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**ARMENIAN
PROSTHETICS/ORTHOTICS
PROJECT**

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In November 1992, the Mid-Term Evaluation written by team leader Bernie Chapnick with Prosthetist Mike Quigley, recommended a second phase prosthetics/orthotics program in Armenia based on meeting a set of conditions. With apparent progress having been achieved toward meeting these conditions, Bernie Chapnick, accompanied by rehabilitation specialist Dr. Jose Jimenez, returned to Yerevan in June 1993 with an optimistic view about a follow-on grant to the World Rehabilitation Fund (WRF). This optimism was shared by the Mission in initial briefing sessions. The conditions in the 11/92 Mid-term Evaluation Report are:

"1) FOLLOW-ON GRANT -- If the following set of conditions can be negotiated, the team believes that a follow-on grant would maximize the large investment already made, rationalize the disparate parts of a national prosthetics/orthotics program, establish a complete orthotics capability, and convert a high cost unsustainable emergency-response set of foreign programs into a single development-oriented sustainable Armenian program:

a) PHYSICAL CONSOLIDATION -- The three prosthetic programs, equipment, supplies and trainees should be brought together at the GTZ center, with some rationalization of staff, and some equipment being stored for future replacement use. The physical plant should be utilized primarily for mass production, with a section set aside for training. While this is agreeable to GTZ, the German Red Cross prosthetist claims that his organization will never agree. WRF and GTZ should begin discussions immediately to move WRF into the GTZ facility. The Ministry should attempt to coordinate the best possible coordination with German Red Cross, if physical consolidation is truly impossible.

b) MINISTRY COMMITMENT -- The Ministry must commit to: paying prosthetists adequately to assure their continued service (this may involve phasing-in an increasing Ministry payment over the life of a new grant tied to the implementation of the fee schedule); establishing a required national fee schedule for prosthetic/orthotic services and criteria for those persons who need Government subsidy; paying for all Ruble costs of supplies; and appointing a technically competent Armenian Director with adequate salary and authority.

c) USAID/YEREVAN MANAGEMENT -- In-country management of the program with a recognition of the need to maximize coordination of the other donors, and an understanding of the priority of moving away from imported supplies.

d) GRANTEE MANAGEMENT -- The grantee should commit itself to posting a long-term advisor for the life of the grant and minimize the use of short-term TDYs. The long-term advisor should receive at least basic language training prior to arrival."

Conditions "b", "c" and "d" appear to have been at least partially met, with the Ministry agreeing to salary schedules and having procured Russian prosthetic components for one million Rubles, and having agreed in principle to a continuing commitment of one million Rubles per month. The concept of a fee schedule is still politically unacceptable to the Armenian Government, which, by law, remains committed to the socialist concept of free medical services. In response to the team's question concerning Project Hope charging fees, the Deputy Minister of Social Welfare claimed that "this must be a deviation from the law".

Condition "a", physical consolidation, appeared in November to be impossible with the German Red Cross, but eagerly sought by GTZ. Since that time, a GTZ review of the Armenia project has reversed the earlier decision to terminate funding in 1993, instead extending funding through December 1994. Unfortunately, the team did not meet with the visiting GTZ program manager or the Minister of Social Welfare (both having just left the country -- the team's arrival having been delayed by the clearance process in AID/W). The team has received three different versions of GTZ's future plans:

A) The Armenian Director of the GTZ program, Dr. Narsippian, (who was about to travel to Germany for further discussions about future programs), seemed assured of continued financial independence, and therefore not interested in consolidation. In the Team's view, he was determined to maintain the facility as a world-class education center, with little or no direct service responsibility, and no need (and hence, no interest) in sharing facilities or in any way "compromising" the purely educational mandate which he sees. The graduating class would be retained at the center as instructors and administrators.

B) The Deputy Minister of Social Welfare, Gakig Yeganian, foresaw two separate facilities, with continuing support from both GTZ and WRF. He said that the purely educational role of the GTZ center was not feasible because the political situation in Armenia made it impossible to recruit a sufficient number of sponsored students from the other Republics. He therefore saw production as a fallback necessity at the GTZ center. He thought that some of the graduating class would be involved in production. In his opinion, the piecemeal fee which the Ministry had developed was adequate to make both the WRF and GTZ centers self-sufficient. He thought that another year or two of external assistance was needed for each of the centers. When asked about the rationale for two centers, both in Yerevan (only a block apart), his reply was that this was historically how they had developed, and that this was the way in which the Ministry foresaw them continuing. He felt that the training received by the WRF students was not up to the standard of the GTZ students, although he stated repeatedly that their practical work was excellent and needed to be continued.

C) In a telephone conversation with Dr. Toni Wirth, the GTZ office director for middle Asia and the Caucasus, who was about to enter discussions in Frankfurt with the Armenian Minister, he stated that GTZ agrees with the November evaluation report recommendation for consolidation, and is operating on the assumption that AID/WRF funding terminates on 9/30/93. He was prepared to extend GTZ financing through December 1994, physically combine the facilities, and absorb the WRF trainees into the GTZ program, concentrating on production.

Based on this divergence of views, the Team, the Mission and the AID/W project manager, Allen Randlov agreed that it was important to review the situation with GTZ after they concluded their meetings with the Armenians in Germany. Accordingly, the Team Leader has arranged to meet Dr. Wirtz in Paris on July 1.

The team visited the German Red Cross facility which operates in an almost inaccessible site (particularly for amputees in winter) atop a large hill on the outskirts of the city, in temporary trailers next to the orthopedic hospital (there are plans to move into the hospital building which have still not materialized). The seven German-trained Armenians (four prosthetists, certified Class 2 in Germany and three technicians) are completely funded by the German Red Cross through 2005 (until all child-amputees injured in the 1988 earthquake reach age 17). Thus, these seven technicians have a patient load which now numbers 65 and will decrease each year as children reach age 17. This is a specialized unit with no connection with the rest of the prosthetic community. They are the only ones specialized in pediatric prosthetics, and yet are not accepting any new patients (they have been referring patients to WRF). To an outside observer, this is an incredibly wasteful use of resources, and one which the Ministry should negotiate with the German Red Cross to change into a more useful service. Logically, the Project Hope pediatric orthotic shop and the German Red Cross pediatric prosthetic shop should be combined into one facility located at the children's hospital, and accessible to all Armenian children with a fee per device paid by the Ministry, as is planned for the WRF and GTZ facilities.

Project Hope is planning to phase out on 9/30/93, but the activities are supposed to continue with Armenian Ministry support. There is no clear answer about the orthotic fee schedule -- as mentioned earlier, fees are officially illegal -- apparently, some fees are charged some patients, but the degree to which the fees cover costs was not a subject which the center was prepared to discuss with the team, since we were not reviewing Project Hope officially.

The Mission inherited the earthquake programs, and the AID/W NIS staff (Alan Silva) has been clear that it wants all of these programs closed out on 9/30/93. The Mission is anxious to see these programs succeed, and was not in agreement with the NIS view that these projects are an inordinate drain on limited Mission administrative capabilities. The Team and the Mission agreed that the

recommendations of the November evaluation were still appropriate -- one consolidated program should be made sustainable. AID had been prepared to provide the additional resources to get the combination workable and sustainable, on the assumption that GTZ was phasing out. If, as it appears now, GTZ is prepared to take on the funding role on the assumption that AID is phasing out, the essential purpose of the recommendation is served, and the probability of a sustainable Armenian program is at least as high as it would have been if AID had continued funding.

The team has two remaining concerns which will be discussed with Dr. Wirth. Both concern the future of the WRF trainees, whose future, the team believes, is a continuing responsibility of the AID project. The first concern is the completion of their training -- they have virtually completed their practical training in prosthetics, although there is some question as to their certification because of their relative lack of academic training. Their orthotic training has been minimal and interrupted by WRF staff changes during the life of the project. The planned AID extension would have concentrated on orthotic training. The team will strongly urge GTZ to incorporate the training needs of the WRF trainees in the combined future program. The question of certification is uppermost on the minds of the trainees, and is a question which has dogged this project since its inception. Apparently, ISPO (the International Society of Prosthetists and Orthotists) which is charged with the responsibility for establishing international standards, is still in the drafting process and unable to provide testing services at this time. Given the widely divergent training methods employed by GTZ and WRF, there is great concern that whatever testing method is developed does not unduly penalize either group.

The second concern is the continued receipt of a living wage by the WRF trainees who have been paid by WRF through the life of the project. At the present time, seven of the trainees receive \$60/month, and the head trainee receives \$75/month from WRF in addition to the fee per device paid by the Ministry. GTZ claims that it does not (and cannot by its rules) pay its trainees, and that the only funds their trainees receive are from the Ministry. At this point, the amount of that salary is unclear, since they produce no prostheses, and thus cannot be on a fee per device basis. Obviously, whatever new fee schedule is developed by the Ministry and GTZ would have to apply equally to all the trainees. There is some concern that a number of the trainees will leave the country to seek better paying jobs elsewhere. In the team's discussions with the Deputy Minister, the question of surviving the winter was raised, but not resolved -- if there is no production because there is no power, heat or water, and/or because transport difficulties prevent patients from arriving, how will the prosthetists, who get paid on a fee per device basis, survive?

ADDENDUM

On July 1, the Team Leader met in Paris with Jim Garrett of WRF, Dr. Toni Wirth of GTZ, and Armenian Minister of Labor and Social Welfare Yessayan. Discussions were held separately with GTZ first, and then jointly with all parties -- the first time a joint meeting had occurred, a point which all parties agreed was critical.

Several major points were resolved:

- 1) There will be a physical consolidation of the WRF and GTZ programs in the GTZ building (which GTZ had turned over to the Armenians in 1991);
- 2) The combined program will have one joint Armenian management, a joint curriculum, and an even split between production and training;
- 3) Both GTZ and WRF will phase out their subsidies to the students, and the Ministry will pay for services on a fee per device basis [contrary to previous statements that GTZ does not and cannot by its rules pay students, Dr. Wirth said that the students received a \$10-15/month supplement from GTZ];
- 4) All possible NIS materials will be used and paid for in Rubles by the Ministry -- only those components not available in the NIS will be imported.

One major point which had been clear earlier became much less clear -- future GTZ funding. Dr. Wirth explained that the GTZ funding expired on December 31, 1993, and that the extension for an additional year was problematic. It appears that the extension involves a reprogramming of funds (similar to AID's deob/reob process) and was a decision made by the Ministry of Finance, not GTZ. Given the German Government's difficulties with the absorption of Eastern Germany and the resultant budget problems, Dr. Wirth was not sanguine about continued funding -- in any case, he did not expect a decision before September. Obviously WRF and AID cannot wait until September to decide about the WRF project. WRF has a replacement CPO lined up but not contracted, and must disband its operations and dispose of equipment immediately if there is to be an orderly phaseout by September 30, 1993.

Under this set of circumstances, the recommendation is that AID (through the War Victims' Fund) add one year's funding to the program to ensure consolidation. If, during that year, the German funding is extended as well, the project should have ample financing to procure supplies and equipment to last well beyond the end of external financing. If the German funding does not continue, the AID/WRF funding should be amplified to include additional supplies and equipment (but not additional time). If the AID/WRF program were extended for one year, the CPO should emphasize orthotics, and the WRF students should emphasize their academic training to ensure certification.

Dr. Wirth said that GTZ was sending a CPO and a management consultant (Byrel and Reisinger [sp?]) to Armenia in late July, and that the GTZ was going to concentrate on management and sustainability in their remaining time. Dr. Wirth was anxious to hear the result of AID's funding decision, and to begin physical consolidation immediately (to be completed before winter). Minister Yessayan was at first attempting to have both programs continue separately, but was convinced by the strong unanimity between GTZ and AID that one combined program was a prerequisite to continued support by either. By the end of the discussions there was strong agreement to support a combined center.

However belatedly, it now appears that there is finally agreement on the major substantive points, and that the basis exists to create a viable Armenian institution. Failure to extend the AID/WRF program now, without knowing the result of the German funding decision, will leave both programs in jeopardy.

One other side point of interest was Dr. Wirth's reaction to the German Red Cross status. He claims that the German Red Cross decision to continue funding only for the few remaining earthquake victims was an attempt to make the program self-sustaining -- that is, that unlike what the Armenian staff at the German Red Cross facility told the Team, they were supposed to be accepting all new pediatric cases using Armenian resources, and receive German support only for the earthquake cases.