



CERP Guide for Expert Missions

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0. Foreword

The European Committee for Postal Regulation (CERP) came into existence in October 1992. There are 48 CERP members from European countries. For 22 years CERP has evaluated many issues concerning postal markets in Europe and developed many documents addressing regulatory issues in the postal field. Now CERP wishes to share the experience with other countries, members of the Universal Postal Union (UPU).

In the recent years experts from CERP member countries have held missions to different countries aiming to develop a postal policy framework as well as they have organized workshops for regulators providing information developed by CERP working groups. The information covers i.e. sustainable development, cost accounting rules, universal service (financing, implementation), best practices for price regulation, consumer relations etc. Most member countries have liberalized postal markets and have big experience in organizing them as well as creating NRAs.

The aim of the following guide is:

- To establish a procedure for the implementation of projects in cooperation with the UPU, bilateral and multilateral projects,
- To provide detailed information for the CERP experts which issues they have to consider regarding the preparation, execution and the drafting of the final report for a specific mission,
- To provide a clear picture of foreseen results the benefiting and the sponsoring party can expect from the CERP experts.

It is essential for all parties involved, to conduct the project in line with the following stages and thus to monitor and support the implementation of the project. Doing so, this guide will allow all parties involved in the projects to know exactly what their responsibilities are, what their rights are and what their duties are, and from the other side what results one can expect from the mission (document, workshops etc.).

The guide is applicable to projects in CERP's cooperation with the UPU as well as to bilateral and multilateral projects with participation of CERP.

1. First Phase – Preparatory activities

The first stage includes the following organizational activities:

1.1. Practical aspects of a mission

CERP experts shall ensure receiving practical information concerning the mission, including inter alia

- travelling: Flight connections and local transport,
- accommodation: Available hotels and distance to offices,
- budgetary: Daily allowance and compensation,
- health: Insurance and necessary vaccinations,
- country specific: Climate, national holidays and cultural aspects,
- visa requirements.

1.2. Gathering information

To start any project it is necessary to get to know the country and its postal market as detailed as possible. Therefore questionnaires will be sent to the interested countries where they should give detailed information to help the CERP experts to assess the market and the relevant regulations in place (or in preparation already). The information should mainly include data concerning postal market as well as economic, political and business environment in which postal parties have to perform. The level of detail of this information again is heavily depending on the outline of the terms of reference and of the documentation mentioned in point 2 of this Guide (Description of the issues to be covered by the project and detailed project work plan, indicating all different steps to be taken from the beginning until the end).

Exemplary questionnaires are attached to this Guide, where parts of the information asked for may be available in open source (depending on the subject and the country concerned).

2. Second phase – Planning a project

2.1. Drafting of the project's objectives

The objectives of a project are prepared by CERP experts. Based on the terms of reference for a project the experts shall also develop, together with the benefiting country (and the sponsoring party), the following documentation (the responsible person from CERP is the expert team coordinator):

- Description of the issues to be covered by the project
- Detailed project work plan, indicating all different steps to be taken from the beginning until the end, including the number of visits, the organization of workshops, etc.,
- Project management plan, including estimated man-days, foreseen travelling phases and detailed budgeting information,
- Project team plan, fixing the roles and responsibilities among the experts as well as their counterparts in the benefiting country and the sponsoring party,
- Project risk evaluation (depending on the complexity of the particular task).

Based on this documentation the final evaluation may show the success or any shortcomings of a project.

Terms of reference is a document that CERP experts will use to guide the work during projects. It is a document that should be co-created with all of the project partners and give answers to questions such as: what does the mission/project mean to us? Why are we working together? What principles are underlying our partnership? How will we work together? It should also be considered a “living document” – one that you can come back to and revisit throughout the life of the project¹.

It should also be set who is providing leadership in the project, whose responsibility it is to create final document, who is responsible for practical aspects of visits and travelling, etc.

2.2. Subjects to be considered

In principle the subjects to be considered in the execution of any project depend on the outline of the terms of reference and of the documentation mentioned in point 2 of this Guide (description of the issues to be covered by the project and detailed project work plan, indicating all different steps to be taken from the beginning until the end).

Furthermore the question to what extent any subject may be dealt with is heavily dependent from the information available. Therefore it may be necessary to apply different types of approach:

- academic, when it comes to challenges in the field of market analysis (multidisciplinary orientated long run activities),
- theoretical, when the issue of allocation of costs and quality of universal service is elaborated (when operational issues are concerned, not being supported by appropriate data),
- operational (supported by appropriate data), discussing issues related to the organizational structure of the regulator, the licensing process, and recommendations for infrastructure development.

¹ http://depts.washington.edu/ccph/pdf_files/MOU6.pdf

The following list of subjects therefore is exemplary only for areas that may be considered within the execution of relevant projects:

- Postal market analysis, including
 - o definition of the objectives for market monitoring and analysis,
 - o organisation of market monitoring and analysis,
 - o organisation of data collection including analysis,
 - o publication.
- National Regulatory Authority issues
 - o organisation of the NRA including resource management,
 - o licensing of postal operators process,
 - o cost accounting,
 - o access to public postal network,
 - o price regulation,
 - o quality of service.
- Infrastructure for USO fulfillment
 - o contact points,
 - o transportation network,
 - o delivery network,
 - o staff's level of education.

3. Third phase – Preparation of the final document

3.1. Content of the final document

CERP expert shall prepare final document (Report) that shall consist of several parts:

- description of the terms of reference and of the issues to be covered by the project,
- summary of the actions taken during the project, including issued questionnaires and the result of workshops (if applicable),
- information received within the data collection process, indicating strengths and weaknesses,
- recommendations (the subjects and level of detail depend on the terms of reference and of the issues to be covered by the project) including for example
 - o organization of the market and public entities
 - PPO,
 - private providers,
 - consumers,
 - o access to public postal network
 - infrastructure,
 - up / down stream access,

- consumer aspects,
 - consumer protection,
 - surveys,
- USO
 - scope,
 - infrastructure,
 - ways of fulfilling the obligation,
 - models,
- regulatory aspects
 - cost accounting,
 - price policy,
 - compensation fund,
 - net cost calculation,
- regulatory framework for postal sector
 - the role of the NRA,
 - the goals of its existence,
 - powers,
 - sources of knowledge,
 - strengthened position,
- capacity building of universal service provider
- strategic planning in the field of postal services
 - assessment study as a support for strategic planning,
 - review of the existing policy,
 - creation of a new policy document (if necessary),
- risk statement
 - risk for the carrying out of the project (risk is an uncertain event that can be either positive or negative; and we should be aware that a certain amount of risk will always be present. (Examples of risk can be: unrealistic expectations, unrealistic schedules, changing requirements, sponsor leaves the project),
 - relevant statements can be provided, depending on the complexity of certain tasks and requirements of the beneficiary country.

3.2. Compliance and presentation of the final document

CERP experts will present the agreed final document to the beneficiary country and to the sponsor, so that the stakeholders are informed.

Annex 1

Basic questionnaire for the preparation of CERP expert projects (example)

I. POSTAL SECTOR POLICY

- | | | | |
|----|--|------------------------------|-----------------------------|
| 1) | Did the government define a postal sector policy? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 2) | Was there a regulatory system for the postal sector? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 3) | Was there a mechanism for UPS funding? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 4) | Was the postal sector included in the National Development Plan? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

II. GENERAL INFORMATIONS

- | | | | |
|----|--|--------------------------|--|
| 5) | Are postal services provided within: | | |
| | a) Postal law | <input type="checkbox"/> | |
| | b) Business law | <input type="checkbox"/> | |
| | c) Other kind of law or acts – if so, please specify | | |

Do you have any plans for changes to the existing legislation?

- | | | | |
|----|---|------------------------------|-----------------------------|
| 6) | <i>If you have, please provide the details and schedule of activities</i> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
|----|---|------------------------------|-----------------------------|

III. UNIVERSAL POSTAL SERVICE

- | | | | |
|----|---|------------------------------|-----------------------------|
| 7) | Is the definition of universal service obligation (USO) at place? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
|----|---|------------------------------|-----------------------------|

Is USO defined by the law mentioned ?

- | | | | |
|----|--|------------------------------|-----------------------------|
| 8) | <i>If no, please briefly describe current legal framework of the postal services</i> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
|----|--|------------------------------|-----------------------------|

- | | | | |
|----|--------------------------------------|--------------------------|--|
| 9) | Are services within USO provided by: | | |
| | a) Governmental body | <input type="checkbox"/> | |
| | b) Governmental enterprise | <input type="checkbox"/> | |
| | c) Other, please specify | <input type="checkbox"/> | |

- | | | | |
|-----|--|--|--|
| 10) | What kinds of services are defined within the USO scope?
<i>Please specify:</i> | | |
|-----|--|--|--|

- | | | | |
|-----|--|--|--|
| 11) | Which traditionally postal services are out of US scope?
<i>Please specify:</i> | | |
|-----|--|--|--|

- | | | | |
|-----|---|------------------------------|-----------------------------|
| 12) | Are any important features of USO provisions defined?
<i>If so, please specify (min. number of delivery in week, min. number of letter boxes collection daily, quality of service standards and targets, accessibility of the services etc.)</i> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
|-----|---|------------------------------|-----------------------------|

- | | | | |
|-----|---|------------------------------|-----------------------------|
| 13) | Are the postal services provided within USO scope covering whole territory of the country?
<i>If not, please specify</i> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
|-----|---|------------------------------|-----------------------------|

- | | | | |
|-----|---|--|--|
| 14) | How universal service provider supervising the provision of universal services?
<i>Please specify:</i> | | |
|-----|---|--|--|

- | | | | |
|-----|--|------------------------------|-----------------------------|
| 15) | Do you approve of exceptions or deviations from the requirements to be met by universal service? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
|-----|--|------------------------------|-----------------------------|

- | | | | |
|-----|---|------------------------------|-----------------------------|
| 16) | Do you supervise the obligations of the universal service and the exceptions? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
|-----|---|------------------------------|-----------------------------|

- 17) If your answer is yes, please specify who?
- The NRA
- Other national authorities

18) What kind of postal services are provided out of USO scope?

IV. RESERVED AREA

- 19) Is there any reserve area of services (monopoly) declared by law? Yes No
- 20) If so, is reserved area covering whole USO? Yes No
- If no, please specify:*

How are reserved services area defined in national Postal act

21) *Please specify:*

V. UNIVERSAL SERVICE PROVIDER (USP)

- 22) Does the universal postal provider have all necessary resources to meet it postal obligations? Yes No
- 23) Does the universal postal provider have a feasible business plan Yes No

VI. NATIONAL REGULATORY AUTHORITY (NRA)

- 24) Are postal services performance supervised and/or regulated by any institution? *If so, please specify* Yes No
- 25) Is regulatory authority independent from government? Yes No
- 26) How is the NRA financed?
- Budget
- Contribution of operators
- Other (please specify)

What are the responsibilities of NRA? (briefly)

27) *Briefly explain:*

28) Please provide some brief information about the NRA organization structure (including the number of employees responsible for postal services)

- 29) Are there other regulatory bodies that deal with different aspects of postal services such as: prices, competition? Yes No
- If so, please specify:*

- 30) Does NRA have a legal power of sanctions against the illegal operators? Yes No
- If not, who have (please specify)*

- 31) Is regulatory authority issuing any regulations documents obligatory for postal operators? Yes No
- If so, please specify:*

VII. ACCOUNTING

- 32) Does the universal service provider have an obligation to keep separate accounts for universal service and other postal services? Yes No

- 33) Are postal fees for universal service cost based? Yes No

- 34) If you have, indicate, whether there is a system for monitoring and control of the accounting requirements for universal service providers (accounting system and accounting separation)?

Please specify:

- 35) If not, what is the deadline for their implementation?

VIII. LICENCING REGIME AND AUTHORITY		
36)	Do you have a regime of licence issuing?	<input type="checkbox"/> Yes <input type="checkbox"/> No
37)	Please shortly described the procedures of:	
	- Issuing permits	<input type="checkbox"/>
	- Supervising licences issued	<input type="checkbox"/>
	- Revocation of licences	<input type="checkbox"/>
38)	Are there more than one postal operator providing postal services in the country? <i>If so, please specify:</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No
39)	Is licensing or approval procedure for USO provider obligatory?	<input type="checkbox"/> Yes <input type="checkbox"/> No
40)	Is the licensing or approval procedure for non USO provider obligatory?	<input type="checkbox"/> Yes <input type="checkbox"/> No
IX. POSTAL MARKET ISSUES		
41)	Is there clear definition of the postal item applied? <i>Notice: clear definition of postal item should enable to distinguish postal items from non postal items on logistic market</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No
42)	Are non addressed items (leaflets) considered as postal items?	<input type="checkbox"/> Yes <input type="checkbox"/> No
43)	Are domestic courier services considered as postal services?	<input type="checkbox"/> Yes <input type="checkbox"/> No
44)	Is bulk mail considered as part of universal service?	<input type="checkbox"/> Yes <input type="checkbox"/> No
45)	Is downstream access model (to public postal network) applied on postal market?	<input type="checkbox"/> Yes <input type="checkbox"/> No
46)	Is statistical monitoring of the postal market provided? <i>If so, by which body please specify:</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No
47)	Are data on USO services available (by products)? <i>If so, please specify:</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No
48)	Are data on services out of USO scope available (by products)? <i>If so, please specify:</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No
49)	Are financial results of USO provider (s) available? <i>If so, please specify:</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No
50)	Are financial results of non USO providers available? <i>If so, please specify:</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No
51)	Are data on market shares available (by operators)? <i>If so, please specify:</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No
52)	Are data on revenues related to USO provider (s) available (by products)? <i>If so, please specify:</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No
53)	Are data on revenues related to non USO providers available (by products)? <i>If so, please specify:</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No
54)	Are there any VAT exceptions from general rules related to postal services? <i>If so, please specify:</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No

55) Please indicate below how many operators have an authorization or license:

Authorization:

- Letters

- Parcels

- Other

License:

- letters

- parcels

- Other

X. QUALITY OF POSTAL SERVICES

56) Do you have established quality standards for the services from USO? Yes No

If so, please specify:

57) Who is responsible for monitoring of quality measurement procedure?

Please specify:

Note: all responses will be treated as highly confidential

Annex 2

Detailed questionnaire for the preparation of CERP expert projects (example)

A. Postal market analysis

Postal market indicators

I. Geographic and Demographic indicators	
Area:	
Population:	
Age structure:	
0 - 14 years	
15 - 64 years	
over 65 years	
Population growth rate:	
Birth rate:	
Death rate:	
Net migration rate/1000 population:	
Population density:	
Population of the capital city	
Number of:	
- regional capitals	
- inhabitants per region	
% of rural area	
% of urban area	
Labour force:	
Labour force by occupation:	
Unemployment rate:	
% working population/% GDP:	
- Agriculture	
- Industry	
- Trade	
- Service industries	
Ethnic divisions %:	
Religions %:	
Languages %:	

in USD/EUR

II. Economic indicators	
Average annual population growth:	
GDP: purchasing power parity	
GDP: real growth rate:	
GDP: per capita:	
GDP: composition by sector:	
- agriculture:	
- industry:	
- services:	
Inflation rate:	
Illiteracy rate:	
Foreign trade:	
Imports	
- Commodities	
- Partners	
Exports	
- Commodities	
- Partners	
External debt in:	
Economic aid:	

Postal market indicators

Postal traffic

Volumes						
	USP		Other providers		Total	
	Year x	Yearx+1	Year x	Year x+1	Year x	Year x+1
<u>Domestic items</u>						
Items of correspondence*)						
Direct Mail						
Printed matters**)						
Parcels & logistics						
EMS items						
Courier items						
Money orders						
Unaddressed items						
<u>International items</u>						
Items of correspondence*)						
Direct Mail						

Volumes						
	USP		Other providers		Total	
<u>Domestic items</u>	Year x	Yearx+1	Year x	Year x+1	Year x	Year x+1
Printed matters**)						
Parcels & logistics						
EMS items						
Courier items						
Money orders						
Revenue						
<u>Domestic revenue</u>						
Items of correspondence*)						
Direct Mail						
Printed matters**)						
Parcels & logistics						
EMS items						
Courier items						
Financial services						
Unaddressed items						
<u>International revenue</u>						
Items of correspondence*)						
Direct Mail						
Printed matters**)						
Parcels & logistics						
EMS items						
Courier items						
Financial services						

* Items of correspondence include: ordinary letters, postcards, registered mail and insured mail

** Printed matters include: books, catalogues, newspapers and periodicals/magazines

Postal market indicators

<u>Operators</u>	% of market share*)						
	Items of correspondence	Parcels & logistics	EMS items	Courier items	Money orders	Unaddressed items	Direct mail/ printed matters
Xxx1							
Xxx2							
Xxx3							
Xxx4							
Xxx5							
Xxx6							
Xxx7							
Xxx8							
Xxx9							
Xxxx							
<u>Customers</u>							
% of items from business							
% of items from private							
% of revenue from business							
% of revenue from private							

* If you do not know exactly, please estimate

Please specify the 5 biggest business customers, indicating the kind of product they most frequently use:

.....

.....

.....

.....

.....

B) Costs accounting and pricing

1. Are there longer term data of profit/loss of the PPO available? Yes No
2. Is the PPO profitable at present? Yes No
 do not know
3. Does the existing accounting system used by the PPO enable a separation of basic cost drivers as?
- a) Labour costs Yes No
- b) Equipment (depreciation) Yes No
- c) Accommodation (renting the facilities) Yes No
- d) Sub-contracted services Yes No
- e) Miscellaneous operating services Yes No
- f) Other costs Yes No
- g) Energy (fuel, electricity, gas, etc.) Yes No
4. Does existing accounting system used by the PPO enable to separate revenues by products (letters, parcels, money orders, etc.)? Yes No
5. Is there obligation to issue the Annual report of the PPO with financial statement? Yes No
6. What is the procedure for changes of prices of USO services?
Describe briefly, please
7. Are USO service price changes based on any financial analysis? Yes No

C. Quality of Service

1. What domestic USO quality of service standards should be preferred?
- a) Speed of delivery
- b) Reliability of delivery
- c) Security
2. What domestic non USO quality of service standards should be preferred?
- a) Speed of delivery
- b) Reliability of delivery
- c) Security
3. What is the most usual way of posting of ordinary letter mail items?
Describe briefly, please
4. What is the most usual way of posting of registered letter mail items?
Describe briefly, please
5. What is the most usual way of posting of parcels?
Describe briefly, please
6. What are quality of service features perceived both by the PPO and NRA at present?
Describe briefly, please
7. Is the speed of delivery the only one feature or are there any other?
Describe briefly, please
8. What are the geographical areas with similar quality of service targets (number of areas)?
9. Is there any department within the PPO dealing permanently with quality of Yes No

service issues?

10. Is there any intention to have a person within the NRA dealing permanently with quality of postal services issues? Yes No

11. Is there any standardized procedure for solving claims both within the PPO and NRA? Yes No

If so, please describe briefly

12. Is there any standardized procedure for solving complaints within the PPO? Yes No

If so, please describe briefly

13. Could you specify proportions of mail categories posted by individuals and by companies (or by State Offices)

14. Could you specify proportions of mail (letter mail, parcels, express mail) delivered to home (or company) addresses and of mail delivered to P.O. boxes?

D. Regulatory activities

Status of the NRA:

1. The source of budget

- Fee from operators (what's the share of public postal operator)
- Government budget
- Parliament budget
- Other

2. Budget adoption (level)

- Company level
- Government
- Parliament

3. Approval for NRA decision (postal part)

- Final instance
- Government approval
- Parliament approval

4. Please specify for which kind of decision the NRA needs government/parliament approval:

5. Number of employees dedicated to postal services and available budget per employer:
