



Quality of Service Fund Report 2001–2016



UPU | UNIVERSAL
POSTAL
UNION

Message from the QSF Board of Trustees



Marisol Hernández dos Santos
Chair of the Board
For the QSF Board of Trustees

A handwritten signature in black ink, consisting of stylized cursive letters that appear to read 'MHDS'.

On behalf of the Board of Trustees, it gives me great pleasure to present the first comprehensive QSF report from inception to the current year.

The Doha cycle marks another milestone in QSF history. Led by the UPU's long-term vision to develop social, cultural and commercial communications among all peoples throughout the single postal territory by the efficient operation of the postal services, we continued to drive the implementation of QSF projects in all regions.

The postal sector is seeing unprecedented change, and the UPU has done tremendous work to strengthen the global postal network, enabling designated operators to unleash the full potential of the Post. This unwavering focus on quality of service is the foundation of our success in the long term.

I am excited about the next phase, as we look ahead to charting the future direction of the QSF based on the principle of improving quality of service and strengthening the global postal network within the framework of the UPU.

The Board of Trustees and I would like to thank the entire QSF team for their dedication and hard work. I would also like to thank the Director General and his team in the International Bureau for their valuable support and contribution. Finally, I would like to especially thank all designated operators for your continued trust and support for the QSF Programme.

The QSF is a unique financing mechanism. I encourage member countries to take full advantage of it to support their efforts to improve quality of service, at a time when quality has never been a more important competitive advantage and determining factor of customer loyalty.

Bishar A. Hussein
UPU Director General

About the Quality of Service Fund

The UPU Quality of Service Fund was created at the Beijing Congress in 1999. Since then, it has become one of the most important instruments available to finance improvements in quality of service and has so far supported the implementation of over 650 projects among 173 beneficiary postal operators. It has, over the years, supported the worthy efforts of UPU member countries to strengthen the quality, reliability and durability of the global postal network and improve the letter post service.

The primary purpose of the QSF is to help improve the quality of service of designated operators in terms of speed, reliability and security, particularly the quality of inbound letter mail flows subject to terminal dues. In addition to projects in the operational sphere, the QSF finances quality development plans, systems for measuring quality of service, and costing and pricing systems.

Over four cycles, the Fund has proven its relevance and has had its duration extended by subsequent Congresses. It is today a vital component of the Union's development cooperation policy. In the early stage of the Fund, contributions were made from industrialized countries (ICs) to developing countries (DCs), but this contributor–beneficiary relationship has since evolved with the development of the terminal dues model during the past cycles. QSF billing over the past 15 years has amounted to more than 200 million USD, financing projects to a tune of 128 million USD, and to date over 70 million USD of funds are available for project implementation.

The QSF is governed by a nine-member Board of Trustees comprising representatives from ICs and DCs from seven geographical regions, whose key roles and responsibilities include the management and monitoring of projects, and the management of affairs of the Trust, as set out in the Deed of Trust and QSF Manuals. The Board meets up to four times a year to examine, consider and approve new project proposals, project change requests, final reports and evaluation reports of completed projects.

Another strategic role of the Board of Trustees is in the investment and financial management of the Fund; the sole and absolute power to invest Trust funds lies with the Board. Nevertheless, in discharging its fiduciary duty, the Board is supported by the Finance and Investment Committee, which is made up of five Board members. The Committee, whose key function is to exercise oversight over the work of the Investment Manager (an external party appointed to propose, implement and monitor the Fund's investment strategy), advises the Board on the performance of the investment and the effectiveness of the investment strategy in maximizing yields.

The UPU International Bureau provides the QSF Programme with a team of support staff, also known as the QSF Secretariat, to carry out all functions and duties relating to the administrative management of projects and the management of the QSF accounts. The QSF Secretariat plays an important role as the intermediary between the Board and the designated operators, serving as a point of contact for designated operators' communications with the Board. The QSF Secretariat engages closely and rigorously with designated operators on all matters relating to project implementation and QSF accounting.



QSF Board of Trustees meeting in Baku, Azerbaijan, May 2016

Key facts and figures

FINANCIAL

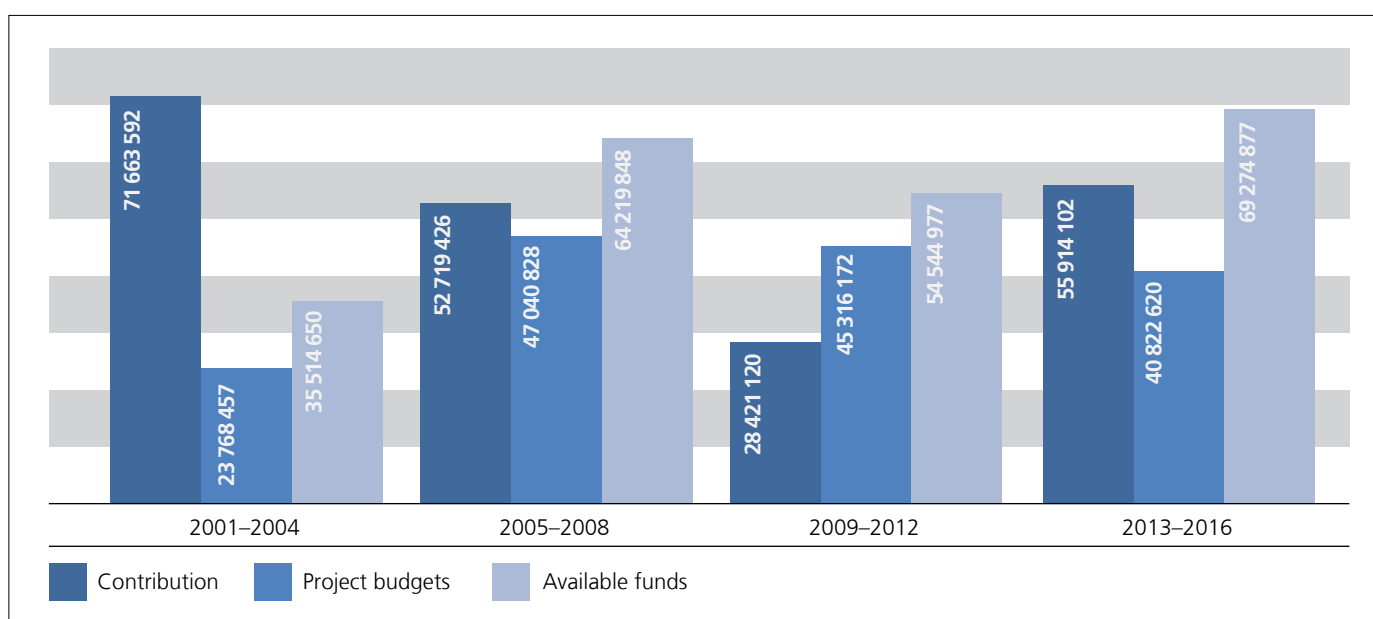
At 30 June 2016, total contributions since the creation of the Fund stood at approximately 209 million USD, which corresponds to an annual average contribution to the Fund of about 13 million USD.

Contributions (in USD)

2001–2004	2005–2008	2009–2012	2013–2016
71'663'592	52'719'426	28'421'120	55'914'102

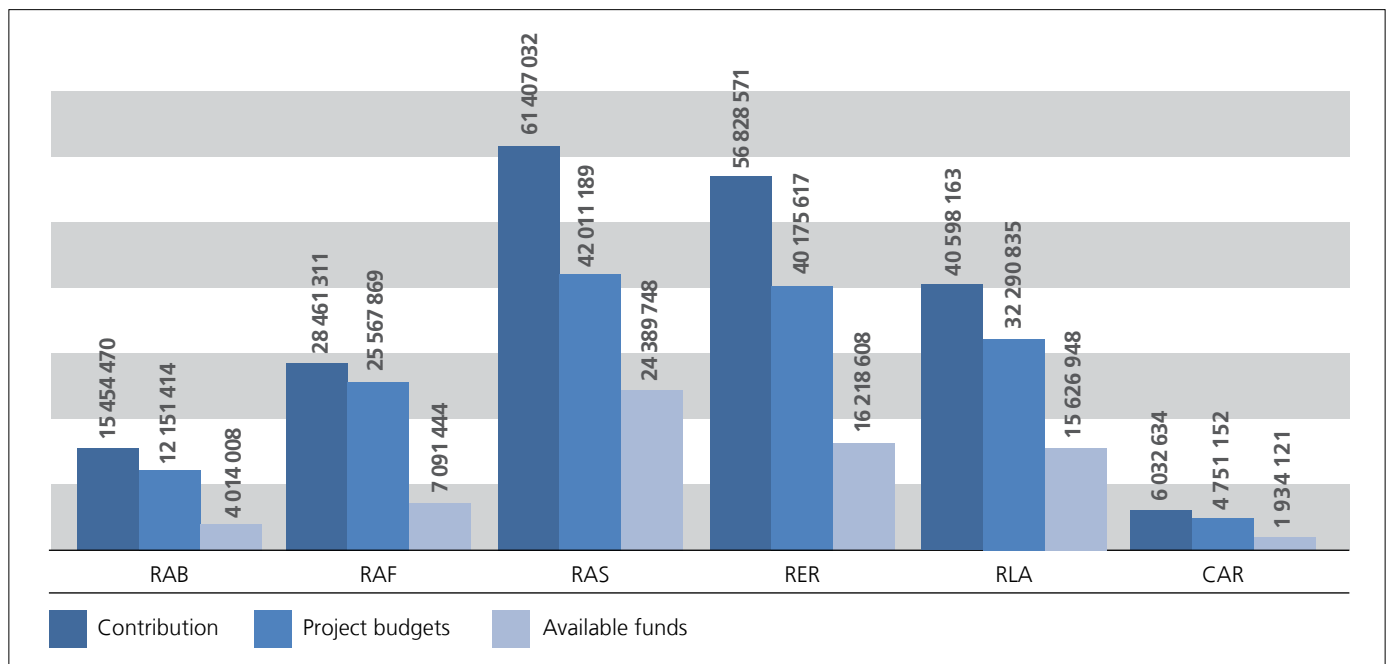
Contributions were lower during the 2009–2012 cycle, owing to the end of the expedited billing in 2010. The total invoiced during the first billing cycle in 2010 amounted to only 0.9 million USD, compared with around 7 million USD on average in the first billing cycle. This low amount was due to the reimbursements to operators related to the expedited billing for 2007, 2008 and 2009, as well as the fact that operators were not yet in the habit of sending the CN 61 and CN 64 to the Secretariat in a timely manner.

Comparison of contributions invoiced against approved project budgets and available capital by Congress cycle (at 30 June 2016)



Few projects were approved during the first cycle, as it was only the start of the QSF and operators waited for more available funds before submitting their projects. The number rose significantly during the second cycle. Global projects started in 2007.

Comparison of contributions invoiced against approved project budgets and available capital by region (at 30 June 2016)



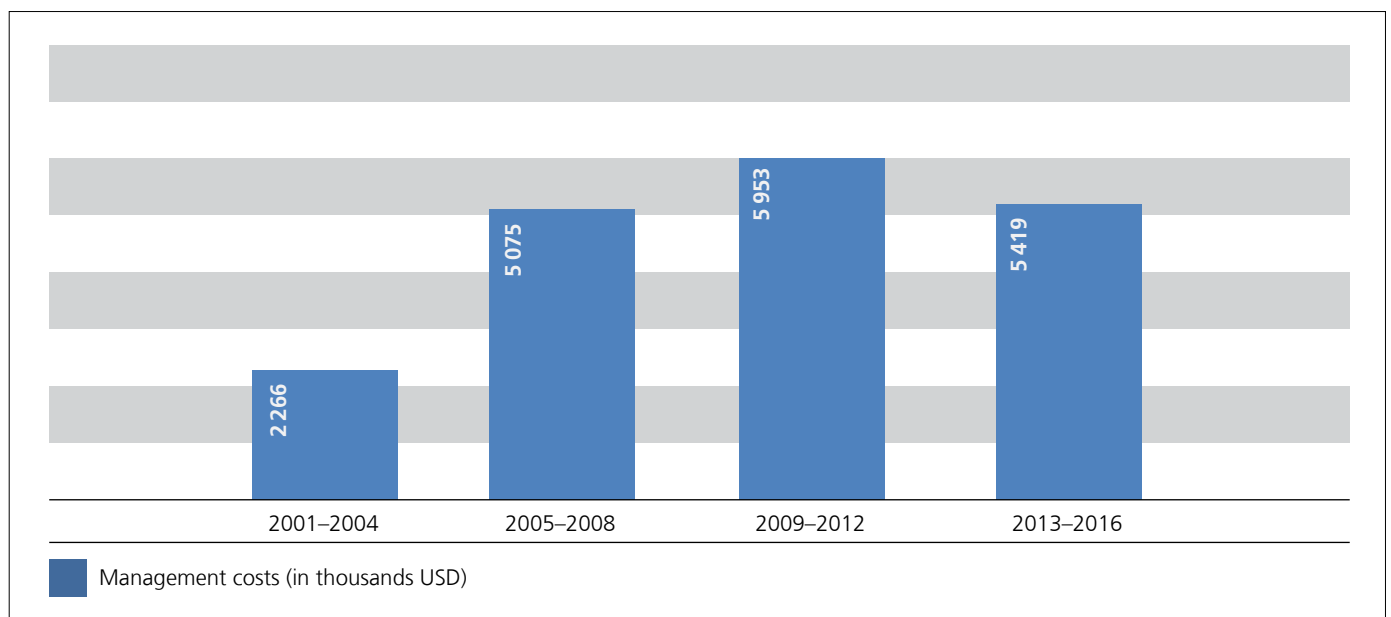
Since 2009, operators in group 1.2 are no longer beneficiaries; in particular, this has strongly affected the Caribbean region, as well as some operators in the Arab region.

Operators from the Europe and North Asia region and the Asia-Pacific region have benefited considerably and have

received substantial contributions. Some of them had high-value projects, which is why their available funds seem low compared with the contributions received.

There is a strong correlation between the contributions and the projects approved for operators in the Africa and Latin America regions.

Evolution of management costs by Congress cycle (at 30 June 2016)



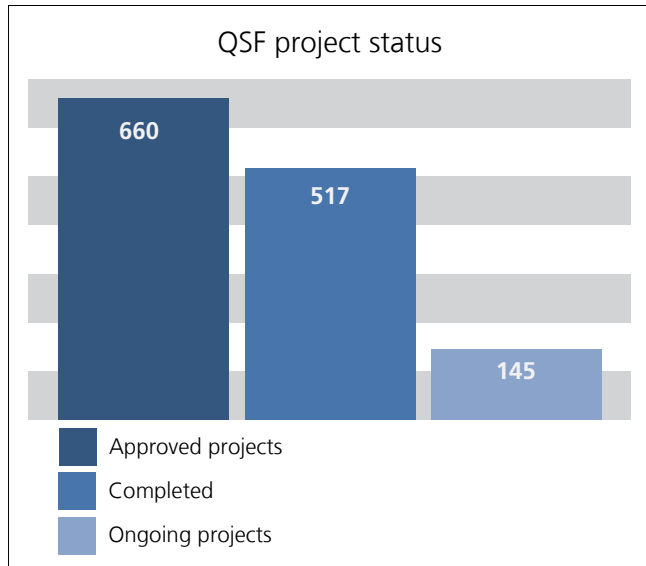
Since 2005, the costs have increased significantly compared with the first cycle, for the following reasons: the number of employees in the QSF Secretariat doubled, additional training

activities have been organized, and investments have been made in the IT system.

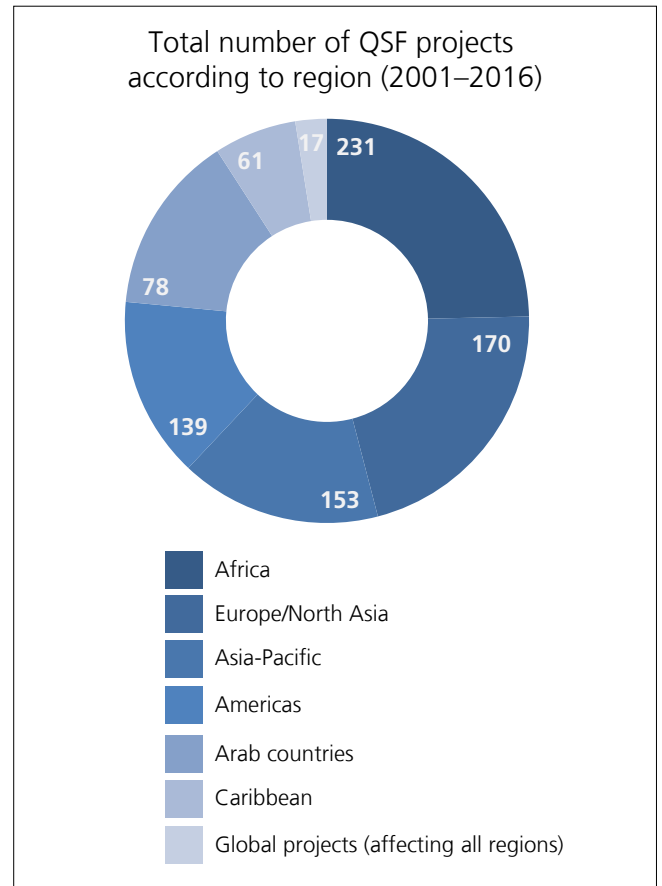
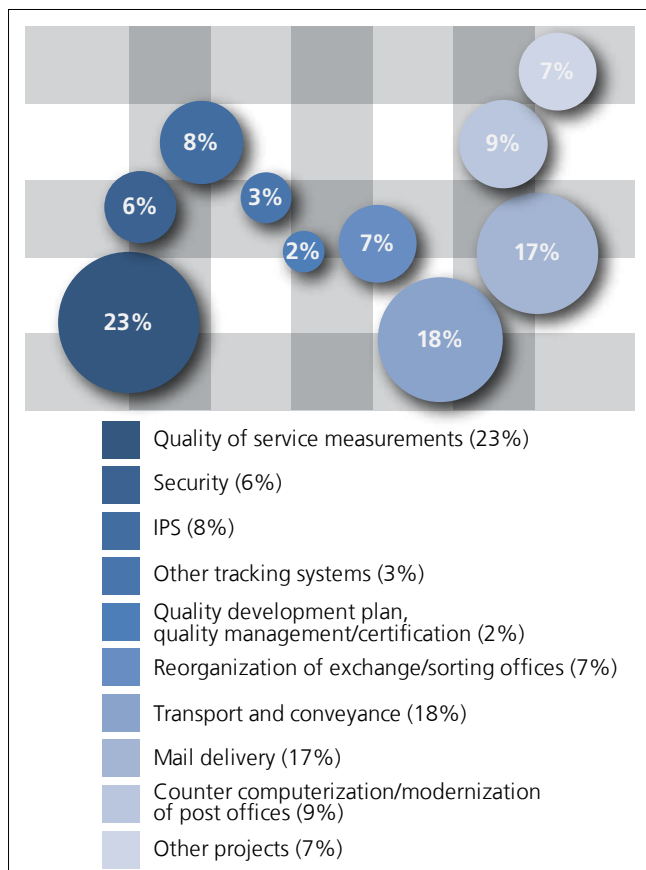
During the last cycle (2009–2012), the number of employees in the QSF Secretariat was reduced.

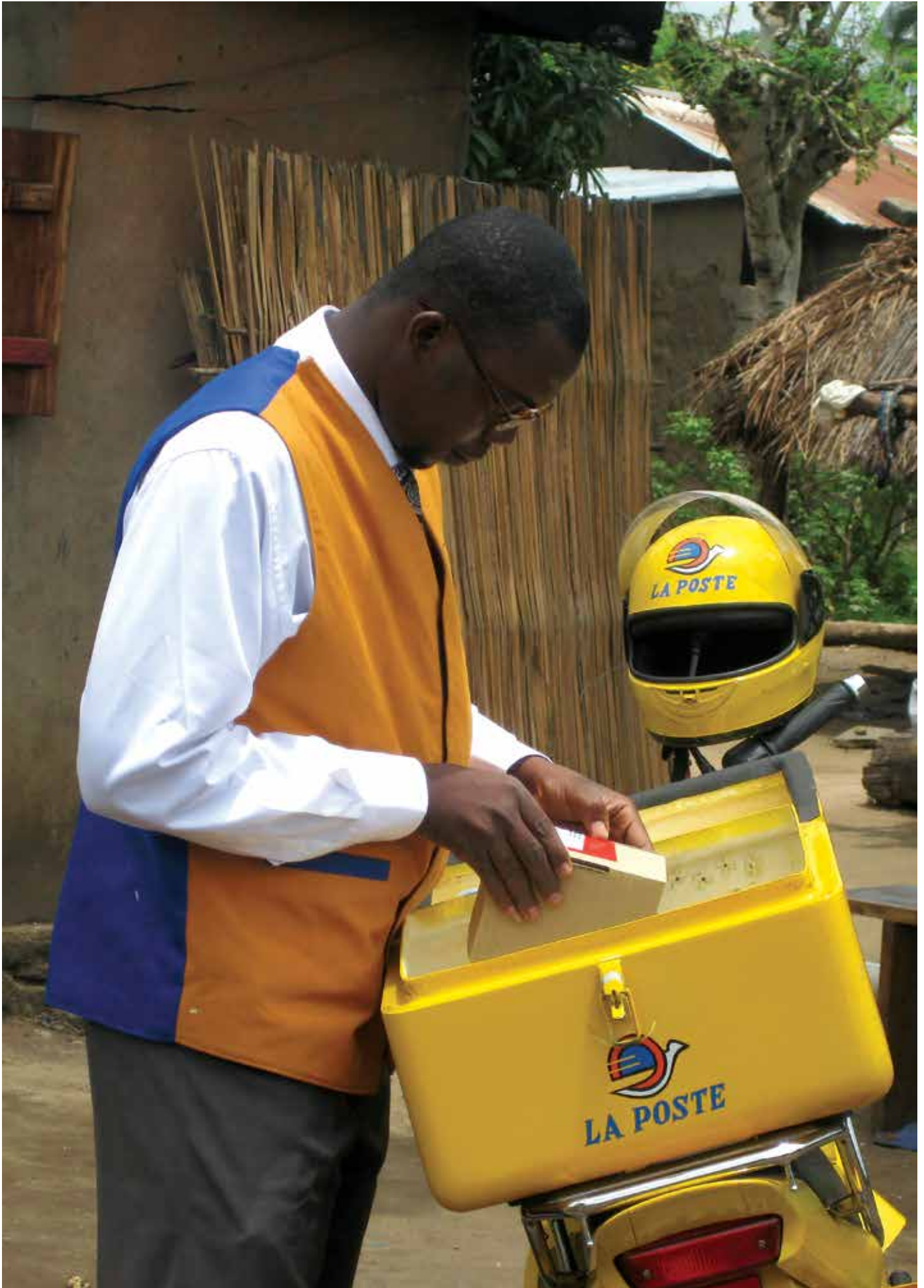
PROJECTS

From the creation of the Fund up to 31 August 2016, a total of 849 project proposals were submitted to the QSF Secretariat. Of those proposals, 660 projects were approved and have been implemented or are in the process of implementation. Two thirds of the completed projects have been evaluated.



Half of the QSF projects concern operations and the procurement of postal equipment and vehicles. In addition, 43% of projects concern quality control and measurement, as well as security. All QSF project categories are broken down in the chart below:





Impact of QSF projects in quality of service improvement

SUPPLY CHAIN

The exclusive aim of the QSF is the improvement in the quality of service of beneficiary designated operators. Projects are designed to improve quality in terms of speed, reliability and security, including quality development plans, systems for quality of service measurement, and costing and pricing systems. QSF projects are at the root of some encouraging improvements at national level which have a direct impact on the quality of the international mail service. For example, in the area of transport and conveyance, projects have reduced internal delivery times by one day in over 55 countries. Projects concerning sorting have helped more than 60 operators increase work productivity and reduce mail processing times so that items are usually processed within a maximum of one day at these facilities. Projects to improve delivery have made mail delivery more readily available to customers, extended home delivery coverage, or provided home delivery no later than

the day after arrival at delivery units in over 90 countries. The QSF has also enabled the successful implementation of 49 security projects, including CCTV systems in 15 different countries, and X-ray machines have been installed in 12 countries. In addition to the national and regional QSF projects, the QSF has jointly embarked with the Operations and Technology Directorate on global projects to strengthen the supply chain infrastructure, in particular in the area of electronic communication and data exchange between designated operators and Customs. The most recent such project is entitled "SECUREX", which stands for "Security- and customs-related electronic data exchange". In 2016, the International Bureau launched a pilot SECUREX project consisting of 10 participating countries. The pilot aims to develop their capacity to implement the Customs Declaration System (CDS). This project is to be followed by similar global projects in subsequent years.

MILESTONES	CIS	SEE (Europe)	West Africa (En)	West Africa (Fr)	East Africa	SAPOA	Central Africa	Asia	Pacific	Arab	Latin America	Caribbean
Quality management and UPU certification system	■	■	■	■	■	■	■	■	■	■	■	■
Establishment/review and publishing of quality standards	■	■	■	■	■	■	■	■	■	■	■	■
Participation in Global Monitoring System (GMS)	■	■	■	■	■	■	■	■	■	■	■	■
Partnership enhancement between Customs and Posts	■	■	■	■	■	■	■	■	■	■	■	■
Implementation/improvement of EDI messaging, including data transmission	■	■	■	■	■	■	■	■	■	■	■	■
Implementation of the basic UPU security standards and at least one air transport agreement (external service-level agreement based on the UPU-IATA framework agreement)	■	■	■	■	■	■	■	■	■	■	■	■
Implementation of internal service-level agreement	■	×	×	×	×	×	×	■	×	×	×	×
Implementation of the new enhanced Global Customer Service System by focusing on the quality of queries and replies to inquiries and reducing the time spent to resolve inquires	■	■	■	■	■	■	■	■	■	■	■	■
Regional training/workshop to use all PTC tools for operations (IPS/PS.post, CDS), network and QS (QCS, GMS*STAR, POST*Net dashboard), and back office (EMS Operational Guide, Letter and Parcel Post Compendia, RAIS) * Only for Asia-Pacific: Access and use of relevant UPU performance reports	■	■	■	■	■	■	■	■	■	■	■	■
Communication plan covering monthly teleconferences, monthly reports and quarterly reports (within the organization and at regional level)	■	■	■	×	■	■	■	×	■	■	■	■
E-commerce	■	■	■	■	■	■	■	■	■	■	■	■
Participation in UPU programme for registered, insured and express items	■	■	■	■	■	■	■	■	■	■	■	■
Terminal dues link measurement system workshop	■	■	×	×	×	×	×	×	×	×	■	■
Implementation of postal code and addressing system by each designated operator complying with the UPU guidelines	■	■	■	■	■	■	■	■	■	■	■	■

■ Very good progress according to the plan ■ Progress ■ No progress × Not applicable

IMPLEMENTATION OF IPS PROJECTS

The latest version of IPS is a tool that facilitates the exchange of EDI messages between designated operators. QSF funding enabled designated operators to install IPS or migrate from IPS Light to IPS.post. The migration to IPS.post facilitates the exchange of EDI messages and the configuration of new EDI partnerships, significantly increasing the number of EDI partners. Some airline companies accept only the latest version of CARDIT messages, so operators using an old version of IPS or using IPS Light cannot exchange EDI messages with these airlines. The ITMATT message is currently exchanged by a few Posts only. The implementation of CDS will allow Posts and Customs to increase efficiency at offices of exchange by automating the capture of information and decision making. The benefits of ITMATT are on two levels:

1. Security requirements:
 - › Pre-advice to be sent before item leaves country of origin.
 - › Confirmation of correct export processing to destination Customs and transport airlines.
 - › Provide possibility for security alerts back to origin.
2. Customs processing time:
 - › Customs decision making while item is en route.
 - › Possibility for automated customs decisions for low-risk items.
 - › Direct inject possible from shippers/online shops.

- › If Customs knows many hours beforehand what will be coming, it may agree to send a response on low-risk items even before the physical arrival in the country. This response could also be automated.

Automated pre-clearance can help Customs deal with the increasing volume of e-commerce items and the resulting shortage of staff.

Globally,

- › 12 countries are using an old version of IPS (i.e. 4.24)
- › 11 countries are not using IPS at all
- › 68 countries are using IPS Light
- › The QSF has greatly contributed to the implementation of IPS, with more than 60% of all IPS users having benefited from QSF financing to implement this system in the 15 years of QSF activity. More than 10 million USD has been invested by the QSF for implementation of IPS in 103 countries or territories.

“The EMSEVT messages are exchanged between the origin and destination Posts and provide tracking information about identified (barcoded) mail items, from the point of acceptance through to final delivery to the addressee. In order to improve the quality of service, the designated operators need to provide more and more tracking information. The version 3 of EMSEVT includes an extended set of events to address limitations of the current EMSEVT V1 message. The Posts must be more and more competitive, but the performance measurements should not include the time spent by the mail items at Customs. The new events mainly bring more information related to the stay of the mail items at the import and export Customs. EMSEVT 3 is mandatory for EMS items since 1 January 2016. Since status 2 of the UPU standard M40 was adopted by the 2016.1 POC, this version will become mandatory for letters and parcels as well.”

“The rollout of IPS in no small measure improved the efficiency of the Post in developing countries, enabling them to participate in the global EDI platform effectively. It is the hallmark of postal ICT infrastructure today in Nigeria procured through the QSF.”

Loveridge Debegbudu
Head, Letter Post, NIPOST, Nigeria

“IPS Light has contributed to the development of SALPOST infrastructure by establishing good operational processes, efficient procedures and quality management systems. The exchange of EDI messages has increased the use of quality of service track-and-trace tools. A remarkable reduction of inquiries (and time to resolve them) led to a drastic decrease in compensation paid for lost and damaged postal items. IPS Light has also facilitated the use and interpretation of QCS reports. Thanks to the QSF and IPS Light, SALPOST can now effectively and efficiently manage and measure its performance in processing and delivering international letter mail items. Currently, we are in the process of migrating to IPS.post, which offers a wider range of functionalities.”

Abdul Rahman Munu
QSF National Coordinator,
Sierra Leone Postal Services

“The scanners and computers procured by the QSF for IPS enabled faster processing of mail and traceability. Performance on scanning items improved, which also helped SAPO to identify the causes of delays on the processing stream. SAPO’s customer service performance has improved because customers are able to track their items.”

Portia Shirindza
Acting Senior Manager and QSF National Coordinator,
International Business (JIMC),
South African Post Office

“Thanks to the QSF project, we have the ability to locate the weakest link in our administration and focus on improvements. As for international inbound letter mail PG format (UNEX) performance, during 2016 (January–July), it increased 6.7% compared with the same period in 2014, and compared with last year, increased from 88.8% to 90.9%. Even though it is a slight change, it is in a positive direction. The QSF made it possible to track in which operations pipeline the problem occurs by analyzing quality note reports, which are filled in systematically by letter handling offices when problems are detected (unlisted, misrouted, damaged letter, incorrect data, etc.). We were also able to improve our EDI compliance indicator, by detecting mistakes in the content or setup of the message (message sent to wrong mailbox, incorrect IMPC or IATA code, etc.). With the help of the QSF, we were able to improve quality of service in terms of speed and reliability, including quality development plans and systems for measuring quality of service, and this led us to set new goals with a higher perspective.”

Indrė Tankeliavičiūtė
Internal Control and Audit Department Analyst,
Lithuania Post

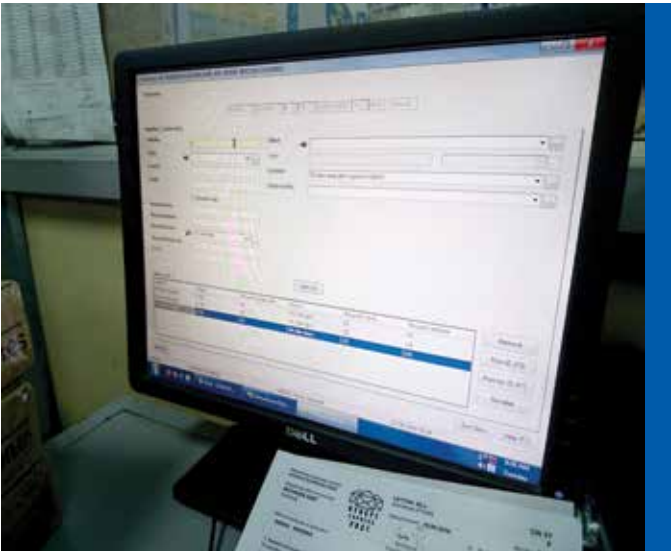


MOLDOVA

The QSF-financed IPS project for letters has shown the following confirmed results:

- › Track and trace implemented for 100% of registered mail
- › Customer satisfaction improved by giving customers the possibility to track their postal items
- › Automation of postal employees' workplaces
- › Automation of the reporting process
- › Automation of EDI data exchange between postal operators

Picture illustrative (source: PTC)



COSTA RICA

A QSF-financed IPS project contributed to accelerating the handling of international dispatches (from 8 to 5 hours) and allowed for swift replies to customer inquiries. This, in turn, has increased the trust clients have in the Post. This project has also contributed to helping the operator better manage the boom of small packets generated through e-commerce. The number of operators with which EDI messages are exchanged increased from 100 to 130 in 2015.

Picture illustrative (source: PTC)



TOGO

Togo's designated operator needed IPS in order to know in detail how and at what speed mail was processed and distributed, and also in order to decrease customer complaints related to delays or lack of information.

The scanning ratio of A over C has increased from 85% to 97%, and the scanning ratio of H and I over D, from 90% to 98.6%.

The operator has also noticed a clear improvement in mail delivery within the standard, from 62% to 89% in J+5.

Picture illustrative (source: PTC)

QUALITY DEVELOPMENT PLANS AND ADDRESSING SYSTEMS

Twenty-five countries have benefited from implementation of a quality development plan through national and regional projects. The quality development plan is recognized as a useful resource for the improvement of operational processes and also a reliable document for evaluation. Eight countries benefited from QSF financing for the design and implementation of a postcode/addressing system, which indirectly contributed to more efficient and effective delivery performance.

NATURAL DISASTER RECOVERY PROJECTS

The socio-economic dimension of the QSF is one area that is often understated, yet it creates meaningful value for beneficiary designated operators. QSF funds can be utilized for the rebuilding and reconstruction of postal infrastructure in countries that have been severely damaged by natural disasters. The main purpose is to help affected designated operators recover from natural disasters in the shortest time possible and to ensure that universal postal services can continue to be provided to the population without disruption.

GMS AND OTHER MEASUREMENT SYSTEMS

The past cycle, evaluations of project results have confirmed steady and sometimes considerable improvements in the quality of service offered by individual postal operators; project targets have been attained and are sustainable. QSF funding has provided valuable support to the Global Monitoring System, in particular through the financing of several global QSF projects, enabling GMS to grow tremendously since its launch in 2009 as a pilot involving 20 countries. Now, over 100 countries from eight regions participate, and to date 75% of GMS participants have improved their quality of service for international inbound mail. There are two types of quality measurements proposed by GMS: GMS inbound and GMS end-to-end (E2E). In 2016, 122 postal operators are participating actively in one or both measurements. Today, the QSF finances the participation of 52 postal operators in GMS inbound, and the participation of 15 postal operators in GMS E2E.

“In 2003 and 2004, the QSF helped us improve the quality of inbound registered mail through the introduction of a barcode reader system, which enabled us to provide tracking information for items. The QSF also contributed to the restoration of postal infrastructure in several provinces affected by the earthquakes in 2006 and 2009. With the introduction of vertical sorting frames in five mail processing centres, we were able to improve quality of sorting through a more sophisticated system.”

Moehartini Moeharjadi

International Relations Manager, PT Pos Indonesia

“A diagnostic monitoring system was implemented through the QSF. It assisted SAPO to monitor the delivery performance and enabled us to identify and improve bottlenecks.”

Portia Shirindza

Acting Senior Manager and QSF National Coordinator, International Business (JIMC), South African Post Office

“On a general level, I can say that the project funded by the QSF has allowed us to monitor more closely the delivery of mail and parcel items, and notice the weak spots in the processes of different units – and based on this make improvements that have increased delivery performance.”

Andrus Kotri

Department Manager and QSF National Coordinator, Quality Department, OMNIVA

“By creating a diagnostic scanning system at more points of the country, we can control the domestic handling process of the items. In case of process errors, we can take immediate corrective measures. It also influenced our domestic handling process. The quality requirements in the international mail flow have had a positive influence on domestic handling performance.”

Orsolya Sárfi

Product Manager, International Business Development, Magyar Posta/Hungarian Post

ASIA-PACIFIC REGIONAL PROJECT

A big success story for the region was the RAQUEL – Registered Articles Quality Enhancement Lead – project, approved by the Board in February 2011 and completed in July 2014. It was financed by donations from Hongkong Post, Korea Post, POS Malaysia and Singapore Post and coordinated by the IB.

The project's KPIs/objectives were:

1. Published delivery standard – all but two DOs achieved this
2. 100% use of barcodes on outbound registered items – achieved by all
3. 100% scan (A and C) for outbound registered items – achieved by all
4. 100% scan (D, H and I) for inbound registered items – the majority achieved the D scan; results for H and I vary widely
5. 100% EDI exchange with all RAQUEL DOs and other partners – all exchange with RAQUEL partners (this was the major KPI for the project!)
6. Update of Letter Post Compendium and delivery standards on UPU website – achieved by all but two DOs

The project started off with 18 participating DOs and finished with 29: Afghanistan, Bangladesh, Bhutan, Brunei Darussalam, Cambodia, China (People's Rep.), Cook Islands (NZ), Fiji, Hong Kong (China), Iran (Islamic Rep.), Japan, Korea (Rep.), Macao (China), Malaysia, Maldives, Mongolia, Myanmar, Nepal, Pakistan, Papua New Guinea, Philippines, Samoa, Singapore, Sri Lanka, Thailand, Tonga, Tuvalu, Vanuatu and Viet Nam.

POLAND

"The QSF projects made it possible to implement a very useful tool for monitoring the quality performance of letter mail in the organization – automatic performance monitoring thanks to use of RFID technology.

"The wide range of postal units equipped with the diagnostic RFID antennas created a good network of units receiving ongoing information about the process along all value chains of letter mail processing and logistics, showing the weak points to be improved.

"This strategic information is used by the units to monitor their processes and improve quality, both for international and domestic mail, and is also used to create the general policy concerning quality improvement. The diagnostic information is important not only for processes, but also for building staff awareness – a key factor in achieving the expected quality performance and in ensuring the security of services. The diagnostic reports are rich and detailed sources of important information. The quality indicators show improvements in some domestic relations and also in the processing of international mail. Without the QSF resources used, implementation of this monitoring system to such a wide extent (office of exchange, all sorting centres and a number of post offices) would not be possible.

"The use of RFID technology all over the world within different quality measurement systems shows the great benefit of the QSF, not only from a technical point of view, but also in terms of the possibility to have uniform quality measurement for many postal operators. Thanks to the QSF, many postal operators have implemented GMS inbound and GMS E2E measurement.

"After many years of use of QSF resources, experience shows the great value of the QSF for beneficiary postal operators."

Małgorzata Grabowska

Quality of Service and Labour Optimization Department,
Quality Section, Poczta Polska

“Our mail delivery QSF project allowed us to double the frequency of mail conveyance between Ouagadougou and Bobo-Dioulasso and increase it from five times a week to eight times a week between Ouagadougou and Koudougou, Ouahigouya and Fado N’Gourma (among other destinations). This new schedule contributed to improving the exchange of mail between the various links and to accelerating the mail processing times in post offices and in the sorting centre.”

Noufou Ouibga

Director of Mail, QSF National Coordinator,
Société Nationale des postes (SONAPOST), Burkina Faso

“Before the involvement of the QSF in supporting interregional mail transportation, our country had lengthy mail delivery times. From the Dar es Salaam office of exchange to the far region of Kigoma, it is 1,539 km by road. QSF projects supported the legs from Dar es Salaam OE to Mbeya (822 km), Songea (947 km) and Arusha (646 km). With such coverage, we have improved delivery performance of inbound mail from J+3 to J+1 in main cities, thanks to QSF-funded mail delivery vans. We have improved and maintained the standards set through replacement of aging mail vans and trucks.”

Nehemiah M. Kyabalasi

QSF National Coordinator,
Tanzania Posts Corporation

“Through the QSF, South Africa managed to buy five Mercedes Benz Sprinters, which helped South Africa to deliver mail to the South African Development Community countries. As South Africa is a transit hub for SADC, this helped the South African Post Office (SAPO) to transport mail daily to Swaziland, Lesotho, Mozambique and Botswana. SAPO experienced labour unrest from 2011 to 2014, which had a negative impact on the above-mentioned initiatives. Through these difficulties, SAPO was in some cases not able to meet expected delivery requirements. Despite the labour unrest, SAPO strived to give better service delivery to the customer, and we will continue to improve our delivery standards.”

Portia Shirindza

Acting Senior Manager and QSF National Coordinator,
International Business (JIMC),
South African Post Office

“We appreciate the efforts exerted by the QSF team, which helped to improve quality of service in Egypt through QSF projects:

- › Purchasing vehicles to minimize mail transportation times from airport to processing centres and vice versa
- › Achieving J+4 for 100% of mail, compared with J+5 at 78%
- › Achieving J+2 in the capital and other developed cities, compared with J+3 before the project
- › Improving market share to about 50% as a result of customer trust and quality improvement achieved”

Abdelnaby Hamdi

QSF National Coordinator and Manager of International
Cooperation Department, Egypt Post

MAIL TRANSPORT AND DELIVERY

One of the major problems faced by postal operators, particularly in developing countries and least developed countries, is conveyance of mail and mail delivery. The fleet of vehicles is simply not sufficient to ensure proper mail distribution throughout the country. Very often, the roads are in poor condition and the vehicles are rapidly worn out, particularly for peri-urban and rural areas. Even with proper servicing and maintenance, operators must replace vehicles more frequently or are forced to abandon certain routes in order to focus on routes with the biggest mail volumes.

For many operators with extremely limited resources and difficulties in investing in logistics, the QSF is the only way to maintain mail delivery in certain areas and therefore ensure the fulfilment of the universal service obligations.

The QSF has financed the purchase of 6,414 vehicles, broken down into the different categories below:

Pick-up trucks, minivans, cars	388
Bicycles	1173
Scooters, motorbikes	3945
Big vans, trucks	840
Buses and minibuses	55
Other	13



Picture: New mail delivery vehicle purchased by the QSF in Togo

MOLDOVA

The QSF financed two mail collection and delivery projects, aimed at ensuring quality standards of the universal postal service, with the following results:

- › Improved mail delivery standards of international priority mail, from 60% at J+5 before implementation of the project, to J+5 for 80% of international priority mail
- › Number of letter boxes increased from 190 to 260 in the capital city
- › Access to and increased availability of postal services for customers
- › More regular collection from letter boxes
- › Replacement of used letter boxes that do not meet requirements with modern letter boxes

Picture illustrative



MADAGASCAR

Two QSF projects implemented by Paositra Malagasy contributed to decreasing the transmission time in rural areas and increasing the frequency of mail delivery from three times a week to twice a day in the capital city, and from twice a week to once a day for intercity (to provincial capitals).



COSTA RICA

Having set the improvement of mail delivery as the main objective of a QSF project, the operator analyzed the situation and concluded that, in addition to a new fleet of vehicles, mail sorting needed to be improved. Therefore, the project covered the purchase of motorbikes, as well as furniture to improve mail sorting (see picture). This project allowed the operator to reorganize its sorting procedures and facilitated the work of postmen. The project contributed significantly to increasing the percentage of mail delivered in J+3, from 65% to 91% in the capital city and from 75% to 88% in rural areas.



POST BUSES

An exciting new trend in several countries in the Africa and Arab regions

In the Arab region, there is a trend towards the procurement of vans carrying both mail and passengers, instead of just cargo vans, mainly to optimize mail transport and improve international mail delivery times, while at the same time allowing postal organizations to increase their revenue with the transport of passengers.

ETHIOPIA

The Ethiopian Postal Service greatly benefited from the QSF-funded post bus projects.

Security

- › Mail does not get wet and dirty because it is kept in special compartments
- › Mail does not go missing
- › Mail is not damaged

Speed of mail

- › Increase in performance from 65% to 85% for mail delivered in regions which have a standard of J+3
- › Improved the delivery standard from J+4 to J+3 in some regions
- › Time-sensitive mail (e.g. blood samples) gets to destination on time

Other benefits

- › Revenue collection
- › Post able to start own transportation services
- › Reduced transportation costs
- › Improved customer attitude on routes where own vehicles are used
- › Increased mail volumes, owing to the increase in the number of governmental and private customers
- › Complete change of attitude from the public towards the postal service



“The introduction of a post bus service through the QSF has sent a signal to the people of Sierra Leone that SALPOST is back in business and ready to serve its customers, also meeting the need for public transport at competitive prices, while passenger fees will cover the overhead cost of providing the universal service to communities that are not necessarily in active economic areas. The post bus service has improved mail delivery, especially letter mail, from J+4 to J+2 at 70% – as per results recorded from the domestic mail measurement tests – within two weeks of operating the two buses. We have also cut down on the high fuel and maintenance costs of running older mail vans daily. The buses are more efficient and generate revenue through the passenger service. We have developed an economic model by employing drivers for the post buses with performance-linked contracts lasting for six months. We are new in the business, and we have challenges with the National Drivers Union, which is collecting taxes for parking and loading per trip.”

Abdul Rahman Munu
QSF National Coordinator,
Sierra Leone Postal Services



SECURITY

One of the major problems in today's postal industry is the security of mail transport, including pilferage. The QSF has enabled the successful implementation of 49 security projects, including CCTV systems in 15 different countries and the installation of X-ray machines in 12 countries.

In recent years, the Caribbean region, for example, has seen a steady rise in e-commerce traffic. Operators in this region have been diligently implementing security-related projects such as acquisition of X-ray machines in order to boost the security of e-commerce packets.



Picture illustrative



“The QSF financed a project to improve the security of the physical mail network, including the installation of a CCTV system in post offices, with the following results:
35% decrease in stealing of goods inside post offices
and 28% decrease in lost mail items.”

Ludmila Druc,
Head of International Relations and Protocol,
S.E. Posta Moldovei

“Costa Rica has a population of around 5 million over a geographic area of 51,000 km². The operator was losing a significant number of registered items in sorting centres and main offices, resulting in angry customers. Since the installation of the first security cameras purchased through the QSF in 2011, cases of loss and pilferage have been drastically reduced (by 67%). Lost mail also leads to compensation requests from angry customers. There are now fewer requests for compensation and, therefore, less lost revenue for the operator. With the help of the QSF, the operator is continuing its efforts to improve mail security in the various post offices.”

Alexis Arias
QSF National Coordinator,
Correos de Costa Rica

“Since installation of the CCTV systems in the office of exchange and also the Nairobi GPO, mail pilferage has diminished by virtually 100%, and this has protected PCK’s brand and revenue, safeguarding customers’ items as well.”

Agnes Lempaka
QSF National Coordinator, Postal Corporation of Kenya

MADAGASCAR

The 23.8 million inhabitants of Madagascar are reassured by the continuous improvement in the quality of services offered by the designated operator, Paositra Malagasy. The lack of security devices in the air transport section at the Ivato International Airport and in the sorting centre building resulted in many cases of pilferage and theft. The surveillance system installed through a QSF project has enabled the operator to reduce pilferage from 7% to 1%, and loss to 0%. This project also financed the procurement of a scanner, and mailbags are currently scanned on arrival and departure.



THAILAND

Thailand Post installed CCTV systems at 39 post offices in Bangkok and its metropolis and at 69 post offices in the surrounding regions. The number of customer complaints related to cases of loss and pilferage were reduced by over 15% and, as a result, the annual compensation paid for such cases was reduced by over 30% and has continued to drop. Thailand Post was able to maintain and improve on the results achieved, which contributed not only to increased mail security, but also to the improvement of the Post’s image in the eyes of its customers.



QSF motivational activities

TRAINING AND PROMOTIONAL ACTIVITIES

Throughout the duration of the QSF, and with the support of the Development Cooperation Directorate (DCDEV), a total of 20 regional workshops have been conducted in all regions involving approximately 500 participants. The workshops have focused on training staff of beneficiary designated operators on the QSF rules and regulations, to enable them to effectively formulate and implement QSF projects.

This cycle, four QSF regional workshops have been held in Asia-Pacific, Africa, Europe/North Asia and the Caribbean, attended by 145 participants from 77 designated operators. Since the workshops focus mainly on project management, individuals outside the circle of QSF national coordinators can also participate to learn project management techniques or refresh their skills.

The effectiveness of the QSF training workshops can be seen through the increase in new project proposals and, more importantly, the increase in the approval of projects. The QSF Secretariat also supports the UPU regional project coordinators in ongoing QSF training in their respective regions.



Picture: QSF workshop for Africa, Nairobi, July 2014



Picture: QSF workshop for Europe and North Asia, Zlatibor, January 2007

Eight Open Door Days have been held since the concept was introduced. The Open Door Days, which seek to create awareness of the QSF Programme and motivate designated operators to propose QSF projects, were held in conjunction with the Postal Operations Council sessions in Berne. These events proved very successful and attracted many delegates.



Picture: Open Door Day April 2013

Since 2007, 32 issues of the QSF newsletter have been published. The purpose of the QSF newsletter is to provide updates to designated operators of the outcome of Board meetings, as well as to keep designated operators abreast of the developments in the QSF Programme.

QSF AWARDS

In an effort to recognize and motivate designated operators that have excelled in the implementation of their projects, QSF awards have been handed out for 71 projects involving all regions.¹ The rating system for the awards is based on the evaluation reports of completed projects. Projects in the areas of transport and conveyance (vehicle acquisition) and security (CCTV and scanning) were particularly successful.



Picture: QSF awards ceremony, February 2016



Picture: QSF awards ceremony, November 2014

1 As of May 2016

Forging ahead into the future

Recognizing the rapidly but harshly changing landscape of the Post and the urgent need for the Post to stay ahead of the curve in the booming e-commerce economy, the Doha Congress called for a prospective study on the future of the QSF with a view to proposing a new model to the Istanbul Congress.

An external consultant was commissioned to carry out the study in July 2015, involving senior officials of designated operators, the Board of Trustees, QSF national coordinators, the QSF Secretariat, the regional project coordinators, the QSF ad hoc group and selected management from the International Bureau. The comprehensive study yielded encouraging responses from QSF stakeholders, with more than 90% agreeing that the QSF should continue as a redesigned model. Other key findings of the study revealed that the future QSF model should have an expanded scope in terms of fundable projects, a mechanism to manage the utilization of funds within a stipulated time frame, and a common fund

with a sustainable source of funding, aimed at providing the much-needed funding for supply chain improvement.

Other noteworthy results were the high level of satisfaction regarding the role of the Board of Trustees and the achievement of the QSF objectives. Alongside the positive feedback from the survey, proposals were made for further improvements of the programme, including the review and amendment of the rules, procedures and work processes related to project approval, management and monitoring, and the financial management of projects.

Following the Istanbul Congress, the focus of work will be on updating and modifying QSF rules and procedures and, more importantly, developing guiding principles, rules and regulations for the implementation of the future QSF model. The Istanbul cycle will be a new chapter for the QSF, and certainly one which empowers the QSF as the most effective tool for the future development of postal services.

“The QSF as part of the UPU is all about international cooperation. Some of the best experts in industry are gathered to steer the Fund and help evolving postal operators to advance both in knowledge and operations.”

Marko Kontić

International Operations and Quality,
PE Post of Serbia

“As a UPU member country, we are very pleased to benefit from the QSF as we obtained significant benefits from the various projects implemented in the last 15 years. We would like to emphasize that the QSF is both a support and driving power for improving the quality of service and we hope the QSF will continue without interruption in the following years.”

İclal Derelli

QSF National Coordinator,
International Relations Department, PTT Corp., Turkey

“The QSF allowed our postal services to gain more credibility thanks to the improvement of the traceability and monitoring features throughout the whole process.”

Manale Azar

QSF National Coordinator,
International Affairs Manager, Libanpost

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