

PRESS RELEASE

innovative microfinance project on Island of Mozambique:

Undergrad and Master students fighting against poverty

The population of Island of Mozambique will receive financing and management support for the creation of their own businesses. FCEE-Católica Way Project, a social responsibility initiative carried out by students of FCEE-Católica, will run until the end of the year aiming to fight poverty via a microfinance project complemented by management consultancy support by the volunteers.

Private initiative and entrepreneurship can be powerful tools in generating income and creating jobs. The FCEE-Católica students volunteering to structured a project around microfinance since they believe this is the ideal means to fight poverty in a cost-effective but, above all, truly sustainable manner.

The FCEE-Católica Way Project will allow the poorest people in Mozambique to build their own project and finance their professional activity. According to António Nunes, an undergrad student at the B-School and one of those responsible for the project, “microfinance facilitates access to reliable financial agents and involvement between the banking institution and the entrepreneur. This solution offers phased and controlled credit with a particularly attractive interest rate. It is a platform for generating income and employment, but, above all, new opportunities and faith in the future”.

Microfinance continues to attract people all over the world – with several success cases in third world countries – and it is expanding its areas of action and influence. Made popular by the Nobel Peace Prize winner Muhamaad Yunus, microfinance had already been successfully used on a small scale in the Marshall Plan at the end of the Second World War. It has been proved that this financial tool helps to boost the potential growth of the most disadvantaged social groups, to whom the traditional banks have always refused to grant loans. The mindset that the poorest people do not have sufficient income to be able to make use of financial services is the key barrier for financing small entrepreneurs. Throughout the world over 100 million people are covered by microfinance, with loan repayment rates over 97%. In Mozambique a few have already benefited from this tool, which has clearly potential in the region and reinforces the importance of this project. The impact of microfinance is even higher if it is considered that in certain regions of the country over 50% of the population are self-employed.

Banco Millennium BIM is partnered to this student’s initiative and offers the lowest rate of interest for microfinance in Mozambique and the neighbouring countries (base rate + 3%). This banking institution also ensures the financing of €8000 for the project.

With loans of €400 to each entrepreneur, the initiative seeks to support over 20 Mozambicans in order to guarantee that they create sustainable and competitive businesses and, thus, new sources of income for local families. Having been designed with an approach focusing on entrepreneurship and innovation, the FCEE-Católica Way Project will contribute to the economic development of the island. €400 per entrepreneur may not seem much but it is actually quite a lot, “we are talking about a country with GDP per capita a little over 300 USD where 400 Euros really makes a difference to a family’s future”, explains Rita Ribeiro da

Silva, an International MSc student at FCEE-Católica and another of those volunteer responsible for the project. "In fact, a 2006 study of 1000 persons covered by microfinance in Maputo concluded that microfinance loans of amounts less than \$400 allowed the leveraged businesses to increase their sales by 185% on average", concludes Rita.

Besides financing the small businesses, the FCEE-Católica Way Project aims to provide support to the individuals via training activities in management and entrepreneurship. The students volunteering to provide consultancy services and to accompany the businesses in their set-up phase.

In an initial phase, the team of 12 volunteers will raise awareness of the initiative among the population, search for business opportunities and select the projects which will receive the capital. Later, and until the end of this year, the aim is to qualify the entrepreneurs and supervise the business projects, via active management and weekly monitoring.

In order to implement the FCEE-Católica Way Project the FCEE-Católica students have established a partnership with TESE – a Non-Governmental Development Organization, within the scope of the University Volunteer Programs.

.....

ABOUT FCEE-Católica

Founded in 1978, the School of Economics and Management of Catholic University of Portugal (FCEE-Católica) has a long-standing reputation being internationally recognized. It is the only Portuguese Business School in the Financial Times ranking. Moreover, FCEE-Católica is one of the very few schools in the world holding the famous Triple Crown accreditation and it has been named the first Program Partner in Portugal by CFA Institute, the global association for investment professionals.

With more than thousands students from Undergrad to Master of Science and an international faculty body, FCEE is the largest school of Catholic University of Portugal. It also has high reputation on research being recently classified as excellent by a panel of international experts in the context of the FCT (Fundação para a Ciência e Tecnologia) evaluation system for research units.

In the Executive Education, FCEE-Católica has more than 110 programs and 2.000 professionals from Portugal and abroad in areas such as management, economy, organizational behavior, leadership, marketing, renewable energy, telecommunication, etc.

.....

FURTHER INFORMATION:

<p><i>FCEE - Universidade Católica Portuguesa</i> www.fcee.ucp.pt</p> <p>Leandro Torres leandro.torres@fcee.ucp.pt</p>

<p><i>REPUTATION</i> <i>Corporate Communications</i></p> <p><i>Carla Guedes Raquel Pavão Nunes</i> Tel.: +351 21 794 12 46 cg@reputation.pt rn@reputation.pt</p> <p>www.reputation.pt</p>
--