial institutions on the operations, quality and cost of the offices, staff and systems at the post offices;
- promoting competitiveness for delivery of sustainable financial access.

Dependent on if and how these issues are resolved and on the institutional framework of the post offices, financial institutions need to be engaged in using the post offices for management of the delivery of financial services. This can vary from simple, one-product, agency agreements for a short-term, to long term ventures in which the financial institution is involved in managing and in investing in the network and its staff.

2. **Financial services via the post offices need to be managed and controlled by responsible institutions licensed by the financial regulator.** Financial services via the post offices are in principle not in the domain of a postal regulator.

The institutions can be:

- Banks, Micro Finance Institutions, Money Transfer Operators, Payment Service Processors and Insurers meeting a set of minimum requirements in responsible finance, transparency, literacy and consumer protection operating under an agreement with the postal operator to use one or more post offices as their agent, or alternatively under an agreement to rent space in one or more post offices for their representation with own staff and own ICT.
- A historic postal (savings) bank institution as a licensed deposit-taking institution and e.g. as a MFI Wholesale funder, in conjunction with a program to corporatize the entity within a reasonable term into a licensed retail bank and operating under a transparent agreement for the usage of the

post offices;The state-owned postal operator licensed as a Non-Bank Financial Institution to operate e.g. money transfer services and bank agency services;

3. **Diversity of the financial services offered via the post offices is needed** through a broad range of affordable services (e.g. payments and transfers, savings and deposits, loan installments, bonds and insurance premiums). It should not remain limited to one or two products, and also not be based on long-term exclusivity to (historic) providers who face limitations in their capacity to expand to a broader range of services on a competitive basis or to a larger number of clients.
4. **Innovation in the delivery of financial services via the post offices** is needed through building partnerships between the post offices as a delivery channel, and competent financial institutions and mobile telecom operators for the application of new technologies to expand financial system access and usage. This needs to be seen beyond the usage of modern ICT for teller operations and delivery of financial services; it could include issuing biometric ID cards with payment functionality, self-service terminals, mobile post offices and postal couriers equipped with mobile technology to deliver financial services fitting in a broader scenario of expanding e-commerce, e-government and e-learning. Standardized interconnectivity and interoperability with e.g. mobile and electronic channels for financial services is therefore a requirement.
5. **Empowerment for financial inclusion via the post offices needs to include the development of financial literacy with the un (der) banked.** In this context post offices need to be seen as a mass communication medium instrumental to enhance information and transparency about using financial services. Empowerment of the post offices as a channel for financial inclusion will frequently require transformation and change programs based on building financial management capabilities within the postal operator and post offices, and the involved financial institutions. Empowerment needs to be based on a “learning curve” for the postal organization and its environment. **This also requires proportionality in strategies** to increase financial inclusion via the postal networks, with steps that are balanced between the risks, capability and benefits, and taking into account the gaps and barriers in the existing postal sector regulation.

To unleash the potential of postal networks it is recommend following up the above principles with a minimum set of actions including:

6. **Full data reporting to the financial regulator on all financial services delivered via post offices,** and inclusion of these data in the financial sector statistics. The statistical reporting does not require an immediate change of existing legislation or regulation of the postal operator. In cases where the reporting does not exist it can be seen as one of the first steps in the preparation of new strategies to increase financial inclusion via the postal networks.
7. **Corporate transformation** of the existing postal financial services in a corporatized entity that is part of the regulated financial sector. Roadmaps for the transformation need to be based on a consensus between the financial regulator and the involved Government agencies. Roadmaps depend on specific local circumstances but can be built around a selected number of options and phases. Moreover, intensified cross-border cooperation or international alliances will need to be considered to ensure adequate economies of scale and sustainability.
As a part of the transformation, audited IFRS financial statements of the designated postal operator are needed. Theses financial statements need to include segmented accounting of the services provided within the reserved area for mail services and of the financial services entities.
8. **Transparent methodology of the financing of the net cost of the reserved area of the postal Universal Service Obligation.** It appears as essential that the financing methodology of the net cost of the postal USO is made transparent, avoiding the suggestion that internal cross subsidies exist between the postal services and the provision of financial services to the low-income groups.

9. **Revised sector policies and regulations for ‘postal services’ with an emphasis on promoting growth and competitiveness of the sector;** in recognition of the fact that the postal sector has been liberalized globally, this calls for the need to redesign of a reserved area for a specific operator or design of other measures encouraging nationwide delivery, and taking experiences from other sectors. The sector policy needs to take into account the new postal logistics business models and application of new ICT-based postal technologies, replacing large parts of the early 20th century model which was mainly based on manual labor.
10. **Human capital building is a prerequisite;** a critical success factor in implementing effective strategies to increase financial inclusion and improve competitive viability of the postal services requires to recognize that trustworthiness and competence to reach out to the un(der)banked hinges on investing in and incentivizing talented post office staff and management and ensuring an ethic and customer centric corporate culture.

Action Plan

The AU vision for postal financial services development and strategies to increase financial inclusion is in favor of repositioning post offices as an efficient, reliable, cost effective, environment friendly infrastructure with services supporting the inclusion, social integration and realization of the MDGs. Postal financial services development needs to be based on the elaboration of coordinated policies for the financial, postal and ICT sectors, and on joint strategies to address the identified needs for progress in transformation of the state-owned postal operators into networks that deliver affordable access to basic services especially in peri-urban and rural areas. These needs require strong political commitment, strong human and institutional capacity of countries and regional economic communities (RECs) to support the planning and implementation of regional integrating projects, and effective resource mobilization. To build the needed cross-sectoral stakeholders’ consensus and subsequent commitment to support and progress in transformation the following actions are proposed as part of a short-term action plan. The action plan for 2013 and 2014 is expected to have medium-term and long-term impact

The proposed **objectives of the Action Plan** are related to:

1. Improve data on market and financial performance of postal networks and measure their role in financial inclusion; set standard definitions, and improve data collection and reporting;
2. Dissemination of data, findings, lessons learned and visions on development and transformation of postal networks to increase financial inclusion
3. Build cross-sectoral knowledge and consensus between stakeholders;
4. Define programs and pilots supporting large-scale implementation with allocated and coordinated financing and funding .

The Actions proposed are:

Improve Postal Financial Performance & Inclusion Data

- To develop a common framework among postal operators for objective measuring of financial performance, market performance, financial inclusion, including the components and indicators;
- To share lessons learned including but not limited to target setting, survey methodology, analysis and usage of data to inform policymaking;
- To promote the adoption of the common framework in a broader international context, including the utilization of the common framework.
- Field research to set up and execute surveys amongst representative samples of population to measure the post office’s position within the level of actual awareness, information and perception of financial access avenues, and to obtain an objectivized and systemized picture of how the un(der)banked demand side views and uses the post offices. .

- Financial analysis of the real cost of postal Universal Service Obligations and the method of financing leading to a standard methodology to measure the cost of the postal USO, and to enhance the transparency to Governments, and especially the Ministers of Finance and Economy, as ultimate owner of the assets, and to improve insight in the actual usage of and return on the assets and resources.

Dissemination and Knowledge Management

An active dialogue between financial sector stakeholders (regulators, banks, MFIs, MTOs) and postal sector stakeholders (owners, regulator and operators) is a prerequisite to advance with strategies increasing the financial inclusion through the post offices. To that end

Regional and national workshops and seminars with key stakeholders need to take place to further exchange knowledge, views and experiences in integrating post offices in the financial inclusion agenda. The agenda of the workshops could include :

- Recommended strategic principles for postal financial inclusion , and the adoption of those principles in the national financial inclusion agenda and postal sector policy documents;
- Review of case studies and lessons learned so far; exchange of international practices and planning next steps;
- Discussion of roadmaps, strategic options for business models and development scenarios to increase the usage of the existing postal networks for financial inclusion;
- Planning and scheduling of short-term pilots and actions.

Set up of a Knowledge management system

Stakeholders in the AU member states who are in the course of preparing or updating their postal financial policies or financial inclusion strategies could benefit from systemic knowledge management of experiences elsewhere in postal financial services development get an idea where they stand, what their comparables or benchmarks are and therefore an idea what reform model or plan might fit and what fails or failed. The system would need to include inputs, data and lessons learned from the many and extensive efforts undertaken till date in reform of postal operators and their financial services.

Dissemination and knowledge management includes:

Design of information toolkits, and ‘sound practices’ and case studies, for the design of policy frameworks, and legal and regulatory reforms, and corporate (business) models for the postal financial services, partnership models, contract forms, applied financial models and ICT solutions. This is expected to add value to dissemination and accelerated replication of proven success formulas.

Think tank to spur innovation

From the ‘lessons learned’ the conclusion can be drawn that the challenges faced by African governments in transforming the postal network are relative unique and require (more) innovative approaches. With a view to accelerating the process and leap-frogging forward , a ‘ think tank’ needs to be set up for business concept development, working across borders, also to consider regional ventures between postal operators or postal banks, in specific applications of new technologies for payments, financial services, parcel/mail delivery terminals and VSAT connectivity in rural areas, and towards bridging gaps between first mile and last mile money remitters.

Road maps; To assist Governments in accelerated transformation of their postal network to unleash the potential of financial inclusion, with a liberalized postal sector and to explore potential sources of finance and funding to missions are needed to :

- integrate, include or prioritize the post offices in the national strategy and agenda for financial inclusion;

- prepare the design and implementation of sector policy and legal and regulatory reforms to further integrate the postal financial services in the formal financial sector and enhance good and transparent corporate governance;
- enhance and improve the usage of post offices as financial infrastructure, through networked ICT solutions, institutional capacity building and corporate development within the evolving ecosystem for financial inclusion;
- strengthen the role of the post office in the (last-mile) delivery of migrant remittances;
- promote consumer protection, price transparency and financial literacy through innovative competitiveness for the un(der) served via the post offices;
- strengthen the consumer research about financial literacy, agendas, and consumer protection and other demand side analysis with components including the awareness, information, attitude and usage of financial services at post offices.

These missions should be relatively short, up to 3 weeks, but adequate to design on the spot action based and result-driven roadmaps to accelerate the process of transformation.

Investment Fund or Finance Facility

From experiences till date, one can observe that many Governments face hurdles in mobilizing funding and finance for the modernization and transformation of the postal networks. Development finance sources are often limited, with several of the international financial institutions having limited or no previous involvement in financing the transformation of postal operators. The alternative or complement of seeking finance through public-private partnerships faces limitations. Till date the track record of PPPs in the postal sector is limited and capable and qualified private sector partners are relatively rare. The conditions for building an effective and long-term partnership with the private sector are often not met in the short-term, at both sides, public and private. It is proposed to consider the establishment of an African Postal Financial Inclusion Fund (or: Finance Facility) that can undertake investments in partnership with postal operators and, where applicable, investments in the ownership of postal operators, jointly with private and financial sector partner institutions. The Fund or Facility could be seen as a special finance vehicle to catalyze and accelerate the transformation of postal networks in the next 4-7 years.

DECISION

The Honorable Ministers of Finance, Economic Development and Planning are requested to decide the following:

TAKE NOTE of the Commission's Expert Report on Postal Financial Services in Africa; Strategies to increase the inclusion of Low-income populations, and the current role of the 26,000 post offices in Africa providing access to an estimated 10% of the adult population for usage of financial services;

REITERATE that increasing financial inclusion is a top priority in poverty reduction as expressed in the AU Vision and the Millennium Development Goals as well as in the decisions made by the Heads of State, the Ministers and the Executive Council;

OBSERVE:

- the global changes in the postal industry driven by new technologies, substitution and competition;
- the impact of these changes on most of the African state-owned postal operators resulting in decline of revenues from conventional postal services; the consequent trend of increased underutilization of the state assets and resources allocated to postal services and the challenges faced in economic viability of the traditional business model;
- the increasing costs of the postal Universal Service Obligation when allotted to one public operator and the practice of implicit financing losses at the detriment of development of other non-postal services needed by the un(der)served poor and rural communities

NOTICE the relevant role of the post offices as an existing component of the infrastructure to provide access to basic services especially to the un(der)served poor, rural communities and children and the potential of postal networks to increase financial inclusion;

UNDERScore the need of postal networks to be broadband connected with deployment of advanced ICTs to adequately provide access to basic financial and other services;

CONFIRM to prioritize the transformation of the existing postal assets and resources as part of the infrastructure to effectively increase access to basic services promoting financial inclusion;

COMMEND Member-States for advancing the transformation of the designated postal operator into a corporate entity enabling the buildup of effective partnerships with the financial and private sector and operating in a competitive postal sector facilitating growth in e-commerce, small trade and paper-based communications, with oversight of an independent regulator;

ACKNOWLEDGE that the transformation process and institutional framework for the post offices needs to be designed and implemented within the specific conditions of the social, market, legal, institutional, regulatory, technological and infrastructural environment of each Member-State and that therefore differences in business models and change processes exist ;

URGE Member-States who have not done so yet, to accelerate the transformation of their state-owned postal operations with the aim to increase financial inclusion through partnerships with the private sector while promoting growth in a competitive postal sector, and to take benefit of the experiences and lessons learned by other Member-States;

CALL ON Member-States and their financial regulators to include the postal financial services in the financial ecosystem irrespective of their structure, scope, type or volume and to apply and enforce regulatory compliance;

ENCOURAGE Member States and their financial regulators to **ENDORSE** the ten (10) strategic principles to increase financial inclusion via postal networks in Africa as part of the National Agenda for Financial Inclusion;

MANDATE the African Union Commission in close consultation with Member States and Regional Economic Communities to implement a two (2) year Action Plan (2013-2015) to:

- improve postal financial performance and inclusion data;
- support dissemination and arrange knowledge management of sound practices;
- spur innovation for Africa's specific challenges, and;
- explore and assess the feasibility and subsequently arrange the set-up of a dedicated investment fund or finance facility supporting the transformation of postal networks;

EXPRESS GRATITUDE to the development partners, and in particular the European Union, the International Fund for Agricultural Development, the World Bank Group, the Universal Postal Union, the Pan- African Postal Union, the Bill & Melinda Gates Foundation, CGAP and the World Savings Bank Institute for their continued support in promoting financial inclusion through the postal networks;

REQUEST the African Union Commission to promote and encourage the support of the development partners mentioned above as well as the African Development Bank, the European Investment Bank, the institutions involved in the African Diaspora Program, the African Institute for Remittances, Making Finance Work 4 Africa,

- in implementation of the two (2) year Action Plan;
 - in catalyzing the postal transformation programs in the individual Member States, and;
- report before the Conference in 2014 about the progress achieved.