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Project Management Manual

QSF – Quality of Service Fund

Berne 2018

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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. The Istanbul Congress approved the creation of a QSF Common Fund, which provides a funding platform for projects which have global impacts.

Projects to be financed by the QSF shall be carried out in any member country (including its territories) benefiting from QSF funds, as per the country classification outlined in the Universal Postal Convention and relevant UPU Congress resolution (hereinafter referred to as "Beneficiary Country").

The Board of Trustees (hereinafter collectively and individually referred to as "the Board"), as defined in chapter II of the Rules of Procedure, 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 Rules of Procedure of the UPU Quality of Service Fund (2018) (hereinafter "RoP");
- the Project Management Manual (hereinafter "PMM");
- the Financial Management Manual (hereinafter "FMM").

The RoP set out the legal framework of the QSF, stipulating the rights and obligations of all parties involved. The PMM describes the relevant project management procedures associated with the QSF, while the FMM describes the billing and payment procedures, fund management and accounting procedures, and provides general financial guidelines relating to QSF projects.

Section I – General provisions

Chapter I – Applicability

Article 1

Role of the Board 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 4 of the RoP, the responsibilities of the Board shall include approval of QSF projects and their budgets, and monitoring and evaluation of projects.

Article 2

Applicability of the PMM

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

Article 3

Principles

1 The goal of the QSF is to measurably improve quality of service, eliminate weak links and ensure the sustainability of the global UPU postal network by providing a funding platform (including the Common Fund) for the development and implementation of national and multinational projects concerning all international postal services, particularly in what pertains to the improvement of quality of service in the postal supply chain.

2 Recurring or follow-up costs shall be borne by Beneficiary Countries.

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 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 Beneficiary Country.

3 All projects and activities shall require the active involvement (in cash and/or kind) of the Beneficiary Country or Countries submitting the application. The same rules apply to multinational projects.

4 Beneficiary Countries shall ensure that the QSF budget requested for their project does not exceed 92% of their available QSF assets. This reserve shall, for instance, provide for any necessary withdrawals of QSF assets relating to QSF project evaluation costs or administrative costs. This percentage may be revised each year by the Board.

5 Designated operators of potential Beneficiary Countries may also submit applications with the agreement of the relevant authorities of the Beneficiary Country concerned. By agreement with the designated operators concerned, applications for multinational projects may also be submitted by a group of designated operators or on their behalf by the UPU International Bureau (hereinafter "the International Bureau") or a restricted union.

6 It is recommended that each Beneficiary Country should have a Quality Development Plan (QDP), in order to ensure that each individual QSF project is an integral element of an overall improvement in quality of service. Operational Readiness for E-Commerce (ORE) National Action Plans should also serve to guide the planning and submission of QSF projects.

7 Projects shall 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 shall be realistic, achievable, quantifiable and sustainable, following the SMART (Specific, Measurable, Achievable, Realistic and Time-bound) methodology. Monitoring and evaluation shall 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. Beneficiary Countries shall 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 on the basis of quantified, measurable key performance indicators (KPIs) as approved by the Board, in particular with the assistance of end-to-end quality of service measurement. Relevant results shall be submitted to the Board together with the final report, once the QSF project has been completed. For multinational projects, the Board may prescribe submission of results during various stages of the project.

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 Projects under the QSF may be of one of the following two types:

10.1 Individually-funded projects, whose primary objective shall be to support the implementation of projects aimed at improving the quality of service in the Beneficiary Countries concerned. These may be either:

10.1.1 National projects (only one Beneficiary Country); or

10.1.2 Multinational projects (two or more Beneficiary Countries);

10.2 Common Fund Projects (CFPs), whose primary objective shall be to support the implementation of national and multinational projects aimed at improving the quality of service of UPU member countries classified in groups II, III and IV (as defined in Istanbul Congress resolution C 7/2016), with a view to further developing and improving quality of service in the global postal network, as further defined in this chapter.

11 In accordance with article 17.8 of the RoP, a Beneficiary Country may assign the benefit of its QSF assets, in whole or in part, to fund QSF projects from other Beneficiary Countries.

12 QSF projects may also be funded from other resources such as the Beneficiary Country's own resources or government contributions and other funding agencies.

13 Notwithstanding the obligations of the QSF as stipulated in article 1 of the RoP, the QSF should seek synergy with other UPU programmes in terms of resource mobilization and project management, with the aim of ensuring the sustainability and continuity of the international postal network.

Section II – Provisions applicable to individually funded QSF projects

Chapter II – Development and submission of project proposals

Article 4

Responsibilities of Beneficiary Countries

1 The responsibility for the development of project proposals rests with the Beneficiary Countries applying for funding. However, Beneficiary Countries are at liberty to utilize the expertise of their designated operators, restricted unions or the International Bureau to assist them in their project design and proposal.

2 Beneficiary Countries participating in multinational projects shall take on the responsibilities involved in project implementation, including determining the entity that shall act as the project leader (such as a designated operator, a restricted union or the UPU International Bureau). The following requirements shall be met:

- 2.1 Beneficiary Countries shall agree in writing via a Statement of Commitment (Annex 1) that the entity referred to above shall act as the project leader responsible for implementing the project.
- 2.2 The QSF funding for all the Beneficiary Countries taking part in a QSF project shall be treated as a single lump sum for the purposes of budgeting and project planning.
- 2.3 If a Beneficiary Country requests the support of a third party in drafting a project proposal, the costs related to the mission incurred by that third party may be included in the QSF project budget.

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

4 Beneficiary Countries shall nominate a QSF Coordinator authorized to engage with the International Bureau unit responsible for QSF secretariat activities (hereinafter “the QSF Secretariat”) and the Board on all matters relating to the QSF. 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, multinational projects, providing any information requested by the Board or the QSF Secretariat.

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: Any procurement to be undertaken by the UPU (within the framework of QSF 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 Beneficiary Countries 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 must be specific in terms of their intended use, their technical quality, and cost.
- 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 contractual obligations and estimated contract amount 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, Beneficiary Countries may make use of UPU/UNDP or UNOPS procurement services, if available and applicable, according to their specific rules; in such cases, the costs (UNDP fees, transportation costs, customs clearance etc.) shall be borne by the project budget or the funds available in the QSF account of the Beneficiary Country. In the event that there are insufficient funds, the Beneficiary Country shall be required to reimburse the amount in accordance with QSF rules and procedures.
- 3.3.1 When a Beneficiary Country wishes to use the services of the UPU (through its International Bureau), the Board may, at the request of that Beneficiary Country, authorize the awarding of the services contract without requiring the standard procurement procedures referred to above.
- 3.4 The QSF procurement rules must be respected by all Beneficiary Countries, including those whose national rules do not require such tendering. However, when the components of a QSF project are the same as those acquired through another national procurement process, it shall not be necessary to prepare a special call for tenders for the QSF project so long as national laws and regulations are observed. In cases of new QSF projects linked to previous ones, where the same provider is likely to be used, the Beneficiary Country shall include such information in the project proposal, for the consideration of the Board.
- 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, including projects for the restoration of postal services following natural disasters.
- 3.6 In cases where tendering proves impossible or where the adjudication or tendering procedure has not produced the results hoped for, the Beneficiary Country shall supply the Board with all necessary explanations and justifications.
- 3.7 In cases where the Board places special conditions on purchasing procedures, for example, the procurement of consultancy services, these conditions must be set out in the project approval notification.
- 3.8 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.
- 3.9 Each Beneficiary Country participating in a multinational QSF 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, § 3.1 above may apply not only to the total project procurement, but also to each Beneficiary Country's individual procurement. The reason(s) for independent and direct procurement shall be set out in the project proposal.

Article 6

Design of project proposals – Project Application Form

- 1 All project proposals shall be submitted in writing using the official form (Annex 2), in English or French, and sent to the QSF Secretariat by the quickest route, preferably by EMS and electronically scanned copy by e-mail wherever possible.
- 2 The project application form for multinational projects shall be dated and stamped by the project leader, and signed by the QSF Project Coordinator.
- 3 Beneficiary Countries wishing to participate in a multinational project shall complete and sign the statement of commitment. The allocation of QSF funding shall be indicated in the form.
- 4 The duly signed Statement of Commitment also binds Beneficiary Countries 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 7

General provisions

- 1 Project proposals, together with the documentation required, shall be submitted to the QSF Secretariat for analysis and to the Board for final verification and approval.
- 2 In order for the projects to be considered during the next meeting of the Board, the project proposals shall be sent by the quickest route, and received by the QSF Secretariat no later than 45 days prior to the meeting of the Board. Duly stamped, dated and signed proposals received from QSF Coordinators shall be registered by the QSF Secretariat as soon as they are received, either in original or by electronically scanned copies.
- 3 In principle, project proposals that are formulated based on QSF templates may be considered for fast-track approval. Nevertheless, the Chair may instruct the Secretariat to forward a project proposal or project amendment to the Board for fast-track approval where the Chair is of the view that the project proposal does not require deliberation or if the Chair is convinced that the project amendment warrants prompt consideration between meetings. Acceptance by two thirds of the Board members (that is to say seven members) is required for approval of project proposals or project amendments to which this method is applied. If this cannot be obtained, the project proposal or project amendment shall be examined during the next Board meeting.

Article 8

Analysis of projects by the QSF Secretariat

- 1 The QSF Secretariat shall check the project proposals for completeness and compliance with the applicable rules, and ask the Beneficiary Country to provide information where it is missing or incomplete, and to rectify inaccurate information. The QSF Secretariat shall ensure that answers to the following questions are provided:
 - Does the project proposal comply with the aim and objectives of the QSF and will it make an impact on the global postal network?
 - Does the project proposal refer to the principles of improvement of quality of service in the postal supply chain as far as its design and objectives are concerned?
 - Does the project ensure a sustainable contribution to global quality improvement?
 - Does the Beneficiary Country have enough QSF funds available for the project, or has it secured other sources of funding, in the case of Beneficiary Countries with insufficient funds, in accordance with article 17.9 of the RoP?
 - Does the project proposal define measurable and realistic performance indicators relating to the project objectives?

- Are the costs projected for procurement of equipment/services realistic and in line with current market valuation?
- Have market research and/or feasibility studies been carried out to ascertain the return on investment?
- Any further information relevant to the fruitful 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 Beneficiary Country. If the information requested by the QSF Secretariat is not received within two weeks, consideration of the proposal shall be deferred to the following Board meeting.

Article 9

Verification by the Board

1 The Board shall consider the project proposal, and shall provide its views as well as any other comments related to the project to 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 shall be clarified between the Beneficiary Country or Countries and the QSF Secretariat 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 Beneficiary Country concerned and whether there is a logical development of the projects according to the Quality Development Plans of the Beneficiary Countries.

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 Beneficiary Country 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 Beneficiary Country.

8 The Board shall also consider the level of involvement of the Beneficiary Country in the project.

9 The Board shall also consider all the circumstances arising from any related ongoing projects and/or evaluation reports of past projects implemented by the Beneficiary Country.

Article 10

Approval and project clearance

1 Once a project proposal has been approved by the Board, the QSF Coordinator shall be informed accordingly by the Chair, 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 multinational projects, the project leader shall notify the result of the Board's decision to participating Beneficiary Countries in writing.
- 2 The aforementioned notification shall confirm the approval of the project and the project budget. The Board has sole and absolute discretion to decide whether funds of the approved budget may be provided in a single sum or in instalments upon approval of project reports.
- 2.1 Unless otherwise authorized by the Board, the sums allocated under the QSF shall be paid in instalments.
- In the case of small projects (up to 200,000 USD), an instalment of 80% of the results of the call for tenders should be paid at the start of the project, once the inception report and the results for the call of tenders have 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 200,000 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 Beneficiary Country, stating the reasons and giving recommendations regarding reformulation and resubmission of the project application.
- 4 If a project proposal is rejected, the reasons for such a decision shall be transparently and comprehensibly communicated to the Beneficiary Country in writing within 30 days. The reasons for rejecting a project shall be treated confidentially by the Board, the QSF Secretariat and the Beneficiary Country concerned.
- 5 A project may only be commenced upon receipt of the notification of unconditional approval. Projects shall commence within eight weeks of receipt of the project notification. Any deviation from this guideline must be explained by the Beneficiary Country concerned within four weeks after expiry of the first eight weeks.

Article 11

Appeals against Board decisions

- 1 In the event that a Beneficiary Country disagrees with a decision by the Board, it may, at its sole and absolute discretion, appeal against the POC decision at the next regular POC meeting in accordance with the provisions of article 13 of the RoP. On receipt of the Beneficiary Country's appeal, the QSF Secretariat shall prepare the appeal dossier and submit it to the POC. The POC shall have sole and absolute discretion to examine and rule on all appeals from Beneficiary Countries.

Chapter IV – Implementation of projects

Article 12

Principles

- 1 Projects should 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 connection with personnel resources, the time schedule, the budget, or its objectives must be submitted in writing by means of a Project Change Request (PCR) (Annex 3) and must have the approval of the Board or parties authorized by the Board, as follows:
- 1.1 The QSF Secretariat (through the Head of the QSF Unit or equivalent) shall be authorized to approve PCRs in the following cases:
- changes to the project team composition;
 - a budget increase of up to 10,000 USD;

- a change in the duration of the project not exceeding six months, on the condition that the budget is not modified by more than 10,000 USD;
 - changes to the terms of payment.
- 1.2 The Chair, or in his or her absence, the Vice-Chair, is authorized to approve PCRs in the following cases:
- a change in the project budget of between 10,001 USD and 25,000 USD;
 - reallocation of equipment or vehicles procured for the project which does not impact on the KPIs;
 - changes to methodology, procurement procedures or specifications of equipment/vehicles or to the project team that do not have an impact on the implementation of 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;
 - other change requests submitted by Beneficiary Countries.
- 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.
- 1.6 In cases where the PCR involves an increase in the budget of more than 40%, subject to a minimum of 50,000 USD, a new project proposal must be submitted to the Board for approval.

2 Responsibility for project execution and implementation, i.e. for the project objectives, financial control and reporting, rests with the Beneficiary Country or the project leader, as the case may be. The delegation of authority, e.g. to a project manager or a consulting firm, does not exonerate the Beneficiary Country or the project leader from the responsibility of ensuring that QSF funds are administered and applied correctly.

3 The Beneficiary Country or the project leader may nominate a project manager to assist in the implementation of the project. If the project manager is directly employed by the Beneficiary Country, he or she shall be released from regular duties or given sufficient time and resources to implement the project. In this case, the Beneficiary Country shall assume the staff costs (having regard to its own contribution). The Project Manager may also be an employee of an externally contracted consultancy firm entity, or an independent consultant, including consultants or experts recruited by the UPU specifically for the duration of the project, or the QSF Coordinator.

4 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 Beneficiary Country or the project leader.

5 Projects may be withdrawn in writing by the Beneficiary Country at any time during implementation. However, the Beneficiary Country shall reimburse to the QSF any advances made by the QSF within the scope of the withdrawn project.

6 The Board has the authority to impose a QSF service fee of up to 3% of the approved project budget, subject to a limit of 3,000 USD, in case of projects withdrawn after eight weeks following the date of notification of unconditional approval. This service fee shall be deducted from the project budget concerned and credited to the QSF management budget.

Article 13 Mandatory reports

1 Reports are an essential tool for enabling the Board to keep track of the project. At the same time, they shall serve as an important project control mechanism for the Beneficiary Country.

- 2 The responsibility for reporting rests with the Beneficiary Country or, where appropriate, the project leader.
- 3 The level of detail to be provided by the reporting Beneficiary Country 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 PMM. Reports shall be submitted to the QSF Secretariat in English or French only. They must be complete and adhere to the deadlines defined in the approval notification and any other subsequent related notifications. Reports shall be sent to the QSF Secretariat in electronically scanned copies via e-mail or by priority mail using the quickest means of transmission. However, original invoices, vouchers and requests for payment shall be sent by the quickest means of transmission.
- 5 There shall be two types of reports: the inception report and the final report. However, the Board may also demand interim reports at any time during the implementation of the projects.
- 5.1 The inception report (Annex 4) 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, including the result of call for tenders, particularly with regard to the project team and detailing the time schedule and dates for submission of any other reports, and any other information requested by the Board. Documents relating to the result of call for tenders and request for payment (Annex 5), where applicable, must be submitted together with the inception report.
- 5.2 Interim reports (Annex 6), the purpose of which is to provide information on the progress of the implementation of the project, are to be submitted according to the project notification or at the request of the Board.
- 5.3 The final report (Annex 7) has to be submitted within 12 weeks of the conclusion of the project activities. In addition to detailed explanations, including challenges encountered in project implementation, all supporting documents regarding the achievement of quality performance indicators have to be submitted. If the approved quality performance indicators have not been achieved or have been only partially achieved, the reasons for non-achievement, as well as the remedial measures to be put in place in order to ensure the achievement of the quality performance indicators, should be described.
- 5.3.1 The final report shall be prepared by the Beneficiary Country or, where appropriate, the project leader.
- 5.3.2 The final report shall include a section containing the financial assessment (final budget). This section shall 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 Beneficiary Country's stamp shall be accepted. Supporting documents in a language other than English or French shall contain an English or French translation of the key elements enabling them to be understood properly (invoice number, date, description of goods or services delivered, etc.). This translation shall be legible and signed by the QSF Coordinator.
- 5.3.3 Final reports shall reach the QSF Secretariat at least 45 days prior to the date of the QSF Board meeting.
- 5.4 The timelines for the submission of reports are listed in the table below for ease of reference:

Type of report	Timeline
Inception report	8 weeks
Final report	12 weeks
Interim report	According to project notification or upon request of the Board

Article 14

Processing of final reports by the Board

- 1 The Board shall review and discuss the final report during its 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. This notification shall be sent to the Beneficiary Country or, where appropriate, the project leader.

2 The Board may require Beneficiary Countries 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 to that effect clearly stating the remedial measures shall be sent to the Beneficiary Country or, where appropriate, the project leader.

4 In case of non-approval of a final report, consultation with the Beneficiary Country is required. If, despite consultation, reasonable doubts persist which cannot be cleared by the Beneficiary Country 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 Beneficiary Country in question.

5 The reasons for the decisions taken by the Board shall be given in writing to the Beneficiary Country. In the event that the Beneficiary Country disagrees with the decision of the Board, it may lodge an appeal with the POC in accordance with articles 34 and 36 of this PMM. On receipt of the Beneficiary Country's appeal, the QSF Secretariat shall prepare the appeal dossier and submit it to the POC. The POC shall have sole and absolute discretion to examine and rule on all appeals from Beneficiary Countries.

Article 15

Communication and publicity

1 If a Beneficiary Country intends to give publicity to the QSF and/or QSF projects, it shall systematically coordinate any such publicity with the QSF Secretariat prior to publication or release.

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

Chapter V – Evaluation of project results

Article 16

Principles

1 The purpose of the evaluation of project results is to determine whether the objectives and KPIs as well as impacts on the postal network pursued by the project, have been achieved and are sustainable. Therefore, a project evaluation shall take place in the year following the approval of the final report. However, the Board may, at its discretion, request that project evaluation be carried out as soon as the final report has been approved.

2 On approval of the final report, the Board shall decide on the most appropriate time for the evaluation of the project. Dates of evaluation shall be determined in consultation with the QSF National Coordinator of the Beneficiary Country implementing the project.

3 If necessary, and particularly for projects implemented in phases, the Board may also request a mid-term evaluation of an ongoing project. The findings and recommendations contained in the mid-term evaluation report shall be presented to the Board for endorsement, after which, the Board's decisions on the mid-term evaluation shall be notified to the Beneficiary Country for appropriate action.

Article 17

Evaluation of project results

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

1.1 Upon unconditional approval by the Board and following notification of project approval to the Beneficiary Country, a fixed sum for evaluation shall be deducted by the QSF Secretariat from the Beneficiary Country's account as follows:

- 3,000 USD for national projects with a budget between 100,000 USD and 500,000 USD, for field evaluation;

- 6,000 USD for national projects with a budget of more than 500,000 USD for one mid-term field evaluation, where necessary, and one field evaluation upon completion of the project. The Board shall decide on the necessity of conducting the mid-term evaluation;
 - 3,000 USD each for Beneficiary Countries participating in multinational projects (such as SECUREX or GMS) whose individual contribution to the multinational project budget is equal to or exceeds 100,000 USD.
- 1.2 Should there be any increase in the project budget resulting in the change of threshold referred to in 1.1 above, the final sum deducted shall be subject to the revised threshold.
- 1.3 The sum deducted for evaluation shall be treated as part of the project budget, and any unused amount or balance shall be credited to the respective Beneficiary Country's account.
- 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 subject-matter experts/UPU Regional Project Coordinators/the QSF Secretariat to undertake the evaluation.
- 2.1 The Board may perform evaluation of project results in conjunction with external Board meetings held in countries where the Beneficiary Country's project is scheduled to be evaluated.
- 3 The criteria used for determining which projects need to be evaluated are as follows:
- Final budget of more than 100,000 USD;
 - If the final budget is more than 500,000 USD, the Board may demand a mid-term evaluation.
- 3.1 No mission shall be organized when, in the consideration of the Board (having consulted the QSF Secretariat):
- 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, GMS or QDP projects) or the project is based on a system no longer in use;
 - the country faces security issues, as advised by the QSF Secretariat and on the basis of the relevant parameters defined by the United Nations Department of Safety and Security;
 - the mission has been postponed more than twice (for the aforementioned security reasons);
- 4 Evaluation of project results may be carried out in one of the following manners:
- Field evaluation;
 - Remote evaluation conducted by the QSF Secretariat in consultation with other International Bureau directorates.
- 5 QSF project evaluations to be carried out should preferably 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 trips covering several countries in the same region should be considered.
- 6 In the case of missions combined with other activities in the field undertaken by the International Bureau, the QSF shall cover only additional costs associated with the evaluation of QSF projects.
- 7 For QSF project evaluation missions that cannot be carried out in conjunction with other activities in the field, the QSF shall cover all the related expenses.
- 8 In cases where it is not possible to carry out a field evaluation, a remote evaluation on the status of performance indicators may be requested from the Beneficiary Country.
- 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. Evaluators should, as far as possible, propose complementary projects that could contribute to further improvement in the quality of service of the postal network.

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 Beneficiary Country. The report shall be treated as confidential by all parties involved.

11 The QSF Secretariat shall present 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 Beneficiary Country.

12 If the Board does not accept the evaluation report, it shall be entitled to request additional information, either from the Beneficiary Country or the evaluation expert. 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 Beneficiary Country, with recommendations or sanctions as appropriate.

Section III – Provisions applicable to Common Fund projects

Chapter VI – Prioritization of Common Fund projects

Article 18

Prioritization principles

1 In accordance with the top-down approach adopted for the QSF Common Fund (CF), the prioritization of Common Fund projects (CFPs) shall follow a three-tier process:

- 1.1 Prioritization of CF domains;
- 1.2 Prioritization of CFPs;
- 1.3 Prioritization of Beneficiary Countries participating in CFPs.

2 An allocation of up to 12% of the annual CF revenues may be set aside for pre-implementation activities for CFPs. This allocation shall be used to cover costs incurred by the International Bureau such as, but not limited to, feasibility studies, market studies, on-site surveys, scoping and identification of readiness levels – see article 17.12 of the RoP.

2.1 The International Bureau shall estimate these costs and submit its estimates in writing, via an application of funds for pre-implementation activities (Annex 8), to the Board for approval. The International Bureau shall use allocated funds to formulate CFP proposals. Any and all pre-implementation expenses incurred shall be disclosed at the time of presentation of the corresponding CFP proposal to the QSF Board.

Article 19

Prioritization of Common Fund domains

1 CF domains shall be developed as per article 10 of the RoP.

2 In prioritizing the various sub-programmes included under the CF priority domains, the document describing the outcome of the prioritization process for UPU activities carried out by Congress shall serve as the initial priority ranking. The priority level is inversely proportional to the number of votes obtained. Programmes that are cross-cutting in nature may be proposed on the basis that they support other programmes approved by Congress.

Article 20

Prioritization of Common Fund projects

1 The International Bureau shall consult the POC and/or CA groups responsible for programmes and

sub-programmes as part of the postal strategy approved by Congress with a view to submitting project proposals, using the QSF CFP launch sheet (Annex 9).

2 The proposed projects included in this process shall be assessed using the Project Prioritization Matrix (PPM) (Annex 10). The PPM is a weighted rating system based on five identified criteria:

- 2.1 Universality: measures the degree of impact on the global postal network by defining the number of participating Beneficiary Countries as well as the number of Beneficiary Countries and percentage of mail flows affected by the project.
- 2.2 Financial coverage: measures the degree to which the project can be financed from available funds, to assess its dependency on other funding sources.
- 2.3 Transversality: measures the degree of interdependence with other activities, programmes or projects under the business plan.
- 2.4 Risk: measures the risk of not achieving the expected results by assigning a coefficient to the residual risk estimated once all mitigation procedures have been put in place.
- 2.5 Synergy: measures the alignment of the project with activities funded from other sources, resulting in cost savings.

3 The PPM rating as described above shall result in a list of projects in order of priority.

Article 21

Prioritization of Beneficiary Countries participating in CFPs

1 As a rule, all Beneficiary Countries can participate in a CFP. Nevertheless, UPU member countries interested in participating in a project identified under article 20 shall meet the required criteria, which shall be defined according to the following principles:

- 1.1 Operational readiness of the Beneficiary Country (particularly with regard to its designated operators);
- 1.2 Completion, signature and return in due time of the CFP Statement of Commitment (Annex 11).

2 UPU member countries that were not eligible to join a project because they did not meet the criteria should be given the opportunity to join in other phases of the project later, where appropriate.

3 Beneficiary Countries shall be liable to refund any expense incurred by the project in the event that they withdraw from it before completion or when it has been established that the project has failed owing to the country's negligence.

Chapter VII – Development and submission of project proposals

Article 22

Design of project proposals – project application form

1 All project proposals shall be submitted in writing using the official form using the official form (Annex 12), in English or French.

2 Only original project proposals dated, stamped and duly signed by the Director General of the International Bureau (or any other International Bureau official authorized by the latter) can be registered by the QSF Secretariat.

3 The proposal shall be drafted with the headings and contents detailed below, using the project application form.

3.1 The “Financial proposal” section details the cost of the project costs and cash expenditure (in USD). This section shall be broken down into the following subsections:

3.1.1 Summary of costs:

3.1.1.1 Services: comprises the total cost of the contract(s) concluded with consulting firms or independent

consultants. In particular, consultants or experts recruited by the UPU specifically for the duration of the CFP, IT tools and systems, services, travel, residential expenses and other expenses, as appropriate;

- 3.1.1.2 Allowances and travel costs: covers any allowances and travel expenses incurred by project team members as long as these missions are needed specifically for the project and as mentioned in the "Methodology" section of the project application form;
- 3.1.1.3 Equipment: includes a breakdown (with costs) of all equipment to be purchased in relation to the project;
- 3.1.1.4 Mid-term and/or final evaluation costs (independent project implementation review or audit);
- 3.1.1.5 Training: covers training expenses relating to project implementation; expenses such as the cost of coffee breaks, meals, payments and allowances to Beneficiary Countries' employees in charge of training, and any other expenditure not having a direct impact on training, are excluded. Training alone cannot be the object of a CFP;
- 3.1.1.6 Others: includes any other possible expenses relating to the project which do not appear in the previous summary charts, including communication costs and provision for exchange losses;
- 3.1.2 Cost breakdown: for each table (labour, allowances, travel costs, services, equipment, training and others), please indicate whether this amount is to be financed by the QSF or from other resources (in the latter case, please include a brief explanation).

Article 23

Procurement of material and services

- 1 All procurement of material and services shall support the aim and objectives of a specific CFP.
- 2 Procurement of material and services by the UPU: Any procurement undertaken by the UPU within the framework of projects shall be in strict conformity with the UPU Financial Regulations and the UPU Rules on Financial Administration.
- 3 All the conditions for the procurement of equipment and services, including all the obligations and responsibilities of the provider(s), shall be specified in the procurement documents and in the contract.

Chapter VIII – Verification and approval of project proposals

Article 24

Analysis of projects by the QSF Secretariat

- 1 The QSF Secretariat shall check the project proposals for completeness and compliance with the applicable rules. The QSF Coordinator shall be asked to provide or rectify information where it is missing, incomplete or inaccurate; however, the QSF Secretariat shall ensure that answers to the following questions are provided:
 - 1.1 Does the project proposal comply with the POC decision, and will it make a contribution to achieving the objectives?
 - 1.2 Does the CF have enough QSF funds available?
 - 1.3 Has the project proposal been properly completed, including quantified performance indicators for the project objectives?
 - 1.4 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 QSF Coordinator. If the information requested by the QSF Secretariat is not received within four weeks, consideration of the proposal shall be deferred to the following Board meeting.

Article 25

Verification by the Board

- 1 The Board shall consider the project proposal as well as any other comments relating to the project submitted by the QSF Secretariat.
- 2 The Board shall verify whether the project description is clear and the project objectives correspond to the KPIs.
- 3 The Board shall verify that the objective complies with the POC decision and that it makes a sustainable contribution to quality improvement. The Board shall also verify that the milestones are appropriate and that KPIs can be measured throughout the life of the project. All questions concerning a project proposal shall be clarified between the QSF Coordinator and the Board prior to approval of the project.
- 4 The Board shall verify whether the funding requirement and allocation are 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.
- 5 The Board shall consider the expected follow-up costs relating to the project, which shall be borne by the Beneficiary Countries.
- 6 The Board shall also consider the level of Beneficiary Countries' commitment to the project, in accordance with article 10 of the RoP.

Article 26

Approval and project clearance

- 1 Once a project proposal has been approved by the Board, the QSF Coordinator shall be informed accordingly by the Chair, within 30 days of the meeting, by means of a project notification. This 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 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 The QSF Coordinator shall notify participating Beneficiary Countries in writing of the Board's decision.
 - 2 This notification shall confirm the approval of the project execution and clear the release of funding. The disbursement of funds for CFPs, in strict conformity with the UPU Financial Regulations and the UPU Rules on Financial Administration, shall be as follows:
 - 2.1 50% of approved budget upon approval of the inception report.
 - 2.2 40% of approved budget upon approval of the interim report.
 - 2.3 Payment of the balance of the amount actually spent under the QSF, up to the authorized ceiling, after the accounting vouchers provided have been checked and the Board has approved the final report.
 - 3 If the Board finds itself unable to approve a project proposal, it shall postpone its decision and return the proposal to the QSF Coordinator, 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 shall be transparent and comprehensible to the QSF Coordinator, and the Chair of the Board shall inform the Chair of the POC in writing.
 - 5 A project may only commence on 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 shall be explained by the QSF Coordinator within four weeks.

Chapter IX – Implementation of projects

Article 27

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 shall be submitted in writing via a project change request (PCR) (Annex 13) and shall have the approval of the Board.

1.1 The Board has sole authority to approve PCRs in the following cases:

1.1.1 Postponement of the project start date;

1.1.2 Change in the duration of the project of more than six months;

1.1.3 Change to the terms of payment, including payment plan;

1.1.4 Change to the approved budget;

1.1.5 Changes to the performance indicators;

1.1.6 Any other changes to the project.

2 If any problems occur during the execution of the project in connection with personnel resources, the time schedule or the budget, the QSF Coordinator shall report these problems immediately to the Board via the QSF Secretariat.

3 Responsibility for project execution and implementation, i.e. for the project objectives, financial control and reporting, rests with the International Bureau.

Article 28

Reports required

1 The responsibility for reporting rests with the International Bureau.

2 Reports are an essential project control mechanism for enabling the Board to keep track of the project during its life cycle and, if necessary, following project completion.

3 The complexity and level of the detail to be provided by the International Bureau 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 in this manual. Reports shall be submitted to the QSF Secretariat in English or French only. They shall adhere to the deadlines defined in the approval notification and any other subsequent related notification, and be submitted in complete form. Reports may be sent by e-mail or post.

5 There shall be four types of reports: the inception report, the on-site review reports (if appropriate), 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 If requested by the QSF Coordinator and approved by the Board, the on-site review report shall be provided after an on-site review, organized during the implementation of the project to take stock of the progress made and to consider necessary adjustments to the action plan. The on-site process review will be conducted by International Bureau experts and/or consultants.

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

5.4 The final report has to be submitted within three months of the conclusion of the project activities. In addition to detailed explanations regarding project implementation, all application documents regarding the analysis of success, the economic concept and the external influences shall be reviewed. The success achieved in meeting the project's quality of service objectives shall be described in detail and

supported by evidence, with reference to the quality improvement criteria and quantified KPIs set out in the project approval notification.

- 5.4.1 The final report shall be prepared by the International Bureau.
 - 5.4.2 The final report shall include a section containing the final project financial report. This section shall specify all expenses and contain the necessary supporting documents. All QSF-funded expenditure shall be duly justified with invoices. Only original documents or copies certified as true by the QSF Coordinator shall be accepted. Supporting documents in a language other than English or French shall contain an English or French translation of the key elements, enabling them to be clearly understood (bill number, date, description of goods or services delivered, etc.).
 - 5.4.3 In order to be presented to the Board, final reports shall reach the QSF Secretariat at least 60 days prior to the meeting date.
 - 5.4.4 The Board may require the QSF Coordinator to provide further information on the Beneficiary Countries' respective projects in a follow-up report.
- 6 The QSF Secretariat shall also contribute to the CFP performance and impact report for completed CFPs, to be prepared by the Board for presentation to the POC for approval.
 - 7 The Board shall report annually to the POC on the progress of CFPs.

Article 29

Processing of final reports by the Board

- 1 The Board shall review and discuss the final report at its next regular scheduled Board meeting. If the Board approves this report, the QSF Secretariat shall, within 30 days of the meeting, provide notification of the Board's decision. This notification should be sent to the QSF Coordinator.
- 2 The Board may require the QSF Coordinator to provide further information on the Beneficiary Countries' respective projects in 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 QSF Coordinator, who will need to consult with the Board. If, despite consultation between the QSF Coordinator and the Board, justified doubts persist which cannot be resolved by the QSF Coordinator, the Board shall take a decision regarding the outstanding issues. The Chair of the Board shall communicate this decision to the Chair of the POC. The reasons shall be provided in writing.

Chapter X – Evaluation of project results

Article 30

Principles

- 1 Every CFP shall be evaluated and a summary report presented by the Board to the POC for review and approval. On approval of the final report, the Board shall decide on the most appropriate time for the evaluation of the project.
- 2 The purpose of the evaluation of project results is to determine whether the objectives and KPIs, as well as impacts on the postal network pursued by the project, have been achieved.
- 3 If necessary, the Board may also request a mid-term evaluation of an ongoing CFP. The mid-term evaluation by the International Bureau of the project results shall support the final report submitted to the Board for project closure.
- 4 An evaluation reserve of 3% of the CFP budget shall be deducted from the CF revenue and set aside for post-implementation activities such as evaluation and on-site audit, following the approval of the CFP by the Board.

Article 31

Evaluation of project results

- 1 Subject to a Board decision, the evaluation of project results may be performed at selected locations where the project is being executed, and shall not exceed three working days per involved Beneficiary Country, unless otherwise authorized. For this purpose the Board, in consultation with the QSF Secretariat and subject to the UPU Financial Regulations and the UPU Rules on Financial Administration, may recommend the commissioning of qualified experts/UPU regional project coordinators to undertake the evaluation.
- 2 Project evaluations to be carried out can 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.
- 3 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.
- 4 The QSF will cover all expenses relating to project evaluation missions that cannot be carried out in conjunction with other activities in the field.
- 5 The evaluation shall be based on the KPIs defined for the project, and shall be conducted in an independent and competent manner. 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.
- 6 On completion of the evaluation requested by the Board, a report shall be submitted to the QSF Secretariat and a copy sent to the QSF Coordinator.
- 7 The QSF Secretariat shall submit the project evaluation report to the Board. If the report is accepted by the Board, notification of the final closing of the project shall be sent to the QSF Coordinator.
- 8 If the Board considers the information in the evaluation report to be insufficient, it may request additional information.

Section IV – Responsibilities and remedial measures

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

Article 32

Principles

- 1 In accordance with the policies and provisions defined for the management of projects, the following parties are involved in the development, approval, implementation and evaluation.
 - 1.1 Beneficiary Country; QSF Coordinator; QSF Secretariat; UPU Regional Project Coordinators; Board; 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 PMM.

Article 33

Beneficiary Countries

- 1 Beneficiary Countries and their project leaders, as the case may be, shall be responsible for the formulation and submission of the project proposal and its implementation, in accordance with the provisions defined in this PMM.
- 2 The QSF Coordinator is the Beneficiary Country's representative for the project, undertaking the management coordination, while the project manager, where applicable, is in charge of the project's technical

coordination. A Beneficiary Country may decide to assign the responsibilities of the project manager to the QSF Coordinator or the International Bureau (e.g. multinational projects).

Article 34 QSF Secretariat

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

- developing a regional promotion plan for QSF projects for every cycle;
- receiving, registering and assigning project numbers to the project proposals from Beneficiary Countries;
- clarifying project proposals and the corresponding documentation with the Beneficiary Country, if required;
- undertaking analysis and providing the Board with its comments as well as making recommendations to the Board about the project proposals;
- monitoring the execution and implementation of the projects through reports sent by Beneficiary Countries, providing the required guidance when necessary;
- supporting the Board in monitoring the results, in particular the achievement of the quality indicators by the Beneficiary Country, even after the conclusion of the projects;
- monitoring timely submission of the project reports and making recommendations to the Board on approval of the reports, particularly the final report;
- approving inception and interim reports, if all the required information is provided;
- subject to the relevant UPU financial rules, authorizing payment requests within the framework of QSF projects, after duly approving the results of the call for tenders, 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 appeals from Beneficiary Countries to be submitted to the POC, in accordance with the provisions established in this PMM;
- supporting the POC in activities relating to Beneficiary Countries' appeals against decisions adopted by the Board;
- approving project change requests as authorized by the Board and set out in article 9.

Article 35 Board

1 The Board shall be responsible for safeguarding the QSF funds and ensuring their proper management. It shall also be responsible for the governance of all QSF projects as well as all matters relating to QSF project management.

- 2 Its responsibilities regarding project management are to:
- verify and approve project proposals related to the application of funds;
 - guide Beneficiary Countries with regard to the required amendments, when necessary, in order to make approval possible;
 - verify and approve – if justified – amendments to the original project plans, if requested by Beneficiary Countries;
 - where a project proposal is not accepted, communicate the reasons to the Beneficiary Countries;
 - review the results of the projects, on the basis of the final reports submitted by Beneficiary Countries, and any other reports, according to the provisions of this PMM;

- give advice to Beneficiary Countries regarding suitable follow-up measures, project organization and management, the use of funds and potential QSF projects that are complementary to the Beneficiary Countries' quality development plans.

Chapter XII – Recommendations and remedial measures

Article 36

Recommendations

1 The Beneficiary Country shall be bound by the recommendations expressed by the Board. Nevertheless, the Beneficiary Country may, at its sole discretion, appeal to the POC against the recommendations of the Board.

Article 37

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 Beneficiary Country, the Board may impose additional obligations and conditions relating to any future project which the Beneficiary Country 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 shall recommend remedial measures and 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 Beneficiary Countries 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 Beneficiary Country shall 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 10, the Board may impose a new timeframe. In case this newly revised timeframe is not met, the project shall be cancelled by the Board.

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

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

Section V – Final provisions

Chapter XIII – Final provisions

Article 38

Effective date

1 This PMM (and any amendments thereto) shall come into force upon its formal approval by the POC.

Adopted at Berne, 18 October 2018.

List of abbreviations

CA	Council of Administration
CF	Common Fund
CFP	Common Fund Project
FMM	Financial Management Manual
GMS	Global Monitoring System
MIP	UPU multi-year integrated project
PCR	Project Change Request
PMM	Project Management Manual
POC	Postal Operations Council
PPM	Common Fund Project Prioritization Matrix
QDP	Quality Development Plan
QSF	Quality of Service Fund
RoP	Rules of Procedure
UPU	Universal Postal Union
USD	US dollar