



Lancement et suivi de programmes concrets de développement

Mon Repos Apt 106, 77b Waroda Road

Bandra, Mumbai INDIA

☎ Pune : (20) 605 1013, ✉ : acfxhay@yahoo.fr

Integration of social and financial services: Analysis of Parvati's experience in Pune

Comment	This report highlights the findings of the Integration Project conducted in Parvati Swyamrogjar from July 2004 to July 2005.
Author(s)	Anne-Claire HAY (Inter Aide), Uma PANSE (Swabhimaan, family development program) and Nitin MADAN (Swabhimaan, income generating program).
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1 Organization Background

Parvati Swayamrojgaar (Parvati) started in September 2002 with the mission to alleviate poverty in the urban slums of Pune (India). With Inter Aide's technical and financial support, Parvati has developed a unique individual lending methodology over the years: it incorporates the delivery of sustainable financial services (Income Generation Program – IGP) to the poorest, as well as arranging for linkages with a set of family and health services (Family Development Program - FDP ; Health Mutual Fund – HMF).

This linkage is provided via two different methodologies that incorporate different ways of integrating the three services.

The integration types are:

1. **Partial integration** – One Collector-Motivator (CM) trained to provide IGP¹ and HMF² services. A separate Field Worker (FW) trained to provide only FDP³ services. A system of referrals facilitates this approach. This system is implemented by four branches⁴.
2. **External integration** – The branch only provides IGP and FDP services. Family development services are outsourced to an external organization, which operates in the concerned area. A referral system has been developed. This system is carried out in two branches⁵ in collaboration with the NGO Snehdeep.

The delivery vehicle for these services is six branches. Each branch is headed by a Branch Manager (BM) and includes subordinate staff of three to four CMs.

2 Pilot Project Background

In June 2004, upon the initiative of Parvati staff, the technical support team developed a pilot project to test a modified approach in order to achieve **4 objectives**:⁶

1. Increase the holistic approach towards the families
2. Increase efficiency of the different services proposed by Parvati
3. Reduce costs and improve sustainability
4. Improve Parvati's image within the community.

The approach adopted by two branches (Dandekar Bridge and Janata Vasahat) was to fully integrate the three services, i.e., a CM/FW aiding the

¹ Income Generation Program - IGP

² Health Mutual Fund - HMF

³ Family Development Program - FDP

⁴ Dandekar Bridge (DB), Janata Vasahat (JW), Indira Nagar (ID), Ramtekdi (RT)

⁵ Kasewadi (KW), Lohia Nagar (LG)

⁶ These goals/objectives are explained at greater length later in this report (see Chapter 3 – Project outcome).

family in the socio-economic sphere, rather than these spheres being serviced separately. The CMs were therefore to be trained in FDP, and the FWs in IGP and HMF.

The pilot project was conducted over a period of approximately one year (June '04 to June '05), and was divided into two phases : June '04 to December '04 and January '05 to June '05.

3 Project Outcome

3.1 Objective I: Increase the holistic approach towards the family

Some definitions:

Financial Sustainability – Family is able to support itself financially. Income is steady and crisis does not put it under financial stress; or the family is able to overcome the financial crisis and recover financial stability.

Social Sustainability – Family social life is stable. Its structure does not become unstable in times of crisis, or the family is able to surmount crises and regain its balance afterwards.

The goal of this project was to help the family become financially **as well as** socially sustainable. One staff servicing a family in the socio-economic sphere would have a better comprehension of all the problems encountered by a family, than if the spheres are serviced separately.

3.1.1 First Semester Results (June '04 to December '04)

Specific staff trainings on FDP, IGP and HMF procedures were organized over a period of three months. Trainings on communication skills were also imparted.

It was observed that CM/FW feel more confident in building a good relation with families when they are looking into the complete set of problems concerning a family.

According to interviewed partners who have benefited from IGP and FDP, they observe the difference in the CM behavior:

One family said: "Before, she used to stand at my door for money, now she also talks with me about family matters, child rearing..."

3.1.2 Second Semester Results (January '05 to June '05)

Staff and Partners' impressions at the end of the second semester of the project were the same as during the first semester of the pilot.

3.1.3 Conclusions

There is a general consensus amongst the staff that by addressing both the social and economic needs of a family, they are able to better understand the families' problems. This in turn strengthens the relationship with the family as the staff is able to discuss these problems and provide services accordingly. This can be observed from the number of cases that are common to both FDP and IGP projects (see Annexure).

3.2 Objective II: Increase in the efficiency of the different services proposed by Parvati

Due to the integrated nature of the work, a CM/FW would have a holistic understanding of the family, allowing to provide a complementary set of services, thereby increasing the impact and efficiency of the services.

3.2.1 First Semester Results (June '04 to December '04)

Though the approach succeeded in achieving the first objective, a series of staff management problems plagued the achievement of the second objective.

1. IGP staff had difficulties to grasp the complex nature of FDP⁷.
2. Top level time management skills are needed to manage the three services at once. Branch Managers of Dandekar Bridge and Janata Vasahat had difficulty in planning and monitoring the various projects.
3. It was observed that in case a CM from an area resigns, all the three services in his/her area collapse. For example, upon the resignation of CM Kalidas from one of the slum pockets in Janata Vasahat, the entire area was left without support in all the services. It took the branch one and a half months to restart the follow-up with a new CM for that area.
4. It was observed that the Janata Vasahat Branch Manager, with a Masters in Social Welfare, had a better understanding of integration concepts. On the other hand, the Dandekar Bridge Branch Manager, with a Bachelor Degree in Business needed a greater time to adjust to the concept.
5. The Coordinator of the pilot and the Janata Vasahat BM expressed their desire to be removed from this project, as they were unhappy with the targets set and with work load that resulted from managing three services at the same time.

⁷ To understand FDP, an individual needs to have a very different frame of mind and sensitivity when compared to IGP.

3.2.2 Second Semester Results (January '05 to June '05)

A few key changes were made during this semester:

1. A Coordinator (from IGP) and a new BM were appointed in Janata Vasahat. However, both had difficulty in managing the project. The IGP Coordinator lacked the necessary planning and monitoring skills, and the new BM took time to adjust to the concepts of integration.
2. Furthermore, there was a high staff turnover in Dandekar Bridge. This was due to the workload that resulted from dealing with three services rather than one. As a result, nearly all of the Dandekar Bridge CM/FW had been employed for less than six months. This naturally affected the efficiency of the services delivery.

3.2.3 Conclusions

In such a demanding task, branch management plays an essential role. Three elements are needed at the branch level:

1. Achievable targets
2. High quality and ability to plan and monitor the projects.
3. Adequate skills to be able to cross sell and service three products.

As can be seen from the repayment ratios below, both branches, Dandekar Bridge and Janata Vasahat, have had greater variances in improvement of their repayment ratio than the other branches. This can be explained by the fact that the three points listed above were missing.

Erreur ! Liaison incorrecte.

Despite increased workload, both branches had the same targets as the others. In addition, their planning and time management proved to be inadequate. Each service had different reports to make as well as separate MIS. In addition, each service has its own sets of forms (loan application, family survey form, HMF form). These required staff to dedicate separate time for each process in the three services. Hence, follow-up with partners suffered.

3.3 Objective III: Improve the image of Parvati in the community

Through this integrated approach, we sought to improve Parvati's image amongst Partners. A multiple service approach, rather than a single service one, should present Parvati as an organization that is concerned with all the problems of a family, and would then allow the organization to provide its services to a greater number of families.

3.3.1 First Semester Results (June '04 to December '04)

Parvati field staff believe that the image of the NGO has definitely improved amongst the partners. They were able to forge a stronger partnership with the partners and hence, the organization's image improved.

However, from partners' feed-back it is understood that while they appreciate the support the NGO provides, they are not concerned by the number of people providing the services.

3.3.2 Second Semester Results (January '05 to June '05)

The results of this semester are very much similar to the first.

3.3.3 Conclusion

Partners usually associate with field staff rather than the organization. Hence, they are not concerned by the number of service providers. They are satisfied that people are aiding them in alleviating their poverty.

3.4 Objective IV: Improve the sustainability of the NGO

A total of four integrated staff would be responsible for the programs of the branch instead of the earlier set-up of three CM and two FW. This was expected to decrease the branch cost, and hence improve sustainability.

3.4.1 First Semester Results (June '04 to December '04)

In Janata Vasahat: no change in sustainability. Sustainability ratio is very steady because branch is more mature.

In Dandekar Bridge: no relevant impact on Dandekar Bridge sustainability because income has not increased.

3.4.2 Second Semester Results (January '05 to June '05)

The goal of improving sustainability with four FW/CM proved to be unrealistic. Indeed, it was found that at least five CM/FW were needed in order to deal with the work pressure. This decision was taken at the end of the first semester of the pilot project. However, it took nearly four months to find the new staff...

3.4.3 Conclusion

The workload was too much for four field staff. Hence, by increasing the number of staff back to five, sustainability was not much impacted for the better.

Furthermore, due to poor planning ability and inadequate time management skills, the two pilot project branches were not able to reduce arrear rates, thus effecting sustainability. The table below shows the arrear position of the two pilot branches compared with two of the other similarly aged branches.

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3.5 General Conclusion

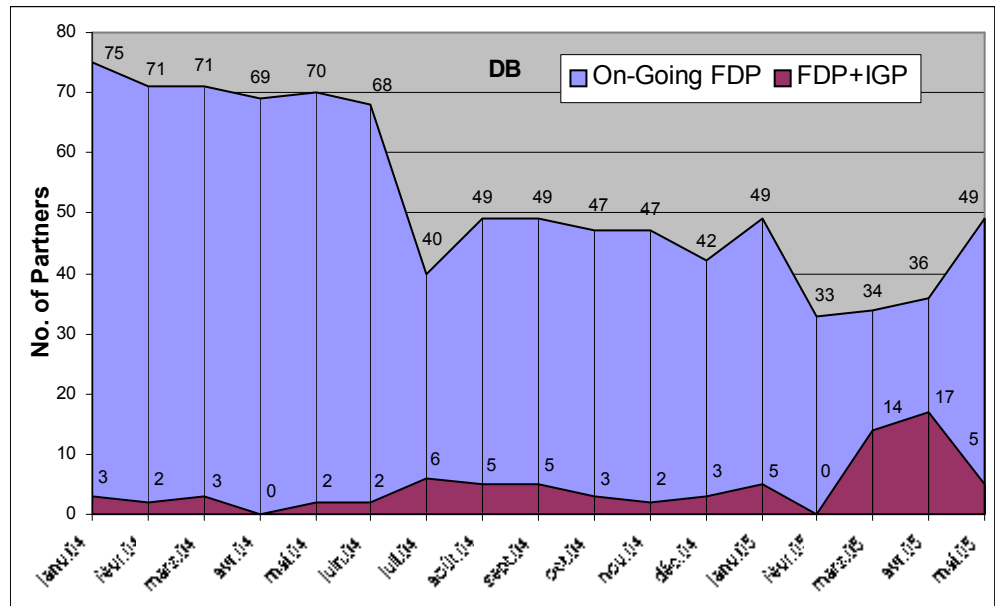
A review of the overall project was conducted in May 2005. The following was decided:

1. An **integrated approach** is better as it provides the field staff with a **comprehensive view** of the families' problems, and hence, staff is able to provide a **more efficient mix of services** to the family.
2. This approach **requires a higher level of competence** in planning and monitoring.
3. As Parvati does not have this required level of competence to undertake this task, **it was decided to stop the "full integration" pilot project** and continue to operate with partial and external integration methods only.

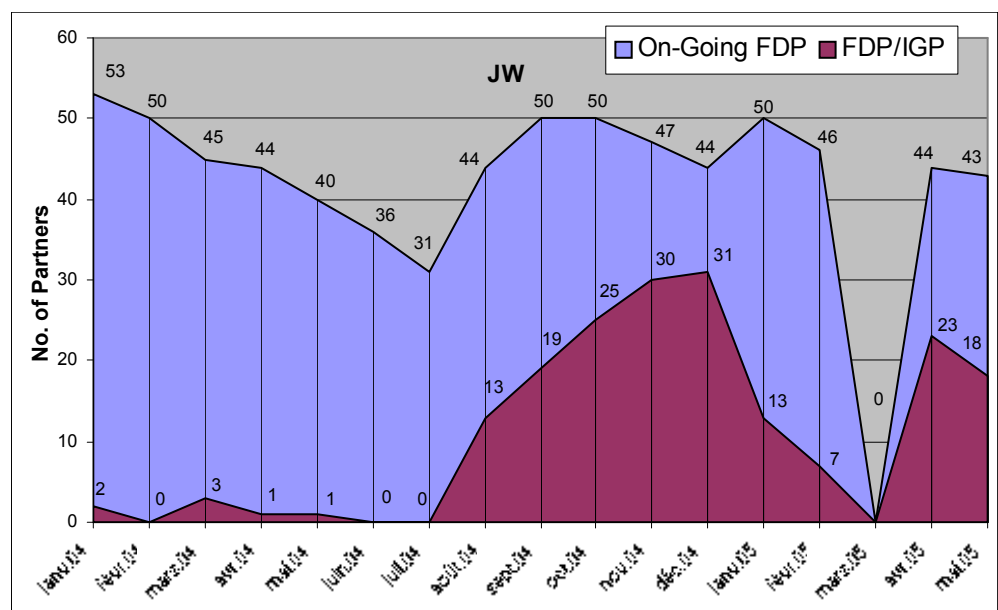
Annexure

The figures below present a comparison of the integrated cases versus ongoing FDP and IGP cases for Dandekar Bridge and Janata Vasahat branches.

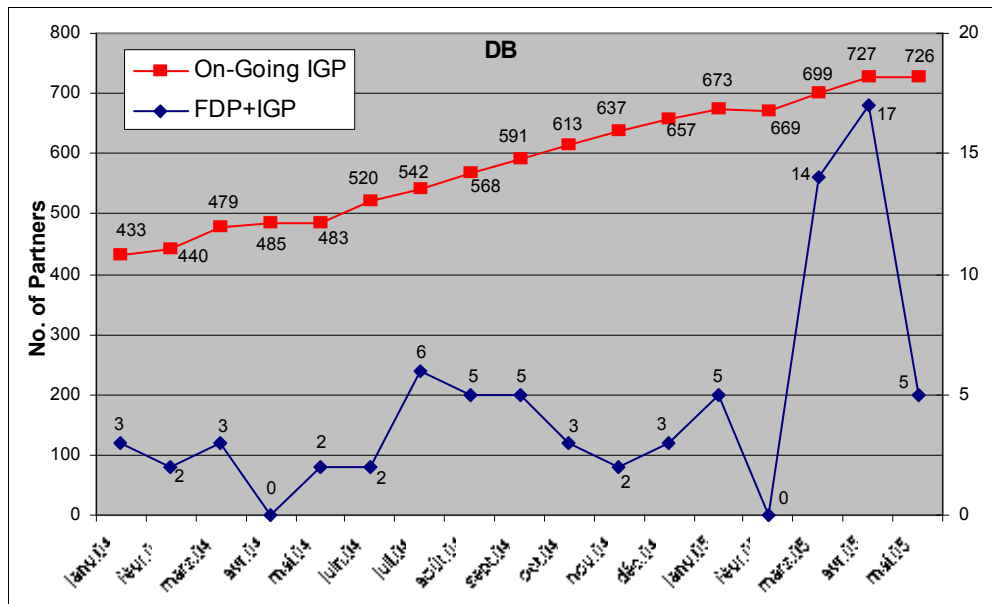
Dandekar Bridge



Janata Vasahat



Dandekar Bridge



Janata Vasahat

