

Rethinking the Postal Bank: Tailored Strategies for Financial Inclusion and Digital Transformation in Emerging Markets

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Preface

"The Post is a developmental institution that African Governments must leverage on to facilitate nation-wide financial inclusion especially to the remote and marginalized communities domiciled in mining, peri-urban and rural areas.

The trusted and expansive physical postal network, when combined with agile digital solutions obtained from partnerships with fintech and other solution providers, can buttress the pivotal role of the African Posts in advancing national and regional inclusive socio-economic development agendas across the continent.

Through digital transformation and innovation around its core mandate, especially focusing on the financial services area, the Posts in Africa have the unique opportunity to deepen and accelerate financial inclusion in their respective markets.

The Pan African Postal Union (PAPU), advocates for the rethinking of the Post Bank model from being merely striving to replicate or be a prototype commercial bank, to creatively develop hybrid banking solutions that fulfil financial intermediation, bridge financial gaps, empower marginalized communities and sustainably expand access to essential, quality, reliable and secure digital financial services.

This success of re-orienting the Post Bank ultimately lies in strategic clarity and dexterity of the postal leadership; regulatory flexibility and accommodation; and an unwavering commitment by Governments to quality public service delivery through creating an enabling policy and legal environment. These are the principles necessary for inclusion in the success toolkit for Africa's post bank evolution and postal transformation journey."

Dr. Sifundo Chief Moyo
SECRETARY GENERAL
Pan African Postal Union (PAPU)

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Abstract

This research investigates the transformation of postal services into key enablers of financial inclusion by examining strategic shifts implemented by postal organizations in Côte d'Ivoire, Botswana, Ethiopia, and Kenya. Utilizing a mixed-methods approach involving case study analysis and comparative evaluation, this paper addresses critical questions about the redefinition of postal roles, stakeholder collaboration, and capacity building and leadership development in financial inclusion initiatives. The analysis identifies unique approaches adopted by each country, highlighting successful practices and critical factors for sustainability and scalability. Key insights underscore the necessity of tailored strategies leveraging existing infrastructure, fostering robust partnerships, and investing in capacity building as essential components for transforming postal networks into inclusive, digitally enabled financial ecosystems.

Keywords: Postal Financial Inclusion, Digital Financial Services, Stakeholder Collaboration, Capacity Building, Biometric Identification, Mobile Money, Financial Inclusion Strategy, Africa, Postal Networks, Innovation.

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Introduction

Postal networks have long been embedded in the socioeconomic fabric of developing economies as trusted conduits for service delivery. With expansive rural coverage and longstanding public credibility, these networks are now being reimagined as viable channels for advancing financial inclusion and digital service delivery. Yet, while their physical infrastructure has been widely documented, less attention has been given to how posts are redefining their roles, innovating through public-private collaboration, and integrating digital capabilities to support inclusive finance.

This paper examines how postal institutions in four Sub Saharan African countries—Côte d’Ivoire, Botswana, Ethiopia, and Kenya—are undergoing transformation. Each case explores how these networks, operating within diverse market conditions and regulatory landscapes, are leveraging their core infrastructure to expand digital financial services (DFS), government-to-person (G2P) payments, identity systems, and e-commerce.

In Côte d’Ivoire, La Poste's Dôni-Dôni initiative demonstrates how biometric authentication, rural agent models, and partnerships with United Bank of Africa (UBA) and fintech firms like Movidone are enabling inclusive micro-savings and credit solutions¹. BotswanaPost’s integration with the national payment switch and the launch of DigiPost and PosoMoney platforms show how agency banking and interoperability can extend rural access and system-wide efficiency².

Ethiopost, in collaboration with the national ID program and donor-funded technical assistance, has launched a rural agent model supporting G2P payments and Fayda digital ID enrolment, offering a scalable public-private model for digital access ([Tech Review Africa, 2025](#)).

Kenya Post’s PostaPay platform exemplifies the relevance of the post even in mature DFS markets. Despite the dominance of M-Pesa, PostaPay has found its niche by offering lower-cost wallet services, emphasizing interoperability and a strong public mandate to serve underserved citizens³ ([Postal Corporation of Kenya, 2025](#)).

Together, these case studies point to the strategic elements enabling success: redefining roles through hybrid services, leveraging infrastructure for last-mile connectivity, investing in staff capacity and digital literacy, and fostering regulatory and technical partnerships. Posts are increasingly acting not just as agents of inclusion, but as platforms for national strategies that blend public reach with digital innovation. As noted by Arun Kumar ([2025](#)), posts are national assets undergoing a pivotal transition—a move that requires shifting from legacy models to mission-driven digital institutions that anchor state-citizen financial and service engagement.

“The Post is more than just letters. It’s an amazing network that builds communities and businesses; It’s a trusted institution that empowers societies through financial inclusion and socio-economic development. With its massive and unparalleled network of Post offices, the

¹ La Poste de Côte d’Ivoire, Dôni-Dôni initiative presentation, 2025

² BotswanaPost Presentation, Enabling Microfinancing Solutions Through Partnerships in Africa, 2024

³ Interview with Kenya Post on April 2, 2025

Post has been in the forefront to achieve the goal of financial inclusion and societal development.” - John Samuel, Thought Leader and Senior Consultant, Amarante Consulting; former Postmaster General (PMG) of India Post

The Landscape of Postal Financial Services

Globally, postal financial services operate in more than 84% of countries, often functioning as the most accessible point of formal financial contact for rural and low-income populations ([UPU, 2023a](#)). While financial inclusion was once associated predominantly with banks, the role of postal services in enabling savings, payments, remittances, and government transfers has gained renewed relevance. In Africa, where banking penetration remains low, most national posts provide some form of financial service ([UPU, 2023a](#)).

Beyond reach, what distinguishes the postal channel is its ability to serve as both physical and digital infrastructure. More than 91% of post offices globally are internet-connected, and most postal staff are trained in compliance and customer service ([UPU, 2023a](#)). Posts also provide services such as biometric onboarding for digital IDs and access to e-commerce platforms, increasingly integrating financial and non-financial services under unified interfaces.

The agency model has proven particularly effective in sub-Saharan Africa and other emerging markets. Posts often act as distribution partners for licensed banks, microfinance institutions, or payment service providers—extending last-mile delivery without holding banking licenses. In Côte d’Ivoire and Ethiopia, for example, postal networks have been used to distribute credit and humanitarian cash transfers through partnerships while operating outside of full banking systems. BotswanaPost’s collaborations with retailers and banks have similarly helped address rural agent liquidity and ensure network sustainability⁴.

Academic literature and institutional reviews confirm that posts need not be banks to support national financial inclusion agendas. In fact, there is debate on whether full banking licenses may pose mission drift, diverting posts toward wealthier clientele ([UN Women & UPU, 2015](#)). Partnership models—especially with fintechs—allow posts to deliver advanced financial services while mitigating operational risk ([UPU & Amarante Consulting, 2024](#)).

The growing role of digital identity integration is another transformational opportunity. Ethiopia’s Fayda ID onboarding in collaboration with EthioPost and other fintechs highlights how postal channels can support national digital ID strategies, which are critical for account opening, government to person/person to government payments, and Know Your Customer (KYC) compliance ([Macdonald, 2025](#); [World Bank, 2025](#)).

In short, postal financial inclusion is not about replicating banks. It is about leveraging trust, infrastructure, and adaptive partnerships to bring formal finance closer to the unbanked. As the following case studies show, when empowered with appropriate strategies, postal networks can anchor inclusive innovation and bridge systemic gaps in national financial ecosystems.

⁴ BotswanaPost Presentation, Enabling Microfinancing Solutions Through Partnerships in Africa, 2024

Case Study 1: Côte d'Ivoire – The Dôni-Dôni Initiative by La Poste de Côte d'Ivoire

Country Overview

Côte d'Ivoire, a West African nation with a population of approximately 31.2 million, is classified as a lower-middle-income economy with a GDP per capita around \$2,530 ([World Bank, 2024](#)). Despite robust economic recovery post-pandemic, characterized by a 6.5% GDP growth rate from 2021 to 2023, financial inclusion remains limited, especially in rural areas. The government's National Financial Inclusion Strategy (2019–2024) aims to elevate financial inclusion figures significantly by targeting underserved populations through innovative digital financial services.

Post Overview

La Poste de Côte d'Ivoire operates 197 postal offices nationwide, strategically positioned to serve urban and rural communities. Governed by the Ministry of Digital Economy, La Poste de Côte d'Ivoire has historically provided basic financial services such as remittances and money orders. More recently, it has transitioned towards digital financial services, positioning itself strategically to bridge gaps in financial inclusion ([UPU, 2021](#)). The 2IPD⁵ score of La Poste de Côte d'Ivoire is 30.4 with a Postal Development Level⁶ (PDL) of 4 ([Universal Postal Union, 2024](#)).

Innovation Example: "Dôni-Dôni": An Initiative for Gradual and Adapted Financial Inclusion

Launched in 2017, Dôni-Dôni is a micro-savings and micro-credit platform developed by La Poste de Côte d'Ivoire, designed to address barriers faced by rural, low-income, and financially underserved populations. The platform utilizes mobile technology provided by the fintech company Supernet, featuring voice authentication in local languages, biometric fingerprint recognition, and mobile money integration via the PaSS, an e-money platform, in partnership with UBA^{7,8}.

Dôni-Dôni enables users to deposit small, variable amounts through daily visits by postal agents directly at their workplaces or market stalls. Deposits are digitally recorded via mobile devices, with SMS receipts provided instantly. Users become eligible for micro-loans after consistently saving for several months, thereby encouraging financial discipline and inclusivity⁹.

In the words of Isaac Gnamba-Yao, CEO of La Poste de Côte d'Ivoire, *"Dôni-Dôni" (little by little) is an initiative inspired by traditional financial solidarity practices, particularly the tontines practiced by our mothers and communities. It aims to modernize these informal*

⁵ The UPU's Integrated Index for Postal Development (2IPD) is a composite index providing an overview of postal development around the world. It offers a benchmark performance score (from 0 to 100) along four dimensions of postal development: reliability, reach, relevance and resilience.

⁶ The country's postal development level (PDL) based on the 2IPD score. Countries are classified into 10 levels. The highest score is 10. The lowest score is 1.

⁷ La Poste de Côte d'Ivoire, Dôni-Dôni initiative presentation, 2025

⁸ Interview with La Poste de Côte d'Ivoire on April 1, 2025

⁹ La Poste de Côte d'Ivoire, Dôni-Dôni initiative presentation, 2025

systems by integrating more secure, accessible, and adapted tools, without making them complex or inaccessible. With their extensive territorial coverage, postal operators are ideally positioned to drive this modernization. They can offer simple, inclusive financial solutions that are close to local realities. This offers a concrete way to promote financial education, reduce poverty, and provide banking services to populations far removed from traditional channels.”

Key Partnerships and Stakeholder Collaborations

The Dôni-Dôni initiative heavily relies on a multi-stakeholder model involving public entities, private banks, and technology providers. A critical partnership with UBA ensures compliance with regional banking regulations by handling the micro-credit portfolio and allows for meeting BCEAO regulatory requirements¹⁰. Technical implementation leverages solutions from Movidone, enabling channel access to rural populations and USSD integration for feature phones, thereby extending service accessibility irrespective of internet availability¹¹.

Impact and Challenges

Dôni-Dôni effectively addresses key financial inclusion barriers including accessibility, affordability, trust, and usability. Since inception, over 700 merchants have been registered, underscoring the initiative's early success and community acceptance¹². Despite positive impacts, regulatory challenges from BCEAO have required temporary suspension of certain services to ensure further compliance, highlighting the critical role of regulatory environments and enabling policies for sustainability and scalability. Agency models—established through partnerships with licensed financial institutions—offer a robust framework for ensuring regulatory compliance.

Key Takeaways and Messages

The Dôni-Dôni model demonstrates that postal networks, through strategic role redefinition and robust stakeholder collaboration, has the potential to significantly enhance financial inclusion. The experience of La Poste de Côte d’Ivoire with this initiative also emphasizes the importance of navigating regulatory contexts along with partner stakeholders and shows that an enabling regulatory environment, agile partnerships with financial institutions, and continuous investment in digital infrastructure and agent capacity are cornerstones to successfully scale DFS offerings. These elements are essential for achieving sustainable financial inclusion through postal service innovations in similar regional contexts.

¹⁰ Interview with La Poste de Côte d’Ivoire on April 1, 2025

¹¹ La Poste de Côte d’Ivoire, Dôni-Dôni initiative presentation, 2025

¹² Interview with La Poste de Côte d’Ivoire on April 1, 2025

Case Study 2: Ethiopia – EthioPost's Inclusive Agent Network and Digital Transformation

Country Overview

Ethiopia, with a population estimated at approximately 126 million in 2023, is the second most populous country in Africa. Despite rapid economic growth over the past decade, Ethiopia remains a low-income country, with a GDP per capita of around USD 1,027 ([World Bank, 2024a](#)). The economy is predominantly agrarian, with over 80% of the population living in rural areas and relying heavily on agriculture. Poverty remains a challenge, especially in rural regions, compounded by infrastructure deficits and frequent droughts. Although poverty rates decreased from 39% in 2005 to about 27% in 2021—reflecting progress in development efforts, significant rural-urban disparities persist, influencing financial inclusion outcomes ([World Bank, 2024b](#)).

Financial inclusion in Ethiopia has experienced significant growth in recent years. According to the National Bank of Ethiopia (NBE), the proportion of adults accessing formal financial services increased from 35% in 2017 to over 46% by the end of 2023 ([National Bank of Ethiopia, 2024](#)).

Mobile money usage has also expanded rapidly. The number of mobile money accounts grew from under 1 million in 2020 to more than 128.5 million by December 31, 2024, largely driven by the entry of non-bank mobile money service providers ([National Bank of Ethiopia, 2024](#)).

These developments underscore the rapid expansion of digital financial services in Ethiopia, as reported by the National Bank of Ethiopia.

Post Overview

EthioPost operates an extensive network in Ethiopia serving even the most remote rural areas via a network of over 700 branches and with an ambition to boost that number by an additional over 3000 in the coming years. Traditionally limited to postal logistics, the EthioPost has strategically repositioned itself to become a key player in financial inclusion and digital service delivery.

This transformation is reflected in Ethiopia's performance on the 2IPD score which has increased to 46.9 in 2023, from 37.81 in 2018, with a PDL of 6 ([Universal Postal Union, 2024](#)). This sharp progress can be attributed to the government's concerted efforts to modernize the postal sector, including substantial investments in infrastructure and digital services.

Innovation Example: Inclusive Agent Network and Digital Financial Services

EthioPost, supported by Amarante Consulting and external funding, piloted an innovative agency banking model. This strategy, was carefully crafted after a thorough analysis of both external market context (including DFS competitive landscape, market-fit and potential positioning of the post to solve for the financial inclusion mandate and end customer needs) and internal context (including a detailed SWOT and organizational capacity) and keeping in

mind scale, sustainability and profitability for the post. Detailed work sessions and co-creation exercises were undertaken to ensure that the Post's appetite for becoming a bank - taking center stage in a competitive financial and DFS sector market - and being profitable, could also be achieved via a non-bank approach underpinned by strategic and operational partnerships. The inclusive agent network offering both financial and non-financial services is part of Ethiopost's broader digital transformation initiative and leverages the postal network to deliver financial, government, and humanitarian services digitally. Ethiopost's agent network offers account opening, cash-in/cash-out transactions, bill payments, humanitarian cash transfers, airtime top-up, and digital ID processing, significantly enhancing accessibility and financial inclusion especially in rural areas ([Amarante Consulting & Ethiopost, 2024](#)).

Key Partnerships and Stakeholder Collaborations

Critical to Ethiopost's transformation is its robust partnership ecosystem involving government entities, financial service providers (FSPs), technical assistance implementation partners and technology providers. Key collaborations include agreements with major Ethiopian banks (Awash Bank, Coop (Cooperative Bank of Oromia), CBE (Commercial Bank of Ethiopia), Dashen Bank, Oromia Bank) and the telecom operator, Ethio telecom, Telebirr, providing an interoperable platform for DFS transactions. Additionally, Ethiopost collaborates with EthSwitch, the national payment switch, with the intent to further facilitate interoperability and seamless financial integration across multiple service providers. ([Amarante Consulting & Ethiopost, 2024](#)).

Impact and Challenges

Ethiopost's DFS rollout has delivered significant scale and usage growth. Transaction volumes increased by ~196%, from 57,324 during the pilot phase (March 2023 - October 2024) to 170,000 as of March 2025. Financial throughput more than doubled— ETB 47 million (~USD 371,600) to ETB 115 million (~USD 909,235). DFS-enabled branches expanded from 11 to 130+, a ~1,080% increase, and agent registrations rose by 80% during this period¹³. A key enabler was the internal institutional shift: Ethiopost established a dedicated DFS unit, recruited new personnel, and conducted multi-level capacity-building efforts across pilot sites such as Awassa, Dire Dawa, Mekele, Arbaminch, Addis Ababa, Dessie and Jimma. This organizational change was essential to scaling service delivery while maintaining operational consistency.

However, persistent challenges include infrastructure limitations, rural connectivity issues, and the need for more robust backend systems. Ethiopost continues to refine its technology stack—including the Agent Network Management Platform—to improve interoperability, compliance, and agent oversight. Digital and financial literacy, particularly among women, remains a barrier to inclusive adoption. Addressing these gaps through continued investment and targeted outreach will be crucial for long-term sustainability.

¹³ Interview with Ethiopost on April 29, 2025

Key Takeaways and Messages

Ethiopost exemplifies a strategic transition from a traditional postal operator to a critical enabler of financial and digital inclusion. This transformation highlights the importance of inclusive agent networks, robust stakeholder partnerships, and effective integration with national digital infrastructure initiatives and how a Post can aim to level the playing field by being a neutral partner for all Financial and non-financial service providers – both in public and private sectors – and unlocking access to critical products and services for the masses across a nation as a “one stop shop for all” and being a strategic conduit for government mandates programs and services, bridging government to its people and vice versa. The Ethiopost experience underscores the pivotal role that postal services can play as platforms for comprehensive financial inclusion, provided they receive continued regulatory support, targeted capacity-building investments, and strategic technology integration.

In the words of Tigist Bekele, Chief Commercial Officer, Ethiopost, *“By leveraging its trusted and extensive branch network nationwide, Ethiopost strives to provide digital financial services to underserved and unbanked communities, with a primary focus on rural areas. This approach supports Ethiopia’s broader financial inclusion efforts and aligns with the national financial inclusion strategy.”*

Case Study 3: Kenya – Kenya Post’s Strategic Financial Inclusion Initiative, PostaPay

Country Overview

Kenya, an East African nation with an estimated population of 56.4 million in 2024, is classified as a lower-middle-income economy with a GDP per capita around USD 2,290. Known as the "Silicon Savannah," Kenya's economy is notably diverse, encompassing agriculture, services, and an expanding technology sector. Although the poverty rate decreased from 36.5% in 2006 to approximately 32% by 2020, recent economic challenges linked to COVID-19 and droughts have strained this progress. Financial inclusion rates are high, with 83% of Kenyan adults having formal financial access, primarily driven by widespread mobile money use ([World Bank, 2024a](#); [World Bank, 2024b](#)).

Post Overview

Postal Corporation of Kenya (PCK), governed under the Ministry of Information, Communication, and the Digital Economy, operates a network of over 600 postal outlets across Kenya. Historically involved with traditional postal services, Kenya Post strategically diversified into financial services many years ago. One of their early ventures into digital financial services began in 2006 with the introduction of the EFT PostaPay system, a semi-automated electronic funds transfer service. Initially, customers had to physically visit post

offices to send and receive cash, limiting convenience compared to emerging mobile money platforms¹⁴.

Recognizing the competitive disadvantage due to manual processes, Kenya Post expanded their financial offerings over the years, introducing diverse payment services such as digital Money Orders, Posta Pesa (agency banking), and PostaPay, an advanced digital payment solution developed in collaboration with licensed fintech partners. PostaPay evolved into a unified mobile payment solution aimed at providing comprehensive financial services, including bill payments, loan disbursements, escrow services, and cross-border transactions. Its key feature of interoperability allows seamless transactions between major mobile wallets, banks, and government platforms like eCitizen, enhancing user convenience and accessibility nationwide¹⁵.

The 2IPD score of Kenya Post stands at 40.5 and a PDL of 5, reflecting a robust yet evolving postal financial service model. The strategic intent underpinning these developments has consistently been to position Kenya Post as the government's preferred payment partner, fulfilling its mandate effectively through automation, interoperability, and broad network reach¹⁶ ([Universal Postal Union, 2024](#)).

Innovation Example: PostaPay

PostaPay, introduced by Kenya Post, is an innovative mobile payment solution designed to provide Kenya citizens a complementary and alternative offering to existing mobile financial services such as M-Pesa. Licensed by the Central Bank of Kenya (CBK) and powered by Viewtech Limited, a licensed Payment Service Provider, PostaPay offers interoperability with all major mobile wallets and banks, facilitating seamless and cost-effective transactions. The service is accessible via USSD, mobile applications, and Kenya Posts's nationwide agency network¹⁷.

The three key components of PostaPay platform are as follows:

1. The mobile wallet, providing services such as P2P transfers, payment withdrawal, request, buying airtime, paying for utilities/P2G payments, sub-wallets, standing order, and escrow services.
2. The merchant solution, providing collections and disbursement services.
3. Agency services

PostaPay uniquely addresses financial inclusion barriers through affordable transaction fees, which are lower than other market rates, escrow services, and versatile functionality including loan disbursement and multi-sub-wallet management, appealing specifically to rural, low-income, and digitally underserved populations¹⁸.

¹⁴ Interview with Kenya Post on April 2, 2025

¹⁵ Ibid.

¹⁶ Ibid.

¹⁷ Ibid.

¹⁸ Kenya Post Presentation at the PAPU DFS Workshop, Arusha, Tanzania, December 2024

Key Partnerships and Stakeholder Collaborations

Kenya Post's approach to financial inclusion is in line with its legal mandate and heavily relies on strategic partnerships. Postal Corporation is a Public Commercial Enterprise operating under the PCK Act of Parliament 1998 to provide and operate Postal and financial Services. According to Postal Corporation Act No. 3 of 1998, Clause 5 a. parts ii & iii; the Corporation is mandated to Provide and Operate: “Postal financial services, and incidental services relating to issuing, receiving, and paying of mobile e-money, mobile payments, money remittances business, money and postal orders, postal drafts, postal cheques, giro services, cash on delivery, collection of bills, virtual savings services, general electronic online agency services...”, “electronic retail transfers and the National Payments Systems” in accordance with the provisions of section 50 of the Kenya Communications Act, 1998.

Collaboration with Viewtech Limited has provided the technological backbone for PostaPay’s operations and also fulfills essential regulatory requirements thanks to its license. Additionally, Kenya Post works closely with commercial banks like Cooperative Bank and Kenya Commercial Bank, mobile network operators, and fintech firms for comprehensive interoperability and extensive market reach. Finally, Kenya Post’s partnership with Pesalink integrates PostaPay into Kenya’s national e-citizen platform, facilitating efficient digital payments for government services¹⁹.

Impact and Challenges

Despite intense market competition dominated by M-Pesa, PostaPay has the potential to provide a competitive and lower-cost alternative, significantly benefiting rural and marginalized communities once launched. The pricing, approved by the regulator, is between 30-60% lower compared to others. Since July 2024, when the onboarding started, PostaPay has attracted more than 5 000 users. The top three use-cases of PostaPay are person-to-person (P2P), business-to-customer (B2C), and customer-to-business (C2B). Its extensive agent network across postal outlets enhances accessibility and usability, particularly where mobile and banking infrastructures are limited. PostaPay’s innovative features, such as sub-wallet functionality for business transactions, farming, and group savings, could address specific rural financial needs effectively²⁰.

Challenges persist, notably funds limitation which delayed the formal launch. Infrastructure deficits and digital literacy gaps are limiting full-scale implementation and outreach. To address infrastructure deficits, Kenya Post is training and sensitizing its staff and plans to activate Post Offices for client onboarding. Kenya Post also intends to launch a marketing and awareness campaign to generate customer interest in this product. Furthermore, regulatory compliance, technical integrations, and ensuring robust cybersecurity measures require

¹⁹ Ibid.

²⁰ Interview with Kenya Post on April 2, 2025

ongoing attention and resources given that these are fast evolving areas where regulations as well as technology often change to meet the constant developments in the sector²¹.

PostaPay's first-year ambition of reaching one million users remains unmet. Throughout 2024, resources were absorbed by back-end integration, regulatory clearances, system upgrades, and compliance alignment—foundational tasks that delayed external outreach. Budget constraints then forced the postponement of large-scale marketing and an official public launch. Securing additional financing is therefore critical to fund an awareness campaign and propel the platform into its next growth phase²².

Key Takeaways and Messages

Kenya Post's PostaPay initiative exemplifies a strategic and adaptive model for financial inclusion within a highly competitive digital financial services market. Leveraging its vast network and government endorsement, Kenya Post effectively positions itself as a reliable, affordable financial service provider, complementing dominant market players especially or the lower income groups. Continued investment in digital infrastructure, regulatory harmonization, and comprehensive capacity building will be critical to sustain and expand the impact of this innovative postal financial service model.

Quoting from Joan Jepchirchir Toroitich, General Manager (Financial Services), Postal Corporation of Kenya, *"PostaPay! An interoperable platform, driving digital & financial inclusion reaching the un-banked and under-banked population in every corner of the country through its vast presence at competitive rates!"*

Case Study 4: Botswana – BotswanaPost Financial Inclusion Initiatives

Country Overview

Botswana, an upper-middle-income nation with an estimated population of 2.6 million as of 2023, has traditionally relied heavily on diamond mining, accounting for nearly 90% of its exports. The nation's GDP per capita stood at approximately USD 7,700 in 2022. Although significant progress has been made in poverty reduction, decreasing the national poverty rate from 47% in 1993 to 16.3% in 2015/16, rural poverty (24%) remains notably higher than urban poverty (9%), with persistent inequality highlighted by a high Gini index of around 52 ([World Bank, 2024a](#)). Unemployment also remains a critical challenge, standing at approximately 24% as of 2023 ([World Bank, 2024a](#)). Despite economic resilience, these structural vulnerabilities necessitate inclusive financial strategies, especially targeting rural and low-income groups.

Post Overview

BotswanaPost operates over 140 postal offices and kiosks nationwide, providing essential last-mile financial service access, especially in underserved rural communities ([BotswanaPost, 2024](#)). Governed under Botswana's Ministry of Communications and Innovation and regulated

²¹ Ibid.

²² Ibid.

by the Bank of Botswana and Botswana Communications Regulatory Authority (BOCRA), BotswanaPost facilitates critical government-to-person (G2P) payments such as pensions and social welfare grants²³. The 2IPD score of BotswanaPost is 24.5 and PDL of 3 ([Universal Postal Union, 2024](#)).

Innovation Example: PosoMoney and DigiPost

In response to declining traditional mail volumes, BotswanaPost has strategically shifted towards digital and financial services. Central to this transformation are two key initiatives: PosoMoney, a licensed e-money issuer, and DigiPost, a digital agency network platform. PosoMoney provides mobile wallet services facilitating seamless transactions across different financial networks and platforms, enabling person-to-person transfers, bulk payments, and bill payments²⁴. DigiPost allows small businesses and individuals to provide postal and financial services, utilizing biometric point-of-sale (PoS) terminals to secure transactions, to earn modest incomes. This digitized agency network, consisting of 1600+ agents, allows BotswanaPost to expand its coverage, particularly beneficial for low-literacy and elderly populations²⁵ ([Software Group, 2024](#)).

Key Partnerships and Stakeholder Collaborations

BotswanaPost's financial inclusion strategy significantly leverages partnerships with government entities, private financial institutions, and technology providers. A pivotal collaboration involves participation in Botswana's National Retail Payment Switch (NRPS) initiative which strives to enable interoperability across banks, mobile money providers, and other financial networks. This integration has the potential to significantly reduce transaction costs and enhance financial service accessibility and convenience, promoting an inclusive digital payments ecosystem²⁶.

Impact and Challenges

BotswanaPost's initiatives are contributing to increasing the country's financial inclusion. Despite successes, BotswanaPost continues to face challenges including geographic isolation, limited digital infrastructure, liquidity management, and low digital literacy. BotswanaPost are planning to address these through USSD-based services in partnership with mobile network operators for low internet connectivity regions, biometric authentication solutions, and liquidity management via agent networks ([Software Group, 2024](#)).

Key Takeaways and Messages

BotswanaPost exemplifies how postal networks can position themselves to significantly enhance financial inclusion through strategic participation in national payment ecosystems and interoperability frameworks. Currently in the process of integrating with the national payment switch, BotswanaPost underscores the critical importance of interoperability as a foundational

²³ BotswanaPost Presentation, Enabling Microfinancing Solutions Through Partnerships in Africa, 2024

²⁴ Ibid.

²⁵ Ibid.

²⁶ Ibid.

strategy for enhancing financial service efficiency, reducing transaction costs, and extending inclusive finance²⁷. Once completed, this integration is anticipated to enable a broader payments ecosystem, facilitating microfinance, mobile money transfers, and digital banking through strategic collaborations with private-sector financial institutions and fintech providers.

The BotswanaPost model emphasizes several essential elements necessary for the sustainability and scalability of postal financial services: clear regulatory support, robust infrastructure development, targeted strategic partnerships, and focused capacity-building initiatives. Regulatory alignment—supported by a conducive policy environment from the Bank of Botswana, BOCRA and the Ministry of Communications and Innovation—is enabling BotswanaPost to progressively integrate digital financial services into its extensive postal network. Government support, evidenced by investments in virtual teller machines (VTMs) and strategic collaborations, further strengthens this infrastructure, creating the foundation required for the upcoming integration into the national payment switch²⁸.

Moreover, BotswanaPost demonstrates how postal operators can leverage extensive branch networks and established public trust to become integral components of the Digital Public Infrastructure (DPI). DPI comprises three core pillars: digital identity and onboarding, payments interoperability, and data exchange. BotswanaPost actively supports these pillars through its DigiPost and PosoMoney initiatives, facilitating secure customer onboarding and the creation of valuable demographic and financial datasets. These datasets, once fully digitized and integrated, can inform governmental and private-sector decision-making on authentication, creditworthiness, and targeted financial services, further strengthening Botswana's inclusive economic growth²⁹ ([Arun Kumar, 2025](#)).

"Embracing technology transformed us from a traditionalist postal operator into a universal service provider, enabling BotswanaPost to offer innovative solutions across channels and payment systems while honoring our universal service mandate.

Our dual licensing model—public-postal operator and commercial postal operator—lets us subsidize affordable letter mail with profitable digital and financial offerings, proving that a state-owned enterprise can be both inclusive and financially sustainable.

By participating in the national payments switch we aim to lower transaction costs across every network, giving citizens from Gaborone to Ghanzi friction-less, real-time access to the formal economy." - Walter Mosweu, Chief Commercial Officer, Botswana Post.

²⁷ Ibid.

²⁸ Ibid.

²⁹ Ibid.

Conclusion

This paper has explored the evolving role of postal institutions in advancing financial inclusion across four Sub Saharan African countries: Côte d'Ivoire, Ethiopia, Kenya, and Botswana. While each postal system operates in a unique socioeconomic and regulatory context, several common strategic levers emerge that underscore their ongoing transformation: (1) robust partnerships and stakeholder collaboration, (2) redefinition of roles to support digital public infrastructure (DPI), (3) investment in institutional capacity, and (4) leadership, advocacy and reforms committed to long-term change.

Posts are no longer confined to mail and logistics. They are repositioning themselves as platforms for inclusive finance, digital identity, G2P disbursements, and e-commerce. Côte d'Ivoire's Dôni-Dôni initiative showed the potential for posts to co-create inclusive DFS products with fintechs and banks. However, it also illustrated the critical importance of regulatory alignment—an issue now being addressed through reenforced partnerships and engagement with regulators. Ethiopia presents a model of a neutral national agent network, offering a level playing field for existing actors in the financial sector and allowing for equal access to financial and non-financial service providers to reach the masses. Ethiopost's integration with digital ID services and expansion into rural agency banking demonstrates how a traditional postal service can pivot to become a national access point for digital public services. BotswanaPost's journey reflects a forward-looking vision: while already offering agency banking and PosoMoney services, its aspiration to join the national payment switch points to a model where interoperability and national integration can redefine a post's impact. Kenya Post, operating in a mobile money-saturated market, underscores how a public mandate—combined with innovation—can carve out a cost-effective alternative through PostaPay ([Postal Corporation of Kenya, 2025](#)).

Public-private partnerships are central to postal transformation. Across all four countries, collaboration with fintechs, commercial banks, technology vendors, ministries, and regulators has enabled postal institutions to address structural gaps and innovate for more access to the masses. Côte d'Ivoire's renewed engagement with UBA and Movidone, Ethiopia's work with EthSwitch, financial institutions and Telebirr, Botswana's participation in the country's national switch and Kenya posts partnership with Viewtech exemplify how multi-actor ecosystems can unlock digitally inclusive infrastructure. These partnerships are not just technical, they are strategic, positioning postal operators as trusted and enabling actors at the intersection of public service delivery and financial inclusion.

Transformation requires more than digital infrastructure; it demands investment in people. Ethiopost's pilot program was accompanied by organizational restructuring, creation of a DFS unit, and recruitment of new personnel alongside training for multiple staff cohorts to manage new digital and financial products. Côte d'Ivoire and Botswana also invested in rural agent onboarding and training in biometric verification and user interface technologies to ensure usability for low-literacy populations.

A unifying feature of successful transformation is leadership that combines strategic foresight with institutional stewardship. Ethiopost's leadership oversaw the pivot from

logistics to inclusive finance, aligning digital strategy with national development priorities. In Côte d'Ivoire, leadership facilitated innovation and strategic partnerships within the financial sector. These examples demonstrate that transformation is as much about reforming ownership and vision-setting as it is about advocacy with government and technology or capital.

The following table summarizes the four case studies.

Country	Innovation Focus	Key Insight	Challenge or Learning
Côte d'Ivoire	Dôni-Dôni savings and micro-credit via agent networks	Power of partnerships between commercial banks and the Post - for underserved rural segments	Regulatory aspects paused rollout; now rebuilding with further compliance
Ethiopia	Inclusive agent network and digital ID onboarding	Equal access - EthioPost's network for Financial Institutions and DFS providers; state-partner for G2P and ID	Talent gaps and low technology infrastructure were barriers; now being addressed
Botswana	PosoMoney & DigiPost platforms; National switch integration aspiration	Value of interoperability; potential that can be unlocked via national payment switch	Integration is still in progress; regulatory support key for next steps
Kenya	PostaPay DFS wallet in a mobile money-dominant market	Innovation despite market monopoly; cost-effective DFS for public service	Must continue innovating for relevance in a saturated market

These case studies collectively affirm that postal operators are uniquely positioned to serve as digital and physical infrastructure for inclusive innovation. Their reach, trust, and logistical capabilities allow them to be “phygital,” bridging public service mandates with digital financial and non-financial transformation. By leveraging partnerships, advocating, and enabling policy frameworks, and investing in people and leadership, governments and their posts can offer interoperable, citizen-centric platforms for widespread service delivery. This transformation also allows governments to better reach and understand citizens through postal-led data systems which can be powerful tools for inclusion and local economy resilience when integrated with DPI components such as digital ID, digitized data sets and interoperable payment systems.

“In my opinion, it is not always necessary to create postal banks. Giving postal services a clear mandate to play this community intermediation role is already a powerful lever. My ambition is to promote this model, through the UPU, so that it can be replicated by all postal operators,

taking into account the specificities of each country.” - Isaac Gnamba-Yao, Candidate for Universal Postal Union Deputy Director General 2025, and CEO of La Poste de Côte d'Ivoire.

To build on this momentum, postal institutions must be supported by a mix of leadership, reform, strategic vision, regulatory flexibility, and performance-linked capacity investments.

Transformation is a journey, not a destination—and posts, if led and guided well, will remain vital to their nations and play a key role in shaping inclusive digital futures regionally and globally.

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