Project Management Manual

(Approved by the 2015 POC)
QSF – Quality of Service Fund

New edition

Berne 2015
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Preamble

The Beijing Congress approved the terminal dues system comprising the Quality of Service Fund (QSF). The continuation of this mechanism has been confirmed in subsequent Congress resolutions, with certain adjustments.

Projects\(^1\) to be financed by the QSF shall be carried out in countries and territories benefiting from QSF funds, under the responsibility of the national Creditors (hereinafter collectively and individually referred to as “Creditors”).

The Board of Trustees\(^2\) shall be responsible for the management of the QSF. The rules, terms and conditions for the management of the QSF are laid down in the following documents:

– the Deed of Trust and its supplemental agreements (Statutes of the QSF);
– the Project Management Manual (PMM);

The Deed of Trust (DoT) sets out the legal framework of the QSF, stipulating the rights and obligations of all parties involved. The Financial Management Manual describes the billing and payment procedures, fund management and accounting procedures, as well as general financial matters.

Chapter I – General overview

Article 1
Role of the Board of Trustees of the Quality of Service Fund (QSF) in project management matters

1 Management of the QSF is entrusted to the Board. In accordance with the terms of article 1 of the Deed of Trust, the responsibilities of the Trustees shall include approval of the projects submitted by Creditors, evaluation and monitoring of projects, and monitoring of the management and administration of the Secretariat.

Article 2
Applicability of the Manual

1 This Manual sets out the terms and conditions for the development and submission of project proposals, the project approval procedure, the implementation of projects and the process and procedures for monitoring and evaluating project results. Further, this Manual provides the templates to be used for all project management matters. The provisions of this Manual comply with the principles laid down in the Deed of Trust. The Deed of Trust shall take precedence over this manual.

2 The Board may modify, amend or depart from any provisions other than those concerning:

– Article 1 – Role of the Board of Trustees of the Quality of Service Fund (QSF) in project management matters
– Article 2 – Applicability of the Manual
– Article 3 – Guiding principles
– Article 5 – Procurement of material and services
– Article 6 – Proposals of designated operators with insufficient QSF funds
– Article 9 – Preliminary verification by the QSF Secretariat
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\(^1\) Projects in the context of this Manual are to achieve a specific set of measurable objectives that are evaluated within a specific timeframe.

\(^2\) Hereinafter referred to as “the Board”.

3 Notwithstanding point 2, concerning the powers of the Board to effect immediate modifications or amendments to or depart from the provisions of the Deed of Trust, the Board has the right to recommend to the POC any change to the provisions it considers appropriate.

Article 3
Guiding principles

1 The exclusive aim of the QSF is the improvement in the quality of service of beneficiary designated operators, particularly the quality of inbound letter-mail flows subject to terminal dues. Projects involving services not connected to terminal dues, such as hybrid mail services, parcels, EMS and financial services are not eligible for QSF funding.

1.1 Projects may be designed to improve the quality of service in terms of speed, reliability and security, including quality development plans, systems for measuring quality of service, and costing and pricing systems.

2 The project proposals of the designated operator(s) should not include recurring or follow-up costs (operations, etc.), other than costs relating to systems (such as tracking systems) for measuring the quality of services.

2.1 Operational costs of systems for measuring quality of service (licence fees, software, communications) may be included within the framework of a QSF project, in principle, for the first year only. However, the Board of Trustees may decide, on a case-by-case basis, the number of years for which such operational costs should be financed, in particular on the basis of the funds available for each Creditor.

3 All projects and activities should include the active involvement (in cash and/or kind) of the designated operator(s) submitting the application. The same rules apply to global, regional and joint projects.

4 Designated operators should ensure that the QSF budget requested for their project does not exceed 96% of the QSF assets available. This reserve will allow provision for any withdrawals of QSF assets relating, for example, to the Trust's project evaluation costs or administrative costs. This percentage may be revised each year by the Board of Trustees.

5 Designated operators of countries and territories benefiting from the QSF, and to which funds are available, are entitled to submit applications. By agreement with the designated operators concerned, applications for global, regional and joint projects may also be submitted by groups of designated operators or on their behalf by the International Bureau or a restricted union.

6 It is recommended that each designated operator should have a Quality Development Plan (QDP) and submit it to the Board along with the project proposal. The purpose of this recommendation is to ensure that each individual project is an integral element of an overall improvement in quality of service, and that subsequent and preceding projects progress logically. The QDP will also integrate projects financed by other sources, including the UPU multi-year integrated projects (MIPs). Where a QDP does not exist in a creditor designated operator, it is recommended that one be prepared as an initial QSF project. It should be understood that QDPs are strategic documents which should remain valid for several years and that the QSF cannot fund the updating of an ongoing quality development plan. The final objective of the QDP should be to
integrate all projects that are necessary to achieve the goals established in the Global Monitoring System (GMS) or, if the GMS is not available, the standards and objectives in terms of quality (end-to-end) in the domestic service.

6.1 Designated operators whose projects involve the preparation of a QDP must ensure that any future QSF proposals they submit fit within the parameters of that plan. A postal development plan or a strategic plan is to be considered the equivalent of a QDP.

6.2 Project proposals that do not fit within the parameters established by the QDP should be properly justified.

7 Projects must follow a logical development concept. A sustainable improvement in the quality standard may be achieved only if the individual projects are based on the quality status achieved to date (in operational, technological and organizational terms).

8 All project objectives and results must be realistic, achievable, quantifiable and sustainable. Monitoring and evaluation must be performed during and after project implementation in line with project plans and when recommended by the Board. Only recognized and appropriate evaluation and measuring procedures shall be applied. Designated operators are asked to define specific and quantified quality indicators directly relating to the project's objective, with which to monitor progress made on implementation of the project.

8.1 Results must be evaluated by comparison with the previous situation, in particular with the assistance of end-to-end quality of service measurement. For this reason, Creditors will be obliged to participate in UPU quality of service measurements, particularly in the GMS. Relevant results should be submitted to the Board together with the final report, once the QSF project has been completed.

9 As a general rule, the information required, the approval process and the project monitoring and evaluation shall be in proportion to the size of the project.

10 Creditors wishing to benefit from QSF funds may submit applications for individual, global, regional or joint projects.

10.1 Individual projects: a single Creditor prepares and submits the project.

10.2 Global projects: Creditors may mandate the International Bureau to submit, on their behalf, project proposals aimed at improving quality of service worldwide. Global projects may involve Creditors from various regions. It is up to the Board to decide whether a project falls within this category.

10.3 Regional projects: Creditors belonging to the same region may mandate a restricted union to submit, on their behalf, project proposals aimed at improving quality of service in their region. Regional projects may involve two or more Creditors.

10.4 Joint projects: two Creditors may decide to submit a joint project to improve the quality of service of both project participants.

11 In accordance with article 7.1.9 of the Deed of Trust, a Creditor may assign the benefit of its entitlements, in whole or in part, to fund joint projects, provided that the projects involve all parties concerned.

Chapter II – Development and submission of project proposals

Article 4
Responsibilities of Creditors, the International Bureau and restricted unions

1 The responsibility for the development of project proposals rests with the Creditor applying for funding. However, Creditors are at liberty to utilize the expertise of their respective UPU Regional Project Coordinators, restricted unions or consultancy firms to assist them in their project design and proposal.
In case of global, regional or joint projects, the participating Creditors shall take on the responsibilities involved and determine the entity or Creditor that will act as the project leader (the International Bureau, the restricted union or Creditor). The following requirements shall be met:

2.1 Creditors must agree in writing that the International Bureau (global projects) or the restricted union (regional projects) shall act as the project leader responsible for implementing the project.

2.2 In case of joint projects, Creditors shall agree in writing that one Creditor is selected as the project leader and has the responsibility for implementing it.

2.3 The International Bureau, the restricted union or the Creditor selected as the project leader shall appoint a QSF Coordinator authorized to negotiate with the QSF Secretariat and the Board.

2.4 The QSF funding of all the Creditors taking part in a global, regional or joint project will be treated as a single lump sum for the purposes of budgeting and project planning. All Creditors taking part in the project must agree in writing to relinquish their contribution to the project budget to the International Bureau, the restricted union or the lead country, respectively, regardless of the differing levels of contribution which are likely to be made. Participating Creditors must therefore formally agree to the inclusion of the other Creditors and approve the level of their contribution to the project budget.

2.5 All participating Creditors must indicate, in writing, their commitment to support the project financially and specify the amount of funds to be used for this purpose by completing the form reproduced in Annex 2. They shall also indicate their commitment to achieving the objectives and desired results of the project.

2.6 If a Creditor requests the support of the International Bureau staff, UPU Regional Project Coordinator or restricted union in drafting a project proposal, the travel costs related to the mission may be included in the QSF project budget. The same rule applies if a Creditor requests the support of another designated operator or third party to draft a project proposal.

3 Creditors must ensure that project proposals, reports and other documents are submitted in English or French only and that all QSF rules are observed.

4 Creditors shall nominate a QSF Coordinator authorized to negotiate with the QSF Secretariat and the Board on all matters relating to the Fund. The QSF Coordinator shall be responsible for all QSF matters, such as implementing projects, providing reports, requesting payments in the scope of approved projects, including, as appropriate, global, regional or joint projects, providing any information requested by the Board or the QSF Secretariat, and assigning funds in line with article 7.1.9 of the Deed of Trust.

Article 5
Procurement of material and services

1 Every procurement of material and services shall support the aim and objectives of an individual project.

2 Procurement of material and services by the UPU International Bureau: Any procurement to be undertaken by the UPU International Bureau within the framework of projects shall be in strict conformity with the UPU Financial Regulations and the UPU Rules on Financial Administration.

3 Procurement of material and services by Creditors and restricted unions:

3.1 Purchases of material equal to or lower than 50,000 USD shall be made by obtaining pro forma invoices from three suppliers. Purchases above 50,000 USD shall be made by open national/international tender.

3.1.1 When a proposal provides for the procurement of different types of equipment (e.g. vehicles, computer equipment, letter boxes) for a total amount, all types of equipment combined, exceeding 50,000 USD, it shall be necessary:

– to launch an open national/international tender for each category of equipment whose budget exceeds 50,000 USD, for example when the "vehicles" budget on its own exceeds 50,000 USD;

– to obtain pro forma invoices from three potential suppliers for each category of equipment whose budget taken in isolation is below 50,000 USD.
3.1.2 The equipment components for which a procurement application is submitted must be specific in terms of their intended use, their technical quality, and cost. All details regarding the number of items/components required, prices, delivery terms and possible transport costs, together with an estimate of any follow-up costs, such as operating costs, repair costs, maintenance costs, and availability of spare parts, shall be supplied to the Board prior to the final Board approval concerning the procurement.

3.2 In case of procurement of services, a statement of the objective(s) pursued is necessary. The reasons for appointing a consultant must be detailed in the proposal.

3.2.1 Consultancy services may be purchased under the following conditions:
  - up to a limit of 10,000 USD providing at least one bid;
  - for amounts higher than 10,000 USD, by open national/international tender, with no fewer than three bids. In this instance, the Board shall include in its project notification an authorization to publish terms of reference and may set a limit on the contract value.

3.2.2 The conditions, estimated contract amount, and outline terms of reference must be included in the project proposal, as well as the cost and duration of the assignment.

3.2.3 Procedures relating to the granting of service contracts also apply, under the same conditions, to procurement of training services from external service providers.

3.3 As regards the procurement of equipment or services, the designated operator may make use of UPU/UNDP or UNOPS procurement services, if available and applicable, according to their specific rules, subject to approval by the Board; in such cases, the management costs incurred by the implementing agency shall be specified in the proposal and charged to the project budget.

3.3.1 When a designated operator wishes to use the consultancy services of the International Bureau or of a restricted union, or to recruit a consultant seconded by another designated operator through the International Bureau or a restricted union, the Board may, at the request of that designated operator, authorize the awarding of the services contract with only one bid. However, the hiring of such consultants must follow the procedures set by the International Bureau or the restricted union, including those concerning the awarding and signing of contracts.

3.4 The thresholds above which procurement of equipment and services should be put out to competitive tender must be respected by all QSF beneficiaries, including those whose national rules do not require such tendering.

3.5 In certain cases, QSF funds may be used to finance not only purchases of equipment and consultancy services, but also infrastructure work. This shall be possible only if the work is deemed fully justified within the framework of a project which also meets the QSF objectives. The Board shall decide on a case-by-case basis as to the eligibility of such "work" expenses for QSF funding.

3.6 In cases where tendering proves genuinely impossible or where the adjudication or tendering procedure has not produced the results hoped for, the designated operator is asked to supply the Board of Trustees with all necessary explanations and justifications.

3.7 In cases of projects linked to previous ones, where the same provider is likely to be used, the designated operator is asked to include such information in the project proposal, for the consideration of the Board of Trustees.

3.8 When the components of a QSF project are the same as those acquired through another national procurement process, it is not necessary to prepare a special call for tenders for the QSF project; however, the national laws and regulations regarding such procurement must be observed.

3.9 In cases where the Board of Trustees places special conditions on purchasing procedures, for example, the procurement of consultancy services, these conditions must be set out in the project approval notification.

3.10 All the conditions for the procurement of equipment and services, including all the obligations and responsibilities of the provider(s), must be specified in the procurement documents and in the contract.
3.11 Each Creditor participating in a global, regional or joint project may, with the Board’s approval, independently and directly purchase the materials or services it needs within the framework of the project. In this case, the thresholds included in article 5, § 3 above may apply not only to the total global, regional or joint project procurement, but also to each Creditor’s individual procurement. The reason(s) for independent and direct procurement shall be set out in the project application form (Annex 1).

Article 6
Proposals of Creditors with insufficient QSF funds

1 If a Creditor has insufficient QSF funds available to complete a project, it may submit a proposal to the QSF Secretariat provided that, by means of a written statement, one or more Creditors (in the region) assign contributions from their QSF funds to the Creditor submitting the application in accordance with paragraph 7.1.9 of the Deed of Trust. Creditors may also fund part of a QSF project from other sources such as their own resources, government contributions and other funding agencies.

Article 7
Design of project proposals – Project Application Form

1 All project proposals shall be submitted in writing (using the official form – Annex 1) and in English or French. However, the costs of translation for project proposals and any other reports requested by the Board may be included in the QSF budget up to a ceiling of 1,500 USD. All proposals shall be sent to the QSF Secretariat by mail, preferably by EMS or equivalent means of transmission, with a copy by e-mail.

2 Only original project proposals dated, stamped by the Creditor and signed by the QSF Coordinator and the Postmaster General/Director General can be registered by the QSF Secretariat.

3 The proposal shall be drafted following the headings and contents detailed below using the templates provided in Annex 1.

3.1 The front page will state:
– the title of the project;
– the full name of the Creditor sending the proposal;
– the name of the QSF Coordinator (including contact details).

3.2 The section "Current situation" shall detail the background with regard to quality of service, in the Creditor seeking funds, and factors influencing this quality, such as measures taken locally to improve quality of service, including assistance provided by the International Bureau or other bodies, and systems in place for measuring quality of service.

3.3 The section "Aim, objectives and expected results" shall consist of:
– a description of the aims, objectives and expected results: short description of the project being applied for and what it is designed to achieve;
– a detailed description of the quality of service situation expected following project implementation, and of the other economic benefits that it is hoped the project will bring;
– if other projects are under way, it is also recommended to detail how the project objectives relate to a quality of development plan and other related projects;
– quality indicators: quantified information about the current level of performance for each indicator, level of performance on completion of the project, date for achieving this objective, and monitoring method.
3.4 The section "Methodology" represents the central part of the proposal and details the "how?" "when?" "where?" and "who?" of the project. This section will be broken down into the following sub-sections:

- **Approach** – A description of the general method being used and why.
- **Tasks/work plan** – A description of the major tasks to be carried out, presented in the sequence in which they will occur, details of who will be carrying out the tasks and when. If appropriate, the project schedule should be attached to the project proposal.
- **Project control** – A description of the project stages/phases, the project reports which will be produced and when, and any project control mechanism intended to be implemented.
- **Project organization** – Shows the structure of the project team and details responsibilities of each team member.
- **CVs** shall be submitted for team members to be recruited from other Creditors and/or designated operators or consulting companies.

3.5 The section "Financial proposal" details – in US dollars – how much the project will cost and how the money will be spent. It shall be broken down into the following sub-sections:

3.5.1 Overall project funding: fill out the information, observing the following:

3.5.1.1 Cost summary:

- **Labour** includes the actual salary costs of staff members from the Creditors or external experts recruited specifically for the project; the costs of consultants involved in contracts signed with service companies are excluded. The salary costs of staff members from the Creditor, including the QSF Project Manager, must be borne by the Creditor under its own contribution to the project budget.

- **Allowances and travel costs**: covers any allowances and travel expenses incurred by members of the Creditor recruited specifically for the project or external experts, including UPU consultants; excludes allowances and travel expenses provided for in the budget of contracts signed with service companies. Allowances and travel costs for staff members of the Creditor, including the Project Manager, must be borne by the Creditor under its own contribution to the project budget.

- **Services**: comprises the total cost of the contract(s) signed with consulting firms, in particular: services, travel, residential expenses, and other expenses, as appropriate.

- **Equipment and vehicles**: includes a breakdown (including costs) of all equipment and/or vehicles to be purchased within the framework of the project.

- **Training**: covers training expenses related to project implementation; expenses such as the cost of coffee breaks, meals, payments and allowances to postal operator employees in charge of training, and any other expenditure not having a direct impact on training are excluded. The QSF does not fund projects that involve only training.

- **Others**: includes any other possible expense related to the project which does not appear in the previous summary charts.

3.5.1.2 Cost breakdown: for each table (labour, allowances, travel costs, services, equipment and vehicles, training and others), please mark if this amount is to be financed by the QSF, by the Creditor’s own resources or by other resources (in the latter case, please include a brief explanation).

3.5.2 Follow-up costs

Creditors need to provide an estimate of follow-up costs arising from proposed project activities (include only costs that will be incurred once the project is completed and which do not feature in the project budget). Unless otherwise approved by the Board in accordance with article 3, if the project budget includes the costs of maintaining and servicing equipment procured within the framework of the project, or software licence costs, the Creditor shall undertake to bear these costs for the duration of its use in order to guarantee the continuity of the project.
Proposals for global, regional and joint projects shall be submitted according to the following conditions:

4.1 The project application form shall be dated and stamped by the International Bureau, the restricted union or the lead Creditor, as appropriate, and signed by the QSF Project Coordinator.

4.2 The project leader shall calculate the follow-up costs concerning each participating Creditor.

4.3 The salary costs in respect of staff members from the International Bureau and the restricted unions, and of the QSF Project Manager, must be borne by the aforementioned under their contribution to the project.

4.4 Creditors wishing to participate in a global, regional or joint project shall complete and sign the statement of commitment (Annex 2). The allocation of QSF funding must be indicated in the form.

4.5 The duly signed statement of commitment also binds Creditors to the fulfilment of the project's objectives and/or achievement of the targeted levels of performance.

Chapter III – Verification and approval of project proposals

Article 8
General provisions

1 Project proposals, together with the documentation required, will be submitted to the QSF Secretariat for preliminary verification and to the Board for final verification and approval.

2 In accordance with paragraph 5.1 of the DoT, there will be meetings of the Board up to four times per year in Berne (Switzerland) or such other location as the Trustees may agree on. At least two of these meetings shall be held during the annual meetings of the Council of Administration and Postal Operations Council, and as conditions allow during a Congress year. The other two meetings shall take place, in principle, in mid-January and in early July.

3 Project proposals shall be sent by physical mail to the QSF Secretariat no later than 60 days prior to the next meeting of the Board.

4 The Chairman may instruct the Secretariat to forward a project or project amendment to the Trustees for approval by written resolution where the Chairman is of the view that the project or project amendment does not require deliberation. Any Trustee may object, in which case the project will be placed on the agenda of the next Board meeting.

Article 9
Preliminary verification by the QSF Secretariat

1 The QSF Secretariat checks the project proposals for completeness and compliance with the applicable rules. Although applicant Creditors will be asked to provide information where it is missing, inaccurate or incomplete, the QSF Secretariat will ensure that answers to the following questions are provided:

- Does the project proposal comply with the aim and purpose of the QSF and will it make a contribution to achieving the QSF objectives?
- Does the project proposal refer to the principles of the national quality development plan as far as its design and objectives are concerned?
- Has any experience been gained regarding the objectives pursued by the project, based on previous projects financed by the QSF, and does it appear to be helpful in making a sustainable contribution to quality improvement with regard to the planned effort?

3 Consultations of Board members between sessions may be organized under the following circumstances: fast-track decision-making for projects which do not, a priori, appear to present any major problems; acceptance by two thirds of the Board members (that is to say six answers without objections or request for further examination at a meeting) is required for approval of projects to which this method is applied. If this cannot be obtained, the project shall be examined during the following Board meeting.
– Did the International Bureau carry out or fund projects with similar objectives in the country submitting the application (in the corresponding region in the case of regional projects) in the three years prior to submission of the present proposal? How are the results of these projects to be evaluated? Was any funding used for these projects (from the Universal Postal Union, the World Bank or any other financial institution)?
– Has the Creditor enough QSF funds available?
– Does the project proposal define quantified performance indicators relating to the project objectives?
– Any further information relevant to the verification of the proposed project.

2 If deemed necessary by the QSF Secretariat or the Board, the QSF Secretariat may request supplementary or more detailed information from the respective Creditor, restricted union or the International Bureau. If the information requested by the QSF Secretariat is not received within four weeks, consideration of the proposal will be deferred to the following Board meeting.

Article 10
Role of the International Bureau and the restricted unions

1 In addition to their role of project leader in the case of global and regional projects, the International Bureau and the restricted unions may also assist Creditors in developing and drafting quality development plans (QDPs) and individual project proposals and in monitoring their implementation, if requested.

Article 11
Verification by the Board

1 The Board shall consider the project proposal (including the QDP as necessary), and shall provide answers to the QSF Secretariat's questions as well as any other comments related to the project submitted by the QSF Secretariat.

2 The Board shall verify whether the project description is clear and the project objectives unambiguous according to the type of project.

3 The Board shall verify whether the objective complies with the fundamental objectives of the QSF and whether it makes a sustainable contribution to quality improvement. The Board shall also verify that the quality of service criteria which have been included in the project proposal can be measured throughout the life of the project against stated quality improvement goals. All questions concerning a project proposal must be clarified between the parties (Creditor(s), restricted union(s) or the International Bureau) submitting the proposal and the Board prior to approval of the project.

4 The Board shall verify whether the project proposal is based on an assessment of the current situation by the Creditor concerned and whether there is a logical development of the projects according to the QDP or the description relating to the complementary project necessary for achieving the final objective of improving quality.

5 On the basis of the detailed description of the tasks and structure of the project (milestones), the Board shall verify the feasibility of the project for which an application for funding has been made.

6 The Board shall verify whether the QSF funding requirement applied for (and any third party funds which may have been planned for) has been clearly explained and justified. The Board shall also verify whether sufficient funds are available and whether this sum is sufficient to fulfil the project objectives. If third party funds are included in the plan, the utilization of QSF funds must be described in clear terms. In the case of mixed funding, the availability of third party funds must be confirmed by the Creditor prior to unconditional approval of the project proposal.

7 The Board shall consider the expected follow-up costs relating to the project, which have to be borne by the Creditor.

8 The Board shall also consider the involvement of the Creditor in the project in accordance with article 7.1.4 of the Deed of Trust.
Article 12
Approval and project clearance

1 Once a project proposal has been approved by the Board, the QSF Coordinator is informed accordingly by the Chairman, within 30 days of the meeting, by means of a project notification, which may be unconditional, permitting the immediate start of the project, or conditional, requiring clarifications as noted prior to the beginning of the project or specifying a number of conditions which need to be fulfilled before the project may be launched. It may also detail any special conditions for project implementation, such as monitoring and reporting processes.

1.1 In cases of global, regional or joint projects, the QSF Coordinator or project leader shall notify the result of the Board’s decision to participating Creditors in an appropriate manner.

2 This notification will confirm the approval of the project execution, and clear the release of the funding. The Board has sole and absolute discretion to decide whether funds of the approved volume may be provided in a single sum or in instalments upon approval of project reports.

2.1 In general, the sums allocated by the Board under the QSF should be paid in instalments.
   – In the case of small projects (up to 180,000 USD), an instalment of 80% of the budget should be paid at the start of the project, once the inception report has been submitted and approved. The balance shall be paid, in the light of all the supporting documents, after approval by the Board of the final report, or according to a determination by the Board. However, the payment plan may also be decided by the Board on a case-by-case basis.
   – In the case of large projects (more than 180,000 USD), the payment plan shall be decided by the Board on a case-by-case basis. Unless otherwise decided by the Board, an instalment shall be paid for each project phase or batch, with a final payment due upon approval of the final report by the Board.

3 If the Board finds itself unable to approve a project proposal, it shall postpone its decision and return the proposal to the Creditor, stating the reasons and giving recommendations regarding reformulation and resubmission of the application.

4 If a project proposal is rejected, the reasons for such a decision must be transparent and comprehensible to the Creditor. The reasons for rejecting a project must be treated confidentially by the Board, the QSF Secretariat and the Creditor.

5 A project may only be commenced upon receipt of the notification of unconditional approval. Projects shall commence within four to eight weeks of receipt of the project notification. Any deviation from this guideline must be explained by the Creditor within four weeks.

Article 13
Appeals against Board decisions

1 In the event that a Creditor which has submitted a project proposal disagrees with a decision by the Board, it may lodge an appeal with the Postal Operations Council in accordance with the provisions of article 7.2.2.3 of the Deed of Trust.

Chapter IV – Implementation of projects

Article 14
Principles

1 Projects shall be carried out in compliance with the project plans and objectives as described in the approved project proposal. Deviations from or changes to the project, in particular its objectives, must be submitted in writing by means of a project change request (PCR) (Annex 6) and must have the approval of the Board. The Board may delegate this decision to the Chairman and/or the QSF Project Manager in specific cases.
1.1 The Secretariat (through the QSF Project Manager or equivalent), or if the Secretariat is unable, the Chair of the Board, is authorized to approve PCRs in the following cases:
- changes to the project team composition;
- a budget increase of up to 5,000 USD;
- a change in the duration of the project, on the condition that the budget is not modified by more than 5,000 USD;
- changes to the terms of payment.

1.2 The Chairman of the Board, or in his or her absence, the Vice-Chairman of the Board, is authorized to approve PCRs in the following cases:
- a change in the project budget of between 5,001 USD and 10,000 USD;
- postponement of the project start date, not to exceed the date of the Board's following meeting;
- other changes that do not imply a fundamental change to the project.

1.3 The Board has sole authority to approve PCRs in the following cases:
- changes to the objectives or performance indicators;
- cases considered by the Board (after consultation with the Secretariat) as too complex or sensitive;
- change requests received less than one month before the following Board meeting;
- other change requests submitted by designated operators.

1.4 The delegation of authority under 1.1 and 1.2 is without prejudice to the general remit of the Board with respect to project approval.

1.5 In cases where a PCR involves an increase of more than 25% in the amount contracted with a provider, a new procurement process must be initiated.

2 Projects have to be executed in accordance with the clauses and conditions in the project approval notification.

3 If any problems occur during the execution of the project in connection with personnel resources, the time schedule or the budget, the Creditor responsible for the project is obliged to report these problems immediately to the Board via the QSF Secretariat. This report may be made at any time by means of the PCR form (Annex 6).

4 Responsibility for project execution and implementation, i.e. for the project objectives, financial control and reporting, rests with the Creditor responsible for the project, the International Bureau or the restricted union selected as the project leader. The delegation of authority, e.g. to a national quality representative, a project manager or a consulting firm, does not exonerate the Creditor, the International Bureau or the restricted union selected as the project leader from the responsibility of ensuring that QSF funds are administered and applied correctly.

5 The Creditor, the International Bureau or the restricted union selected as the project leader nominates the Project Manager. If the Project Manager is a staff member of the Creditor, he or she shall be released from regular duties or given sufficient time and resources to implement the project. In this case, Creditor(s) shall assume the staff costs (having regard to their own contribution). The Project Manager may also be an employee of a contracted consultancy firm or the QSF Coordinator (see article 7.3.5).

6 The Project Manager must have appropriate and proven qualifications and experience in line with the content of the project. He or she should be given sufficient authority to implement the project. The Project Manager is responsible for all aspects of project implementation.

7 During project implementation, the Board may suggest changes in the project team. Any such request shall be the subject of mutual agreement between the Board and the Creditor or, where appropriate, the International Bureau, restricted union or Creditor selected as the project leader.
Withdrawals: Projects may be withdrawn in writing by the Creditor at any time during implementation. However, the Creditor must reimburse to the QSF any advances made by the QSF within the scope of the withdrawn project.

Article 15
Reports required

1. The responsibility for reporting rests with the Creditor or, where appropriate, the International Bureau, the restricted union or the Creditor selected as the project leader.

2. Reports are an essential tool for enabling the Board to keep track of the project. At the same time, they serve as an important project control mechanism for the Creditor responsible for the project.

3. The complexity and the level of detail to be provided by the reporting Creditor and required by the Board shall be proportional to the complexity and size of the project.

4. Reports shall be drawn up in writing according to the process described by this manual. Reports shall be submitted to the QSF Secretariat in English or French only. They must adhere to the deadlines defined in the approval notification and any other subsequent related notification, and must be complete. Reports may be sent by e-mail, fax or mail. However, original invoices, vouchers and requests for payment shall be sent by mail, EMS or equivalent means of transmission.

5. There shall be three types of reports: the inception report, the interim report and the final report.

5.1. The inception report shall be submitted within eight weeks of the start of the project, specifying the exact start date of the project, explaining the activities carried out, particularly with regard to the project team and commenting on the time schedule, including dates for submission of any other reports, and any other information requested by the Board.

5.2. Interim reports are to be submitted according to the project notification.

5.3. Within six weeks of the conclusion of the project activities, the final report has to be submitted. In addition to detailed explanations regarding project implementation, all application documents regarding the analysis of success, the economic concept and external influences have to be reviewed. The success achieved with the project has to be described in detail, referring to the quality improvement criteria and quantified performance indicators in the project approval notification. Demonstrated achievements of quality of service objectives must be stated in terms of these criteria.

5.3.1. The final report shall be prepared by the Creditor or, where appropriate, the International Bureau, the restricted union or the Creditor selected as the project leader.

5.3.2. The final report shall include a section containing the final project balance sheet. This section must specify all expenses and contain the necessary supporting documents. All QSF-funded expenditure must be duly justified with invoices. Only original documents or copies certified as true by the QSF Coordinator, dated and bearing his/her signature and the Creditor's stamp will be accepted. Supporting documents in a language other than English or French must contain an English or French translation of the key elements enabling them to be understood properly (bill number, date, description of goods or services delivered, etc.). This handwritten translation must be provided directly on the document signed by the QSF Coordinator.

5.3.3. In order to be presented to the Board, final reports must reach the QSF Secretariat at least 60 days prior to the meeting date.

5.3.4. The Board may require Creditors to provide further information on their respective projects through a follow-up report.
Article 16
Processing of final reports by the Board of Trustees

1 The Board shall review and discuss the final report during its next regularly scheduled Board meeting. In case of approval by the Board, the QSF Secretariat shall, within 30 days of the meeting, provide notification of the decision of the Board in respect of the final report. This notification should be sent to the Creditor or, where appropriate, the International Bureau, the restricted union or the Creditor selected as the project leader.

2 The Board may require QSF Coordinators to provide further information on their respective projects through a follow-up report.

3 In case of objections or non-approval of the final report by the Board, notification shall be sent to the International Bureau, the restricted union or the Creditor.

4 In case of non-approval of a final report, consultation with the Creditor is required. If, despite consultation between the Creditor and the Board, justified doubts persist which cannot be solved by the Creditor responsible for the project, the Board shall take a decision regarding the outstanding issues and the imposition of any conditions regarding future projects applied for by the Creditor in question.

5 The reasons for the decisions taken by the Board shall be given in writing to the Creditor. The Creditor may lodge any objections to the decision of the Board with the POC. In this case, the respective body has to hear both parties, giving corresponding advice to the Board.

Article 17
Communication, press

1 If a Creditor, the International Bureau or a restricted union intends to give publicity to the QSF and/or QSF projects, it must systematically coordinate any such publicity with the QSF Secretariat prior to publication.

2 The Secretariat shall provide an update of any such activity at the next Board meeting.

Chapter V – Evaluation of project results

Article 18
Principles

1 The purpose of the evaluation of project results is to determine whether the quality improvement pursued by a given project is sustainable. Therefore, a project evaluation shall take place only after a certain period of time following implementation of the activity (running-in phase), but in any case no later than two years following completion of the project.

2 The timeframe for the evaluation shall be determined specifically for each project by common agreement between the Board and the International Bureau, the restricted union or the Creditor selected as project leader.

3 The first evaluation of the project results shall be based on the final report and shall be included in the file submitted to the Board for project approval. An additional evaluation, based on the results and conditions, may take place during a period of up to two years following completion of the project.

Article 19
Evaluation of project results

1 Evaluation of project results may be carried out, subject to a Board decision.

1.1 A fixed sum, corresponding to 1% of the QSF budget, up to a ceiling of 3,000 USD for each project approved by the Board, will be deducted by the QSF Secretariat from the Creditor’s account, following notification of project approval.
2 The evaluation of project results may be performed at the location where the project is being executed, and shall not exceed two working days unless otherwise authorized. For this purpose the Board, in consultation with the QSF Secretariat and subject to the procurement rules referred to in article 5, may recommend the commissioning of qualified experts/UPU Regional Project Coordinators to undertake the evaluation.

3 QSF project evaluations to be carried out must be conducted in conjunction with other activities in the field organized by the International Bureau; where this is not possible, the possibility of organizing mission tours covering several countries in the same region should be considered.

4 In the case of missions combined with other activities in the field undertaken by the International Bureau, the QSF will cover only additional costs associated with the evaluation of QSF projects.

5 For QSF project evaluation missions that cannot be carried out in conjunction with other activities in the field, the QSF will cover all the related expenses.

6 The criteria used for determining which projects need to be evaluated are as follows:
   − Final budget of more than 10,000 USD;
   − If the final budget is more than 1 million USD, a financial evaluation is also necessary.

No mission will be organized when, in the consideration of the Board (having consulted the International Bureau):
   − the organization of the mission is expected to be impracticable (e.g. evaluation work needs to take place on different islands);
   − the results can be evaluated without having to conduct a mission (e.g. IPS or QDP projects) or the project is based on a system no longer in use;
   − the country has security problems, in the view of the International Bureau and on the basis of the parameters defined by the UN Department of Safety and Security;
   − the operator has already been evaluated on another project in the last year;
   − the mission has been postponed more than twice (for the aforementioned security reasons);
   − the mission costs are likely to exceed 3,000 USD, with the exception of projects which will also be financially evaluated.

7 In cases where it is not possible to carry out an evaluation mission, another report on the status of performance indicators may be requested from the Creditor.

8 As regards evaluation of regional or global projects, the following additional criteria shall apply:
   − Final budget of more than 50,000 USD;
   − If the final budget is more than 1 million USD, a financial evaluation is also necessary;
   − Projects evaluated with the participation of the Regional Project Coordinator: in this connection, the International Bureau shall draw up a list of national projects to evaluate in the region and shall also indicate which Creditors are participating in a regional or global project. In this way, the Regional Project Coordinator will be able to evaluate the results of the national and regional/global projects at the same time.

9 The evaluation shall be based on the indicators defined for the project. It may involve management information reviews, testing, customer and staff interviews and surveys, as well as site visits or inspections to determine the successful achievement of sustainable quality of service improvement and the effectiveness of the project. A financial evaluation may also take place as part of the overall project evaluation.

10 Upon completion of the evaluation requested by the Board, a report shall be submitted to the QSF Secretariat and a copy thereof sent to the Creditor. The report shall be treated as confidential by all parties involved.

11 The QSF Secretariat shall submit the project evaluation report to the Board. If the aforementioned report is accepted by the Board, notification of final closing of the project shall be sent to the Creditor.
12 If the Board does not accept the evaluation report, it shall be entitled to request additional information, either from the Creditor or the evaluation consultant. If the responses provided are not deemed sufficient by the Board to demonstrate the sustainability of project results, a notification shall be sent to the Creditor, with recommendations or sanctions as appropriate.

13 When the Board considers a new project proposal, it shall take into account all the circumstances arising from any related ongoing projects and/or evaluation reports.

Chapter VI – Responsibilities of various entities involved in the management of projects

Article 20
Principles

1 In accordance with the policies and provisions defined for the management of projects, the following agents are involved in the development, approval, implementation and evaluation.

1.1 Creditor; QSF Coordinator; Project Manager; QSF Secretariat; UPU Regional Project Coordinators; Board of Trustees; Postal Operations Council.

1.2 In this chapter the responsibilities of each of these entities are described, following the rules and activities detailed in this Manual.

Article 21
Creditors

1 Creditors will be responsible for the formulation and submission of the project proposal and its implementation, in accordance with the provisions defined in this Manual.

2 The QSF Coordinator is the Creditor's representative for the project, undertaking the management coordination, while the Project Manager is in charge of the project's technical coordination, assuming the corresponding responsibility. A Creditor may decide to assign the responsibilities of the Project Manager to the QSF Coordinator as well.

Article 22
QSF Secretariat

1 In accordance with the provisions contained in this Manual, the QSF Secretariat shall be responsible for the following tasks:

- receiving the project proposals from Creditors or restricted unions or the International Bureau, undertaking a preliminary verification and providing the Board with its comments;
- registering submitted proposals and assigning project numbers;
- monitoring the execution and implementation of the projects through reports sent by Creditors/restricted unions/the International Bureau, providing the required guidance when necessary;
- clarifying project proposals and the corresponding documentation with the applicant Creditor, restricted union or the International Bureau, if required;
- supporting the Board in monitoring the results attained by Creditors in the areas supported by the project, and information on the development of the quality indicators, even after the conclusion of the projects;
- monitoring timely submission of the project reports and giving the Board its opinion on the reports, particularly the final report;
- approving inception and interim reports, if all the required information is provided;
- authorizing payment requests within the framework of QSF projects and under the conditions laid down in the project approval notification or any other subsequent notification relating thereto;
- supporting the Board in relation to evaluations of project results;
– receiving the requests for reconsideration to be submitted to the POC, in accordance with the provisions established in this Manual;
– supporting the POC in activities relating to Creditors' appeals against decisions adopted by the Board;
– approving project change requests as authorized by the Board and set out in article 14.

Article 23
UPU Regional Project Coordinators

1 The Regional Project Coordinators – subject to agreement with the International Bureau – should be responsible for the following:
– on request, supporting Creditors in preparing project proposals, including checking project application forms for compliance and details;
– assisting Creditors in the implementation of projects, if requested;
– supporting the Board in the implementation of missions to evaluate the results of QSF projects.

2 Where a Creditor requests the assistance of a Regional Project Coordinator to prepare a project proposal, the costs of the mission may be included in the QSF budget.

Article 24
Board of Trustees

1 The Board is responsible for safeguarding the QSF funds and ensuring their proper management. It is also responsible for all QSF project matters.

2 Its responsibilities regarding project management are to:
– verify and approve project proposals related to the application of funds;
– guide Creditors, restricted unions or the International Bureau with regard to the required alterations and additions, when necessary, in order to make approval possible;
– verify and approve – if justified – alterations to the original project plans, if requested by Creditors, the restricted unions or the International Bureau;
– where a project proposal is not accepted, communicate the reasons to the Creditors, restricted unions or the International Bureau;
– review the results of the projects, on the basis of the final reports submitted by Creditors, restricted unions or the International Bureau, and any other reports, according to the provisions of this Manual;
– promote the QSF and ensure that it is made known to Creditors;
– give advice to Creditors regarding suitable follow-up measures, the shifting of focus to other QSF projects, project organization and management, the use of funds and the selection of project experts.

Article 25
Postal Operations Council

1 The POC shall be responsible for the following:
– considering appeals from Creditors relating to project proposals in case of disagreement or inconclusive negotiations between the Creditor(s)/restricted union(s)/International Bureau and the Board, and providing necessary comments and advice;
– providing the Board with advice in case of non-acceptance of evaluation reports.
Chapter VII – Recommendations and remedial measures

Article 26
Recommendations

1 The Creditor shall not be bound by the recommendations expressed by the Board. Nevertheless, the Board may, at its sole discretion, take its recommendations and auditing reports into consideration when evaluating subsequent project proposals.

Article 27
Obligations, remedial measures and probation

1 In certain cases the Board may make recommendations regarding remedial measures to be imposed on projects, whether current or future.

2 In case the deadlines relating to the achievement of project targets or the submission dates of reports (approved either in the proposal document or subsequently by the Board) are repeatedly missed by a Creditor, the Board may impose additional obligations and conditions relating to any future project which the Creditor in question may apply for. These obligations may take the form of additional project reports or audits with required submission dates or the phased release of project funds, once reporting or evaluation obligations have been met.

3 If the final QSF budget is exceeded without the prior approval of the Board, the Board will recommend remedial measures and will decide, on a case-by-case basis, whether or not the excess can be covered by the QSF. These measures may range from the phased release of project funds for the present project or subsequent projects, to the imposition of more robust financial management techniques on Creditors and, depending on the severity of the overspending, the phased accrual of the overspent portion of the project funds.

4 If QSF funding is misappropriated or used for purposes not approved by the Board, remedial measures may also be imposed by the Board, including but not limited to repayment of the funds in question or exclusion from future use of QSF funding.

5 Where the start of a project is subject to conditions set by the Board, the Creditor must fulfil these conditions within six months of the project notification. If this deadline is not met, the project shall be cancelled by the Board.

6 Where a project approved by the Board does not start within the timeframe set in article 12, the Board may impose a new timeframe. In case this newly revised timeframe is not met, the project will be cancelled by the Board.

7 Cancellations: In case a project is cancelled by the Board, the Creditor must reimburse to the QSF any advances made by the QSF within the scope of the cancelled project.

8 The Creditors to whose projects the obligations or remedial measures mentioned in this article continue to apply shall be considered to be "on probation".

Chapter VIII – Final provisions

Article 28
Effective date

1 The Project Management Manual shall come into force on 1 May 2015.

Adopted at Berne, 30 April 2015.
List of abbreviations

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<thead>
<tr>
<th>Abbreviation</th>
<th>Meaning</th>
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<tr>
<td>BoT</td>
<td>Board of Trustees</td>
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<tr>
<td>CA</td>
<td>Council of Administration</td>
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<td>DoT</td>
<td>Deed of Trust</td>
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<td>FMM</td>
<td>Financial Management Manual</td>
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<td>IB</td>
<td>International Bureau (of the UPU)</td>
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<td>PCR</td>
<td>Project Change Request</td>
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<td>PMM</td>
<td>Project Management Manual</td>
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<td>POC</td>
<td>Postal Operations Council</td>
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<td>QDP</td>
<td>Quality Development Plan</td>
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<td>QSF</td>
<td>Quality of Service Fund</td>
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<td>UPU</td>
<td>Universal Postal Union</td>
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<td>USD</td>
<td>US dollar</td>
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<tr>
<td>MIP</td>
<td>UPU multi-year integrated project</td>
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<tr>
<td>GMS</td>
<td>Global Monitoring System</td>
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