

REPORT OF THE POST FINANCIAL SERVICES WORKING GROUP

Report by the Chair (Bangladesh)

1. Subject	References/Paragraphs
Report of the meeting of the Postal Financial Services Working Group held on 31 August, 2022	§§ 1-2
2. Decision expected	
The APPU-Congress plenary is invited to take note of this report and approve the actions contained in it.	§§ 3

1. Meeting Opening and Adoption of the agenda

1.1 The meeting of the Postal Financial Services Working Group held on 31 August, 2022.

1.2 This meeting was presided by the Chair (Bangladesh) with the agreed agenda as follows.

- Prospect of postal financial services.
- Postal financial Product and services.
- Payment Readiness for Ecommerce (PRE).
- Best Practices.
- Nagad: Most Growing Mobile Financial Service of Bangladesh.
- Current financial service scenario of Bangladesh Post.
- Next steps.
- Any other business.

1.3 The meeting was attended by APPU member countries, UPU officials and observers.

1.4 The meeting was started following by an opening remark by Mr Md. Faizul Azim, Director General of Bangladesh Post also the Chairman of Postal Financial Services Working Group. In his speech he cordially thanks APPU Bureau to arrange the APPU Congress so successfully during the COVID-19 Pandemic. He then briefly introduced the Bangladesh Post's effort on financial inclusion and future plan of Postal Financial Services. He also expressed his gratitude to the international organizations and member countries for their support. After his welcome speech the presentation on Postal Financial Working Group was presented.

2. Presentation

2.1 The provision of basic postal financial services contributes significantly to global economic and social development and plays an important role in improving living standards.

The postal sector is able to play a key role in-

- Payments market.
- Financial inclusion.
- Diminishing consumer risk related to using informal networks and money laundering.

According to a UPU study, postal operators provide some 1.5 billion people worldwide with access to basic financial services (payments, money transfers, savings etc). Post offices can play an important role in advancing financial inclusion. Leveraging their existing postal network infrastructure may be one of the ways that developing countries can use to address the financial inclusion challenges they face. The postal network comprises more than 663,000 physical contact points offering remittances, the postal payments services (PPS) a traditionally more affordable formal financial services channel compared to banks, money transfer operators and others. 91% of designated postal operators in UPU member countries and territories provide financial services.

2.2 The APPU was instructed by UPU Istanbul Congress to follow the resolution C23/2016 to integrate the relevant elements of the Istanbul World Postal Strategy (IWPS) into their respective priorities and action programs.

2.2 Again UPU Congress resolution C6/2016 stated E-commerce services as a key to a vibrant and effective postal service. Besides invited member countries to contribute their activities aimed at introducing new and innovative e-services based on customer expectation and fostering a culture of making use of e commerce solution in all aspects of their postal operation.

2.3 Next keeping pace with UPU congress, 2016 directives through resolution C8/2016 APPU had taken decision regarding development of postal payment services and financial inclusion to encourage member countries and designated operators to develop effective, reliable, secure and affordable electronic postal payment services to continue developing the multilateral framework for postal payment.

2.4 The Congress had also put forward the responsibility to promote the provision of financial services directly by designated operators or in partnership with banks, micro finance institutions or mobile operators with a view to promoting the financial inclusion for mass population. The financial inclusion is the outcome of Sustainable Development Goals (SDG) goals 1 and 8. It is also the result of Big data Big impact. Big data analysis is crucial for monitoring the indicators associated with the postal product quality assurance.

2.5 After the ORE (Operational Readiness for e-commerce) UPU focused on DRE (Digital Readiness for e-commerce). Now Payment Readiness for e-commerce (PRE), in progress, through a partnership with Mastercard. It's a developing tool for payments of e-commerce for both consumers and SMEs. The ultimate goal is to ensure that online shoppers have suitable e-commerce payment infrastructure to develop their business through Posts. It would be the common payment gateway for ecommerce.

2.6 In the perspective of best practices, among member countries, Payment service, Savings, Insurance, Credit, Money transfer service are found as basic financial service. In case the mode of Operation of the basic financial services, completely automation are found in few member countries followed by partially automation and manual operation, respectively.

2.7 In addition, less use of mobile apps in rendering financial services is well noted while the essentiality of mobile apps is well recognized. The demand for mobile apps development is very high. APPU member countries should have a common payment gateway for cross border ecommerce, financial inclusion along with to boost up of new and innovative financial services.

2.8 Bangladesh Post introduced that the postal channel was carrying out a multitude of duties, including transporting farmer's perishable, delivering medicine and relief to remote areas, as well as performing financial transactions through NAGAD, the mobile banking application. However, the big challenge was to keep safe and work together.

3. Next Step

Establishment of paperless and cashless financial services.

- Identifying smart technology for financial inclusion in APPU member countries.
- Establishment of UPU oriented Payment Readiness for Ecommerce (PRE) as a common payment gateway for flourishing of e-commerce.
- Expansion of Postal savings bank for financial inclusion and mobilizing resource.
- Stepping up the digital financial services.
- Bangladesh Post has made various developments in the field of creative financial inclusion, thus if any member country wishes to exchange thoughts with Bangladesh, Bangladesh is willing to do so.

4. Closing Remarks

4.1 India thanked for the comprehensive presentation by Bangladesh and said it was a great success story of the financial inclusion of Bangladesh as well as the Asia Pacific region.

The Chair closed the meeting with thanks to the delegates who were attending the Congress and the support of the APPU Bureau. The meeting closed at 17:00 PM Bangkok time.

01 September, 2022

Mr. Md. Faizul Azim
Chair
Postal Financial Services Working Group