Update BPHS / EPHS issues

I. Fund transfer delay

Some EPHS and BPHS implementers received the 6% advance. But the majority of the implementers did not receive.

- ■ The MoPH paid the first 6% for implementers; on 1392 credits (unused fund)
- ■ The MoPH will pay the other EPHS / BPHS; after the vote in the parliament of 1393 budget.
    - o The 1393 budget (revised V3) so already rejected 3 times; had been send to the parliament the 13th January 2014 by the Ministers cabinet
    - o The parliament will review it, the week 3 and 4 of 2014
    - o If no more question appears, it could be published in February 2014 (week 6 or 7)

> **Mail to EU and WB 15th November 2013:**
> *Payment, an advance has to be given before the winter, but Quid of the On budget / Aid Management Policy (AMP rules)? It is not allow to give advance payment on AMP rules.*

II. Pharmaceutical procurement

Consultant shall keep copy of GMP, COPP, license to produce drug in the country of manufacturing and test certificate for the batch for the Pharmaceuticals, Vaccines and Condoms dispensed to ensure quality of drugs dispensed. This will be verified by the M&E Consultant. The Ministry of Public Health or its authorized representative shall randomly collect drugs and conduct tests on critical drugs dispensed by the BPHS service providers. The cost of testing drugs will be supported by the client. Only COPP is available in Afghanistan (quality test by MOPH).

III. Insurance

The Consultant (i) shall take out and maintain, and shall cause any Sub-consultants to take out and maintain, at its (or the Sub-consultants', as the case may be) own cost but on terms and conditions approved by the Client, insurance against the risks, and for the coverage specified in the SCC, and (ii) at the Client's request, shall provide evidence to the Client showing that such insurance has been taken out and maintained and that the current premiums therefore have been paid. The Consultant shall ensure that such insurance is in place prior to commencing the Services as stated in Clause GCC 13.

> **Email from ACBAR to donors 26th September:** *Insurance request; but it seems that no NGO included that in their budget (50 000 USD for a car, 10% of all contract, etc...)*

ACBAR position / September 2013:

The Lump-Sum Installment Payments: "*The Client (MoPH) shall pay the Consultant within sixty (60) days after the receipt by the Client of the deliverable(s) and the cover invoice for the related lump-sum installment payment. The payment can be withheld if the Client does not approve the submitted deliverable(s) as satisfactory in which case the Client shall provide comments to the Consultant within the same sixty (60) days period. The Consultant shall thereupon promptly make any necessary corrections, and thereafter the foregoing process shall be repeated*"

In EPHS/BPHS contract template in RFP

MoPH could have 45 days more to review and transfer fund*, If the Client fails to pay any money due to the Consultant pursuant to this Contract and not subject to dispute pursuant to Clause GCC 45.1 within forty-five (45) calendar days after receiving written notice.*

EX:

- Start 1st January
- 1 Month activity
- Send first invoice along with Inception Report at the end of January
- Validation by Moph of the inception report
- Received fund <u>between 60 days</u> if validation within a week but could be up to 60 days validation + 60 days payment + 45 days delay ,<u>165 days after</u> the first invoices

Knowing that this first payment is related to the agreement of the national budget by the parliament
Running of the project for 3 to 5 months without funds:

- 500 000 Euros / month (drugs purchase for several month, wood, fuel, mobile health clinic, staff, equipment, running cost…)
  3 months = 1.500 000 Euros

Funds for running <u>a BPHS / EPHS after 3 months</u>

- 200 000 Euros per month
- 3 months advance = 600 000 Euros

<u>On-budget issue:</u>

Parliament has to approve the MoPH budget / The MoPH has to submit this budget to the parliament, it will be done after contract signed, Then MoFin will approve the vote and implement.
 Impact on the results:

- Implementers cannot advance this amount of treasurery
- Staff might not be paid
- Drugs might not be available
- Results of the implementer bellow the expectation: second instalment partly calculated of the results.

ACBAR position / July 2013 :

It still has no clear idea of the timeline of the results. We were told preliminary results (before negotiations) would be provided in July, so far nothing.

From our side we are worried about the winterization in remote area, the payment of the invoices and the BPHS/EPHS implementation:

- The budgets allocated under the extension period (June – December 2013) are not sufficient to cover for the winter 2013/2014
- We still do not know whose responsibility it will be to prepare for winter: for remote area, it is quite obvious the organizational responsibility should be with us as everything has to be in place in the health facilities in October; however what about the financial responsibility
- Regarding how NGOs will be paid for next year, it is very much of a concern as it seems according to the rule in the RFP (if the NGO does not have a bank guarantee- and a lot of NGO has not for such amounts of money) that the NGOs will have to advance 1 to 3 months of treasury all the time. If we imagine one NGO implementing 1 EPHS and 2 BPHS, it means very roughly 2 million USD of constant treasury advance.
- Some programs as mental health, disability, vaccination and nutrition are some programs that could be shaking according the budget proposition by the implementers (these projects increase the price and reduce the possibility to win the SEHAT call) and the security situation in some provinces (nutrition and vaccination could be canceled)
- According the 'on budget' and the contract relation with the GiROA the independence of NGO are in danger. For example, the election could be host in the BPHS health facilities under the responsibility of NGO implementers. That is not acceptable.