



EntreTODOS
SAVING AND CREDIT EDUCATION GROUPS

EntreTODOS Methodology

**Financial education and
entrepreneurship through
savings and credit groups**

codespa
from poverty to prosperity

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A woman with dark hair, wearing a blue lace top and a colorful woven skirt, is smiling and holding a large, colorful woven textile. The background is a blurred indoor setting with plants and shelves.

EntreTODOS

SAVING AND CREDIT EDUCATION GROUPS

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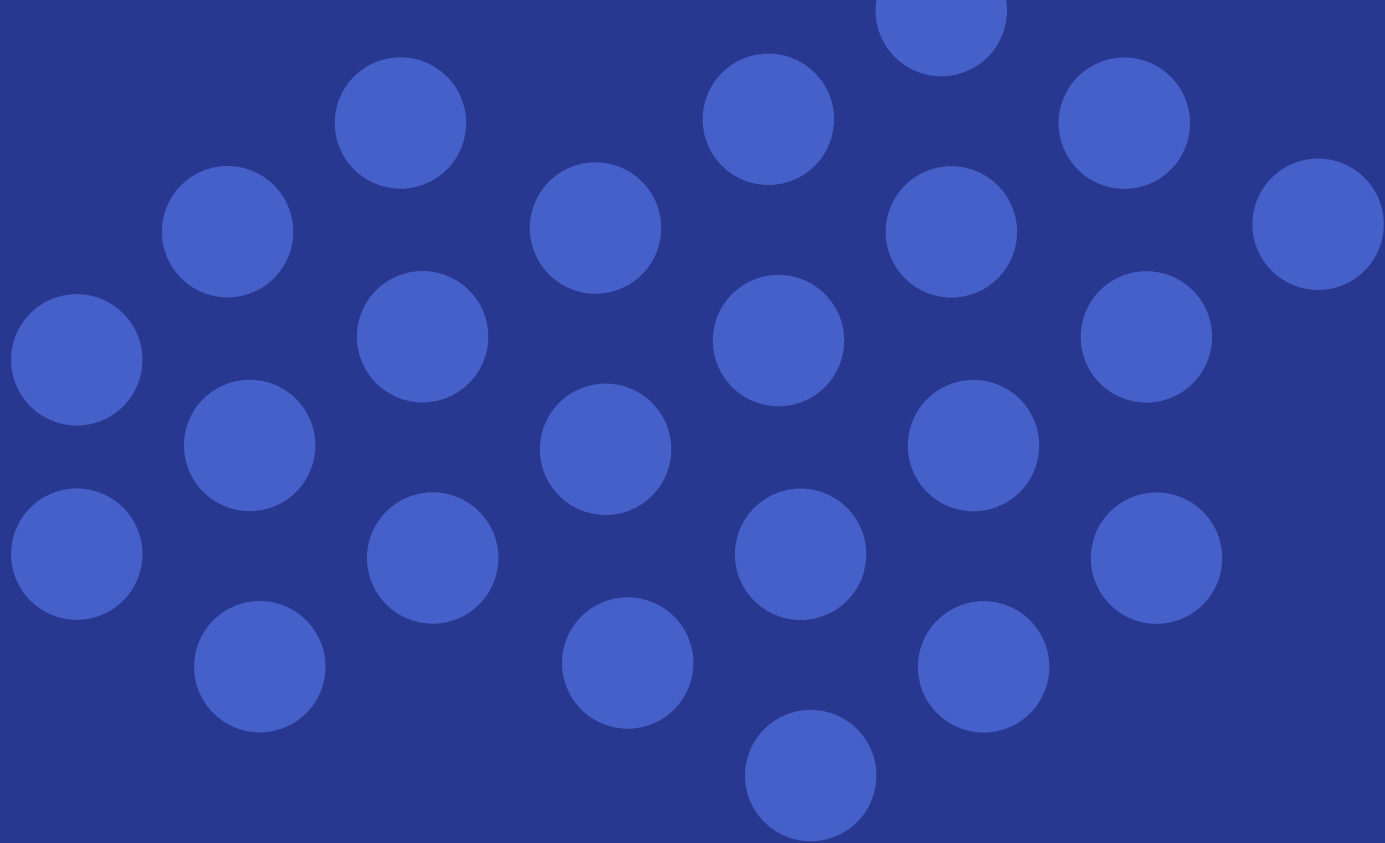
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Letter of Presentation

Many people express their desire to undertake projects and seek to have the necessary resources to invest or finance these needs, but this goal is only attainable with access to financial products and services. It is estimated that around 1.7 billion adults worldwide do not have a bank account. There is a direct relationship between access to the financial system and economic development.

It is people living in isolated rural areas who are most often excluded from essential services, including access to finance, which intensifies their socioeconomic exclusion. In many of these regions, the population, composed mostly of people of indigenous origin, faces high rates of child malnutrition and extreme poverty. Financial exclusion often leads them into debt with predatory lenders, further worsening their socioeconomic situation and making it difficult to break the cycle of poverty.

To support these people, CODESPA has developed its own methodology, known as “EntreTODOS.” This initiative focuses on vulnerable communities facing extreme poverty and provides them with the opportunity to learn how to save (even modest amounts), manage their finances, access loans, and improve their livelihoods through the creation and strengthening of small businesses.

The approach of EntreTODOS is based on a group financing model that enables savings and provides access to credit on favorable terms to those who need it most. It is based on the mutual trust and commitment of its members, fostering social and economic development at the personal, family, and community levels. This approach is aimed especially at women, with the purpose of empowering them and strengthening their role in the family economy.

The EntreTODOS experience began in Guatemala in 2010, where CODESPA has been working since 1989, focusing on creating economic opportunities for vulnerable groups such as women and youth in rural areas. Since then, this methodology has been replicated in Nicaragua and Peru and has evolved to serve youth and people with disabilities, providing support to numerous entrepreneurs in diverse contexts, with the aim of boosting their businesses and improving the living conditions of their families. In total, CODESPA has established 135 EntreTODOS groups in which 2,965 people participate, 85% of whom are women.

Over the years, EntreTODOS has proven to be an effective tool in the fight against poverty and in promoting women's empowerment. The extensive walks and numerous meetings held in each community have been instrumental in enabling most of the groups to operate autonomously today, without the involvement of CODESPA, which is the target of the intervention. People have increased their savings and income, which has had a positive impact on improving their living conditions, demonstrating that the participants have taken ownership of the methodology.

This achievement has been possible thanks to the support of AECID, the *Social Capital Foundation*, *Limmat Stiftung*, and other private philanthropists who, with their commitment to the most vulnerable and their knowledge management approach, have allowed CODESPA to learn from its successes and failures, and to refine the methodology so that other NGOs and professionals can learn from CODESPA's experience and apply that knowledge to help other people who find themselves excluded from the financial system.



José Ignacio González Aller-Gross
Chief Executive Officer
CODESPA Foundation



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01.

Introduction

01.

Introduction





In order to promote the financial inclusion of socially excluded individuals, CODESPA Foundation has conceived the EntreTODOS program. This program aims to promote the formation of savings and credit groups in remote rural communities by establishing a common fund through periodic contributions from its members. Through this fund, a mechanism is established that makes it possible to grant loans among the members of the group, providing them with access to the necessary liquidity to cover their basic subsistence needs or to invest in their enterprises.

Beyond simplifying access to savings and microcredit, this model provides participants with the opportunity to acquire financial education and seeks to improve their entrepreneurship in order to strengthen their capacity to manage their economic resources more effectively, with the aim of improving their quality of life.

This publication details the EntreTODOS methodology with the intention of facilitating its replication, thus contributing to the development and improvement of the quality of life of the people who participate in these groups. The information is aimed at CODESPA Foundation's field technicians, as well as those of other organizations that work directly with communities and are interested in establishing savings and credit groups in areas characterized by poverty and extreme poverty.

It should be noted that EntreTODOS is closely linked to the Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda:



	<p>Target 4.4. By 2030, significantly increase the number of youth and adults who have the necessary skills –particularly technical and vocational– to access employment, decent work, and entrepreneurship.</p> <p>Target 4.5. By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for vulnerable people, including people with disabilities, indigenous peoples, and children in vulnerable situations.</p>
	<p>Target 5.1. End all forms of discrimination against all women and girls everywhere.</p> <p>Target 5.5. Ensure women’s full and effective participation and equal opportunities for leadership at all decision-making levels in political, economic and public life.</p> <p>Target 5.6.a. Undertake reforms that give women equal rights to economic resources, as well as access to ownership and control of land and other assets, financial services, inheritance and natural resources, in accordance with national laws.</p>
	<p>Target 10.2. By 2030, empower and promote the social, economic and political inclusion of all people, regardless of age, gender, disability, race, ethnicity, origin, religion, economic, or other status.</p>
	<p>Target 8.3. Promote development-oriented policies that support productive activities, the creation of decent jobs, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro, small, and medium-sized enterprises, including through access to financial services.</p> <p>Target 8.5. By 2030, achieve full and productive employment and decent work for all women and men, including young people and people with disabilities, and equal pay for work of equal value.</p> <p>Target 8.6. By 2020, significantly reduce the proportion of youth not in employment, education, or training.</p> <p>Target 8.10. Strengthen the capacity of national financial institutions to promote and expand access to banking, financial, and insurance services for all.</p>

The guide is organized as follows:

The “Context” chapter discusses the effectiveness of savings and credit groups as a valid alternative to counteract the financial exclusion that affects many people in remote rural communities or those with limited access to formal financial institutions.

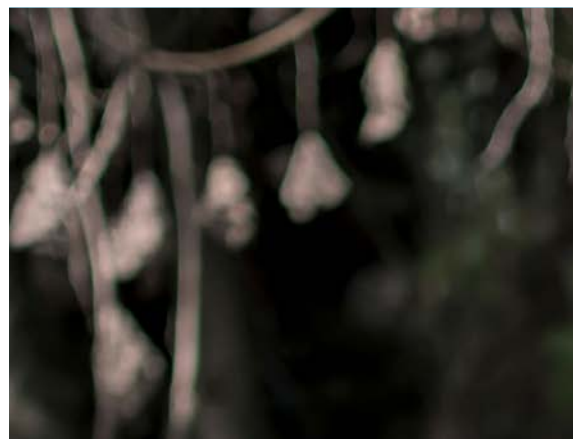
The following chapter delves into the EntreTODOS methodology, detailing its phases, cycles, sessions, activities, and tools. It provides a detailed explanation of the nature of savings and credit groups, and highlights how the CODESPA Foundation’s methodology is different from other models existing in various regions of the world. In addition, key considerations and adaptations are addressed for cases in which the methodology is to be implemented with youth or among people with disabilities.

The chapter entitled “Measuring social and economic impact” presents the most relevant results of the methodology from quantitative and qualitative perspectives. It shares the impact figures of the methodology’s application and narrates some of the life stories that support this data.

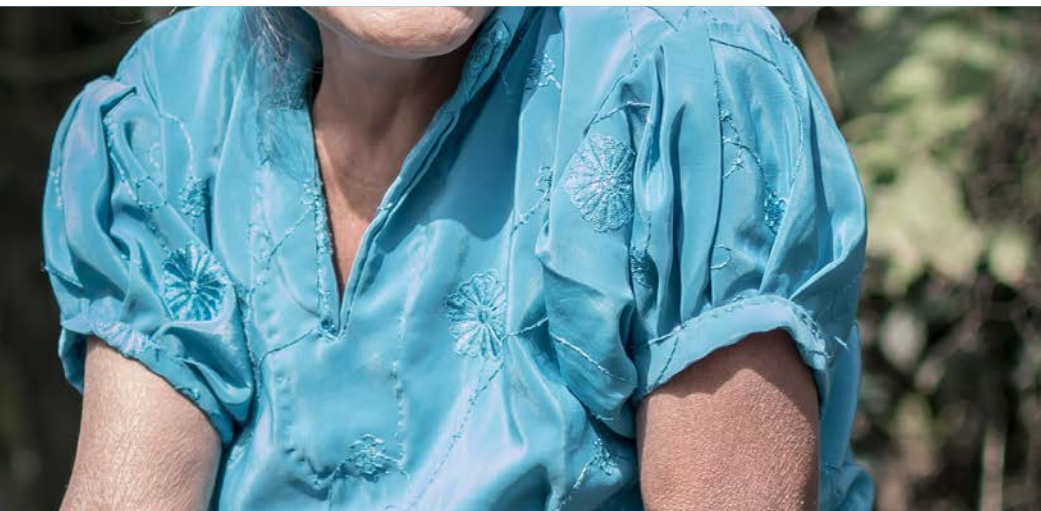
Then, in the chapter entitled “Lessons learned and keys to success,” the main lessons learned from implementation are shared, as well as the keys that are considered fundamental to optimize the model’s impact.

Finally, there is the “Toolbox” section of the methodology, which is presented at the end of the guide and includes forms and record books for the savings and credit groups. As additional support, a series of videos are provided to reinforce learning during the training sessions.





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02.

Context

02.

Context

The history of savings and credit groups goes back a few decades. The modern, structured concept of savings and credit groups as we know them today began to gain prominence in the last decades of the 20th century. The first steps of savings and credit groups were taken in Africa under the guidance of non-governmental organizations, with the objective of improving access to financial resources, especially in remote areas ¹. These were the first signs of what we know as “community microfinance.”

Currently, globally, the percentage of households in developing countries that use financial tools or have access to financial products and services does not exceed 40% ². Exclusion from the financial system and lack of access to liquidity to make productive investments or cover their basic needs aggravate the vulnerability of these communities and limit their possibilities for development.

Although some banks or microfinance institutions (MFIs) have reached rural areas in developing countries, their collateral requirements are often unaffordable for people living in poverty and exclusion. Moreover, for those residing in the most remote communities, access to these institutions is hampered by the cost of transportation or travel.

In this context, in 2018 and within the framework of an agreement funded by the Spanish Agency for International Development Cooperation (AECID), CODESPA -together with *Acción contra el Hambre*- joined efforts to reduce food insecurity and improve the socioeconomic situation of families in poverty and exclusion in Guatemala. Among other activities, CODESPA developed the EntreTODOS savings and credit groups, providing these communities with a simple and accessible opportunity to save, improve their financial skills, and boost the performance of their enterprises.

1 Village Savings and Loans Associations: Multilateral Investment Fund, 2015, Savings and Financial Inclusion Groups, viewed November 03, 2013, < <https://www.rfilc.org/wp-content/uploads/2020/08/Grupos-de-ahorro-e-inclusion-financiera-FOMIN.pdf>>.

2 Giovanni di Plácido & BBVA Microfinance Foundation, 2022. “Main challenges and competitive advantages of generating inclusive business” for the Action Lab of the Business Observatory for Inclusive Growth.



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03.

EntreTODOS Methodological Guide

03.

EntreTODOS Methodological Guide

3.1. What are the EntreTODOS savings and credit groups?

EntreTODOS are savings and credit groups made up of 10 to 15 people and based on mutual trust and solidarity among the members. These groups meet monthly with the purpose of saving and, from there, establishing a common fund that makes loans possible for its members under advantageous conditions for them and for the group itself. This means:

- Absence of guarantees or collateral.
- Adaptability according to individual needs and flexibility required by each person.
- A soft interest rate, previously agreed upon by the group, whose profits are reinvested for the benefit of its members.

Through the EntreTODOS groups, those who lack access to the formal financial system find a space to save, access small loans, and receive financial education. As the management of their economic resources improves, the participants' autonomy and dignity are strengthened, positively impacting their personal development.

The methodology aims to teach people how to manage their finances under an organizational approach that allows all participants to learn how to save and borrow to initially cover their basic needs and, subsequently, invest in productive activities.



The overall objective of the EntreTODOS savings and credit groups is to improve the livelihoods of rural families through savings and access to loans, while promoting financial education and entrepreneurship in rural environments.

The specific objectives of the EntreTODOS methodology are:

- To encourage personal and family savings.
- To facilitate access to loans to cover basic needs and invest in productive activities.
- To offer financial training to improve personal and/or family financial management skills.
- To facilitate technical training to improve productive enterprises or businesses.
- To strengthen the role of women at the personal, family, and community levels.
- To promote social cohesion among women and members of a community.



EntreTODOS is the methodology created by CODESPA that promotes savings and facilitates access to loans for people in vulnerable situations to cover their basic needs and promote entrepreneurship. It is based on mutual trust and people's commitment and is a driver for women's economic empowerment



Benefits of the EntreTODOS methodology are:

- The habit of saving is created among the participants.
- The savings culture is encouraged in families and the community.
- Group members have the ability to save and borrow without leaving their community.
- Access to loans is provided at critical times of the year or in situations of need.
- The profits generated by the group are distributed proportionally among all its members.
- At the end of each cycle, each member receives their savings plus earnings, allowing them to achieve previously established goals.
- Families' capacities to manage their financial resources are improved.
- Social bonds are strengthened and trust among group members is improved.
- Women's participation is actively promoted.
- New business ideas are explored and entrepreneurship is encouraged.
- CODESPA offers constant support and technical assistance.
- A strong organization is established in each group that can be used to drive other development projects in the community.
- Institutional support is provided by the CODESPA Foundation.

3.2. CODESPA's methodology in 2 cycles: savings and entrepreneurship

The EntreTODOS savings and credit groups are based on the savings that each group member deposits at each meeting. The sum of all these savings forms a common fund –called social capital– which is used to grant small loans at an interest rate determined by the group (between 3% and 5%). This rate is converted into profit for the group as a whole.

CODESPA's methodology is undertaken in two cycles, as detailed in **Figure 1**.

1. First cycle: savings and credit

The first cycle, or first year, begins with the formation of the groups and focuses on teaching them how the EntreTODOS methodology works. The group is accompanied in its formation process and is accompanied in its meetings for the management of savings and credit. In addition, financial education training is provided for the family economy and the group's self-management.

CODESPA provides personalized monthly monitoring and training on how to record each savings and loan transaction and how to keep the accounting books, with the aim of enabling each group to manage itself independently and maintain adequate control over its members' savings and loans. During the first months, the loans are mainly used to cover basic needs (education, health, home improvements) and to make some investments in their agricultural or productive enterprises.

At the end of the year, the group distributes the savings and interest earnings among its members in an equitable manner and in proportion to the savings contributed by each person, providing them with a view of the growth of their capital. The groups reinvest their savings to initiate a second cycle.

The main objective of this initial cycle is for individuals to improve their financial skills and for groups to take ownership of the methodology and manage savings and loans autonomously. With a clear exit strategy, CODESPA's EntreTODOS methodology aims to enable each group to function in the future with complete autonomy and independence.

In the final sessions of this first cycle, the group members work on their savings plan and begin to provide training focused on personal entrepreneurship.

2. Second cycle: savings, credit and investment

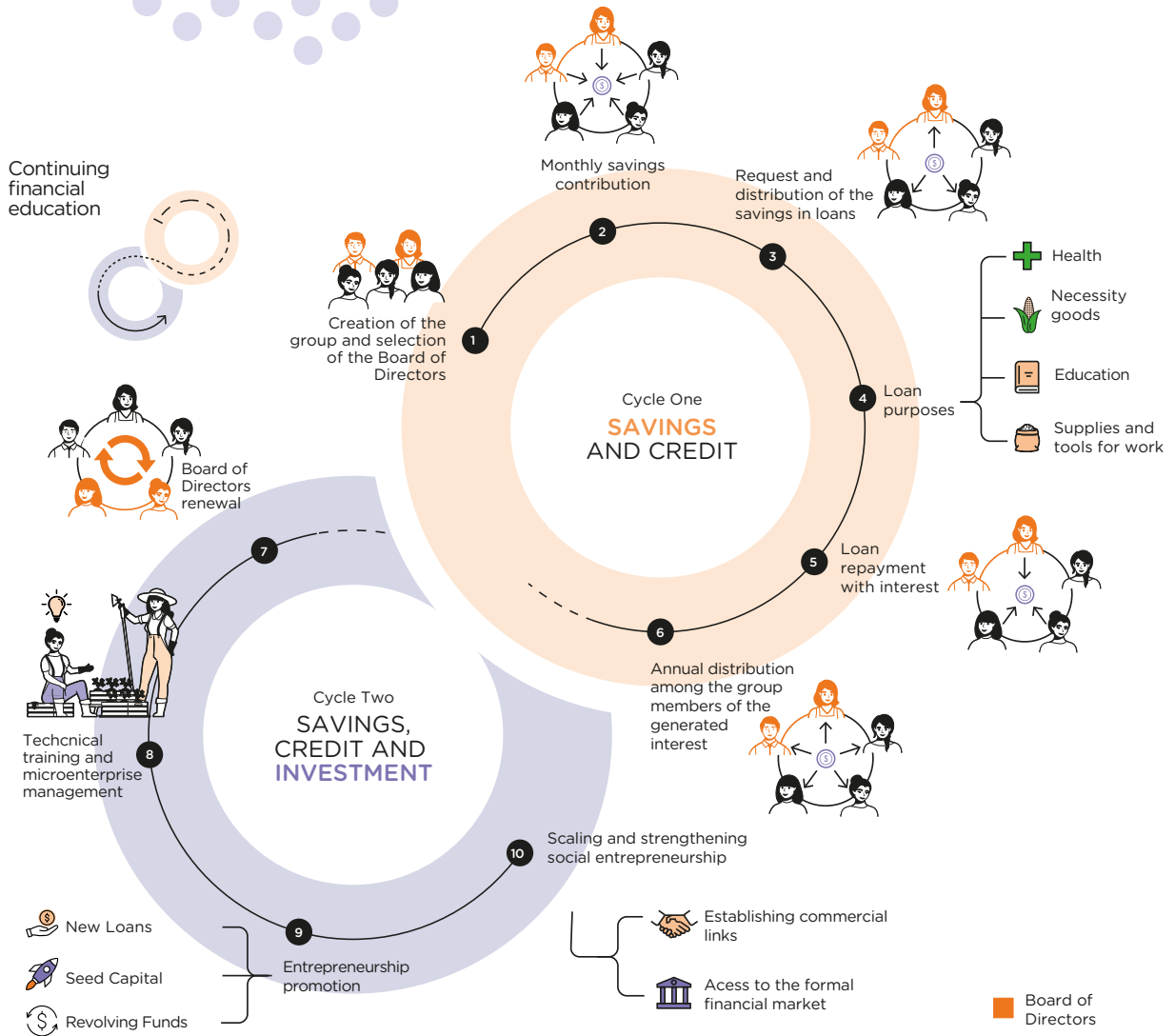
Once the participants have internalized the methodology, become familiar with the distribution of profits and have recognized the potential for savings and access to capital, the second cycle focuses on promoting entrepreneurship and the productive use of money.

During this phase, technical, productive, and business management training is offered to support entrepreneurs in the development of business plans and investments that aim to strengthen their initiatives. In addition, the group is offered the possibility of accessing a revolving fund for entrepreneurship in order to have access to working capital.

Chart 1. CODESPA's EntreTODOS Methodology

EntreTODOS

SAVING AND CREDIT EDUCATION GROUPS



The following table summarizes the approaches and objectives of each cycle of the EntreTODOS methodology.

Table 1. Approaches and objectives of the EntreTODOS cycles

	First cycle	First cycle
Specific objectives	<ul style="list-style-type: none"> • To discover and become familiar with the EntreTODOS Methodology and its registers and formats. • To achieve self-management in each group: including mastery in the calculation of profits. • To identify opportunities for entrepreneurship and analyze the potential of value chains. 	<ul style="list-style-type: none"> • To improve the competitiveness of enterprises and their access to the market. • To improve income and livelihoods. • CODESPA graduation and exit strategy.
Training focus	<ul style="list-style-type: none"> • Financial education: Importance of savings and financial concepts. • Organizational skills: commitment and responsibility. • Soft skills: leadership, participation, empowerment of women. 	<ul style="list-style-type: none"> • Technical and productive training. • Business management training: identification of costs, communication with the client. • Soft skills: leadership participation, empowerment, decision-making capacity, management of the Seed Capital Fund.
Use of loans and scope of the Fund	<ul style="list-style-type: none"> • Investment geared towards consumption and basic needs (health, education, others) or emergencies. • Limited level of savings and loans. 	<ul style="list-style-type: none"> • Investment geared towards entrepreneurship and productive activities. • Higher level of savings and loans. • Access to the Seed Capital Fund.
EntreJÓVENES	<ul style="list-style-type: none"> • Psychological support. • Creation of a life plan. • Agile teaching methodologies: Financial Knowledge Olympics. 	<ul style="list-style-type: none"> • Execution of the life plan: investment in education, entrepreneurship. • Exchange and experience acquisition tours.

Source: drafted by the authors

3.3. Eight pillars of CODESPA's methodology

Worldwide, there are different methodologies for community savings and credit. CODESPA's EntreTODOS methodology is distinguished by eight key aspects that set it apart from other methodological approaches:

1. Seeking a balance between savings and credit

The EntreTODOS methodology prioritizes savings as a fundamental pillar and good financial practice³. It conveys the importance of savings as a tool to reduce the financial vulnerability of families, keeping them from turning to loan sharks and mitigating the risk of over-indebtedness.

Unlike other methodologies, EntreTODOS starts with the savings of individuals and does not inject capital or initial donations to start the groups. The loan fund of each group grows exclusively by the monthly savings contributions of each member.

This decision reflects the savings culture our methodology seeks to promote. In this way, the groups acquire the skills needed to gradually manage the fund or social capital, all the while learning by doing and managing small amounts of money. This approach favors sustainability in a responsible manner, mitigating the possible risks of corruption or default in the repayment of loans.



³ CODESPA, 2023, Managing My Money Program, Madrid. See the "Learn" section: www.codespa.org

Likewise, EntreTODOS is committed to capacity building versus welfare, as detailed in point 6. Not making any type of donation or monetary injection at the beginning makes the groups grow more slowly, but the dignity and ownership of the people involved grows exponentially as they see how the social capital of their group has grown thanks to their own contributions. At the end of each cycle, with the distribution of profits, people realize that their group has grown and capitalized exclusively thanks to their savings and their own efforts to get out of poverty, with no external help other than training.

2. No collateral, guarantees, or any other type of requirement or use is stipulated

Unlike other methodologies, EntreTODOS does not require people to present guarantees or collateral to participate in the groups, nor does it establish personal or financial requirements or conditions to access or use the loans. EntreTODOS groups are based on mutual trust, commitment, and solidarity among participants, who self-select and join a group with the objective of saving collectively (with a range of 10 to 20 people maximum per group), seeking personal and community development. Any person of legal age who resides in the community on a permanent basis can join a group.

The methodology likewise does not prescribe a specific interest rate or predetermined use for the loans. Each group sets its own interest rate (generally between 3% and 5% per month), and participants can use the loans either to cover basic needs initially or to invest in their ventures, adapting the term according to their needs.

Among the financial practices recommended by CODESPA to avoid the risk of over-indebtedness are: having only one active loan, not applying for a second loan until the first one is paid off, and limiting the amount of loans in proportion with the savings contributed by each member (following the 2.5 rule).

As noted in the chapter on impact, the credit and cash records on each group's books reveal the absence of late payment charges, with 100% of the loans repaid on time. This fact shows that obtaining guarantees is not necessary when there is trust, commitment, and solidarity among group members.

3. Prioritization of rural and semi-rural areas with high poverty rates

CODESPA has focused its EntreTODOS methodology on rural and semi-rural communities with high levels of poverty and extreme poverty and located in remote areas. The foundation has promoted the creation of savings and credit groups in environments of high vulnerability and social exclusion, moving away from urban areas where access to financial services is more widespread.

EntreTODOS has been successfully implemented in communities characterized by high illiteracy rates and limited economic activity – such as subsistence agriculture, temporary agricultural work (day laborers), and the purchase and sale of food products and seeds for basic consumption. These challenges have significantly influenced the evolution of the methodology to the current model, reflected herein.

4. Economic empowerment of women

EntreTODOS aims to improve the social and economic situation of women. Although the groups are open to both men and women and the choice of members is left to each group, CODESPA actively encourages women's participation. CODESPA also encourages women's inclusion in managerial roles, even when their levels of illiteracy are higher than those of men.

And it encourages them to have their own entrepreneurship or productive activity; in fact, 85% of the people who have participated in the EntreTODOS groups are women.

The training provided by CODESPA's field technicians, together with the development of soft skills, stimulates the women's active participation in group meetings and motivates them to initiate economic projects that give them some financial autonomy. By participating in the group, the women learn to manage money and businesses, thus contributing to the family budget. This opportunity to contribute to the family economy has a positive impact on their dignity and empowerment. In addition, the group meetings are set up as a space to meet with other women, promoting bonds of friendship and mutual support in the community.

CODESPA believes that women's economic empowerment is an effective tool for combating domestic violence. Participating in the EntreTODOS group is not only a practical opportunity to have a voice and vote in a public space, but it also contributes to improving the valuation and role of women in the community, preparing them for future participation in other community spaces. Furthermore, in the case of EntreJÓVENES, it promotes the improvement of the participation and role of young people, another disadvantaged group in rural communities.

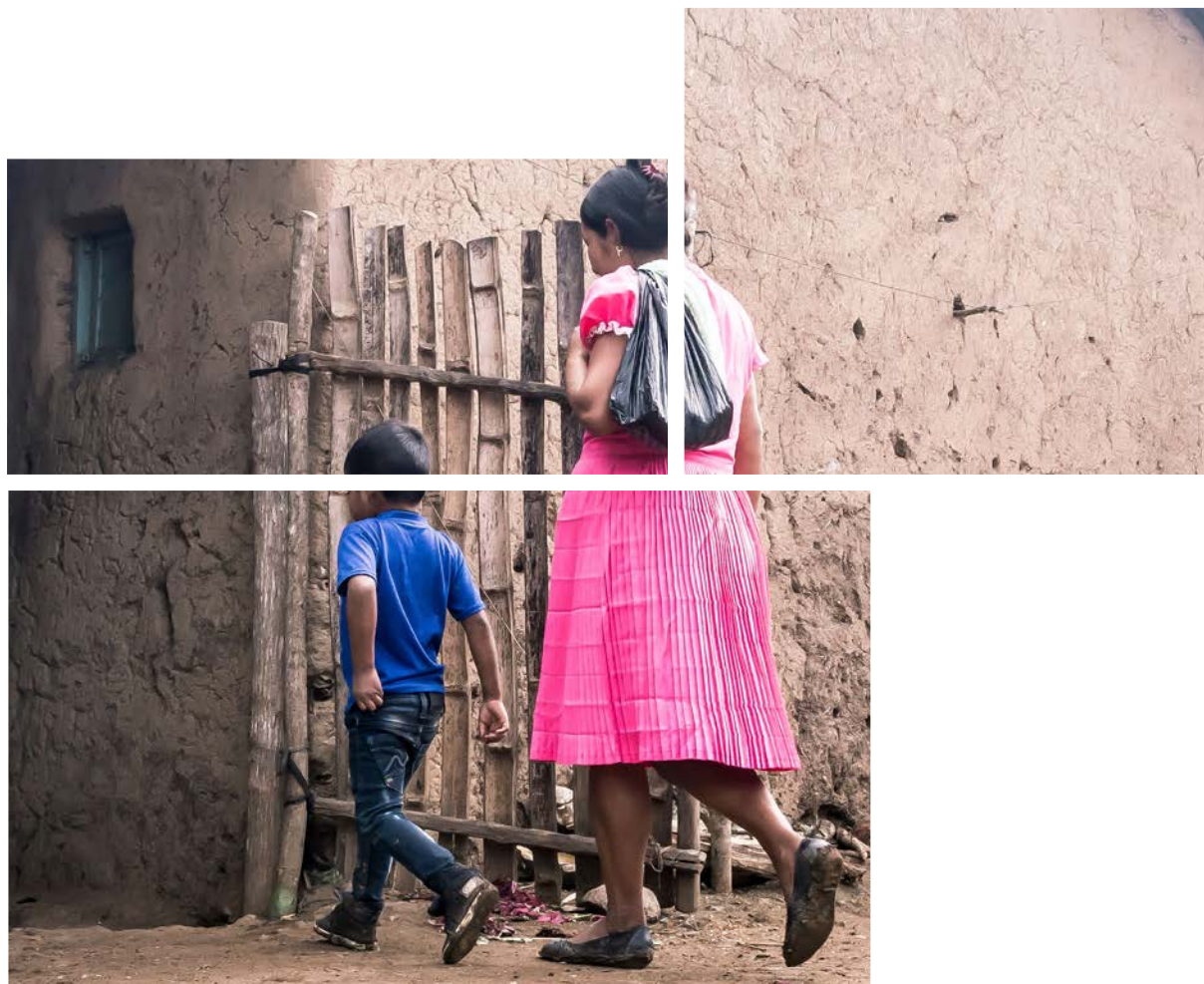
5. Financial education and simple record keeping for “EVERYONE”

All members receive practical training in financial education on essential concepts such as savings, credit, interest, investment, profitability, and risk.

EntreTODOS adopts a “learning-by-doing” methodology, providing training on forms and interest calculation during regular group meetings. During these sessions, the corresponding entries are made in each of the accounting books, focusing on the acquisition of knowledge through practice.

Through flip charts and record-keeping formats adapted to the local context by CODESPA, all members can be informed of the individual and group financial situation at each meeting. In addition, they have the responsibility of approving or disapproving credit applications – thus promoting transparency and accountability while avoiding possible cases of corruption.





The EntreTODOS methodology has evolved and adapted to the rural context with high illiteracy rates⁴ by simplifying the books to avoid the duplication of information and keeping only the minimal and necessary records for simple and orderly financial monitoring. It currently has 16 records: 9 for financial monitoring and 7 for entrepreneurship.

6. Sustainability and self-management of the groups vs. welfarism

As part of its **CODE Method**⁵, CODESPA always contemplates an exit strategy in its projects, promoting the sustainability and scalability of the impact of its economic development interventions. In line with this idea, each savings and credit group is established with the clear aspiration and objective of achieving autonomy, defining its financial and organizational decisions, and establishing its own way of working through a set of regulations that guide its activities. Aspects such as the minimum monthly amount of savings, the interest rate, the election of the board of directors, the incorporation of new members, and the frequency of meetings -among other operational issues- are decided by each group.

The CODESPA Foundation’s technical team provides advice at all monthly meetings, instructing them on how the methodology works, how to manage the accounting books, and how to

4 Most of the women participating in the EntreTODOS groups in Guatemala have not reached the sixth grade of primary school.

5 CODESPA, 2021, CODE Method, viewed November 03, 2023, < <https://www.codespa.org/metodo-code/> >.

calculate profits at the end of the year. CODESPA provides training, guidance, and advice on best practices in financial management, supporting the groups in making decisions and ensuring that they do so in an orderly and autonomous manner.

Although the foundation performs monthly financial and organizational monitoring to ensure the organizational and financial sustainability of the groups until graduation, it is the groups that take the reins of their future, growth, and success. Generally speaking, at the end of the first year, the group operates autonomously with just occasional support from CODESPA. At the end of the second year, the groups reach a level of 100% autonomy. From the third year onwards, CODESPA remains available to support the groups in any specific consultations or follow-ups they may need.

In short, CODESPA does not give money or make donations; instead, it provides training and accompaniment, offering the opportunity to learn how to save funds and develop financial and business management skills.

7. Generation of interest through loans and distribution of profits based on savings

At each meeting, EntreTODOS encourages all of the money saved by members to be used for loans among members for three main reasons:

1. Entrepreneurship is encouraged by requiring that accumulated savings be invested in new projects, thus promoting the generation of new business ideas.
2. A positive impact on the growth of the group is sought, since the earnings or profits generated through the establishment of interest rates contribute to the group's growth and capitalization.
3. This way of working helps to eliminate possible cases of theft, corruption, and insecurity in the communities (by avoiding the storage of physical money, which strengthens trust by eliminating the temptation for members to use these funds in situations of need).

When a member decides to withdraw from the group for any reason, the individual profits up to the date of withdrawal are calculated and the total capital generated is given to the member. The precise form and timing for the handing over of the savings and profits generated are determined in accordance with the group's bylaws.

8. Promotion of entrepreneurship and productive investment

Thanks to its 38 years of experience, CODESPA has integrated various strategies and tools in its methodology for savings and credit groups to empower businesses and increase the family income of participants.

During the second cycle of EntreTODOS, support is provided in the design of the business plan and technical and business training adapted to the productive family activities in the area. Through the Seed Capital Fund, group members can access inputs for their businesses through loans, becoming a revolving fund to be capitalized by the group.

3.4. Implementation: initial considerations

Human Resources

For the effective implementation of the methodology, it is suggested that a maximum of 15 groups be assigned to each field technician. Exceeding this number would make the monthly monitoring of each group more difficult, especially during the second cycle's phase involving the promotion of enterprises.

The financial education technician must possess or develop the necessary skills to identify enterprises in the first year. This is crucial to design a strategy to strengthen the value chain where these enterprises can be inserted and to provide technical and productive training during the second cycle.

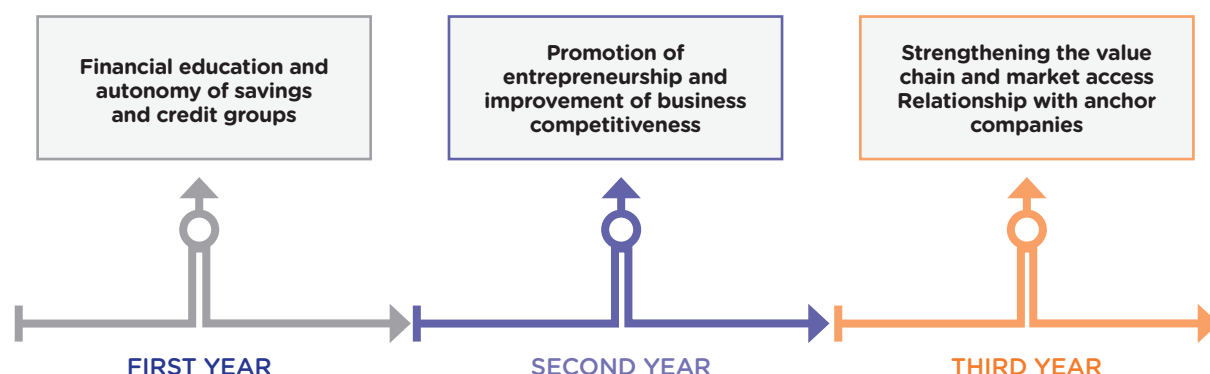
During this second year, it is advisable to incorporate a technician specialized in entrepreneurship and marketing. His or her main function will be to facilitate greater market access and promote the creation of commercial links with local companies for the sale of products. In the case of EntreJÓVENES, he/she would also be responsible for organizing internships.

Implementation schedule

In the first year or cycle, the group should acquire the essential knowledge to achieve autonomy in savings management, credit control, and the functioning of the EntreTODOS methodology.

At the end of the second year, we expect to consolidate the groups in terms of savings, financial education, and the practice of calculating profits, preparing them for full graduation. During this second year, entrepreneurship and the strengthening of businesses will be strongly promoted.

Ideally, a third year of work is suggested to enhance market access and, in the case of linkage to a value chain, to strengthen collective ventures at the enterprise level and their relationship with anchor companies, in terms of quality and connection with the client.



IMPLEMENTATION

Other considerations for the field technician

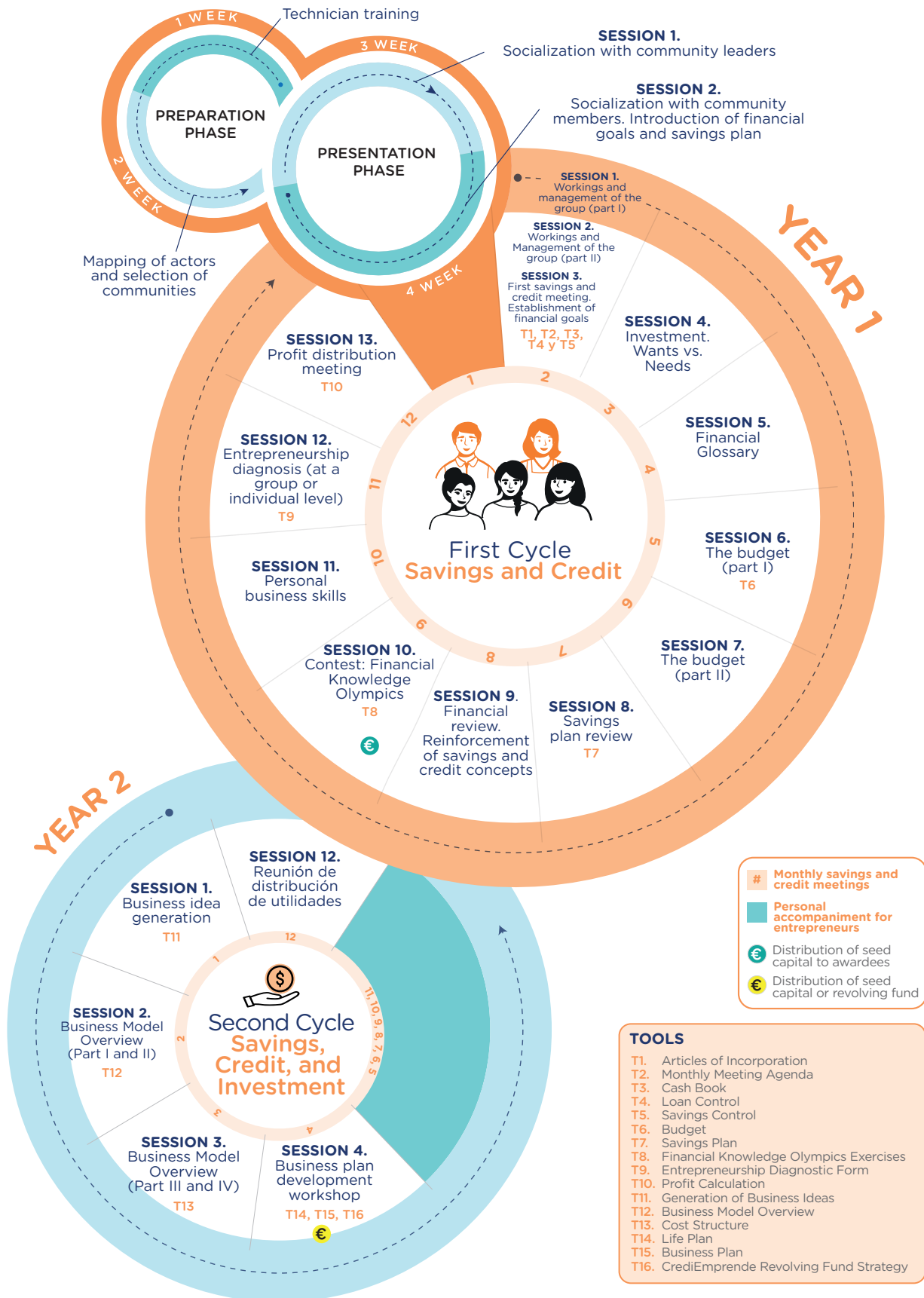
The following are some crucial aspects that must be avoided to ensure the correct application of the methodology.



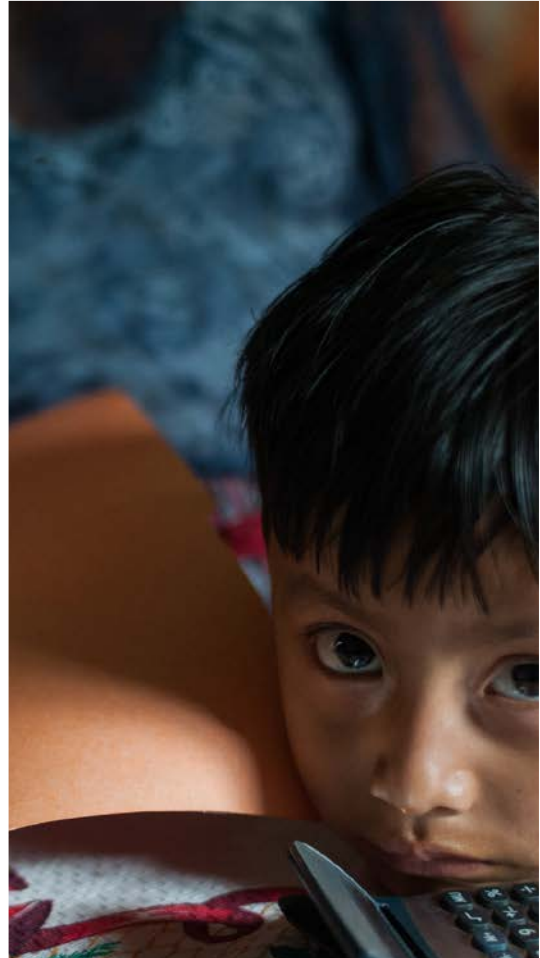
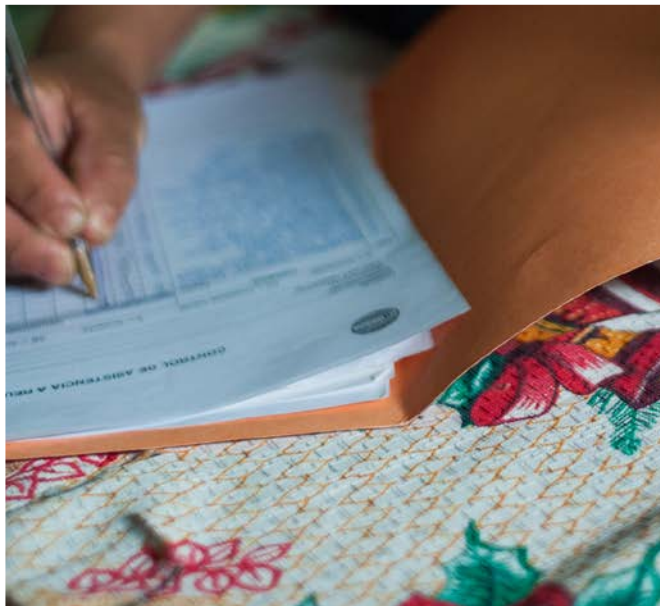
The following actions should be avoided at all times:

- Forcing the creation of a group.
- Influencing the group to make specific decisions.
- Disincentivizing group members' initiatives.
- Not promoting group participation and giving master classes (where only the technician speaks and the participation of all members is not encouraged).
- Requesting something in exchange for training, whether gifts, presents from the community, food, money, or other favors.
- Failure to communicate in advance the impossibility of attending a meeting due to force majeure.
- Handling or touching the group's funds.
- Requesting a loan from the group.
- Becoming a member of the EntreTODOS savings and loan group.
- Completing group monitoring documents, whether related to savings, credit, or other records.

Chart 2. Phases, cycles, sessions and implementation schedule



Source: drafted by the authors



3.5. Activities and tools for implementation

The different phases, cycles, training sessions, and tools for the implementation of EntreTODOS are detailed below.

Preparation phase

During the first month, the technical team receives training on the EntreTODOS methodology and carries out a mapping and selection of communities for application of the methodology. At this stage, it is crucial to identify whether the communities have had previous experience with savings and credit methodologies or have received more assistance or support, such as donations. This knowledge can influence the adoption of the EntreTODOS methodology (see the chapter on lessons learned for more details).

Table 2. Preparation phase sessions

PHASES	Preparation phase	
SESSIONS	Training of technicians	Mapping of players and community selection
MONTH	1	
	WEEK 1	WEEK 2

Source: drafted by the authors

Presentation phase of the EntreTODOS methodology to the community

During the following month, the presentation and promotion of the methodology begins in the community. Presentation will take place over a period of 3 or 4 weeks, depending on the conditions of the community and the technical team, as shown in the table below.

The first contact should always be with the local authority –especially the community leader– to introduce the organization, explain the project objectives, and obtain support for implementation. This meeting with the leader also serves to gain a thorough understanding of the characteristics of the community, its groups and organizations, and its history with similar methodologies. The community assembly convened by the leader is key for explaining the benefits of EntreTODOS and encouraging the creation of new groups. This session should be very informative and easy to follow in nature, with graphic presentations on flip charts about the benefits of the project. It should likewise include success stories that will attract people’s attention and encourage them to participate in the groups.

It is recommended that new EntreTODOS groups be created rather than applying the methodology to existing groups for other purposes. Although using organizational structures already created in the community may speed up the formation of groups, these organizations will already have an established working methodology that may be very difficult to adapt.

The groups must have two governing bodies: the General Assembly of Members and the Board of Directors – with a President, Treasurer, and Secretary.

During this phase, which lasts one month, the following work sessions take place.

Table 3. Sessions and tools for the methodology’s presentation to the Community

PHASE	SESSION
Presentation of the methodology to the community	SESSION 1. Meeting with community leaders
	SESSION 2. Socialization with community members. Introduction of financial goals and savings plan.

Source: drafted by the authors

First cycle: savings and credit

The first year (or savings and credit cycle) lasts 12 months and includes 13 financial education training sessions, each lasting 2.5 to 3 hours, based on an agenda and using the tools defined in Table 5. Each session includes the collection of monthly savings and the awarding of loans.

During this cycle, training is provided on the importance of savings and on other financial concepts, and the aim is to familiarize people with the methodology and with financial records and forms. The objective is for people to learn to save and manage their loans responsibly, and to meet their financial goals to improve their quality of life.

The main use of the loans in this first cycle is mainly to cover their basic needs such as food, health, and education (supplies and materials for their children). Some participants also make small investments in raw materials and tools for work.

A CODESPA technician accompanies the group in its monthly meetings so that its members become familiar with how to keep financial records and how to get group members involved. The aim is for everyone to learn and for the group to manage this information autonomously by the end of the year.

The technical field team makes quarterly reports to a CODESPA supervisor about the organizational situation and financial monitoring of the groups.

During the first 5 or 6 months, CODESPA's technical assistance at the savings and credit meetings is intensive. As the groups begin to handle the record books correctly and follow the steps of the methodology at each meeting, this accompaniment may be reduced – although it will continue until the end of the two cycles.

During this first cycle, the technician must begin (simultaneously with the training work) to identify possible ventures, skills, and business opportunities among the group members. Specifically, starting in the second half of the first cycle, he or she should begin to analyze one or more value chains, with a view to testing the growth potential of individual or group enterprises and identifying activities that can improve their livelihoods during the second cycle.

The last months of the cycle are used to consolidate the methodology in the group, prepare for the profit distribution meeting (session 13), and guide the start of the second cycle with sessions on personal entrepreneurship. Dynamic sessions are also held to test what the groups have learned and to reinforce the important concepts of savings and credit.

From the start of savings (session 3) until the profit distribution meeting (session 13), the technical team should use the financial and participation monitoring tools in each group. It will send monthly reports to CODESPA's supervisor on the organizational situation and financial monitoring of the groups. These reports are stored in a database, as detailed in the chapter on impact measurement.



Table 4. First cycle savings and credit sessions and tools

SESSION	Tool No.	Exercise No. in the Implementation Guide	Financial monitoring and participation tools and exercises
SESSION 1. Operation and management of the group (part I)			
SESSION 2. Operation and management of the group (part II)	1	1	Record of Establishment
SESSION 3. First savings and credit meeting. Setting financial goals	2	2	Monthly meeting agenda
	3	3 - 4 - 5 - 7 - 8 - 10	Cash book
	4	9	Loan notebook
	5	6	Savings log
		11	Goals
SESSION 4. Investment. Needs vs. Wants		12	Difference between needs and wants
SESSION 5. Financial Glossary		13	Understanding basic loan terminology
SESSION 6. The budget (Part I)	6		Budget
SESSION 7. The budget (Part II)			
SESSION 8. Savings plan review		14	Budget preparation
	7	15	Savings plan
		16	Savings versus loans
SESSION 9. Financial review. Reinforcement of savings and credit concepts			
SESSION 10. Competition: Financial Knowledge Olympics	8		Financial Knowledge Olympics exercises
SESSION 11. Personal business skills			
SESSION 12. Entrepreneurship diagnosis (at a group or individual level)	9		Entrepreneurship Diagnosis Form
SESSION 13. Profit distribution meeting	10	17	Profit calculation

Source: drafted by the authors

As can be seen in Table 2 (which details the phases, cycles, sessions, and implementation schedule of the methodology), in the first month the group is formally established and its regulations are defined, which address aspects such as the interest rate, the minimum monthly savings of the members, and other operational issues (see Tool 2.- Constitution or Regulations). At the same time, the first savings meeting is held, at which the agenda for the meetings and the forms for recording transactions are presented.

Generally, the groups choose to meet once a month. It is at these meetings that each member contributes the minimum savings amount established in the bylaws. In the case of Guatemala, for example, this initial savings amount is usually 5 quetzales (approximately sixty cents of a euro). As the groups complete the savings and credit cycles, the social capital generated grows exponentially. As an example, the Barbasco group made distributions as shown below at the end of its third cycle, growing in savings:

- The first cycle was 152⁶ euros (Q 1,274) and the profit for the year was 25 euros (Q 214), totaling 177 euros (Q 1,488), which is what the group generated from savings and credit in the first cycle.
- In the second cycle, savings amounted to 862 euros (Q 7,247), with annual profits of 283 euros (Q 2,380), for a total of 1,145 euros (Q 9,627).
- For the third cycle, total savings were 2,117 euros (Q 17,804) and profits were 964 euros (Q 8,108), for a total of 3,081 euros (Q 25,911).

At the end of the year, specifically at the last session of the cycle, the annual interest generated is distributed among the members of the group. At this meeting, the members visualize their savings and the profits generated, reinforcing their confidence in the methodology and motivating them to reinvest their savings or part thereof, exceeding the minimum amount required.



Profit calculation training



Profit calculation is the most complex exercise in the methodology. For this reason, it is essential to dedicate the necessary time and provide adequate support to ensure that each person and the group as a whole become familiar with the calculation method, so that they fully understand it and then know how to calculate profits autonomously. CODESPA organizes specific training workshops for group members to internalize profit calculation in a practical way.

⁶ Official exchange rate used as of December 2022:
<https://www.xe.com/es/currencyconverter/convert/?Amount=1&From=GTQ&To=EUR>

While explaining the methodology to members, several good financial practices are recommended. For example, limiting participation in the same group to two members per family or the fact that the sum of credit applications should not exceed 2.5 times the savings of each member. Having said that, authorization of the maximum amount of credit is the responsibility of the savings and credit group, which must assume the risk based on trust in its members. CODESPA, on the other hand, provides assistance and advice to help members make informed decisions about withdrawing all, part, or none of their savings and profits, presenting them with the advantages and disadvantages of each decision.

For more details on the topics and content included in each session, please refer to the “Technical Implementation Guide.”

Second cycle: savings, credit, and investment

Throughout their evolution, the groups experience a progressive strengthening as they internalize the importance of savings and the efficient management of their resources. After the first year, when the group has consolidated its ties and accumulated a considerable savings fund, the methodology is oriented towards promoting entrepreneurship and investing the funds in productive activities. These activities seek to generate more stable sources of income for the participants.

The second cycle, which lasts another 12 months, focuses on technical and productive training, as well as on strengthening entrepreneurial ventures or businesses. Despite this new approach to the work, the savings and credit meetings continue with the same dynamics on a regular basis. Although introductory activities on entrepreneurship are implemented in the last sessions of the first cycle, group and individual training sessions on business management and specific techniques related to entrepreneurship are added more heavily in this second year. The possibility of joining the value chain of a productive process as a collective venture is explored, and participation in fairs and other relevant activities is facilitated.

In this cycle, specific activities are introduced to support participants’ business plans, including the generation of business ideas and the consolidation of existing ventures. The sessions and tools to be used are listed in the following table.



Table 5. Second cycle sessions and tools. Savings, credit, and investment

SESSION	Tool No.	Exercise No. in the Implementation Guide	Financial monitoring and participation tools and exercises
SESSION 1. Business idea generation (on an individual level for individual entrepreneurs or on a group level)	11		Business idea generation
SESSION 2. Business Model Overview (Part I and II)	12		Business model overview
SESSION 2A. Business Model Overview (Part I)			
SESSION 2B. Business Model Overview (Part II)			
SESSION 3. Business Model Overview (Part III and IV)	13		Cost structure
SESSION 4. Business plan development workshop	14		Life plan
	15		Business plan
	16		Revolving Fund Strategy / CrediEmprende

Source: drafted by the authors

With the beginning of the new cycle, the board of directors is renewed. The first sessions are designed to provide individual support to those with defined ventures, offering professional or vocational training, technical training, and internships. For those who have not yet defined a venture, they are assisted in identifying possible opportunities based on their skills and experiences.

The EntreTODOS methodology includes different dynamics and tools to assess the personal technical competencies of each entrepreneur, taking into account their life plan. Subsequently, they are helped to design a business plan and are provided with technical and business training to support their ventures, focusing on their key skills or on economic activities with potential in the region. The importance of developing skills such as customer service and business negotiation is emphasized.

It is crucial that conception of the enterprises comes from the individuals or the group, with the accompaniment and encouragement of the advisors or field technicians who understand the needs of the community better than anyone else. The identification of business opportunities is combined with the value chain analysis carried out by CODESPA during the first cycle, with the aim of discovering opportunities or business niches that have not been explored locally. This encourages the integration of people in individual or collective ventures.

For more details on the topics and content included in each session, please refer to the “Technical Implementation Guide.”

EntreTODOS has supported a variety of ventures, including the following:

- Stores such as community stores, sale of ice cream/slushies, vegetables, and basic grains, as well as clothing and accessories.
- Initiatives such as the manufacture and sale of candles.

- Handicrafts with bamboo or plastic thread (mainly baskets).
- Agricultural production for sale, ranging from the production of cherry tomatoes, cilantro, and other vegetables to the raising of pigs for piglets or meat, the production of eggs, chicken meat, tilapia in ponds, honey, and bread.
- Small carpentry and other productive businesses (nixtamal mill) have also been supported.

The following are different strategies to promote entrepreneurship and business.

a) Access to professional/vocational training: scholarship or internship programs

EntreTODOS is committed to the technical training of participating groups, establishing partnerships with both public and private training centers. In some cases, the organization facilitates internships or training by local professional experts. A concrete example of this initiative was in Guatemala, where CODESPA established a partnership with the Technical Institute for Training and Productivity (INTECAP), whose technicians traveled to the communities to teach various training sessions.

In addition, internships were held for women at the Las Gravileas center, a private initiative focused on training in areas such as gastronomy, textiles and handicrafts. In general, these training sessions are designed to enable participants to acquire new knowledge that they can incorporate into the improvement of their products. It is crucial for these training sessions to be adapted to the reality of the communities, allowing for their effective implementation in business under the local context. An illustrative example is the approach adopted in culinary training, where priority is given to the use of ingredients that are accessible in terms of cost, adapted to the region, and in demand in the respective communities.



Las Gravileas

Since 1980, Las Gravileas has been dedicated to offering comprehensive training to low-income women in the Department of Sacatepéquez and other rural areas of Guatemala. Its central mission is to provide training to its students, enabling them to develop both professionally and personally, in order to improve the quality of life of their families and contribute to the welfare of their communities.

Las Gravileas currently offers 23 courses and training programs in areas such as cooking, baking, fabric cutting and sewing, hospitality, floral design, and events. The center is equipped with kitchens, classrooms and specialized workshops to provide better training. It also has accommodation facilities for groups of women from the interior of the country who participate in intensive training sessions. With the capacity to accommodate 32 people, these training sessions can last two or three days. In the last year, the center has had a positive impact on more than 850 women in vulnerable situations, graduating 65 classes since its inception.

The cost of training covers supplies, technical and personal development training, and lodging for the intensive training programs. These programs not only provide technical skills but also give women the opportunity to get out of their communities –in many cases for the first time– while establishing contact with women from other areas and thus contributing to their personal and family growth. For example, in the cooking courses, women are encouraged to expand their repertoire of menus at home, learn about more nutritious and healthier foods, and diversify the options in their families' diets.



b) CrediEmprende Seed capital fund

In the second cycle, CODESPA introduces a seed capital fund called CrediEmprende, available to all members of the group, with the purpose of facilitating loans to entrepreneurs who have a business plan and need capital for an initial investment in the start-up of their businesses. This fund arose during the COVID-19 health emergency and, due to its success, it was adapted and incorporated into the EntreTODOS methodology.

CrediEmprende's main objective is to provide an internal credit pool in each group, exclusively aimed at promoting, strengthening, and scaling the start-ups born in the group. Each entrepreneur receives a kit of supplies valued at approximately 33 euros (Q 275)⁷ for their start-ups. This kit, which may consist of kitchen utensils or other materials necessary for the business, is offered as a loan and its value is quantified through a valuation process carried out by CODESPA's technician, who previously provides support in business development and technical and business training.

This revolving fund results from the monetization (by the entrepreneurs) of a set of supplies provided during the start-up phase of their venture. It is important to note that the entrepreneur enters into debt not with CODESPA, but with his own group. This is a loan in kind that the entrepreneur repays in cash to the savings and loan group, improving the groups' capitalization. The fund is managed by each group, generating interest and increasing capital.

CrediEmprende is aimed exclusively at promoting entrepreneurship and serves as a capitalization strategy for savings and loan groups. Initially, the first emergency fund was granted interest-free. Now, loans for entrepreneurship are granted with a monthly interest rate of 2%, which is lower than the rate of the savings and loan groups. Profits are distributed annually, with 50% of the interest distributed equally among the group's members (regardless of their level of savings), while the other 50% is used to capitalize the group's fund. It should be noted that the CrediEmprende Fund has its own regulations and record book, as detailed in Tool 16.

The purpose of this revolving fund is to stimulate the reactivation of the local economy by co-investing in the productive activities of the enterprises, helping to strengthen the competitiveness of these businesses.

⁷ Official exchange rate used as of December 2022:
<https://www.xe.com/es/currencyconverter/convert/?Amount=1&From=GTQ&To=EUR>



This innovative and successful experience demonstrated that it is possible to provide assistance to people in emergency situations without resorting to welfarism, doing so through innovative, sustainable, and effective formulas that meet their needs, promote their dignity, and assist with their future economic situation

c) CODESPA's value chain approach



Social innovation in the wake of COVID-19

Faced with the crisis scenario brought about by COVID-19 and the resulting shortages in rural communities in Guatemala, members of EntreTODOS groups found themselves in urgent need of liquidity to meet their food needs. During the month of April 2020, individuals belonging to the savings and credit groups contacted CODESPA, expressing the difficulties they faced in accessing food and the imperative need to withdraw money from the groups to cover their basic food needs.

Faced with this critical situation, CODESPA took swift action and created the “Revolving Fund.” The innovation consisted of providing families with basic grains, specifically corn and beans, through interest-free loan. This approach not only ensured that families had the necessary resources to cope with the emergency, but also mitigated the risk of decapitalization of the groups. In addition, it was established as a second fund that strengthened the group and benefited its members in the long term.

CODESPA purchased and distributed the basic grains of corn and beans worth 33 euros (Q 275) to each member of the savings and credit group. Specifically, it provided 1.5 quintals of corn and 0.25 pounds of beans as an interest-free loan. Subsequently, each individual had to repay this loan to his or her EntreTODOS group during the months of December 2020 and January 2021.

This innovative and successful experience demonstrated that it is possible to help people in emergency situations without resorting to welfarism, doing so through innovative, sustainable, and effective formulas that meet their needs, promote their dignity, and help with their future economic situation.

It is important to note that the money returned did not go back to CODESPA, but was added back into the savings and loan groups, further strengthening their capital.

After achieving 100% loan repayment and the evident success of this initiative, the “Revolving Fund” was formally incorporated into the methodology, evolving into the entrepreneurial approach in the form of seed capital. The CrediEmprende fund, the result of this evolution, is yet another tool that allows the savings and credit groups to expand their range of financial products and services for their members.

CODESPA has developed its own value chain methodology as a model of analysis that focuses on identifying the creation of economic and social value for the most vulnerable segments of society. CODESPA's value chain methodology examines the process that a product or service follows along the different links, from the procurement of raw materials to processing, transportation, and distribution. Its objective is to identify the factors and agents in the chain with the greatest potential for inclusion of small producers and microentrepreneurs in vulnerable situations and to work in a coordinated manner among all the players towards a common goal⁸.

Within the framework of the Guatemala agreement, this methodology was implemented by working with entrepreneurs from the savings and credit groups in the honey and loroco value chains, involving 67 and 30 entrepreneurs respectively. At the end of the project, 1,080 pounds of pollen were collected, generating a total income of 10,132 euros. This result represented a significant increase (of 200%) compared to the income of these producers, as measured by the baseline (income prior to CODESPA's intervention).

This value chain approach is a complex strategy with significant challenges, especially in communities that are widely dispersed or lack minimal infrastructure like transportation. For that reason, it is crucial to consider adequate human and financial resources to initiate the development of the value chain methodology during the second cycle and continue its implementation in a third cycle or project year.

⁸ For more details on the methodology, see the publication Methodology for analyzing production chains under a value chain approach, in the “Learn” section of CODESPA's website.



Consultancy for CODESPA's value chain analysis in Guatemala

In 2022, and thanks to the support of the *Social Capital Foundation*, CODESPA conducted a preliminary study to identify agricultural chains with commercial potential for rural communities in Guatemala's dry corridor. The main objective of this initiative was to develop a marketing strategy for sustainable agricultural products, with the aim of improving the income levels of families linked to the Chorti Regional Campesina Association (ASORECH).

The study focused on identifying the productive supply from small producers who are members of ASORECH's grassroots associations. These producers played an active role in the process of identifying products with commercial potential in each of the municipalities.

CODESPA's value chain analysis methodology was used to initially identify five products within ASORECH's productive supply. Subsequently, the value chain with the greatest potential was selected, which was the izote value chain. The final aim was to design a specific business model for ASORECH based on this value chain.

In the process of prioritizing the izote value chain, CODESPA took into account both production and commercial aspects. A quick market survey was carried out to establish contact with an exporting company willing to establish a business relationship. This comprehensive and strategic approach aims to improve the sale of agricultural products, thus strengthening the economic sustainability of ASORECH's member families.

d) Community seed banks

In many rural areas affected by climate change, subsistence farming families face an extremely critical situation. Droughts and other meteorological phenomena are causing significant productivity losses, generating extremely worrying situations of food and nutritional insecurity. Guatemala, specifically, has the highest chronic malnutrition rate in Latin America, reaching 49% (one of the highest in the world) and going as high as 80% in some rural areas, especially in the department of Chiquimula⁹.

Faced with these challenges, CODESPA has introduced seed banks as a social innovation with a market approach. These banks are community-based organizations dedicated to reproducing, storing, and selling improved seeds, as well as grains and other agricultural inputs adapted to local conditions and favorable to the affected communities.

Seed banks enable subsistence farmers to access improved, drought-resistant seeds and basic grains such as corn and beans and other inputs, all at fair prices with flexible payment options and in-kind credit. A credit scheme is established in which farmers, who are members of the bank, receive the seeds and repay double the value received (either in cash or grain) at harvest, as detailed in the table below. These banks also provide services to neighboring farmers in other nearby communities.

These local seed systems, which normally cover 80-90% of the farmers' seed needs, promote the production of their own seeds, exchange within their communities, and they sell a small portion to other neighboring communities. With this model, local access to improved seeds is guaranteed, directly impacting the nutritional security of rural families living in poverty, given that basic grains constitute the fundamental diet of these families.

9 Acción contra el Hambre, Guatemala: the most chronically malnourished country in Latin America, accessed November 03, 2023, < <https://www.accioncontraelhambre.org/es/guatemala-el-pais-de-america-latina-con-mas-desnutricioncronica#:~:text=Guatemala%20has%20the%20rate%20of,Chiquimula%2C%20reaches%20the%2080%25> >.

The collective entrepreneurship methodology of seed banks, initially developed in Angola¹⁰, was adapted and transferred to other countries such as Guatemala and Nicaragua thanks to CODESPA's knowledge management strategy. In Guatemala, this methodology has been successfully integrated with that of savings and credit groups, generating innovation and impact in the agricultural and microfinance sectors.

CODESPA's knowledge management has allowed for the expansion of the seed bank methodology, initially developed in Angola, to several countries, including Guatemala and Nicaragua. It is in Nicaragua that a connection has been established between this methodology and that of the EntreTODOS savings and credit groups



¹⁰ CODESPA, 2015, Development of rural market for quality seed for poor producers, viewed 03 November 2023, < <https://www.codespa.org/aprende/publicaciones/desarrollo-mercado-rural-semillas-de-calidad-para-productores-pobres/> >.

Table 6. SEMISAN services and payment scheme (seed bank of Guatemala)

	Semilla mejorada a crédito	Granos básicos	Insumos agrícolas
Multiplier partners	<p>Payment in seed: they return double the value received in seed when the harvest is made.</p> <p><i>For example, if they receive 15 pounds of seed, they return 30 pounds of selected untreated seed.</i></p>	<p>Payment in grain or cash:</p> <p>They return the value received in grain or cash.</p> <p><i>For example, if they receive 15 pounds of seed (approximately 75 quetzals), they return 75 pounds of grain or Q75 at a rate of Q1.00 per pound of grain.</i></p>	<p>Cash payment:</p> <p>The beneficiary makes payment in cash.</p>
Others / nearby communities	<p>Cash payment:</p> <p>They return double the value received in seeds upon harvest.</p> <p><i>For example, if they receive 15 pounds of seed, they return double the amount in cash, equivalent to 150 quetzals (corresponding to 30 pounds of seed).</i></p>		

Source: drafted by the authors



The experience of seed banks in Guatemala (SEMISAN)

CODESPA Foundation, with the support of AECID, carried out the project entitled “A productive and health alternative for families in the Chortí-SESMISAN area” between 2019 and 2021 in two municipalities of the Department of Chiquimula in Guatemala. The main objective of this project was to strengthen the response capacity of farmers in the face of climate vulnerability and food insecurity.

Through the SEMISAN project, specifically with the community seed bank model, CODESPA implemented a methodology that facilitated farmers’ access to seeds and supplies. In addition, it developed a strategy for marketing reproductive seeds stored in the banks, generating economic income to sustain these initiatives in the long term.

The beneficiary farmers, who usually operate in a subsistence situation with small enterprises on approximately 1.3 hectares, faced limitations in access to improved seed and fertilizer, acquiring these items at high prices from commercial distributors. The average annual production per farmer of each crop in these communities was 349 kg of corn and 52 kg of beans per plot. The inability to store seeds for the next agricultural cycle further aggravated their situation.

The project provided significant incentives to farmers, such as the opportunity to organize themselves, reproduce quality seeds, and obtain loans in the form of seed and inputs, as well as cash loans for their ventures. CODESPA provided comprehensive training, addressing organizational, leadership, and environmental issues to enable farmers to effectively manage seed banks.

Three SEMISAN seed banks were established in San Juan Ermita, Jocotán, and Camotán. In these banks, 60% of the participants reported that –in addition to basic grains– they grew vegetables such as yuca and pumpkin, as well as native bananas and coffee.

The business model that came about as a result of CODESPA’s Seed Banks, through revolving funds, not only allowed for the provision of seeds and grains to members, but also made monetary funds available to support small enterprises in the beneficiary communities. The main aim was to improve the income of the members and contribute to the development of their communities.

Intergroup loans

In addition, for savings and credit groups that have achieved both financial and organizational strength, and in situations where access to funds in excess of those accumulated by the group itself is required, the option of obtaining an inter-group loan is offered. This type of loan involves another savings and credit group in the community or nearby communities providing the necessary funds. CODESPA acts as a mediator in this process and, to date, 19 intergroup loans have been arranged in Guatemala to finance both individual and collective ventures.

The implementation of this instrument is activated when the groups experience the need for greater financial liquidity and seek larger loans, beyond what they could obtain through the savings accumulated by their own members. The viability of this option is linked to the level of development and entrepreneurship of each particular group.

Graduation of groups

At the conclusion of the second cycle, a comprehensive evaluation of each participating group's level of empowerment is conducted. The EntreTODOS methodology establishes 10 criteria that determine when a group has reached "graduated" status. Each group is evaluated on aspects such as record keeping, execution of steps in meetings, active participation of the board and members, savings capacity of members, ability to repay loans, management of the revolving fund, and entrepreneurial capacity.

"Graduation" certifies that the person has been part of an EntreTODOS group and has completed the financial education modules, thus recognizing their commitment and achievements within the program.



3.6. EntreJÓVENES: Bringing hope to youth in rural areas

Guatemala is a country characterized by its youth where, according to the recent study by the United Nations Population Fund (UNFPA)¹¹, the young population (between 13 and 30 years of age) represents more than a third of the total (35.6%), with those over 18 years of age representing the majority of this youth population (61.9%).

However, a large part of this population does not have economic or employment opportunities. According to a study by the International Labor Organization¹², young people (15 to 24 years old) presented an unemployment rate of 5.8%. Unfortunately, this figure does not fully reflect the problem, since 70% of the employed population works in the informal sector, with this situation being even more frequent among indigenous groups and the rural population (FAO, 2020).

The lack of economic opportunities, limited community participation, and the lack of prospects for a better future have led many young people to see emigration as their only hope or option in life. In 2020, more than 1.3 million people emigrated from Guatemala to other countries, representing 7.61% of the population, and almost 90% of them chose the United States¹³ as their destination.

With the objective of improving the personal and economic situation of rural youth, and thanks to the support of *Social Capital Foundation* (SCF) from the years 2020 to 2024, CODESPA adapted the EntreTODOS methodology to young people between the ages of 14 and 29 years old in rural areas of the department of Chiquimula¹⁴, located in the eastern Dry Corridor of Guatemala. Thus, EntreJÓVENES was born.

The five main methodological adaptations of EntreTODOS to EntreJÓVENES are summarized below:

1. Life plan

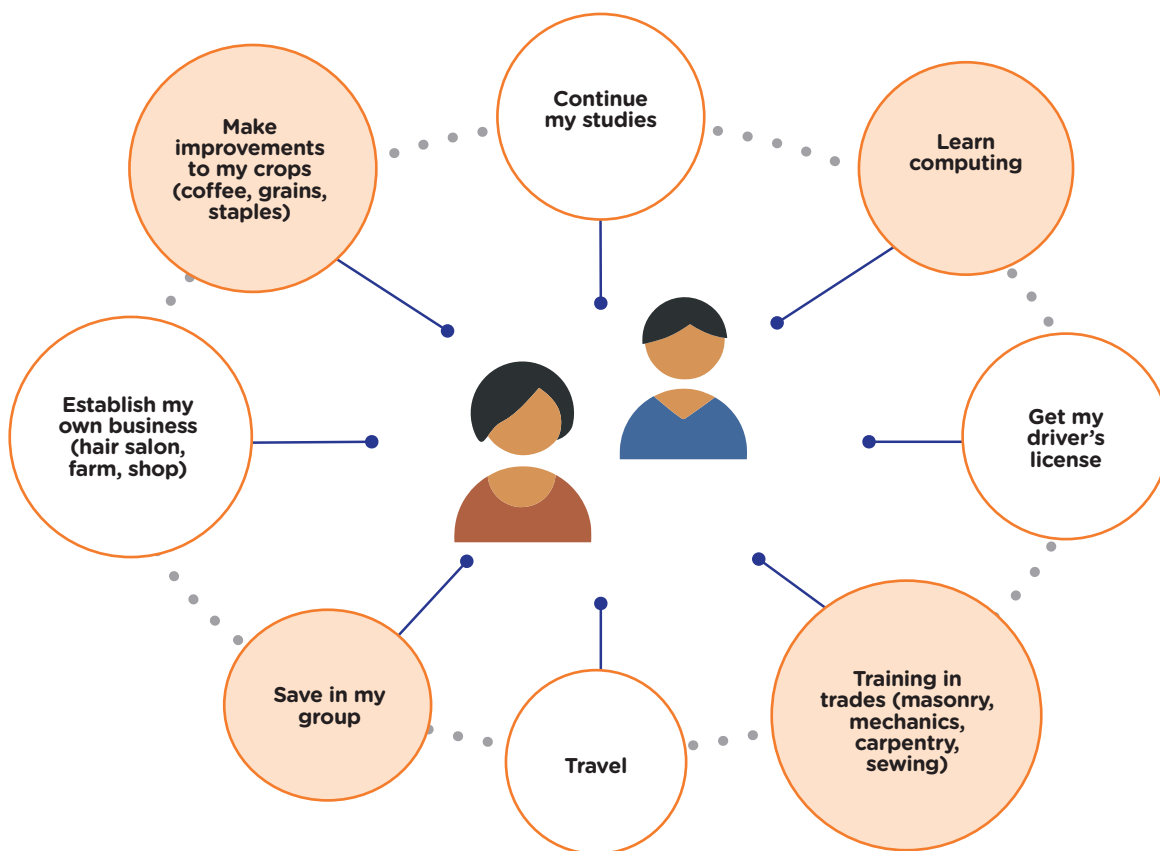
In the case of young people, the business plan is aligned with their life plan, making this integration a fundamental tool to address their projection and growth processes, both personal and professional, in accordance with their future aspirations. The life plan covers three alternatives: continuing studies, entrepreneurship, and/or seeking employment.

The financial goals corresponding to their plans are included in their life plan – such as, for example, the costs associated with continuing their studies. They are also provided with guidance on how to effectively use the loans from the savings and loan group, aligning them with the achievement of these personal goals, whether they be economic, educational, or social in nature.

EntreJÓVENES guides young people through an analysis of their vocation, facilitating the starting of businesses or other goals contemplated in their life plan. This plan is a dynamic tool: as they consolidate their knowledge of financial and microenterprise education, they set more ambitious and concrete goals.

11 UNFPA & CONJUVE, 2021, Juventudes en Guatemala, Guatemala, viewed November 03, 2023, < [12 International Labor Organization, COVID - 19 and the World of Work: Starting Point, Response and Challenges in Guatemala, accessed November 03, 2023, < \[13 DatosMACRO, 2020, Guatemalans emigrate more, < \\[14 CODESPA, 2019, EntreJÓVENES I: una respuesta al desempleo juvenil en Guatemala, < \\\[-53-\\\]\\\(https://www.codespa.org/proyectos/entrejovenes1-desempleo-juvenil-guatemala > .</p>
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Chart 3. Examples of EntreJÓVENES life plans



Source: examples of life plan goals in EntreJÓVENES groups

It is important to note that the financial education sessions and the creation of the life plan not only help young people to set their goals related to education, employability and entrepreneurship, but they are also designed to cultivate soft skills and generate changes in their behavior. This aspect takes on great relevance, as it implies a true and significant change in the lives of young people.

2. Psychosocial support and work on soft skills

The situation of poverty and the lack of prospects for improvement influence young people's feelings of despair and frustration. In certain situations, the inclusion of psychosocial support has been required. In the case of young people, soft skills training is adapted, addressing aspects such as leadership, family and community participation, proactivity, self-esteem, and autonomy.

3. Agile and playful teaching methodology

The adaptation of EntreJÓVENES has focused on the incorporation of different dynamics and playful exercises during the financial education sessions, adapting them to the reality of young people. These dynamics are fundamental, since in the training process for young people, a high level of motivation is sought and a more dynamic learning process is favored. It is important to consider that young people tend to be more susceptible to changes, such as getting married, moving to other communities, and even migrating to different countries.

“One of my greatest challenges is to improve my financial resources to get ahead.

I am in the third year of my secondary studies and I want to do the Nursing Assistant Degree.”

Urbelina Gutiérrez



“Without this project, we wouldn’t have saved even five quetzals.

The good thing is that my husband and I both save, and we know that when the EntreTODOS cycle finishes, we’ll have a nest egg saved up.”

Rosa Lidia Ceferino

Among these dynamics and recreational activities, two in particular stand out:

3.1. Youth to youth training

Priority has been given to the methodology of learning among young people, encouraging them to be in charge of instructing others of their own age. The successful development of other young people from nearby communities with their own entrepreneurial projects is inspiring for this group. In addition, this dynamic fosters the creation of social capital among the communities.

3.2. Financial Knowledge Olympics

The main objective of this program is to instill in young people fundamental concepts of financial education and encourage their active participation. During this event, various activities such as puzzles, word searches, quizzes on financial terminology, and practical exercises on proposed loans and savings planning are carried out.

The Financial Knowledge Olympics are conducted in two stages: the first is carried out within each group (intragroup) and the second among the winners of all the groups (intergroup). The winners of the intergroup phase receive vouchers worth approximately 60 euros (Q 500) which can be exchanged for supplies to start or strengthen their businesses, or invested in educational materials. The second and third place winners receive medals as recognition.

In the second phase of the Olympics, the winners of each group compete in a designated location for the event. Participants are evaluated through specific activities and, as in the first phase, winners are rewarded with vouchers redeemable to further their ventures. However, in this phase, the first three places (gold, silver, and bronze) are awarded vouchers of 60 euros (Q 500) for third place, 87 euros (Q 700) for second place, and 125 euros (Q 1,000) for the winner.

4. Innovation in the type of undertakings

The nature of the ventures that attract young people differs from those that interest adults. EntreJÓVENES focuses on promoting entrepreneurship in non-conventional activities, relying on the use of technologies to stimulate creativity. There is a decrease in the number of young people involved in agriculture, while technology-based initiatives are emerging (such as internet centers, cybercafés, and other services that facilitate access to the internet or printing for community projects). There are also emerging enterprises with a greater focus on creativity and innovation, such as textile design or handicrafts (production of plastic thread baskets or carpentry work, among others).

For young people with an interest in entrepreneurship, direct technical assistance, vocational training, financing for getting started, and business orientation are all offered. The youth are instructed in the development of a business plan focused on sustainability and growth potential, enabling them to hone solid entrepreneurial skills.



Technology Center, located in Barbasco, Jocotan, Chiquimula



5. Internships: Getting ready for my first chance

For CODESPA, access to decent employment is the best way to realize the aspirations of each individual to improve his or her living conditions and those of his or her family, play an active role in society, and contribute to personal growth.

CODESPA fosters partnerships with various companies and collaborates with them to organize internships or scholarships for the most vulnerable young people, thus providing them with their first job opportunity. The objectives of establishing these internships are:

- o To help young people obtain apprenticeship opportunities in various companies in order to enhance and strengthen their skills and competencies.
- o To improve their employability through this initial experience, facilitating their integration into the formal labor market.
- o To develop their interpersonal skills or soft *skills*.

Chart 4. Steps of the internship program: preparing me for my first chance



TO SUPPORT YOUTH IN HAVING A SPACE FOR LEARNING, EXPERIENCING, AND INTERACTING WITH THE FORMAL LABOR MARKET



1

- Databases of youth participating in the EntreJOVENES project; those who, in their life plan, said they wanted to access formal employment and display one or more of the vulnerability indicators.
- Information and awareness raising among youth about the program: advantages, disadvantages, responsibilities.
- Final list of youth interested.
- Preparation of a resume or life experience summary.
- Support from CODESPA to the youth: specific preparation before the internship and soft skill training.



2

- Identification of ally companies to undertake the program.
- Database of companies and areas interested in the internships.
- Contact and surveying to discover interest in the internship program.
- Link between youth and companies.
- Visit to the company to present the program and provide a copy of the youth's resume.



3

- Connection between one youth and one company.
- Company/intern learning contract.
- Start of internship.



4

- Assignment of a mentor within the company.
- Constant mentoring and follow-up from CODESPA.



5

- Final assessment of the program: youth and company.
- Evaluation of the possibility of employment in the company.
- Recognition of program allies and summary of lessons learned.

Source: drafted by the authors

CODESPA collaborates with governments and chambers of commerce to map organizations. In addition, it engages with individuals interested in supporting young people in their ventures, businesses, or homes.

CODESPA visits companies to gather general information, assess interest and willingness to participate in internship programs, and confirm commitments and responsibilities among the parties involved. In any internship program, three aspects are critical:

- Development of soft skills in young people, such as punctuality, commitment, and effort.
- Establishment of a direct communication channel between CODESPA and the company to share objectives and clarify any questions.
- Constant supervision and support to the young person during the internship to address any challenges or obstacles that may arise.

Entrepreneurship

In entrepreneurship training sessions, young people are guided to identify potential ventures based on their skills and interests, as well as to determine the demographic group or segment they wish to target. CODESPA assists in identifying the skills of each young person, the resources available, and the current status of their entrepreneurial projects. It also offers advice on the preparation of their curriculum vitae.

In the second cycle of entrepreneurship, the difference lies in the personalized assistance and the focus on a specific theme adapted to the nature of each economic activity.



3.7. EntreTODOS for people with disabilities

In 2023, the CODESPA Foundation, with the support of the Christian Blind Mission and its partners, including the Chortí Regional Campesina Association (ASORECH; a lead partner), the Rompiendo Límites Association, and the Seelinger y Conde Foundation, adapted the EntreTODOS methodology for people with visual, hearing, or physical disabilities in Guatemala. The main objective was to eliminate the barriers faced by these people and promote their economic rights.

People with disabilities, particularly those residing in isolated rural areas, are among the most vulnerable groups in society. They experience marginalization and face obstacles in crucial areas such as access to education, health, and income-generating opportunities. In these contexts, poverty becomes both a cause and a consequence of disability.

The project¹⁵ was designed with the purpose of contributing to the increased financial inclusion of people with disabilities and vulnerable groups. This would be achieved by creating savings and credit groups, improving financial literacy, and strengthening business management skills to help them overcome poverty.

To date, 25 savings and credit groups have been formed, directly benefiting 360 participants. Of the total, 70% are caregivers and the remaining 30% are people with physical, hearing, or visual disabilities. The groups are mixed (with and without disabilities) and in some cases are exclusively for people with specific disabilities: visual, hearing or physical.

One of the most relevant methodological adaptations in EntreTODOS for people with disabilities was the inclusion of a universal sign language interpreter in the financial education videos. These videos have been validated by deaf people, and the descriptive content by blind people, thus ensuring that the audiovisual material created is accessible and understandable for diverse groups of people with disabilities. The same EntreTODOS savings and credit recording tools are used, with the support of caregivers or people with disabilities who are able to record the data.

¹⁵ Project entitled “Social inclusion and economic empowerment of people with disabilities and vulnerable groups living in extreme poverty in the territory of the native peoples of Chiquimula, Guatemala.”





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04.

Measuring social and economic impact

04.

Measuring social and economic impact

On a monthly basis, field technicians collect indicators to monitor the organizational and financial strengthening of each group. The monitoring of financial transactions is carried out both individually and cumulatively for each group. This monitoring covers the level of savings, loans granted, interest paid, and other financial data which makes it possible to analyze aspects such as accumulated capital, delinquency rate, and loan purpose. In addition, the degree of participation in the groups is monitored to assess their organizational strengthening.

CODESPA performs continuous monitoring during each meeting and updates the information based on the records in the groups' books. Tools such as Google spreadsheets and survey applications such as Kobo Collect are used for this purpose. These data are complemented with other tools (such as PowerBI) for reporting, information analysis, and decision making.

4.1. The impact of EntreTODOS

The initial impact of EntreTODOS lies in access to financial products and services. Although there are financial entities in the territory, the population served by the project faces difficulties in accessing them due to the restrictive requirements or guarantees needed, as well as the high transportation costs to reach the offices thereof.

The creation of a community group gives them the opportunity to overcome their situation of financial exclusion. This allows them to invest in improving education, health, housing, and especially in establishing small businesses that generate profits for their families.

The experience of participating in a savings and credit group provides them with credit knowledge and financial skills to evaluate conditions when accessing other financial products in formal entities in the future. Through this financial education program, participants are empowered to become more competent in managing and choosing the most appropriate financial product for their needs.

In addition to providing access to loans and capital to people excluded from the financial system, the EntreTODOS methodology has brought about multiple effects on individuals. Some of these most relevant qualitative impacts are detailed below:

Women

The EntreTODOS groups are designed with the purpose of favoring women in particular, recognizing their condition of greater vulnerability, discrimination, and scarcity of opportunities in general. Although both men and women are invited to join the savings and credit groups, the majority of the members are women. This is because most men tend to leave their communities in search of employment as day laborers, leaving women as leaders in the family economy.

This approach has allowed women to play a leading role in the project, giving them the opportunity to contribute significantly to the family economy. In the case of Nicaragua and Peru, 100% and 82% of the loans granted, respectively, were directed towards women, thus having a significant impact on women's financial empowerment.

The main impacts on women include:

- Vulnerability reduction and economic empowerment: The methodology provides women with a space to save, giving them a resource to fall back on in emergency or hardship situations. Their participation in the groups allows them to generate income to support their families; thus, they no longer depend exclusively on their husbands' income.

EntreTODOS enables women to take on a more active role in the management of the family's economic resources, allowing them to contribute financially to the family's sustenance, not limiting themselves to household chores.

- Increased autonomy and self-esteem: The ability to manage their resources increases women's autonomy and self-esteem, contributing to their personal development. This autonomy strengthens their self-confidence and confidence in the group, since no documents are required as collateral for approved loans. They have learned to get to know and support each other in difficult situations.
- Impact on health, education, and housing: Women, being better managers of household resources, tend to invest in their families' health, education, and housing in different contexts.
- Participation in public and community spaces: The inclusion of women in the groups, especially in key roles within the board of directors, has increased their active participation in community affairs. Initially, it is common to observe low or no female participation in the first meetings. However, CODESPA's methodology integrates the development of soft skills comprehensively, fostering the role of women in their homes and communities. Over time, women find the confidence to get involved in the groups, express themselves freely, and take an active role without fear of being silenced or ridiculed. This process progresses until some women take on board roles. In Peru, 100% of the boards of directors are made up of women, and 82% of the loans have been granted to women.



“Since one can borrow and then repay under the program, I have already taken out loans and put a floor in my room [the floor was previously dirt]. I also bought some chairs for the patio of my house. If it weren’t for the project, I wouldn’t have done these things in my wildest dreams.”

*Rosa Linda Ceferino,
Chiquimula, Guatemala*



- Solidarity and social cohesion: The group meetings represent spaces for learning and exchanging ideas and concerns, in addition to being an environment where solidarity and empowerment are promoted. These meetings provide a space for sharing aspects of domestic life, child rearing, and management of productive activities, something which fosters the creation of bonds of solidarity and strengthens social cohesion among women in the community.

EntreTODOS fosters solidarity and a cooperative spirit in the community, promoting the joint search for opportunities to improve living conditions. This is achieved through responsible and organized work, with the aim of promoting significant improvements in the community environment.

4.2. EntreTODOS in figures

The EntreTODOS methodology has been successfully implemented in Guatemala, Nicaragua, and Peru with a total of 135 active groups and 2,965 direct beneficiaries, 85% of the participants being women. Considering an average of 4 people per family, this methodology has positively impacted 11,860 individuals. The average profitability generated in the three countries has been 15%, with no default rate.

In the specific case of Guatemala, at the end of the intervention, 48 savings and credit groups were established. These groups achieved a total savings of 116,706 euros, with a loan capital of 106,804 euros. The average savings per person reached 168 euros, while the average loan was 49 euros. With regard to the promotion of entrepreneurship, income in excess of 55,000 euros was generated, with 239 entrepreneurs accessing seed capital loans.

Under EntreJÓVENES in Guatemala, 22 groups were formed with the participation of 301 young people. These groups generated more than 14,000 euros in capital, and 498 loans were granted to young people. In addition, 24 new ventures were created and 10 existing businesses were strengthened. Likewise, 37 young entrepreneurs obtained seed capital loans.

Regarding the destination of the funds in Guatemala, 4% went to basic needs such as health, education, and housing. Food and the purchase of basic products accounted for 68%, while the remaining 29% went to investments in other businesses and productive activities.

EntreTODOS *in figures*



135

Number of groups



2 965

Number of direct beneficiaries (group members)



2 965

Number of people trained in financial education

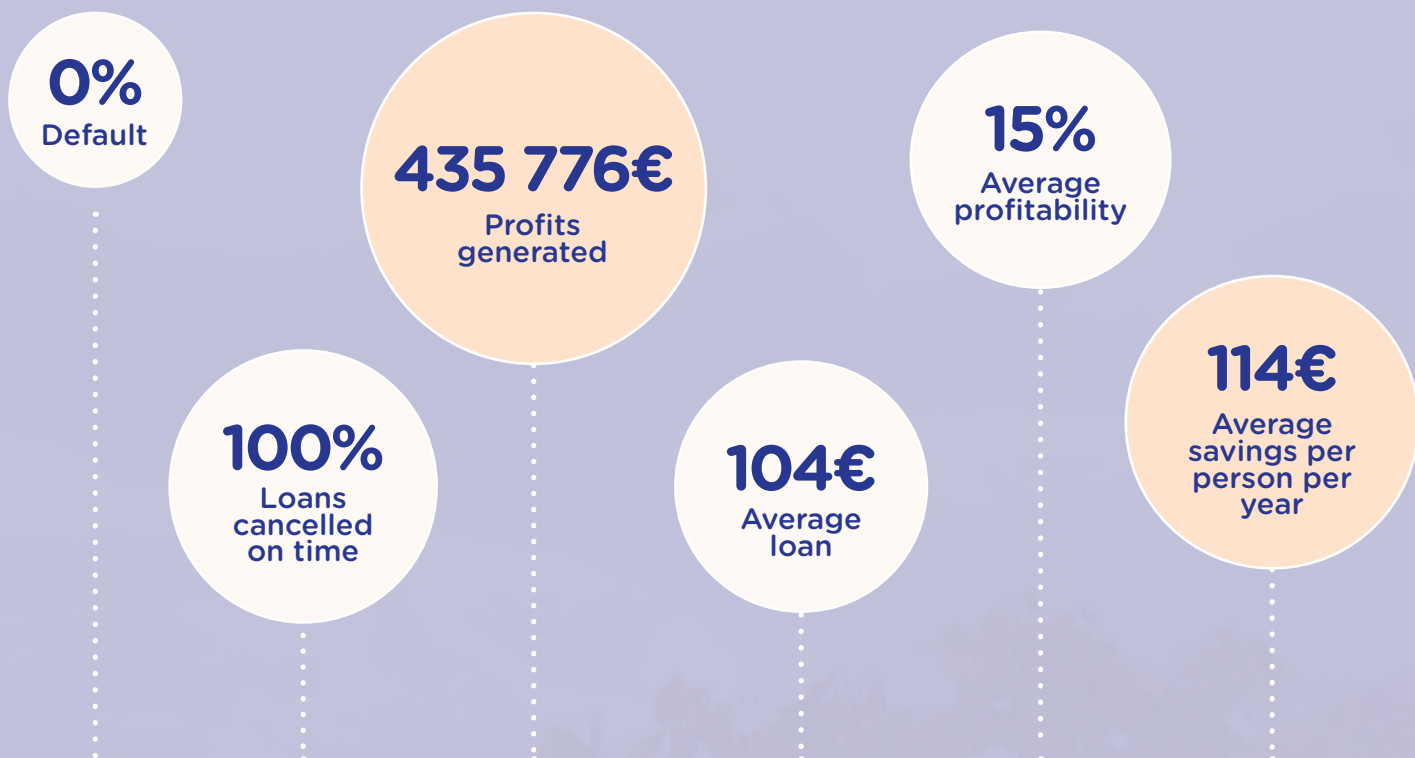


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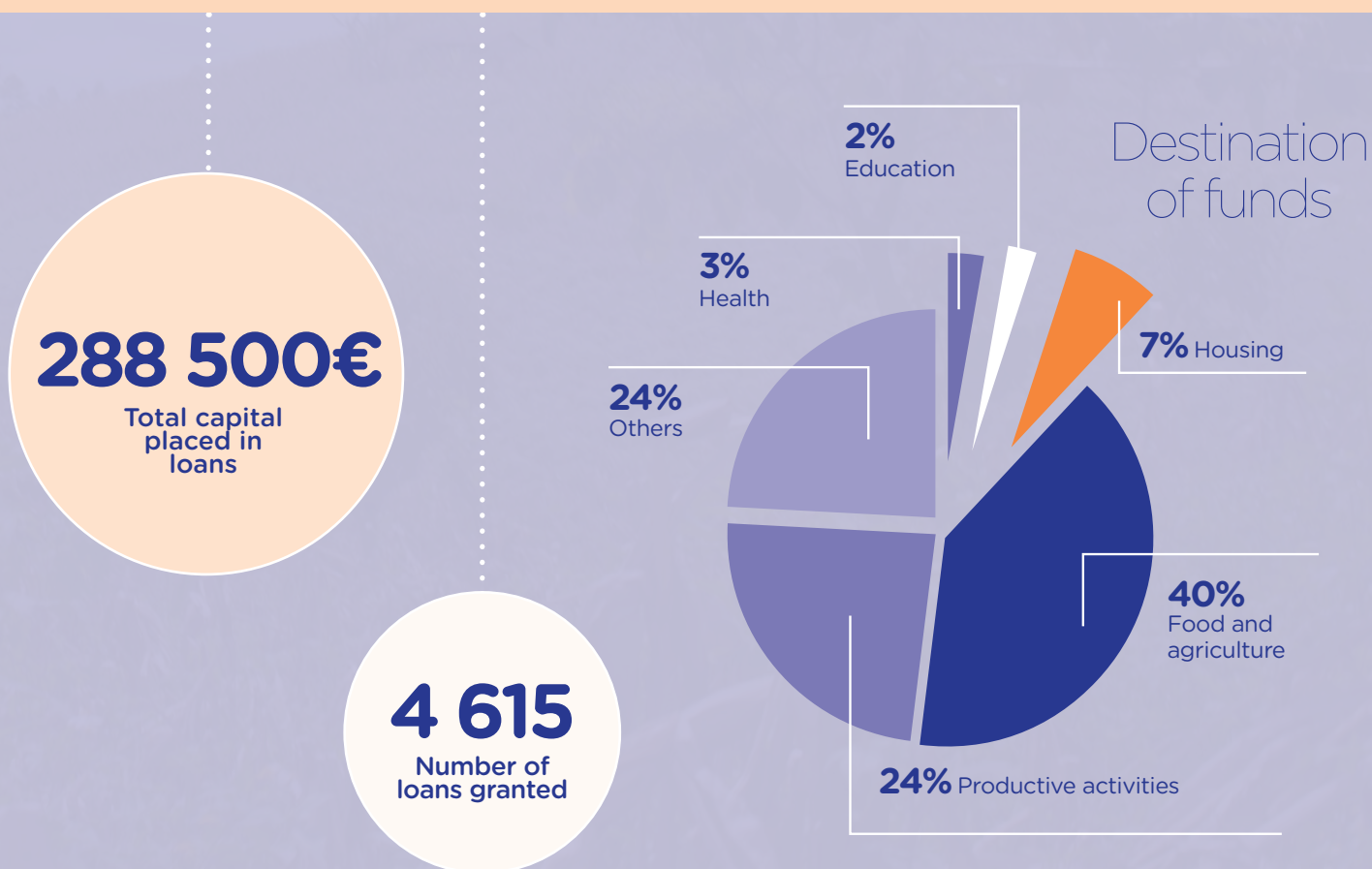
Number of indirect beneficiaries (*4 family members)

PARTICIPATION





FINANCIAL INDICATORS



4.3. EntreTODOS in stories

Nixtamal's windmill

The community of El Cedral, located approximately 15 km from the municipal capital of Jocotán, faces access difficulties and is mainly dedicated to subsistence agriculture. The staple food for families in this community is corn tortillas. Traditionally, corn is prepared by hand or with stone mills, which is exhausting due to the time and physical effort required.

In this context, the members of the “Family Development” savings group identified the opportunity to install a nixtamal mill to create a business that would meet a crucial need of the families and generate benefits for both group participants and neighbors. This initiative also provided a job opportunity for a young woman to manage the mill and serve the users.

Given the high cost of the mill, approximately 1,500 euros (Q12,000.00), the group decided to request part of the initial capital in the form of credit from another group in a nearby community. They agreed on a 6-month term and an interest rate of 3%. To repay the loan, they used the income generated from the mill and the savings of the members involved. After two years from the start of the mill's operations, the members of the savings group recovered their investment and began to make a profit. Today, the mill continues to operate, providing employment opportunities and strengthening social cohesion in the community.







Gloria Anabella Vásquez is secretary of the “Growing in Savings” group, in which 21 people participate and more than half are women. She is one of the people in her group who did not have a business of her own. Talking with her and getting to know her little by little, she shared that she had always loved cooking. She received support from CODESPA and the members of her group to train and become an entrepreneur

Anabella: wife, mother, and entrepreneur

[Gloria Anabella Vázquez](#) is 33 years old and lives in Barbasco, 134 km from Guatemala City. She is the mother of three daughters aged 15, 11, and 7 and is married to Eberto.

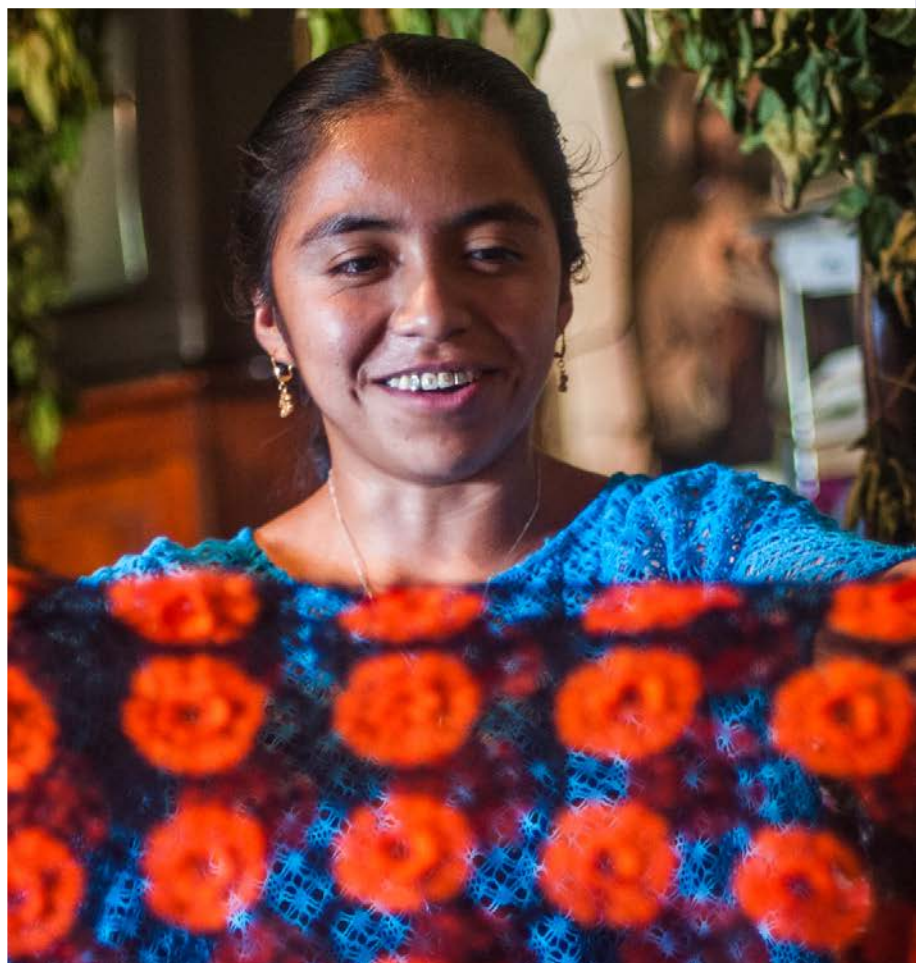
Anabella, like many of her neighbors, was unable to complete her primary education. She lives in a community where the poverty level is over 75% and the child malnutrition rate reaches 60%. In her environment, electricity is scarce, access to water is limited to only 4 hours a day, and the nearest health center is a 40-minute walk away.

However, Anabella seized the opportunity to improve her situation by forming the “Growing in Savings” group. Although she felt that saving was a sacrifice by subtracting money from her limited resources, she decided to contribute a minimum of 3 quetzales (or 40 cents of a euro) a month to the group. They set an interest rate of 3% for loans. Over time, she watched her money grow and saw her efforts turn into motivation. Initially, she started with a total savings of €1 (8.51 quetzales) and, by the third year, she had managed to save €20 (120 quetzales) a month.

Thanks to the group, Anabella was able to access loans to buy medicine for her daughters, agricultural supplies (such as compost, seeds, and fertilizers), kitchen utensils, and additional food to supplement the family diet. In 28 months, she received four loans that she repaid on time, maintaining an impeccable record with 0% delinquency in her group. At the end of the one-year savings and credit cycle, the group repaid its members the full amount of their savings, along with the profits generated by the interest on the loans. Anabella received €14 (119.65 quetzales), an achievement that made her proud to see the rewards of her effort and dedication to the benefit of her family.

In addition, CODESPA provided Anabella with technical and business training, enabling her to develop a small local catering business. She strengthened her culinary skills and received assistance in developing a business plan, managing finances, and marketing her service. She also accessed the “Entrepreneurship Fund” created within the EntreTODOS groups, obtaining a loan of €475 (3,575 quetzales) to purchase kitchen utensils, an improved stove, and raw materials to start her business.

Anabella’s venture continues to thrive, expanding into new markets such as fairs, flea markets, and community events. This initiative has increased her family income by 30% since inception.



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05.

Lessons learned and keys to success

05.

Lessons learned and keys to success

The EntreTODOS methodology has undergone significant evolution over time. During this process, CODESPA has learned valuable lessons from successes and failures. This learning has contributed to the current methodology presented in this publication. This methodology's constant adaptation has been based on the realities of communities with high levels of vulnerability and social exclusion. For this reason, the documentation and record formats required in the groups have been simplified, limiting them to those essential for proper functioning.

Currently, there is a solid methodology that is based on the economic growth of the participating groups and their graduation from the program and sustainability over time. Also, we cannot forget the life stories of entrepreneurs who have managed to bring about significant changes in their lives through small personal or family projects.

As part of our commitment to knowledge management, CODESPA would like to share the following lessons learned and keys to success with other organizations that may be interested in replicating this methodology in similar contexts:

1. In identifying communities, it is recommended that priority be given to those where there has been no previous experience with savings and credit groups

During the identification and selection of communities, it is advisable to focus on communities that have not participated in similar methodologies (especially not groups that have received external capital contributions at the beginning). This ensures that the previous, more welfare-oriented dynamics are avoided and facilitates the implementation of EntreTODOS, which is based on the individual savings of the members without external contributions. It is complex to break away from previous models and undertake EntreTODOS in contexts accustomed to more welfare-based approaches. In addition, it is not recommended to use groups already existing in the community created for other purposes, and it is suggested to start the groups from scratch to avoid possible unsuitable dynamics.



2. Do not underestimate the saving power of households, even in areas with high poverty rates, as they have proven their capacity to repay loans on time

The key lies in focusing on savings and the dignity of individuals in order to motivate them to save and invest. Although initial savings start with modest amounts, they grow exponentially after the second year, as financial education and profit sharing progress. This generates personal growth, as well as dignity and empowerment in the members, encouraging them to continue investing in the capitalization of the group.

3. Flexibility, continuous learning, and adaptation of the methodology to the local context have been fundamental to the success of EntreTODOS

Throughout the process of creating savings and credit groups, emphasis has been placed on reflection and constant learning to adjust the methodology to local needs. In this regard, it has been observed that -over time and depending on the environment- certain records/ forms have been eliminated because they were considered redundant or duplicated. Also, they have been modified according to the educational level of the participants in the groups. This flexibility has allowed the methodology to adapt more effectively to the specific conditions and capacities of each community.

4. The integration of the value chain methodology is crucial to enhancing the entrepreneurship of savings and credit groups

During the second semester of the first year, it is recommended that a value chain analysis be carried out to identify markets and sectors with potential, as well as clients and companies interested in acquiring specific products or crops. This detailed analysis makes it possible to develop strategies for individual and collective ventures in the second year, including specific technical training defined according to the clients or companies involved, thus strengthening and improving the competitiveness of the value chain.

This approach requires adequate human and financial resources to identify and strengthen value chains. An agronomist with knowledge of the potential of local crops and with the skills to access new markets and establish relationships with companies (such as restaurants, hotels, or other businesses) is recommended. This profile is responsible for achieving win-win situations for all parties, supporting the cooperatives or entrepreneurs in negotiating with the companies, and coordinating the necessary technical assistance to ensure proper results.

5. The development of strategic alliances with training centers, both public and private, and with the private sector, is essential to promoting the creation of decent employment

Establishing partnerships, especially for technical training, with public organizations, educational centers, and companies present in the country is essential to achieve employability and business competitiveness, reducing the operating costs related to training. These partnerships can be developed at the state level and implemented at the municipal or local level.

6. Human resources are critical to the success of EntreTODOS

Having a committed, motivated, and charismatic technical field team has facilitated the successful implementation of the training sessions and has fostered trusting relationships between the technicians and the members of the groups. The professionalism, willingness to serve, empathy, and commitment of CODESPA's technical field team have been key attributes for the success of the EntreTODOS methodology.

Among the qualities that the team must have to implement EntreTODOS are: social sensitivity, motivational and inspirational skills, joy and charisma, self-confidence, and the ability to promote a dynamic, safe, and hopeful lifestyle.

Also, for the successful undertaking of the EntreJÓVENES methodology, it has been fundamental to have a young, creative, and dynamic field team capable of inspiring and motivating the young participants, offering them hope in their realities.



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06.

Toolbox

Tool 1

Articles of Incorporation

CERTIFICATE OF INCORPORATION

In the community _____, in the Municipality of _____,
in the Department of _____, in the City of _____, on _____
(day) of _____(month) of _____ we met at (place) _____
_____ to form a savings and credit group under the EntreTODOS
methodology of CODESPA Foundation.

Points of the minutes:

- Choose the name of the group.
- Establish the group's objective.
- Elect the group's board of directors.
- Decide on the minimum and maximum amounts of monthly savings per member.
- Set the interest payable on loans.
- Decide on the cases in which fines will be levied and the amount to be paid.
- Decide the monthly contribution amount for administrative expenses.
- Agree on the date, place, and time of the monthly meetings.

Establishing the following:

1. Name of the group: _____

2. Group objective:

3. The Board of Directors shall consist of:

President: _____ Telephone: _____

Treasurer: _____ Telephone: _____

Secretary: _____ Telephone: _____

4. The meetings will be held every: _____(month) on the _____ (day) at _____:
at _____ (place).

5. The minimum monthly savings amount is Q/ _____ (Quetzales).

6. The maximum monthly savings amount is Q/ _____ (Quetzales).

7. All members must attend and save at each meeting. But, if a member is unable to save at the meeting, the group will: _____

Tool 2

Monthly Meeting Agenda

1. Welcome

2. Items to be discussed:

- a. Attendance list
- b. Application for new members
- c. Payment of receivables and interest
(*Tool 3. Cash Book and Tool 4.*)
- d. Member savings
(*Tool 5. Savings Control Ledger and Tool 3.*)
- e. Matching of income with the amount available for appropriations
(*Tool 3. Cash Book*)
- f. Credit applications
- g. Approval of credit request by the general assembly of members
(*Tool 3. Cash Book and Tool 5.*)
- h. Distribution of credit approved by the general assembly
- i. Cash book reconciliation: (summary of income and expenses)
(*Tool 3. Cash Book*)
- j. General information
- k. Closing of the meeting (informing on the next meeting)

Tool 3

Cash Book (loans, interest, savings, income and expenditures)

No.	Name of member	INCOMING										OUTGOING					
		P	PT	A	AE	Loan re-payment	Interest payment	Savings	Other income		TOTAL	Loan distributed	Withdrawal savings	Other outgoing		TOTAL	
									Quantity	Explanation				Quantity	Explanation		
1																	
2																	
3																	
4																	
5																	
6																	
7																	
8																	
9																	
10																	
	Total incoming funds from this meeting:																
	Total outgoing funds from this meeting:																

Legend: P: Present PT: Present Tardy A: Absent AE: Absent with Excuses

Tool 4

Loan Control

LOAN CONTROL (Valued in _____)

Name: _____

Meeting date	Term	Use of the loan	Loan amount	FILL OUT AT THE TIME OF PAYMENT				Loan Balance (outstanding)	Monthly interest	Ending Balance	Signature or fingerprint	Remarks
				Late payment	Interest paid	Loan	Total					

Tool 5

Savings Control per Member

SAVINGS CONTROL

(Valued in _____)

Partner's name: _____

Date of joining the group: _____

DATE (1)	SAVINGS (2)	WITHDRAWAL (3)	CUMULATIVE SAVINGS (4)	SIGNATURE OR FINGERPRINT OF THE PARTNER (5)

Legend

1. Enter the date of the meeting.
2. Enter the amount saved by the member.
3. This box will be used exclusively to record the member's cash outflows, only to be used when the savings are surrendered at the end of the cycle or in the event of a member's withdrawal due to force majeure.
4. Write the sum of the current savings and the savings from the previous meeting.
5. Member's signature or fingerprint.

Tool 7

Savings Plan

GOAL	COST	TIME	AMOUNT TO BE SAVED WEEKLY	PRIORITIZING GOALS

Tool 8

Financial Knowledge Olympics Exercises

Ranking of goals according to the time and resource involved in achieving them





Write one goal per classification:

Ranking of goals according to the time and resource involved in achieving them

Write one goal per classification:

Classification of items into need, desire, and/or both

Name: _____

Item	Need	Desire	Both
			
			
			
			
			
			
			
			
			
			

WORDSEARCH

BASIC LOAN TERMINOLOGY

Find the following words. Mark with an X the ones you find.

Loan:		Capital:		Warranty:		Emergency:	
Lender:		Interest:		Guarantor:		Consumption:	
Borrower:		Deadline:		Mora:		Money:	
Disbursement:		Time:		Investment:			

A	G	Y	T	N	A	R	R	A	W	Z	B	Y	L
Q	D	D	T	S	E	R	E	T	N	I	X	X	Q
A	W	E	N	R	O	T	N	A	R	A	U	G	K
K	M	B	A	O	T	V	P	F	Y	W	H	L	E
R	O	O	J	E	I	M	G	X	E	Z	G	A	N
H	R	R	K	L	M	T	B	V	N	I	S	T	I
D	A	R	R	E	M	E	P	O	O	C	K	I	L
T	M	O	A	N	R	S	R	M	M	F	G	P	D
V	H	W	C	D	Q	I	T	G	U	M	B	A	A
G	L	E	Z	E	E	X	I	C	E	S	K	C	E
K	O	R	F	R	F	D	M	P	V	N	N	K	D
B	A	D	K	A	E	G	E	F	D	U	C	O	E
K	N	I	N	V	E	S	T	M	E	N	T	Y	C
S	D	I	S	B	U	R	S	E	M	E	N	T	O

QUICK QUESTIONS ON LOAN TERMINOLOGY

1. What is the name of the two players involved in a loan and the function of each?

2. At what point in the savings meeting does loan disbursement occur?

3. What is a guarantee?

4. Give 3 guarantee examples:

5. What do you call the person who agrees to repay the loan if the borrower does not repay?

6. What is a loan?

7. Case: Juanita borrowed Q. 300.00 for two months from her savings group; the group charges 5% interest. Based on what you have read, what is the difference between: Loan principal, interest, and final amount?

8. What is the additional or extra amount that the borrower must pay to the lender in the event of late payment of principal or interest?

9. What is interest?

10. What do we always get asked in the group when we ask for a loan?

ANSWERS

1. *A/: Lender: the one who has the money or distributes the money.
Borrower: The one who receives or needs the money.*
2. *A/: This is when the treasurer distributes the money to the person who requested the loan.*
3. *A/: Something of value that the borrower gives to the lender to ensure that he/she will repay the loan.*
4. *A/: Jewelry, house deed, land, vehicle, etc.*
5. *A/: Guarantor.*
6. *A/: It is to take something for a period of time with the commitment to return it. The loan can be of money or goods.*
7. *A/: Loan principal: Q. 300.00; Interest: Q. 30.00; Final Amount: Q. 330.00.*
8. *A/: Late Payment Fee.*
9. *A/: It is what is paid for using the money of a loan. It is usually paid on a monthly basis.*
10. *A/: For how long we will want it and what we will use it for.*

QUICK BUDGET QUESTIONS

1. Mention the parts of a budget

2. Mention 3 examples of sources of income

3. What does a surplus in my budget mean?

4. What does a deficit in my budget mean?

5. What would you advise a person with a deficit in their budget?

ANSWERS

1. *A/: Income, expenses, savings, surplus, and deficit.*
2. *A/: Sale of products, sale of services, loans, gifts, etc.*
3. *A/: That my income was enough to cover my expenses and I still have money left over.*
4. *A/: Expenses are greater than income.*
5. *A/: Evaluate your budget and look for other sources of income to help you cover your expenses.*

Tool 9

Entrepreneurship Diagnostic Form

SITUATIONAL DIAGNOSIS OF THE VENTURE		
General information about the venture		
Entrepreneur's name:	Age:	Contact information:
Name of the undertaking:		Working capital:
Description of the undertaking		Infrastructure, equipment and tools
Current customer segment (information, location, etc.)		
Suppliers		
Name of supplier	Information	

Sales and production data				
Frequency of production	Production capacity	Production expenses	Revenue from sale of production	Estimated profitability
Limits				
Infrastructure and equipment	Working capital	Customer relations	Production	Training

Follow-Up Strategies			
Strategy	Expected date	Resources	Individual responsible

Tool 10

Profit Calculations

Month _____ Year _____ (Valued in _____)
 Group _____ Community _____ Municipality _____ Department _____

No.	MEMBER NAME	A Savings + Profit ACCUMULATED FROM THE PREVIOUS MONTH	B SAVINGS FROM THE MONTH	C = A + B TOTAL SAVINGS OF EACH MEMBER	D Savings + Profit ACCUMULATED FROM THE CURRENT MONTH
1					
2					
3					
4					
5					
6					
7					
8					
TOTALS:					
+ NEXT MONTH'S PROFIT:					
= TOTAL GROUP FUND:					
<p> If we are working in January, the profit for February is recorded; if we are working in February, the profit for March is recorded, and so on for each month.</p>					

The value of the column "Savings + Profit Accumulated from the Current Month" of each member is obtained by performing the following operations in the order indicated, and the proof that the calculations are correct is that the total sum of this column is equal to the **GROUP'S TOTAL FUND**:

Total savings of each member	÷	Total group savings	×	Total group fund	=	Savings + profit ACCUMULATED FROM CURRENT MONTH
------------------------------	---	---------------------	---	------------------	---	---

DOCUMENTS AND EQUIPMENT REQUIRED: a simple calculator and the cash book (incoming and outgoing funds) or the savings control log and loan control log of each group member, where the monthly savings of each member and what the group received in interest each month are recorded.

President _____

Treasurer _____

Secretary _____

HOW TO FILL IN THE INFORMATION IN EACH COLUMN:

A
Savings + Profit ACCUMULATED FROM THE PREVIOUS MONTH

This column is filled with the information of column “D,” which is Savings + Accumulated Profit from the CURRENT MONTH; i.e., the yellow column goes to column “A” of the following month and so on in the following months.

B
SAVINGS FROM THE MONTH

- The amount saved by each member during the month we are working in is recorded.
- The information is taken from the Cash Book (MONTHLY ENTRIES), column “Savings,” or from the savings control log of each member, column “Savings.”

$C = A+B$
TOTAL SAVINGS OF EACH MEMBER

This column is filled by adding the numbers in column “A” plus the numbers in column “B;” that is, the “Savings + ACCUMULATED EARNINGS FROM THE PREVIOUS MONTH” column plus the “SAVINGS OF THE MONTH.”

D
Savings + Profit ACCUMULATED FROM THE CURRENT MONTH

The information in this column is obtained as explained at the beginning of the section, by dividing the TOTAL SAVINGS OF EACH MEMBER by THE GROUP’S TOTAL SAVINGS and multiplying it by the GROUP’S TOTAL FUND.

Note: This column (Column D) becomes the “Accumulated Savings + Profit FROM THE PREVIOUS MONTH” in the following month. That is, if we are working the month of February, the column “Current Month’s Accumulated Savings + Profit” becomes the column “Previous Month’s Accumulated Savings + Profit” in the month of March.

Tool 12

Business Model Overview

Key associations	Key activities	Value proposals	Relationships with customers	Market segment
	Key resources		Channels	
Cost structure		Income sources		

Tool 13

Cost Structure

Production Costs and Profit or Loss				
Business Name:				
Product Name:		Production Unit:		
Fixed Costs				
No.	Description	Quantity	Unit of Measure	Total Cost
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
Total Fixed Costs (A)				

Variable Costs					
No.	Description	Quantity	Unit of Measure	Unit Cost	Total Cost
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
Total Variable Costs (B)					
Total Fixed Costs (A)					
Total Variable Costs (B)					
Total Costs. C=(A+B)					
Profit or Loss Statement					
Product sale price (D)					
Total product cost (C)					
Profit. E=(D-C)					

Tool 14

Life Plan

DEVELOPING MY LIFE PLAN

Full name:	
Age:	
Marital Status:	
Name of the Group:	
Phone:	

1. What is my goal for the next 2 years?

- Continuing my studies
- Learning a trade through vocational training
- Starting my own business (entrepreneurship)
- Obtaining a job
- Others: _____

Describe your goal a little more:

My Key Activities			
No.	Income Sources	Budgeted Income	Actual Income
1.			
2.			
3.			
4.			
5.			
TOTAL			
No.	Expenses (activity to be carried out to reach my goal)	Planned Cost	Real Cost
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
TOTAL			
Surplus or deficit			

DEVELOPING MY SAVINGS PLAN

Once I have my budget, I must develop a savings plan in order to have more clarity when it comes to reaching my goal.

GOAL	COST	TIME	AMOUNT TO BE SAVED MONTHLY	PRIORITIZING GOALS

PERSONAL COMMITMENT

Me: _____

I am committed to developing the plan described and I am willing to carry out the activities and listen to recommendations that will help me reach my goal.

Date

Signature

Tool 15

Business Plan

Business name

Business logotype

EXECUTIVE SUMMARY OF THE BUSINESS MODEL



1. DATA ABOUT THE ENTREPRENEUR

Insert photo
of the entrepreneur

Name:	
Age:	
Community:	
Contact:	
Participant of EntreTODOS group - CODESPA Foundation	

2. MISSION AND VISION

Mission:

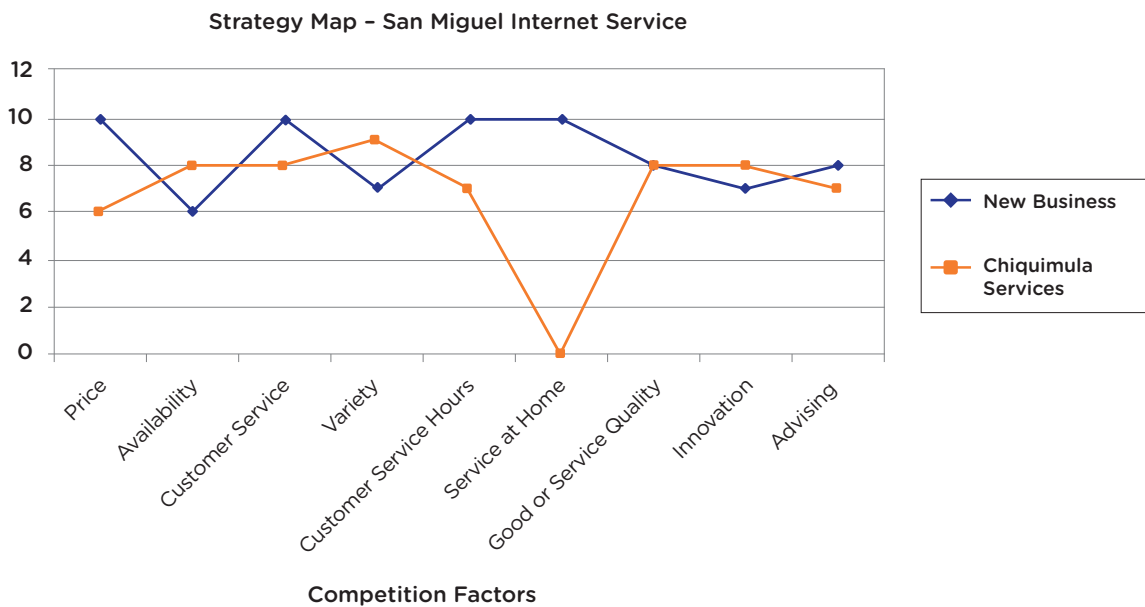
Vision:

3.3. VALUE PROPOSITION

3.1. VALUE PROPOSITION STATEMENT

3.2. PRODUCTS AND SERVICES TO OFFER

4. BLUE OCEAN STRATEGY



According to the strategic chart, the internet service business has identified the internet companies that offer their services in the capital as the main competition. We will be working to strengthen the elements for which we fall below the competition.

5. INTERACTION WITH CUSTOMERS

5.1. CUSTOMER SEGMENT

6. CHANNELS

7. CUSTOMER RELATIONS

It is necessary to define the right strategies for a proper customer relationship. This entails the “CAPTURE, RETAIN, INCREASE” hypotheses, among the most important for any new venture or company. In other words, everything is about creating the best marketing strategy for the company.

CAPTURE CUSTOMERS

- Attention: Customers gain knowledge about the product.
- Interest: The message is not ignored by the customer.
- Reflection: The message is powerful because it leads the customer to think.
- Buy: Desired result.

The first 3 stages (Attention, Interest, Reflection) occur in the customer’s mind. The first 2 (Attention and Interest) are out of the entrepreneur’s control until the customer appears in the establishment or at a sales channel or on the website, expressing something like: “I am interested.” That is when the “Reflection and Buy” phases are started.

Marketing actions must ensure that customers can easily find the new product or service on the internet - and that means that companies using the physical channel must pay attention to developing the website/mobile channel.

To attract customers, the following activities will be carried out:

RETAIN CUSTOMERS

Getting a new customer is a costly process. To achieve “customer retention,” it is necessary for companies to deliver on the promises they make to customers. Customers have to be delighted with the product or service.

As we learn about each customer, retention becomes more individualized and some key metrics are identified:

- Purchasing patterns: Volume, frequency.
- Number of complaints.
- Participation in company activities.

A “customer retention” program is kept active –alive– by regularly and closely monitoring customer behavior to see who is staying and who is leaving and why.

Customer retention is a major challenge for which the following strategies are important:

- The quality of the product to be offered.
- Discounts.
- A notebook for opinions and complaints to improve customer service.
- Allow customers to participate in raffles when buying different products.
- Make sure you have enough products so that the customer always finds what he/she is looking for.

INCREASE CUSTOMERS

If a customer has been acquired –loyalty– why not sell more to them, as this costs less than acquiring another customer? Establish long-term relationships with customers to increase revenue. Do not focus only on achieving a single purchase, but instead think about future and constant purchases.

This strategy has two objectives:

- To get existing customers to buy more.
- To get them to bring in new customers.

The strategies to increase customers for _____
(name of the company) are:

8. KEY ACTIVITIES

The key activities at _____ (name of the company)
are based on the preferences and tastes of the customers, therefore some important keys in
the business are:

9. KEY RESOURCES

Physical: For proper business operation, the company requires suitable premises measuring
_____ square meters, with the following services _____.

In terms of equipment, the following is required:

Human resources: human resources are required in the following areas:

9.1. KEY PARTNERSHIPSE

- CODESPA Foundation

-
-
-
-

10. FINANCIAL VIABILITY

10.1. COST STRUCTURE

The costs detailed below for the monthly production of _____.

Add cost template information.

Fixed costs (indirect): _____

Variable costs (direct): _____

Estimated profit: _____

10.2. SOURCES OF INCOME

The company will generate its income through the sale of _____. To do so, it is necessary to:

11. FINANCING

Own funds: _____

Revolving fund: _____

Savings and loan groups.

The business model requires an investment of _____, of which the entrepreneur contributes _____ and the remaining _____ is requested as financing.

12. MAIN OPPORTUNITIES AND RISKS

12.1. OPPORTUNITIES

12.2. RISKS

13. RECOMMENDATIONS

- Create a brand that identifies the product and the company from the beginning of operations.
- Have a stable client portfolio to position the brand.
- Work with boutiques, clothing stores, bazaars, gift shops, and craft stores to reach more customers and position the brand.
- Maintain permanent contact with customers and owners of businesses that sell clothing accessories in order to quickly learn about customers' tastes, preferences, and needs.
- Strengthen the concept of the product's added value, something which can be done based on the specifications provided by the customer.
- Ensure good presentation and display of the handmade items in the store, as well as a wide variety of designs to attract consumers.
- Aim sales at the target consumer by means like flyers, personalized cards, participation in fashion shows, and radio advertising on local radio.
- Have state-of-the-art technology that allows, on the one hand, you to offer original and innovative designs and applications and, on the other hand, to reduce manufacturing times and costs, as well as to reduce waste.
- Recommendations from loyal customers and good customer service will be key in attracting new customers to the business.

- Likewise, some promotional strategies could be carried out, such as the following:
- Affordable price for the customer. The price of the products is set taking into account:
 - a) Production costs
 - b) The competitors' prices
 - c) Current offers from wholesalers and retailers
 - d) The season
 - e) The added value of the products offered; i.e., the quality of the items, innovative and creative designs, and personalized service.
- Always provide a quality product with an excellent presentation. Elegant paper bags will be used with the company's logo, brand, and slogan. This will help identify the business with respect to other handmade bag manufacturing companies.
- Offer a variety of colors, styles, models, designs, applications, embroidery, and different sizes, shapes, and colors. The idea is for the company to be recognized by customers because it has an interesting variety of models; that is, handmade bags that combine very well with casual and formal clothing for young and adult women.
- Occasionally offer discounts and sales that motivate and encourage the purchase of products, such as discounts for cash payment. In the case of larger purchases, it is advisable to offer small gifts to loyal customers on special dates (key rings, pencils, bag holders, calendars, etc.), among other types of promotions.
- Carry out different types of promotion: catalogs, flyers, personalized cards, and advertisements in the most popular radio programs on local radio.
- Ensure you have good staff with experienced, friendly, careful, orderly, responsible, truthful salespeople who do not exaggerate and who, at the same time, are highly motivated to sell more. This is achieved by establishing a variable commission rate for sales, in addition to the basic monthly income.
- Offer rewards to your salespeople as an incentive when they achieve certain sales quotas.

14. ANNEX

Tool 16

CrediEmprende Revolving Fund Strategy

REVOLVING FUND: A STRATEGY FOR THE CREATION OF FINANCIAL PRODUCTS IN SAVINGS AND LOAN GROUPS

CODESPA Foundation

The term “Revolving Fund” originated during the health crisis caused by COVID-19, when CODESPA Foundation decided to contribute to strengthening the food reserves of the families served in the eastern region of Guatemala, all the while being focused on sustainability.

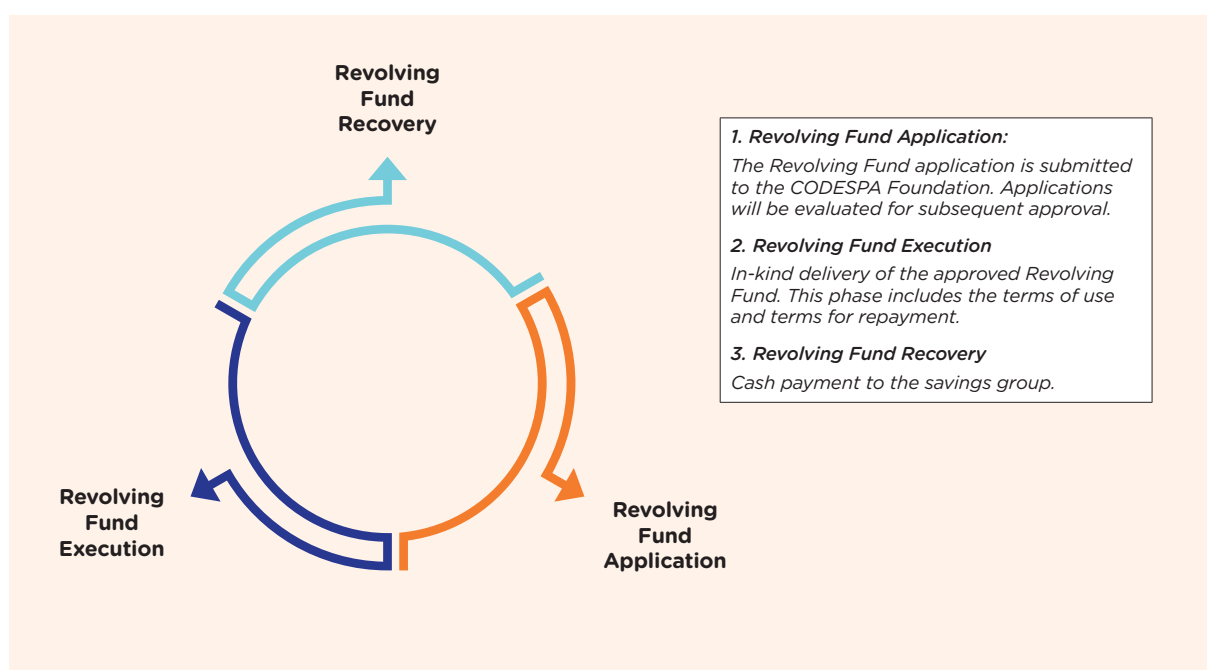
The intervention strategy consisted of delivering 1.5 quintals of corn and 0.25 pounds of beans per participant as a loan, which would be repaid to the EntreTODOS group during the months of December 2020 and January 2021, serving to capitalize the savings groups and create a Revolving Fund to be used exclusively for entrepreneurship activities.

Based on this first experience, adjustments and improvements have been made, considering that the Revolving Fund is a strategy that allows savings groups to expand their services by offering new financial products to their members.

The financial products that the groups can offer through the revolving fund are: loans for entrepreneurship, housing, education, food, and agriculture.

Each financial product will adapt its rules for use by evaluating the activity to be financed, as well as the users and their needs.

The Revolving Fund, in its initial phase, regardless of the activity, will include 3 phases:



REVOLVING FUND FOR ENTREPRENEURSHIP: CREDIEMPRENDE

PHASE 1: Revolving Fund Application

In this phase, entrepreneurs with an established venture or business idea will learn about the Revolving Fund alternative for financing their activity and they will be informed of the rules for use of the fund.

Rules for the use of the Revolving Fund: CrediEmprende	
ONE:	CODESPA Foundation introduces a revolving fund to the savings group with the aim of increasing the availability of cash and boosting the entrepreneurial activities already established by the participants, or the implementation of new business ideas.
TWO:	The revolving fund may only be used by active members of the savings groups who can demonstrate that they have an established business or a viable start-up idea, as well as a good capacity to save, pay loans, and attend meetings.
THREE:	Interested parties must submit the revolving fund application to the CODESPA Foundation's technical team for evaluation and approval.
FOUR:	Once the revolving fund request has been approved, the in-kind disbursement process will proceed, which will take an estimated period of one month.
FIVE:	The entrepreneur will cede the right to supervise and monitor the venture to the technician assigned by the CODESPA Foundation.
SIX:	The revolving fund amount requested by each entrepreneur will be between Q. 500.00 to Q. 1,000.00, and its equivalent in associated projects.
SEVEN:	The term for the revolving fund's use will be from 3 months to 1 year with a 0% interest rate.
EIGHT:	At the end of the term, the entrepreneur must pay back (in cash) 70% of the value delivered in kind to the savings group to which he/she belongs, leaving him/her with 30% as capital for scalability in applicable cases.
NINE:	Once the group receives the paid-in capital from the revolving fund, it will make it available to the other members of the group in order to continue making loans for entrepreneurial activities. For the management of this fund, the group will be responsible for keeping the records established by the CODESPA foundation.
TEN:	The group will establish the interest rate and terms of the loans. Profits will be accounted for each year, 50% of which will be distributed according to the group's criteria and the remaining 50% will contribute to capitalizing the initial fund.
ELEVEN:	The Revolving Fund will be closed in the following cases: a) breakup of the group, a lack of interest, or internal conflicts within the group; b) activities that do not align with the values of the CODESPA Foundation; c) by decision of the CODESPA Foundation.
TWELVE:	In the event that the Revolving Fund is closed, the CODESPA Foundation will collect only its initial capital. The profits generated will be distributed as established by the group.

After learning the rules for the use of the revolving fund, the interested entrepreneurs, together with CODESPA's technical team, will determine the financing needs and fill out the following application form for the Revolving Fund.

REVOLVING FUND APPLICATION

Dear CODESPA,

I/we hereby declare that I/we:

Name	Identity card number	Community

am/are making a request for (amount in numbers) _____ (amount in letters) _____

for a period of: 3 Months 6 Months 12 Months

The aim is to improve or start my/our business venture, consisting of: _____

The following describes the investment plan for the improvement/start-up of the venture:

Investment item	Amount allocated
Investment in Fixed Assets	
Infrastructure Investment	
Investment in Working Capital	
(Others)	
(Others)	
Total	

By signing this application, I/we reiterate my/our commitment to using the EntreJOVENES group's revolving fund capital for the aforementioned items.

Name of Applicant	Signature

Once the Revolving Fund application is completed and transferred to CODESPA's sub-headquarters located in San Juan Ermita, it is analyzed by the technical team in conjunction with the Technical Coordination of Projects. The entrepreneur will be notified within 10 working days of the approval or denial of the application.

PHASE 2: Implementation of the Revolving Fund

Once the Revolving Fund application has been approved, CODESPA will have one month to distribute the amount requested by the entrepreneur in kind.

At the time when the value is distributed in kind, the entrepreneur will sign a letter of understanding between the CODESPA Foundation and the savings group to which he/she belongs, which will include the conditions of the loan, the details about the items granted, and the signatures of those involved (Annex 1.- Letter of Understanding).

The entrepreneur will be committed to participating in the entire entrepreneurial training process until the business plan is complete, allowing visits scheduled by CODESPA's technical team and providing financial information about his or her venture.

PHASE 2: Payment of the Revolving Fund

Once the loan repayment period has come to an end, the entrepreneur will pay back (in cash) 70% of the value distributed in kind to the savings group and he/she will be granted 30% of the capital for scalability and/or expansion, provided that the following criteria are met: continuity of the enterprise and the business plan.

When the payment is made, the savings group will record it on the Revolving Fund Cash Book form (Annex 2), account for the total amount deposited, and make it available to the other members of the group to make use of the CrediEmprende loan for entrepreneurship purposes.

Members interested in accessing the loan will make their requests during the regular savings meeting, the group will decide on approval, and the loan will be governed by the established rules of use.

Once the loan request has been approved, disbursement will be recorded on the Revolving Fund Cash Book form, as well as on the Revolving Fund Loan Notebook form (Annex 3), which includes the personal record of each entrepreneur.

ANNEX 1: LETTER OF UNDERSTANDING BETWEEN CODESPA AND THE SAVINGS GROUP

Project Name: PE - 2221 SCF ENTREJOVENES II

LETTER OF UNDERSTANDING BETWEEN FUNDACIÓN CODESPA AND THE “JÓVENES EMPRENDEDORES” SAVINGS GROUP FOR THE FINANCING OF THE ENTERPRISE “POLLOS DE ENGORDE”, EL SAUCE, CHIQUIMULA.

As part of the actions to contribute to the economic development of vulnerable families in the Guatemalan Dry Corridor, the CODESPA Foundation, within the framework of the EntreJóvenes Phase II project, makes different efforts to support young men and women in developing an enterprise, thus creating sources of income for young people and their families while providing a service or product that contributes to the development of the community.

Given the above, the CODESPA Foundation grants, under the “CrediEmprende” Revolving Fund, the items described in the following table along with their conditions of use.

I. LOAN CONDITIONS

- It is the commitment of the entrepreneur to make exclusive use of the materials provided in the business activities in question.
- The loan has a term of _____. The rate is 0%, the principal will be paid in cash to the savings group upon completion of the agreed term.
- The entrepreneur must facilitate or provide reports on the progress of the venture to the assigned technician.
- The entrepreneur is committed to actively participating in the training processes of the Entrepreneurship Development module.

II. DETAIL OF ITEMS GRANTED

No.	Input	Quantity	Unit price	Total
1.	1-day-old chick, mixed fattening - first box	1	Q. 690.00	Q. 690.00
2.	Vitaengorde Concentrate Starter - quintal	3	Q. 292.00	Q. 876.00
Total				Q. 1,566.00

III. SIGNATURE OF THE PERSONS IN CHARGE

No.	Member's Name	ID	Signature
1.			
2.			

Delivery date: _____

Person in Charge from the CODESPA Foundation: _____,

ID _____

Signature: _____

**ANNEX 3:
REVOLVING FUND LOAN NOTEBOOK FORM
INDIVIDUAL LOAN CONTROL - "CREDIEMPRENDE" REVOLVING FUND**

Name: _____

Business: _____

Date	Term	Initial Loan	FILL OUT AT THE TIME OF PAYMENT				Loan Balance	Monthly interest	Balance	Signature or fingerprint	Observaciones
			fingerprint	Remarks	Préstamo	Total					

**Principal and interest are paid together at the end of the loan term.*

OTHER RESOURCES

[CODESPA GUATEMALA Foundation \(google.com\)](#)

[Microfinance to promote prosperity in Peru | CODESPA](#)

Complementary videos:

[New beginnings in Guatemala - YouTube](#)

[Rural communities in Guatemala serving their neighbors - YouTube](#)

[Creating a savings plan - YouTube](#)

[The budget - YouTube](#)

[Parts of a budget - YouTube](#)

[Making a budget - YouTube](#)

[Needs and desires - YouTube](#)

[Financial objectives - YouTube](#)

[Achieving financial goals - YouTube](#)

[EntreJÓVENES, economic, financial, and social development for young people - YouTube](#)

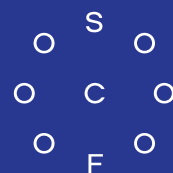


codespa

EntreTODOS

SAVING AND CREDIT EDUCATION GROUPS

Funded by:



Social Capital
Foundation