UNIVERSAL POSTAL UNION

Rules of Procedure of the UPU Quality of Service Fund

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Foreword

1 The Quality of Service Fund (hereinafter “QSF”) functions under the auspices of, and reports to, the Postal Operations Council (hereinafter “POC”). The QSF does not have a separate legal status of its own.

2 The 22nd Universal Postal Congress in Beijing originally approved the terminal dues system comprising the QSF. Such a mechanism was subsequently maintained and updated by the 23rd Congress in 2004, the 24th Congress in 2008, the 25th Congress in 2012, the 26th Congress in 2016, and the 27th Congress in 2021.

3 Within the framework of its activities, the QSF shall ensure compliance with the Acts of the Union and the relevant decisions of the bodies of the UPU.

4 The Rules of Procedure of the POC shall be applicable to the QSF, by analogy, in all cases not expressly provided for in these Rules of Procedure (hereinafter the “RoP”).

5 As of the date of approval of these RoP, the activities of the QSF (including the classification of UPU member countries as contributing countries or beneficiary countries) have their main legal foundation in the relevant Congress decisions, including Istanbul Congress resolutions C 7/2016 and C 9/2016, as well as Abidjan Congress resolutions C 8/2021 and C 13/2021.

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Rules of Procedure of the UPU Quality of Service Fund

Definitions

1 For the purposes of these RoP, the following expressions shall have the meanings defined below:

1.1 Beneficiary Country: any UPU member country that benefits from the QSF (including its designated operators as potential beneficiary entities), as per the country classification outlined in the Universal Postal Convention (hereinafter "Convention") and relevant Congress resolution.[1]

1.2 Board: the Board of Trustees as governing body of the QSF, as further defined in chapters I and II of these RoP.

1.3 Common Fund: a specific QSF modality established in accordance with the Convention and further defined in chapter III of these RoP.

1.4 Contributing Country: any UPU member country that contributes to the QSF (including its designated operators as potential contributing entities), as per the country classification outlined in the Convention and relevant Congress resolution.

1.5 International Bureau: the UPU International Bureau as secretariat of the QSF, whose functions are further detailed under chapter IV of these RoP.

1.6 LDC project: project funded by the LDC special account (as defined below) which is specifically aimed at improving the quality of service in the least developed countries (hereinafter "LDCs") and geared towards their specific needs.

1.7 LDC special account: a special account created under the Common Fund for projects aimed at the countries classified as LDCs according to the relevant list established by the United Nations.

1.8 Project Coordinators: specific International Bureau units which do not provide any direct secretariat support for the QSF (as further defined in chapter IV of these RoP) and are charged with acting as project coordinators for Common Fund projects (hereinafter "CFPs").

1.9 Supplier: a supplier of goods or services within the framework of any approved project.

1.10 UPU member country in good standing: a UPU member country which has regularly paid its contributions and therefore has no arrears of mandatory contributions, not including interest equal to or more than the contributions billed to it for the previous two financial years, or which has concluded a schedule for the amortization of its arrears.

Chapter I – Goal and structure of the Quality of Service Fund

Article 1
Goal of the Quality of Service Fund

Subject to the relevant provisions of the Acts of the Union and the decisions of its governing bodies, the goal of the QSF is to measurably improve quality of service, weak links and sustainability of the global UPU postal network. In this context, the purpose of the QSF is to provide, during a transitional period, a funding platform (including the Common Fund and its LDC special account) for the development and implementation of domestic, regional and global projects concerning all international postal services whose scope is determined and regulated by the Acts of the Union. In particular, the QSF shall be used for the improvement of quality of service in the postal supply chain through, *inter alia*, the development of inbound and outbound mail flows, with a greater footprint for cross-border e-commerce infrastructure and other postal supply chain elements, with due regard being paid to the United Nations Sustainable Development Goals and in the interest of Beneficiary Countries and, as applicable, their designated operators.

[1] Member country/territory classification as per Abidjan Congress resolution C 13/2021.

Article 2
Structure of the Quality of Service Fund

1 The QSF shall be directed by a Board duly elected by the POC.

2 The Board shall be the formal structure responsible for internally coordinating and managing the activities of the QSF, with the support of the International Bureau. The Board shall report to the POC and be responsible for the attributions described in these RoP.

Chapter II – Board of the Quality of Service Fund

Article 3
Structure of the Board

As the governing body responsible for achieving the objectives of the QSF, the Board shall consist of 11 UPU member countries (hereinafter the “Board Members”), including one Chair and one Vice-Chair elected in accordance with the procedures contained in article 6.

Article 4
Role and responsibilities of the Board

1 The Board shall have sole and absolute discretion in managing and administering the QSF and the affairs thereof. In particular, it shall have the following powers:

1.1 Act as the body responsible for administering and managing the affairs of the QSF in accordance with the relevant decisions of the UPU governing bodies, the UPU General Regulations and the UPU Financial Regulations.

1.2 Without prejudice to the relevant attributions of the International Bureau, make decisions on investment of QSF funds and manage QSF investments.

1.3 Decide on project applications submitted to the QSF, including, without prejudice to the relevant UPU procurement rules, authorizing the use of the services of consultants for any project.

1.4 Authorize the disbursement of the funds required for execution of the project.

1.5 Monitor the smooth conduct of projects and follow up all projects to ensure compliance between the project objectives and the results obtained in terms of quality of service improvement.

1.6 Demand the auditing of QSF projects at any point in the life of a project.

1.7 Decide on the evaluation of completed QSF projects.

1.8 Take remedial measures concerning projects as deemed appropriate, in the light of all the relevant circumstances.

1.9 Use consultants or consult any professional service provider, including lawyers, accountants, banks or other financial institutions, for the purposes of managing and administering the QSF, subject to the relevant UPU procurement rules. The use of such service providers shall not abrogate the responsibility of the Board members for deciding all questions in relation to or in respect of the QSF.

1.10 Prepare and present reports concerning the activities of the QSF to the POC, including reports on the implementation, performance and impact of CFPs.

1.11 Produce a Project Management Manual (hereinafter the “PMM”) and Financial Management Manual (hereinafter the “FMM”), including updates, modifications and minor amendments, to be submitted and presented to the POC for approval.

1.12 Recommend, to the POC, the adoption of amendments to these RoP or to any other POC-approved policy concerning the functioning of the QSF or management of QSF projects, including the PMM.

2 Construction: Any sound, justified construction of these provisions made in good faith by the Board members shall be conclusive, final and binding on all parties.

Article 5
Meetings of the Board

1 The quorum required for the holding of meetings of the Board (hereinafter “Board meetings”) shall be six Board Members. Board Members participating by means of web/video/audio conferencing facilities shall also be considered as present for determining this quorum and for voting, provided that the necessary technical means are in place to ensure their participation (hereinafter “remote participation”).

2 Board meetings shall be held up to four times a year. At least two of these meetings shall be held during the bi-annual meetings of the Council of Administration (hereinafter “CA”) and the POC.

3 Attendance of Board meetings shall be restricted to Board Members. Participation of observers shall be subject to the Rules of Procedure of the POC.

Article 6
Voting principles

1 Only Board Members shall have the right to vote on questions submitted to the Board or otherwise within the purview thereof. Without prejudice to the possibility of exceptional representation as outlined in § 2 of this article, proxies shall not be admitted.

2 If a Board Member, present at a session, is prevented from attending a meeting, it may, on an exceptional basis, delegate its right to vote to another Board Member, provided that it gives prior notice in writing to the Chair of the Board or to the International Bureau. However, a Board Member may not represent more than one country other than its own.

2.1 In the event of a secret ballot, as set out in § 4.3 of this article, a Board Member participating remotely shall also have the possibility, prior to the secret ballot, of verbally informing the Chair of the Board that it wishes another Board Member physically present to represent it for the purposes of that ballot.

3 Questions that cannot be settled by common consent shall be decided by a majority of members present and voting. In the event of a tie, the proposal shall be considered as rejected. When the number of abstentions and blank or null and void ballot papers exceeds half the number of votes cast (for, against and abstentions), consideration of the matter shall be deferred until a subsequent meeting, at which abstentions and blank or null and void ballot papers shall be disregarded. The establishment of investment principles shall be decided by a two-thirds majority of the Board Members present and voting.

4 The manner of voting, which shall be determined before the voting begins, may be:

4.1 by show of hands: in the case of remote participation by a Board Member, this shall be replaced, for that member, by a non-secret vote via the UPU’s online electronic conference platform. All such remote participation votes shall then be added as appropriate to the tally of the show of hands from those Board Members physically represented at the meeting;

4.2 by roll-call: at the request of a Board Member or by the choice of the Chair. The roll shall be called in the French alphabetical order of the countries represented on the Board. When the name of a Board Member is called out in the French alphabetical order, that member’s representative, whether attending physically or remotely, shall respond verbally with its vote. Should any Board Member fail to cast a vote for any reason during the roll-call vote, that member shall be called upon a second time after the conclusion of the initial roll-call. Should that member still fail to cast a vote on the second roll-call round, the Board Member shall be recorded as being absent;

4.3 by secret ballot: at the request of two Board Members. The necessary measures shall then be taken to ensure the correct operation of this procedure, whether the vote is conducted electronically or through traditional paper ballots; this shall have priority over other voting procedures.

4.3.1 The possibility of remote participation referred to in article 5.1 shall not apply in the event of any secret ballot, in which case Board Members availing themselves solely of the possibility to participate remotely shall not be counted for quorum purposes, nor be entitled to vote unless the appropriate notice of representation is provided to another Board Member attending physically in accordance with § 2.1 of this article.

5 The expression “members present and voting” shall mean members voting “for” or “against”. Abstentions shall not be taken into consideration in counting the votes which are indispensable for ascertaining the majority; the same shall apply to blank or spoilt ballot papers in the event of a secret ballot.

6 Once the voting has begun, no delegation may interrupt it, except to raise a point of order relating to technical aspects of the voting procedure.

Article 7
Election of Board Members

1 Board Members shall be elected by the POC for a renewable three-year term. Board Members may be re-elected. A Board Member’s term shall commence in the month of July following the election. The membership of the Board shall be renewed on a yearly basis using a 5-3-3 system, with 2018 as the first reference year (five Board members to be elected in 2018, three in 2019, three in 2020 and so on). A UPU member country that is no longer in good standing shall forfeit its status as a Board Member with immediate effect.

2 Board Members shall be elected in accordance with the criteria and geographical distribution indicated hereinafter:

2.1 Six Board Members shall be Contributing Countries and five Board Members shall be Beneficiary Countries.

2.2 Board Members from Contributing Countries shall be elected as follows: two from among the countries of Western Europe, one from among the countries of Eastern Europe and Northern Asia, one from among the countries of the Western Hemisphere and two from among the countries of Southern Asia and Oceania.

2.3 Board Members from Beneficiary Countries shall be elected as follows: two from among the countries of Africa, one from among the countries of Eastern Europe and Northern Asia, one from among the countries of the Western Hemisphere and one from among the countries of Southern Asia and Oceania.

2.4 A UPU member country may not stand for election as Board Member from a Contributing Country and Beneficiary Country at the same time.

3 The candidates obtaining a majority of the votes, as defined in article 6, shall be elected. As many ballots shall be held as are necessary to obtain this majority.

4 The candidate or, in the event of a tie, the candidates obtaining the fewest votes in any one ballot shall be eliminated. If several candidates do not obtain at least 10% of the votes cast in a ballot, all these candidates shall be eliminated.

5 Candidates may withdraw before each ballot.

6 In the specific event of a tie, a second vote shall be taken, if necessary. If the second vote does not resolve the tie, the Chair of the POC shall draw lots to determine the winner. All UPU member countries in good standing may stand for election as Board Members.

7 Each elected Board Member shall:

7.1 Appoint a representative for all QSF-related matters;

7.2 Notify the International Bureau in writing of the name of its appointed representative; and

7.3 Ensure that its representative:

7.3.1 Is available sufficiently often to carry out his/her functions within the Board, including availability to travel and to participate in meetings, and has sufficient technical knowledge of all matters pertaining to the activities of the QSF;

7.3.2 Is duly authorized to represent the Board Member concerned (this requirement shall apply for the entire duration of the Board Member’s term of office); and

7.3.3 Is able to substantiate his/her professional skills and experience enabling him/her to carry out the required functions within the Board in an appropriate manner.

Article 8
Chair and Vice-Chair

1 The Board shall elect its Chair and Vice-Chair from among Board Members for a one-year term renewable for a second term only, during its first annual session following the election of new Board Members by the POC.

2 The candidates obtaining a majority of the votes, as defined in article 6, shall be elected. As many ballots shall be held as are necessary to obtain this majority.

3 The candidate or, in the event of a tie, the candidates obtaining the fewest votes in any one ballot shall be eliminated. If several candidates do not obtain at least 10% of the votes cast in a ballot, all these candidates shall be eliminated.

4 Candidates may withdraw before each ballot.

5 The vice-chairmanship shall be held by an elected Board Member from a UPU member country in a category other than that of the chairmanship (for example, if the Chair is from a Contributing Country, the Vice-Chair shall be from a Beneficiary Country, and vice-versa).

6 The Chair shall convene and preside at the meetings of the Board. It shall also be in overall charge of the work and activity of the QSF, and prepare the provisional agenda for each meeting of the Board in consultation with the Director General of the International Bureau. The Chair shall also be responsible for presenting the report of the QSF to the POC. The Chair shall transmit to the International Bureau the decisions taken by the Board for execution and/or assistance.

7 The Vice-Chair shall act as Chair at meetings of the QSF Board if the Chair is prevented from attending such meetings. If both the Chair and the Vice-Chair are prevented from attending a specific meeting, the Chair shall be replaced by another Board Member (selected by themselves or, in the absence of an agreement, by drawing of lots).

8 The Vice-Chair shall assist the Chair in directing the QSF Board. To this end, it shall, *inter alia*, be kept informed of matters relating to the preparation and programming of QSF meetings, and follow the progress of and coordinate matters that are assigned to the QSF.

Article 9
Resignation and replacement of Board Members

1 Should a seat on the QSF Board become vacant, and should the remainder of the relevant Board Member's term be not less than one year, the vacancy shall be filled as soon as possible for the remainder of the term by means of an election organized as per the procedures set out in § 2.

2 A vacancy shall arise when a Board Member:

2.1 Has submitted a resignation letter;

2.2 Declares that it is unable to carry out its duties;

2.3 Has been unable to be represented at three consecutive meetings;

2.4 Is no longer entitled to appoint a new representative.

3 Upon request of the Chair, the Chair of the POC shall fill the vacancy of such Board Member temporarily until the next POC, in accordance with the criteria and terms set forth in article 7. At the next POC session, elections shall be conducted in accordance with the terms of article 7.

4 A Board Member resigning from its seat as per § 2.1 shall not be eligible for a seat on the QSF Board for a period of one year following the effective date of said resignation.

Chapter III – Quality of Service Fund projects

Article 10
Quality of Service Fund project types

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

1.1 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:

1.1.1 Domestic projects (only one Beneficiary Country); or

1.1.2 Multinational projects (two or more Beneficiary Countries from the same region or from different regions).

1.2 CFPs, whose primary objective shall be to support the implementation of domestic, regional and global projects aimed at improving the quality of service of all UPU member countries with a view to ensuring the development and improvement of quality of service in the global postal network, as further detailed in this chapter.

1.3 As per the definition in article 1.6, LDC projects shall be CFPs specifically funded by the LDC special account.

Article 11
Submission of Quality of Service Fund projects and prioritization process for Common Fund projects

i Individually-funded projects

1 The Beneficiary Country shall be responsible for submitting a project proposal in accordance with the objectives set forth in article 1, including the preparation of project documents to be submitted to the Board for approval. In this regard, any project submissions shall meet the detailed criteria set out in the PMM.

ii Common Fund and LDC projects

2 Project Coordinators shall be responsible for submitting a project proposal and for its subsequent management in accordance with the objectives set forth in articles 1 and 11, including the preparation of project documents to be submitted to the Board for approval. In this regard, project submissions shall meet the detailed criteria set out in the PMM and, in the case of LDC projects, align with the UPU policy on LDC development as approved by Congress.

3 The International Bureau shall invite POC/CA groups whose mandates and related business plans for a Congress cycle are eligible for funding from the Common Fund and its LDC special account, as per the results of the prioritization exercise carried out by Congress, to submit project proposals within the first year of a new Congress cycle. Project proposals from POC/CA groups shall be processed by the International Bureau before they are submitted for prioritization.

4 In addition, the International Bureau may also invite restricted unions to submit project proposals which align with the mandates and business plans for the Congress cycle.

5 A prioritization review committee composed of all members of the POC Management Committee shall be responsible for considering and approving:

5.1 The list of programmes and sub-programmes eligible for Common Fund financing;

5.2 The Project Prioritization Matrix (hereinafter “PPM”) and the relevant CFP prioritization criteria; and

5.3 The list of proposed CFPs and their order of priority according to the PPM rating system.

6 The roles and responsibilities of the prioritization review committee shall be as follows:

6.1 Examine and ensure that the areas of implementation as proposed in the project proposals submitted by POC/CA groups are linked to the Union’s strategy for the Congress cycle in question, as well as its related business plan;

6.2 Evaluate the strategic need, suitability, viability, value proposition and sustainability of the project results vis-à-vis the ratings on the project proposal. Moreover, LDC projects shall be aligned with the Union's development cooperation plan for LDCs;

6.3 Recommend projects in a prioritized order for approval by the POC, including projects that should be deferred for further review and modification. LDC projects shall be recommended in a separate prioritization list.

iii Prioritization process for Common Fund and LDC projects

7 The areas of implementation covered by the Common Fund and its LDC special account shall stem from the priorities decided upon by Congress and be based on the results of the prioritization exercise carried out by Congress. Identification and prioritization of CFPs and LDC projects shall be carried out in accordance with this article, as per the procedures further described in the PMM.

8 The POC/CA bodies responsible for priority programmes and sub-programmes identified above shall be consulted with a view to submitting project proposals by a process further described in the PMM. The results of this consultation shall be put into the PPM.

iv Identification of prospective Beneficiary Countries eligible to participate in Common Fund projects

9 Following approval of the full and complete PPM by the POC, the International Bureau shall be responsible for identifying the prospective Beneficiary Countries eligible to benefit from a CFP, in accordance with principles referred to in articles 1 and 11 of these RoP and subject to formal signature, by the Beneficiary Country concerned, of the CFP Statement of Commitment, which details the level of commitment of prospective Beneficiary Countries to fund the CFP in respect of funds needed outside the scope of the CFP (follow-up costs) as well as the liability of that Beneficiary Country to refund any expenses incurred due to its failure to implement the CFP, or in the event that the Beneficiary Country withdraws from the CFP before its completion. Further criteria for participation in CFPs shall be defined in the PMM.

v Role of Project Coordinators in the prioritization process for Common Fund and LDC projects

10 In applying the prioritization process, Project Coordinators shall:

10.1 Propose to the POC a list of priority programmes and sub-programmes eligible for Common Fund and LDC special account financing.

10.2 Develop the PPM, complete with CFP and LDC project prioritization criteria, for further approval by the POC.

10.3 Lead the consultation process with the POC/CA bodies referred to in §§ 3 and 8 of this article; and

10.4 Apply the PPM to CFP and LDC project proposals gathered during the consultation process.

10.5 Draw up the proposed PPM as well as the list of proposed CFPs and LDC projects in order of priority based on the rating calculated using the PPM, submit them to the prioritization review committee for examination and recommendation, and develop the proposed criteria for participation of Beneficiary Countries in a CFP and/or an LDC project.

10.6 Inform all eligible Beneficiary Countries of the development of a CFP.

10.7 Provide Beneficiary Countries with the criteria necessary to join a CFP and the deadline to request participation in that CFP.

10.8 Draft the project proposal using the CFP/LDC project application form and submit the proposal in due time to the Board for examination.

Article 12
Remedial measures

If QSF funds are misappropriated or used for purposes not approved by the Board, remedial measures may also be imposed by the Board as per the relevant procedures defined in the PMM.

Article 13
Appeals

In accordance with the POC Rules of Procedure, the POC shall be responsible for considering appeals from Beneficiary Countries relating to project proposals in case of disagreement between the Beneficiary Country and the Board.

Chapter IV – Secretariat and languages

Article 14
Secretariat

1 Within the framework of the QSF, the secretariat shall be provided by the International Bureau as an organ of execution, support, liaison, information and consultation, as further detailed in the PMM, including the following functions:

1.1 Receive submitted project proposals and provide the Board with its comments.

1.2 Register submitted project proposals and assign project numbers.

1.3 Administer and implement CFPs as per the methodology outlined in article 11.

1.4 Monitor the execution and implementation of projects through the relevant reports and provide the required analysis and guidance when necessary, in consultation with the Board.

1.5 Clarify submitted project proposals and the corresponding documentation sent by the relevant parties, as required.

1.6 Support the Board in monitoring the results attained in the areas supported by the projects, and inform on the development of the quality indicators, including after the conclusion of the projects.

1.7 Monitor timely submission of the project reports and provide the Board with its views on such reports, particularly the final reports.

1.8 Approve inception and interim reports, if all the required information is provided.

1.9 Authorize payment requests within the framework of QSF projects and under the conditions laid down in the project approval notification or any other subsequent notification relating thereto.

1.10 Support the Board in evaluating projects, including measurement of project impact and project results.

1.11 Receive and process Beneficiary Country requests for reconsideration to be submitted to the POC, in accordance with the provisions established in these RoP.

1.12 Approve project change requests as authorized by the Board.

Article 15
Languages

The working languages of the QSF shall be French and English.

Chapter V – Finances

Article 16
General financial provisions

1 The budget for QSF activities shall be managed in accordance with the applicable UPU financial principles and rules (including the UPU Financial Regulations and the UPU Rules on Financial Administration).

2 The Board shall be responsible for the management of QSF finances. Nevertheless, the Director General of the International Bureau shall be responsible for the administration of the finances of the QSF, in accordance with article 128 of the UPU General Regulations and article 4 of the UPU Financial Regulations.

3 When implementing Board decisions, the Director General of the International Bureau shall, in accordance with article 18 of the UPU Financial Regulations, ensure optimum security and the use of sound investment principles, while maintaining an acceptable level of risk consistent with a prudent, low-risk investment strategy, including liquidity requirements.

4 Financial statements and External Auditor's report[2]: The audited QSF financial statements (consolidated in the verified financial statements of the Union), together with the report of the Union's External Auditor, shall be reviewed by the Board and subsequently submitted by the International Bureau to the CA for approval at the end of the financial year.

5 Performance audits: Any performance audits carried out by the Union's External Auditor shall be shared with the Board by the International Bureau for its consideration. The Board shall be consulted by the International Bureau in the preparation of the Union's responses to the External Auditor's audit findings and remedial recommendations directly relating to the QSF, and these responses shall be recorded in the External Auditor's final report. All measures relating to the implementation of such remedial recommendations shall be approved by the Board.

Article 17
Budget and financing

1 The International Bureau shall present a draft annual budget report concerning QSF activities for preliminary validation by the Board (subject to further approval of the CA), at the latest by the end of the month preceding the budget year in question.

2 As per the possibility outlined in article 33 of the UPU Financial Regulations, QSF accounts shall be held in United States dollars. All accounts, including accounts receivable, creditor and project accounts, shall be denominated in that currency.

3 The International Bureau shall present an updated financial report at each meeting of the Board.

4 The QSF shall be financed in accordance with the terms laid down by the relevant Congress decisions and resolutions, respectively by mandatory terminal dues–related increases, voluntary contributions, interest on investments, and interest on arrears calculated on contributions owed to the QSF.

5 The QSF shall be managed on the basis of a centralized system of interest-bearing investments. Any such interest shall be paid in proportion to the average annual balances of the Beneficiary Countries, the Common Fund and its LDC special account.

6 Billing and payments shall be the subject of operating procedures and billing information further developed in the FMM.

7 QSF funds shall be respectively assigned to the Beneficiary Countries and to the Common Fund and its LDC special account as soon as they are received.

8 Countries may, at their absolute discretion, donate or make payments to the QSF. Payments may be made for the benefit of any project, or directly to the Common Fund or its LDC special account.

9 A country may, at its sole and absolute discretion, assign the benefit of its entitlements, in whole or in part, to finance projects. The use of these funds shall be subject to the normal project approval procedures.

10 All costs or expenses incurred in managing and administering the affairs of the QSF shall be covered from QSF assets. Members of the Board shall not charge any travel costs or management or administrative fees in respect of the management or administration of the QSF.

[2] This article entered into force, with retroactive effect, on 1 January 2011, following the adoption of the International Public Sector Accounting Standards (IPSAS) (POC 2011.1–Doc 13a.Add 2).

11 All management expenditures shall be paid first from interest on investments or other investment yields, then from the countries' available capital, and finally from the Common Fund's available capital (including its LDC special account) in proportion to the capital available.

12 An allocation of up to 12% of the annual Common Fund revenues may be set aside for pre-implementation activities for CFPs that have been approved for prioritization. This allocation may be adapted annually by the Board. It shall be strictly earmarked for CFP pre-implementation activities, such as (but not limited to) feasibility studies, market studies, on-site surveys, scoping, identification of readiness levels and the relevant impact analysis for each proposed solution. The Board's approval shall be required for cost estimates related to each CFP. Payments from the allocation must be supported by validated financial vouchers and managed in accordance with the UPU Financial Regulations.

Article 18
Fund management for Quality of Service Fund projects

1 QSF funds shall be made available:

– from the allocation described in article 17.2 for pre-implementation activities; and

– for project proposals, only once these have been unconditionally approved by the Board.

2 Only project expenses duly approved by the Board shall be charged to the QSF. In this regard, all project costs related to the management of CFPs shall be covered by the Common Fund, and all project costs related to the management of LDC projects shall be covered by the LDC special account.

3 All disbursements shall be supported by documentary evidence duly signed by the authorized persons. Control of expenses related to projects shall be carried out on the basis of the procedure detailed in the PMM.

4 As set out in more detail in the FMM, disbursements shall be made through direct payment (advances and final balance) by the UPU to the Beneficiary Country, using the banking details provided in circulars. Bills may also be settled, by delegation, directly to the United Nations Development Programme (UNDP) or to another third party, provided that the banking details have been certified, in writing, by the Beneficiary Country concerned. In cases where payment is to be made to third parties, such requests shall be validated in writing by the duly authorized representative(s) of the Beneficiary Country concerned (only signed hard copies are acceptable in such cases).

Article 19
Transfer of unused funds

1 All funds accumulated during the previous Congress cycles (2001–2017) shall remain in the country-specific accounts to which they have been assigned and shall not, at any time, become eligible for transfer to the Common Fund.

2 Any contributions accumulated by a Beneficiary Country during the 2018–2021 cycle shall be used in approved QSF projects within two years following receipt of the last payment of the contributions related to this period.[3] After 31 December 2026, all remaining balances shall be transferred only to the Common Fund.

2.1 For funds accumulated after the reference year 2018, the funds allocated to projects shall be deducted from the available capital of the Beneficiary Country using the FIFO (first in, first out) method. Funds transferable to the Common Fund shall thus be the first funds to be used, with a view to preserving the Beneficiary Country's funds as far as possible before they become eligible to be transferred to the Common Fund under the Convention.

2.2 Funds transferable to the Common Fund are those collected within the framework of regular billing, i.e. CN 64bis billing. Funds collected within the framework of CN 64ter supplementary billing are not concerned.

[3] That is to say, according to the terminal dues accounting cycle, the final payment for the reference year 2021 is received, in principle, in mid-2024. Beneficiaries have from July 2024 to 31 December 2026 to submit projects for approval by the Board, in order to prevent these funds becoming eligible for transfer to the Common Fund.

3 Beneficiary Countries whose QSF assets are eligible for transfer to the Common Fund on 31 December 2026 shall be duly notified by the International Bureau, as further explained in the PMM.

Article 20
Debts in arrears

1 The amounts of bills not received by the International Bureau within six weeks of their dispatch shall be chargeable with interest at the rate of 6% per annum reckoned from the day following the day of expiry of the said period. By analogy with article 146 of the UPU General Regulations, the Board may, in exceptional cases, propose that the CA release a Beneficiary Country from all or part of the interest owed by that country within the framework of an approved project.

2 Where Contributing Countries that also have the status of Beneficiary Countries fail to pay outstanding sums owed to the QSF, the sums owed, up to an invoice limit of 500 USD, shall be automatically deducted from their country-specific QSF assets.

3 Contributing Countries that do not have country-specific assets and fail to pay outstanding sums owed to the QSF will no longer be eligible to benefit from CFPs.

4 Contributing Countries that fail to pay outstanding sums owed to the QSF (i.e. no longer in good standing) shall be dealt with in accordance with article 7.1.

Chapter VI – Final provisions

Article 21
Term and dissolution of the Quality of Service Fund

1 The term of the QSF, in accordance with Congress resolution C 9/2016, is set at 31 December 2028.

2 Unless otherwise decided by future Congresses, the QSF shall be dissolved, its affairs irrevocably wound up and its capital and accrued income disbursed to the eligible parties (Beneficiary Countries, Contributing Countries or the UPU), as hereinafter set forth or as decided by Congress, on 31 December 2028.

3 The remaining credit balances, either in the Common Fund or in individual beneficiary accounts, shall be paid into the UPU technical cooperation account in Swiss francs for projects whose objectives are in line with those set forth in these RoP.

Article 22
Entry into force

Following approval by the POC, these RoP shall enter into force with effect from 20 October 2022, without prejudice to further approval of the CA within the framework of its competence as per the relevant provisions of the UPU General Regulations.