



Report

Microcredit Good Practices



2016



Title of the project	Migrants Ideas Converted Into Real Opportunities
Acronym	M.I.C.R.O.
Leading Partner	EnteNazionaleMicrocredito
European Programme	Erasmus+
Key Action	Cooperation for innovation and the exchange of good practices
Action	Strategic Partnerships for adult education
Project total duration	26 months



Partners	Acción Contra elHambre
	Ce.S.F.Or.
	Mediterr
	NantikLum
	Wisamar Bildungsgesellschaft gemeinnützige



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Introduction

At a European level the core understating of social inclusion envisages the access to basic resources for migrant citizens: social services, labour market, training as well as all the necessary rights for active participation in socio-economic and cultural life.

The supply of financial products and services for migrant citizens encountering difficulties in approaching the traditional financial sector turns out to be one of the most efficient tools to reach an effective social inclusion. Micro-credit activity is one of the most virtuous instruments to contrast forms of discrimination. The new Partnership Agreement between Italy and the European Union draws attention right on this tool.

In view of this situation the European project M.I.C.R.O. focuses on the creation of a professional profile with competences on business start-up and on access to micro-credit for migrants. The trained operators will be able to inform, guide and lead the migrant in each phase, supporting the migrant user facing the financial critical issues. The necessity of a new professional formative profile able to link the migrant with his future self-employment work is evident.

The project co-funded by the European Programme Erasmus+ involves European organizations active in the micro-financing sector and training. The organizations come from Spain, Belgium, Italy and Germany. They have been chosen for their experience in projects aimed to start up a business, to access micro-credit and to consolidate the integration between Europe and Africa for the integration of migrants in Europe.

M.I.C.R.O. contemplates different work phases including collecting best practices, adaptation of best practices for face-to-face training, experiment a pilot training for NGOs and microcredit operators and the final transformation of the face-to-face training into an e-learning course providing learning materials for migrants willing to access microcredit.

The first joint staff training took place in Rome where Partners shared the best sector practices developed in the partners organizations showing the awareness and the strength of actions supporting the integration of migrants. The choices of practices have been lead by: the originality of the credit access paths, the sustainability of their impact and their transferability in different contexts. This report summarizes the best practices presented and discussed by partners during the joint staff training event in Rome.

In this framework EnteNazionaleMicrocredito – Leading partner of the project – illustrated A.M.I.C.I. project results. The objective was to ease the access to the labour market for foreign people through the creation of micro-enterprises and self-employment procedures. Following a deep quantitative analysis on a number of migrants, enterprises and the unemployment rate in Italy, the project defined financial solutions addressing the most common challenges faced by migrant citizens. The establishment of a network between migrant entrepreneurs, policy makers and financial intermediaries turns out to be the most efficient approach for guaranteeing the quality in the credit supply chain.

The NGO “Acción Contra el Hambre” has recently supported the development of 14 firms and created more than 20 job positions through its training courses within the program “Vives Emprende” for women and migrants. Following the selection of participants, the path foresees a team-working activity, a self-awareness approach of skills and competences and rules governing the enterprise system. Then the transition from idea to the business plan can be pursued by economic analysis, sales and promotion tools and the implementation of the brand.

The canvas business model turns out to be one of the most useful tools for working and visually summarize how an enterprise can create value, resources, activities, relations with customers, financial issues.

Further Partners experiences have revealed important steps for the setting up of an enterprise providing opportunities for disadvantaged social groups. For example: how to evaluate the financial situation for a business activity? The experience of NantikLum – a Spanish microcredit organization - demonstrates that

the solution of such an issue is fundamental for the longevity of a business activity. The evaluation can be assisted by credit agents or technicians in charge of

the entrepreneur project. Subsequently a Credit Committee will have the authority to make a decision on the approval or denial of a microcredit, as well as the conditions that it should follow.

Intercultural awareness of operators is fundamental to achieve a good quality training delivery considering migrants as final beneficiaries.

Wisamar Bildungsgesellschaft gemeinnützige GmbH from Germany delivers intercultural trainings making participants conscious of cultural diversities through understanding the concept of 'intercultural communication' in a theoretical part as well as a practical part with game-based learning. The learning paths complete the training avoiding conflicts between operators and users easing the financial process.

The relevance of training for operators has been confirmed by Mediter's experience – a Belgian NGO – which has carried out a training on legal and administrative aspects in the micro-credit sector for graduates and public service operators.

- **ENTE NAZIONALE PER IL MICROCREDITO**



ENTE NAZIONALE PER IL MICROCREDITO

The National Microcredit Agency is a body corporate, governed by public law, whose object is to pursue poverty eradication and combat social exclusion in Italy and, internationally, in the developing countries and transition economies.

The National Microcredit Agency is vested with the functions of a national coordination body, tasked with promoting, steering, facilitating, appraising and monitoring the microfinance instruments and facilities promoted by the European Union, and microfinance operations implemented using European Union funding.

The main objectives are:

- to promote the knowledge of Microcredit and Microfinance as the pivotal tool for the eradication of poverty;
- to identify the necessary measures for the realization of initiatives in favour of people in need, and to encourage the creation of micro enterprises at national and international level;
- to look after the training and the efficiency of Microcredit and Microfinance providers so that they can better satisfy the necessities of people experiencing social and financial exclusion and, at the same time, to encourage and the establishment of partnerships;
- to repeat the positive experiences carried out in Italy abroad, in developing Countries, and in collaboration with the Cooperation Department of the Ministry of Foreign Affairs.

A.M.I.C.I

Project “A.M.I.C.I. - Access to Microcredit for Immigrant Citizens”, is included in the actions promoted by the European Commission to support employment and economic recovery through the microcredit instrument. The agreement for the implementation of Project A.M.I.C.I. within the framework of the European Integration Fund (E.I.F.), was signed in 2010 by the Ministry of the Interior, the E.I.F. Managing Authority for Italy, and the Ministry of Labour and Social Policy.

The objective is to facilitate foreign nationals’ access to the labour market by using the microcredit instrument to establish microenterprises and forms of self-employment.

Context

As at 1 January 2010, 4,279,000 foreign citizens were present in Italy, that is, 7 % of the total population. Foreign entrepreneurship is a vital part of the phenomenon of immigration and its significant economic contribution, with an exponential growth in the past five years. According to InfoCamere data for 2010, individual companies managed by immigrant owners from non-EU countries are equivalent to 267,126 units, in the context of entrepreneurship on a national scale that consists of 6,109,217 registered companies.

The incidence of individual companies owned by immigrants from non-EU countries on the total number of companies in Italy is between 4.4 % and 5.1 %: on average, one company in every 21. Adding up to about 268,000 company owners, with approximately 49,000 shareholders and about 134,000 immigrants in other corporate roles, the area of entrepreneurship of non-EU immigrants stands at just over 450,000 people.

The surveys and analyses that were undertaken were aimed at investigating and describing the services offered by banking sector operators and others in private and

public spheres, and also at identifying activities geared towards the development of microenterprise, social inclusion and temporary emergency situations.

The increasing level of banking services to foreign citizens in Italy is the result, on the one hand, of the consolidation of the foreign presence and economic integration processes of the migrant population in the Italian economy's formal economic circuits and, on the other, by the expansion and diversification of the products and services offered by banks. The proactive attitude of Italian banks has, in fact, facilitated the increase in the level of banking services by 12 % in just two years.

In contrast to Italian companies, foreign-owned companies in Italy have increased (in the period under consideration) at a sustained rate, and this is the indicator of immigrants' significant economic integration in our country. In fact, business activity is regarded as an instrument for income stabilisation and the ability to stay in Italy, so much so that economic resources extracted from business activities are mostly reinvested for the consolidation of the activity itself.

However, research results show that the relationship with the credit system, and with the application and knowledge of banking services are still weak; more than a quarter of companies never maintain relations with banks and less than a fifth require or have requested a loan. It follows that the business activity is often managed through self-financing or by raising sources of finance from friends, relatives or acquaintances. It appears that only 25 % of entrepreneurs whose loan was refused by the bank (one in four on average), definitively abandoned the investment project; the remaining 75 % set it up by making use of informal forms of financing from relatives, family members, friends, acquaintances or other channels. The main outline of an optimal business model for credit access to immigrant citizens has been drawn up in light of the research desk's findings from empirical evidence, benchmarking, and the drawing of inspiration from the reflections and suggestions that emerged during meetings with stakeholders.

The Project

The underlying rationale which inspired the creation of the business model that follows is systemic; it looks at all the phases of the microcredit management process as a whole, from the first contact phase between the microcredit beneficiary and the promoter, to the monitoring and information transmission phase between the parties involved in the transaction. It is a network approach that aims to optimise the entire credit/guarantee supply chain and the behaviour of all the parties involved from time

to time (the institutional policy makers, the promoter of the microcredit initiative, intermediary banks and the guarantee managers/intermediaries), in the conviction that this is the only way to succeed in building a financial and social protection network, active support for immigrant microenterprise, optimisation of the various phases of the microcredit process and, therefore, the containment of the associated risks and management costs.

Using a network approach perspective, an attempt will be made below to identify the best strategies to be implemented in order to optimise the benefits for all parties involved starting from a hypothesis of microcredit transactions accompanied by guarantee funds. The research desk and empirical evidence have highlighted that, in general, microcredit exists if there is a Guarantee Fund that guarantees the credit transaction; outside the guarantee "safety net", it is difficult for microcredit to be granted by intermediary banks notwithstanding the fact that the mapping of microcredit programmes has also highlighted the existence of individual microcredit experiences promoted by regional authorities that did not make any provision for the presence of the guarantee.

In this perspective, they draw upon operational practices that are believed to be optimal for the various stages of the microcredit supply chain; these practices were "built" with the goal of eliminating, as far as possible, the overlapping of functions and duplication of activities and costs between the various parties involved in the microcredit sector, and to avoid the "production" of diseconomies that outweigh economic benefits. The following are the main phases of the microcredit supply chain that are taken into consideration:

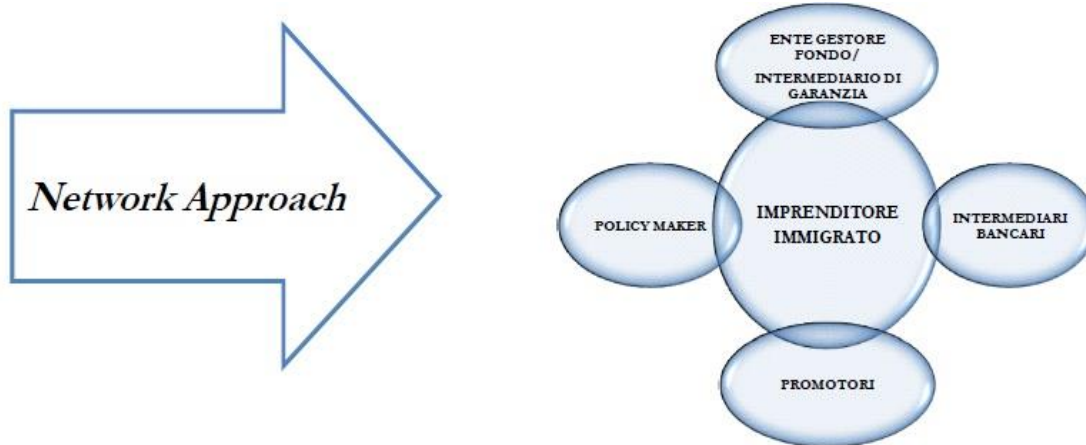
- Start-up of the microcredit project and activation of guarantee funds;
- Immigrant-promoter first contact and relational approach;

- Request for access to credit and investigation;
- The sanction and provision of financing/guarantee;
- Mentoring/monitoring and loan/guarantee recovery;
- Exchange of information with the parties involved in the microcredit chain.



The tasks, operational and economic responsibility of the different parties involved are identified for each phase. The business model was mapped out on the basis of a networking approach and which looks at the microcredit supply chain and stakeholders as a whole, in the conviction that the benefit for the immigrant entrepreneur (in terms of improved conditions for access to credit, borrowed money and relational information) can only be optimised with the full and collaborative involvement of the different stakeholders involved. For a "Network" in microcredit, the involvement and strong commitment of the individual parties involved is required in order to establish the governance of the various activity phases on a single plan that encompasses the different interests at stake: the removal of barriers that prevent access to credit for financially-vulnerable parties which would otherwise not secure financing from banks.

Setting up a "Network" could, therefore, be the keystone of immigrants' access to credit, for their achievement of economic citizenship and to support the development of socioeconomic dynamics with a strong social impact.



The optimisation of microcredit practices presents itself as a strategic and social challenge that is important for institutional policy makers, intermediary banks, guarantee fund managers and microcredit promoters and is to be quickly seized upon considering the increased importance of immigration in our socio-economic environment. During this work, it emerged that it would be opportune for a central structure/institution to assume a coordination, design and implementation role on a national basis for some of the activities of the microcredit supply chain: vocational training courses for promoters, mapping of information sources, structure and the main content of reporting methods between stakeholders, guarantee compliance assessment and analysis, and the framework definition of the regulations and rules governing the guarantee. The exact planning, design and implementation of support activities carried out at the central level and on a national basis would reduce organisational inefficiencies, avoid duplication of activities and associated costs and achieve economies of scale, scope and specialisation. Therefore, the central structure would have a coordination, design and analysis role but no management and implementation tasks for the practices identified.

❖ ACCIÓN CONTRA EL HAMBRE



Fundación Acción contra el Hambre (Action against Hunger Foundation - ACH) is an independent and neutral international humanitarian organization that fights malnutrition while ensuring water and secure livelihoods for vulnerable populations. Acción contra el Hambre in Spain is member of an international network working in 49 countries, and in 2014, Action Against Hunger (only from Spain), has reached more than 5 million people threatened by hunger.

ACH has a work area based on Social Action and socio-labour inclusion in Spain. Its objective is to facilitate the access to the professional world for people at social and labour exclusion risk by employment and entrepreneurship programs. The intervention methodology is direct and indirect by the programmes addressed to other NGOs and other actors that work towards social and labour inclusion for those in need.

The strategy and the activities of the Social Action area of Action against Hunger is articulated through Vives Proyecto, having three areas of intervention:

Vives Personas: Increase the professional competencies for the employment and self-employment of people at exclusion risk.

Vives ONG: Strengthen programs on employment and/or inclusive entrepreneurship for social institutions through advice and training to their technical staff.

Vives Ecosistema: We generate knowledge through research, discussion forums and meetings. We create tools that help with the entrepreneurship process (tutorials, manuals, etc.) and disseminate the Third Sector's work through our newsletter (more than 24.500 subscriptions), social networks, websites, etc.

Vives Emprende

Vives Emprende uses tools to assess and evaluate the appropriateness and feasibility of the business, and with minor changes, they can be transferred to other countries and organizations working in this field. These tools are already available at the webpage, open and free to use by anyone interested.

Context and aims

Vives Emprende has the aim of facilitate the access to the world of work to people at social and labour exclusion risk through the acquisition of entrepreneurship competencies, in order to let them to create or consolidate a business. The program is based on an individual diagnosis and an individual plan, so the training itinerary is adjusted and tailor-made according the skills gap of actual or potential entrepreneurs. The methodology includes group and individual coaching, group training, individual technical advice and mentoring.

The project

Action contra el Hambre develops the program Vives Emprende in Spain to promote inclusive venture as the creation and development of business or self-employment for people with few resources, with representation in the business world, unemployed and with social and labor integration difficulties, such as women, youth, immigrants, people with disabilities etc. Undertaking their own business is an excellent tool to access the labor market.

In these programs, ACH leads and supports the participants for a comprehensive itinerary assisting them in strengthening entrepreneurial skills and techniques needed to be an enterprising person. The basis of our itinerary is that we believe

that such powers are not limited in their development, but can be improved and enhanced.

The first consists in the elaboration of an initial diagnosis of the participant situation to look out an itinerary adapted and customized called “Individual Entrepreneur Development Plan”, containing the resources most suitable according to the participants needs.

The training foresees an individual and a group session through the following step:

- 1) Individual advice on the business idea;
- 2) technical and practical workshops:
 - Generating innovative ideas;
 - Design business plan;
 - Marketing plan;
 - Social media strategy;
 - Economic and financial viability of the business;
 - Access to finance;
 - Procedures for implementation;
- 3) Group sessions on entrepreneurial skills
 - Creativity and innovation
 - Self-confidence: to believe in your idea
 - Communication: Elevator Pitch
 - Initiative and decision making
 - Negotiation
 - Customer orientation
 - Flexibility to adapt to the environment

The process starts with an Initial Diagnosis based on Star Method.

The interview will focus on participants competences:

- Search of evidences (past situations) linked with the competences to evaluate.
- Asking about situations and difficulties that the person had to face.

Then a social enquiry is undertaken to identify external aspects: economic situation, health, family, social environment, etc. supposing added difficulties to carry out a professional activity.

At this stage is possible to outline the competence gap obtained by the confrontation between the competences required to develop the professional activity and the situation of the person.

A tool can help to figure out the potential entrepreneur competences: Emprende+. It is an online tool composed by 13 modules designed as a program for the development of competences for self-employment and self-evaluation.

ELABORATION OF INDIVIDUAL PLAN FOR ENTREPRENEURSHIP DEVELOPMENT

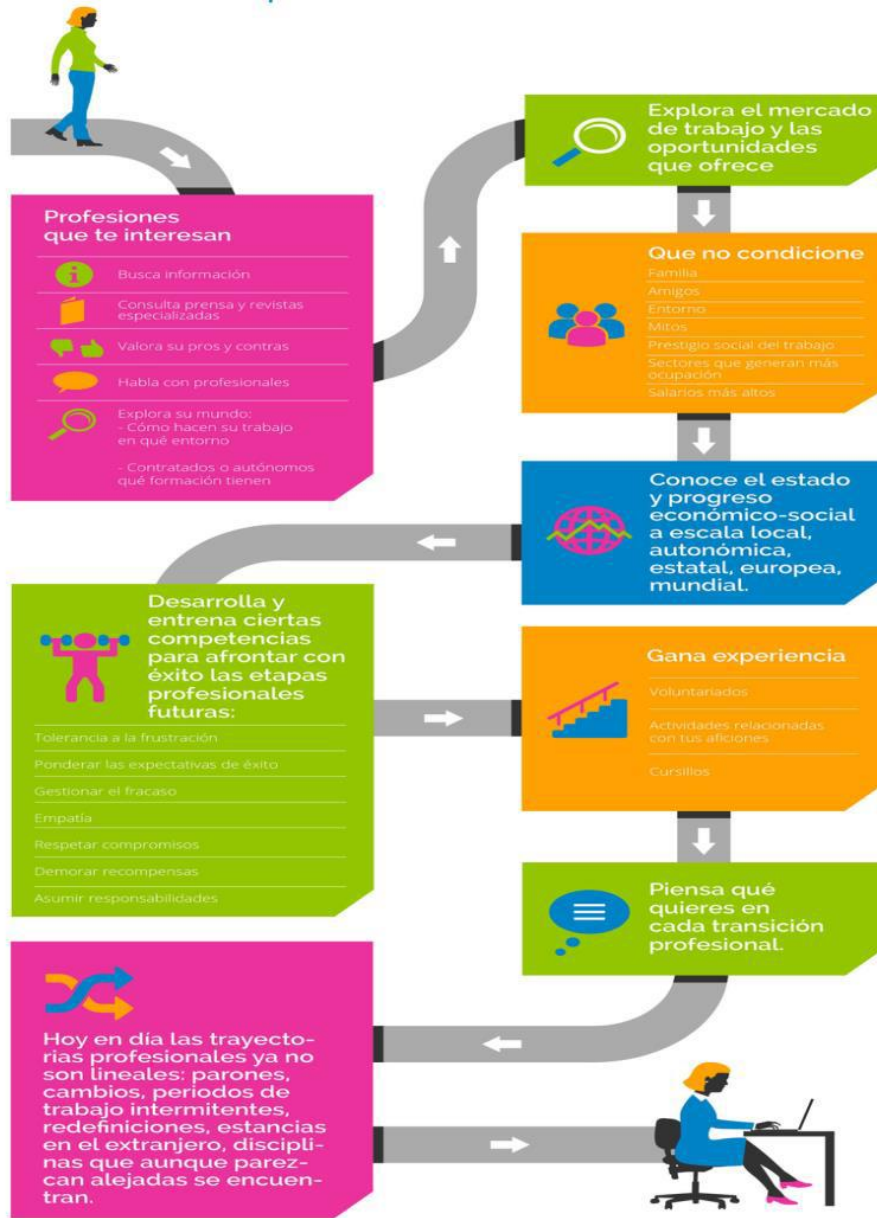
After the individual and self-evaluation it is now possible to elaborate an individual plan.

The Individual Plan for Entrepreneurship Development empowers those areas of improvement diagnosed. The Work Plan is agreed with the participant for the following months, with the activities planned on which he/she will participate.

Furthermore the online tool Jump contains 9 training pills to support the new entrepreneur path.

Construye tu itinerario profesional

educaweb (*)



Then a group session can be carried out in order to develop and enhance the following technical skills and competences:

GROUP SESSIONS 16 sessions - 4 hours each



INDIVIDUAL TECHNICAL SESSIONS TO MONITOR THE BUSINESS IDEA

Transversely to all actions planned in the Individual Plan of Entrepreneurial Development, each participant will have a individual tutorials for technical monitoring of the business idea.

In these sessions, all aspects are considered in the definition of the business plan, in order to make it viable technical, economical and financial level.

After having identified the business idea it is time to evaluate it before proceeding to the business plan.

The Business Model Canvas is a strategic management and lean startup template for developing new or documenting existing business models. It is a visual chart with elements describing a firm's or product's value proposition, infrastructure, customers, and finances. It assists firms in aligning their activities by illustrating potential trade-offs and it allows you to describe, design, challenge, invent, and pivot your business model. It is composed by 9 elements:

1. Customer Segments

The total customer pie is divided into segments based on the manner in which an organization's products or services address a specific need for the segment. The customer segment is an essential part of an organization's business model and is key to ensuring that the product features are aligned with the segments characteristics and needs.

2. Value Propositions

An organization's value proposition is the combination of products and services it provides to its customers. Osterwalder stated that these offerings need to be unique and easily differentiated from competition. Value propositions can be divided into two categories:

Quantitative: this stresses the price or efficiency of the product or service

Qualitative: this value proposition highlights the experience and results the product and its use, produce.

3. Channels

The medium through which an organization provides its value proposition to its customer segment is known as a channel. There are various options for channels

available to an organization, and the selection is based on the channel that is the quickest, most efficient with the least amount of investment required. There are two basic kinds of channels;

4. Customer Relationships

An organization must select the kind of relationship it will have with its customer segment in order to create financial success and sustainability.

5. Revenue Streams

A revenue stream is the methodology a company follows to get its customer segments to buy its product or service.

6. Key Resources

These are the assets of the organization fundamental to how it provides value to its customers. Resources can be categorized as human, financial, physical and intellectual.

7. Key Activities

Activities that are key to producing the company's value proposition. An entrepreneur must start by listing the key activities relevant to his/her business. These activities are the most important processes that need to occur for the business model to be effective. Key activities will coincide with revenue streams.










8. Key Partnerships

To create efficient, streamlined operations and reduce risks associated with any business model, an organization forms partnerships with its high-quality suppliers. Key partnerships are the network of suppliers and partners who complement each other in helping the company create its value proposition.

9. Cost Structure

This defines the cost of running a business according to a particular model. Businesses can either be cost driven i.e. focused on minimizing investment into the business or value driven i.e. focused on providing maximum value to the customer.



The Business Model Canvas		Designed for:	Designed by:	Date:	Version:
Key Partners 	Key Activities 	Value Propositions 	Customer Relationships 	Customer Segments 	
	Key Resources 		Channels 		
Cost Structure 		Revenue Streams 			

❖ NANTIK LUM



Fundación Nantik Lum was created in 2003 by a group of businessmen that felt the need to act upon increasing social inequality. They are committed to support and improve the life conditions of deprived people in developing countries, and in the depressed regions of developed countries. To reach our goal, and make use of the entrepreneurial experience of our members, we support economically productive projects based on sustainable development. We also promote research and discussion on Microfinance and the dissemination of good practices.

The guidelines and actions of the foundation are the following:

- The promotion of micro-enterprises that stimulate self-employment and income generation for underprivileged groups.
- The promotion of microcredits as an instrument for development and financing.
- The qualification of individuals in production techniques, commercialization, distribution, administration and management.
- To provide pioneering support of microfinance research in Spain and promote it as an instrument to reduce poverty and social exclusion.

Inclusive Entrepreneurship Program

The program highlights the most important aspects that are needed to be taken into account by a technician when evaluating and assessing entrepreneurs that are at risk of social and financial exclusion. It is composed by three items:

- ✓ *Financial Education*
- ✓ *Access to Finance and alternative Funding Sources*
- ✓ *Evaluation Assessment (financial)*

Below you will find an explanation of the different items. A particular focus will be dedicated to the three good practices Midem, Monte Madrid and Confia Program within the item 2.

Context

In 2013 the decrease of employment and the increase in female unemployment has been slower than in previous years, however, data shows that in the last quarter of 2013 and the first quarter of 2014 the decline was greater in men (141,200) than women (43,400), which in fact, experienced a small rebound in the unemployment rate in the fourth quarter of 2013. This seems to indicate that the job recovery will occur unevenly, giving priority to the role of men in the labor market. In terms of entrepreneurship rate of entrepreneurial activity, according to the 2012 GEM (Global Entrepreneurship Monitor, an international observatory that annually analyzes the entrepreneurial phenomenon) among women in 2012 it stood at 4%, compared to 7.4% among men, showing a slight decrease in the GEM 2013, the rate among women was 4.2% and among men it was 6.2%. We can notice that it raised slightly in women but globally it has dropped from 5.7 to 5.2%. In 2013, 6 out of 10 entrepreneurs were males. Noting the rate of entrepreneurship in recent years we can see that men are more likely than women to create a business. Also according to the 2013 GEM the main obstacle for entrepreneurship in Spain is the access to financing (82.9%),

although this is still the norm, in recent years, in a context of crisis and economic downturn it is even more difficult to access sources that fund both, the stage of business creation and consolidation. Alternative sources of financing that do not take into account these factors but focus on the technical and economic feasibility of an entrepreneurial project are necessary. The impact of the crisis on women, specially on vulnerable groups, in terms of employment and entrepreneurship is higher than in men because they tend to have a lower rate of employment and worst paid jobs. Therefore there is a clear social need to support these groups to promote their socio-labor inclusion in decent quality and condition. For these reasons, means of inclusion for these groups is to engage in small businesses, placing value on skills and abilities they already possess and that can transfer to other contexts, thus, creating their own employment. With proper support they can develop their potential and complete their training and create an opportunity that would not be provided by paid employment, therefore, entrepreneurship is an option for many women. This also directly affects the promotion of equality between women and men in working life and it encourages to increase the entrepreneurship activity rate of women favoring their integration and allowing them to organize their work schedule to regain their work and personal life.

Item 1: Financial Education

Inclusive Entrepreneurship Program

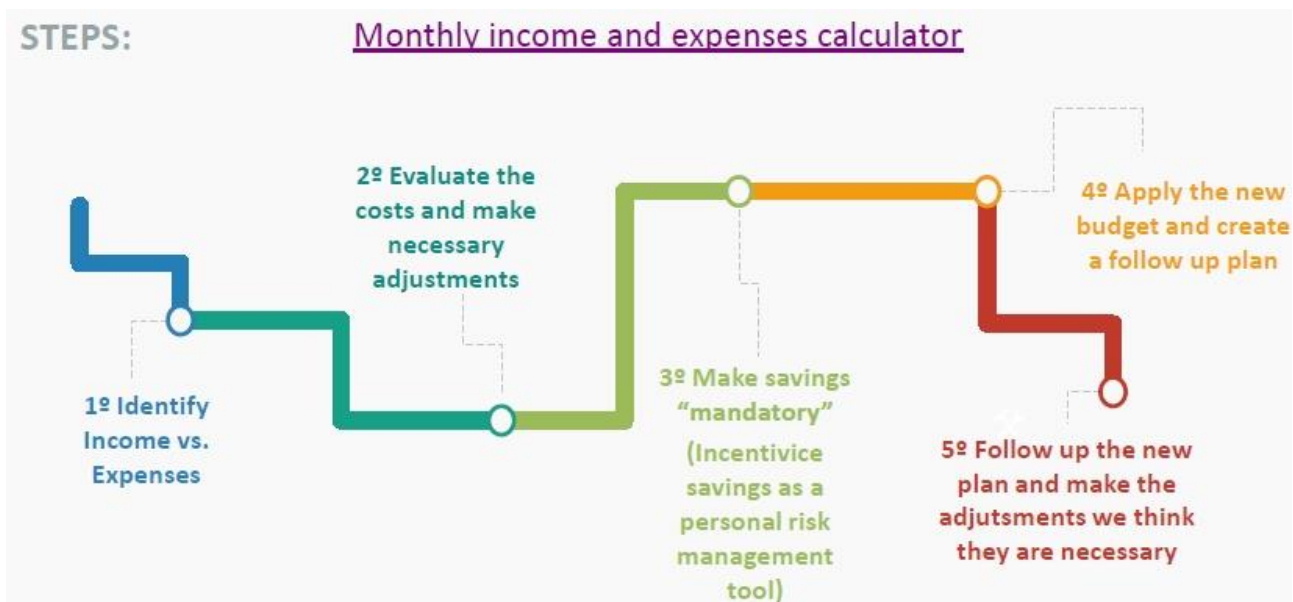
Nantik Lum Foundation's program that consists in a series of workshops for entrepreneurs as well as individual tutoring about business plans and financial economic analysis.

The purpose of this item is to teach the entrepreneur the concepts, language, financial products and useful strategies needed in order to develop the necessary skills to make an informed decision and to build a good foundation for successful finance.

a) Home Economics

The budget is an essential tool that helps us take control of our personal finances. It allows us to identify our expenses and income in order to make the necessary adjustments to save a little more each month in order to take into account our long-term goals.

The budget helps us with the following: prioritize spending, reduce or eliminate debts, set aside an amount every month for saving and emergencies, to have a plan that will help us keep control and our goals.



b) Financial Products for entrepreneurs

Many entrepreneurs that decide to start a business are unfamiliar with financial terms they should be familiar with, such as:

Bank Account

Debit Card

Credit Card

Commission

Interest:

Nominal Interest Rate (NIR)

Annual Percentage Rate (APR)

Loan
Line of Credit
Leasing (vehicle or machine)
Renting (only vehicles)

c) **Over – Indebtedness**

People are in debt when they are unable to meet payment requirements or credit commitments from available income.

To avoid this situation it is necessary to estimate the **percentage of indebtedness** to be able to be aware of the entrepreneur's real financial situation. The calculation is done by adding their income and expenses, then calculating the percentage of expenditure over income (**debt level**). It is estimated that the financial debt should not be higher than 30% of their income, but it is only an approximate consideration.

Item 2: Access to financing

The item 2 aims: a) to let the entrepreneur know the different types of financing available to implement his/her business project; b) to teach and inform them of each available option for them to choose the best financing method for their business. And to inform him/her of financing alternatives; c) to receive financing to start up their business through Nantik's own resources or through the agreements those have been created with other financial institutions.

a) **Group workshop**

In the group workshops, the entrepreneur will learn the different sources of financing available, such as third party financing/others, own financing, alternative financing such as microcredits, saving groups, self-finance communities or crowdfunding platforms.

b) Tutoring

In the individual tutoring, the entrepreneur is helped to adapt his/her business plan to his/her financing needs. Nantik Lum offers the entrepreneur the opportunity to access funding in different ways:

THIRD PARTY FINANCING

If the funds directed to the entrepreneur's financing are handled by a third party, the foundation will provide the entrepreneur with individual tutoring to advise in how to adapt their business plan to the type of finance chosen and/or to the agreements that Nantik Lum has with Financial Institutions: e.g. MICROBANK

OWN RESOURCES:

INDIVIDUAL MICROFINANCING

Nantik Lum has two good practices that are good examples of individual microfinance. They offer financing through equity. These are MIDEM and Montemadrid Funds.

• MIDEM PROGRAM:

This program arises from the need to incorporate women at risk of social and financial exclusion to the services of inclusive entrepreneurship by giving them access to specific microfinance, as it is one of the obstacles they face when undertaking a business idea. The purpose of the program is to promote the social-labor inclusion to unemployed women through technical training, by helping them develop entrepreneurial skills and providing entrepreneurial advice.

This program consists of:

- Group training.
- Individual tutorials on business plan and economic and financial viability.
- Access to finance through a microcredit fund and advice on alternative ways of financing.

Beneficiaries	• Unemployed women
Maximum amount	• 6,000 € (six thousand euro)
Grace period	• Up to 6 months
Guarantees	• A moral guarantee is requested in writing from a person who knows the applicant
Term	• Maximum up to 36 months
Type of interest	• 4,5 %
Payment	• Monthly
Commissions	• No opening or study commissions. Penalty of 10€ if there is a delay exceeding 3 days of the payment's due date
Return form	• The payments should be made through a current account that will be used exclusively for that purpose. It will track the transactions to make things easier
Personal contribution to the business	• A minimum personal contribution of 5% (monetary or in kind) to be assessed by the risk committee
Interests on late payments	• None

The MIDEM project offers the possibility for the beneficiaries of the program to access funding to a microcredit fund specifically created for the program. Certain requirements need to be met. The financing is adjusted to the particular business project.

- **MONTE MADRID PROGRAM:**

Micro-lending program for entrepreneurs at risk of social , financial and / or labor exclusion in Madrid city.

Beneficiaries (preferably):

- Youth under 35 from the city.
- Women from the city.
- People at risk of social, financial and/or labor exclusion from the city.

Microcredit's Characteristics:

Maximum amount	<ul style="list-style-type: none">• Up to 8,000€
Grace period	<ul style="list-style-type: none">• Up to 6 months depending on the case
Guarantee	<ul style="list-style-type: none">• Moral guarantee of the social entity from the beneficiary
Return terms	<ul style="list-style-type: none">• Up to 3 years (from the end of the grace period if there is any)
Type of interest	<ul style="list-style-type: none">• 5.5%
Payments	<ul style="list-style-type: none">• Monthly and fixed fee
Commission for non-payment	<ul style="list-style-type: none">• After 5 days from the date of payment, there will be a 10€ charge
Commissions	<ul style="list-style-type: none">• No origination or study fees or for early, partial or total cancellation
Return form	<ul style="list-style-type: none">• Bank transfer or direct deposit in the bank account
Personal contribution to the business	<ul style="list-style-type: none">• At least 5% of the total value of the business

GROUP TUTORING

Context

In January of 2015 in the Community of Madrid (CM) there were 87,866 unemployed immigrants consisting of a 16.87% of the total unemployed in the CM . By gender , the total number of immigrants unemployed, 57.5 % were men compared to 42.46 % of women. The unemployment rate of the immigrant population is of 34.69% compared to the unemployment rate of nationals (17.91%). By gender , the unemployment rate among immigrants reaches to 38.17% in men and 31.20% in women. These percentages are higher than the unemployment rate data of the total population (19.06 % in men and 22.02 % in women). As far as self-employment, currently 13.66 % of immigrants in the Madrid are self-employed .

CONFIA program

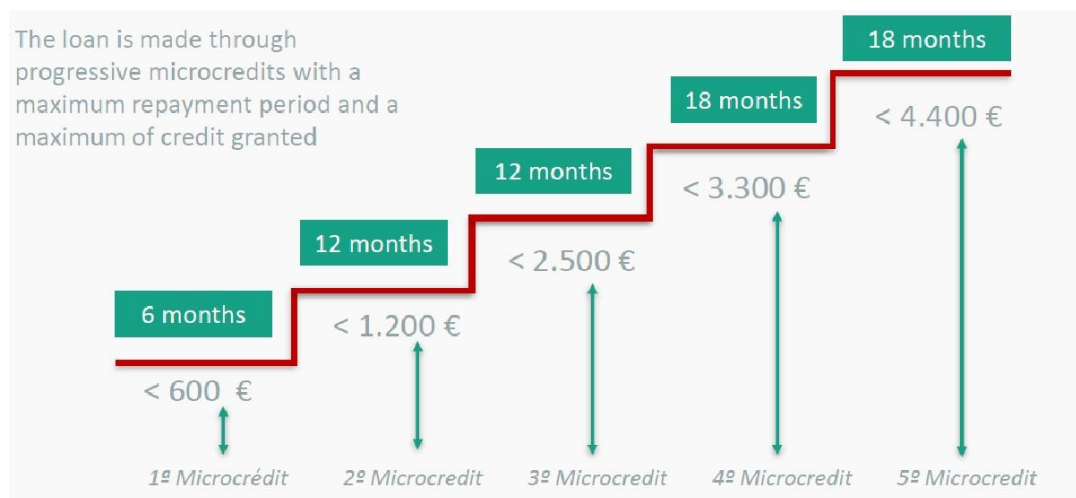
The goal is to create a group of women who carry out productive activities to promote their labor insertion through self-employment. For which they will get help in designing a personalized itinerary according to their personal skills.

The project wants to help each woman in their personalized itinerary through:

- ✓ Group Training
- ✓ Social support by a group of individuals
- ✓ Financial support through a microcredit.

It uses a methodology based on working in groups. The purpose is to create solidarity and support among participants to share their experiences and support each other to advance in their business project.

The loan is made through progressive microcredits with a maximum repayment period and a maximum of credit granted.



Characteristics of Loan granted:

1. Loans will be based on the trust to the applicant
2. Small amounts, repayable in monthly installments in less than a year, with the possibility of renewal for a greater amount after full payment, it will be processed and controlled by the groups.
3. The beneficiaries will work with Nantik Lum's technician assigned to their group, their investment proposals.
4. Microcredit applications will be reviewed by Nantik Lum's Credit Committee to decide on the possible approval.
5. The applications that have been approved by Nantik Lum will be presented by the group's representative in their next regular meeting for ratification, modification or denial.

6. The first loan will have a maximum of 600 €. The amount available for lending will be progressively increased as the original loan gets paid and new loans will be granted.

7. Type of interest: 5%

8. In case of default, Nantik Lum will meet with the defaulter to determine the cause and the procedure to follow.

Item 3: Financial Assessment

Item 3 aims To teach technicians how to evaluate the financial capacity of the entrepreneur and his/her business for the granting of a credit.

1° Working with the entrepreneur

Prior to the financial evaluation, it is necessary to have worked with the entrepreneur to get to know their degree of knowledge and commitment to their project.

2° Execution of entrepreneur's personal interview

If we have worked with the entrepreneur helping him/her with their business and financial plan, we have knowledge of their circumstances and personal data: background, family, education, professional experience, skills, business idea, business knowledge, monthly rent, deposit, investment plan, review expenses.

3° Document gathering for the entrepreneur's file

Collection of the necessary documents to continue with the evaluation process and to certify and prove in some way the business plan. It is divided in the following items:

Personal File: ID number, income tax returns, labour life, letters of recommendations, document showing the “Central risk information” (CIRBE in Spain)

Financial File: Business plan, registration in the social security for self-employment, permits, certificates and business licenses, invoices for purchases and investments made, invoices for expenses, justification of resources.

4° Agent’s technical evaluation

Along with the compilation of the documents, the agent should analyse all the information included in them.

At the end of the process the agent should give an opinion about the case through the “credit evaluation card”. In this card there are some options: Positive. Positive with doubt, Negative, Negative with doubt.

5° Credit committee

The credit committee is created to carry out the concession or denial of microcredits and to ensure objectivity in the evaluation of the microcredit.

Composition:

The committee will be composed of different profiles to guaranty that the decision has considered different points of view. It is composed of:

- Members of the Foundation (or entities if the program is executed by 2 entities, like MIDEM) such as the technician that has the direct knowledge of the entrepreneur and the business plan.
- Third parties with private financing knowledge as well as public financing knowledge to be able to have an objective opinion.

Operation

The Committee’s functions will include:





We must bear in mind that a microcredit is a financing alternative for those who do not have access to financing because of their risk of loss of status or social exclusion. That is why each application is considered on a case to case basis, according to the entrepreneur, their business plan and their financial situation. Decisions cannot be generalized, they are individualized, taken case by case and considering all the circumstances presented as mentioned above.

❖ WISAMAR BILDUNGSGESELLSCHAFT GEMEINNÜTZIGE



Wisamar is a non-profit educational institute in Leipzig, Germany, acting in vocational, cultural and adult education. Wisamar is accredited by TÜV as education provider according to AZAV principles in order to carry out employment activities for the Federal Employment Office and by the Office for Migration and Refugees as Integration Course Provider.

We provide courses combining vocational language courses, empowerment, competence analysis, employability skills like job application training and start-up consultancy for different target groups, including migrants. The aim of the organisation is the promotion of education, tolerance and international attitude in all spheres of understanding between different people, cultures and education.

Workshop on Intercultural Communication

The main objective of the training is to strengthen the intercultural competences of the participants starting with the understanding of the terms ‘culture’, ‘communication’ and ‘intercultural communication’ via being conscious of the own cultural background up to raising cultural awareness and analysing critical situations. The workshop contains of a mixture of theoretical background and practical activities, which have been proven successful and well evaluated by the participants. We provide these trainings as face-to-face workshops, because in our opinion learning about communication is most effective while communicating. Also working in a group and getting to know each other is an important success factor of the training.

STRUCTURE OF THE WORKSHOP

Introducing the concepts of the terms ‘culture’, ‘communication’ and ‘intercultural communication’
Schemes of culture
Prejudices and stereotypes
Intercultural competences
Consciousness for the own cultural background
Cultural awareness – games or roleplays
Critical incidents
Reframing
Questioning

1) Introduction: ‘culture’, ‘communication’ and ‘intercultural communication’

“Intercultural communication is a form of communication that aims to share information across different cultures and social groups. It is used to describe the wide range of communication processes and problems that naturally appear within an organization or social context made up of individuals from different religious, social, ethnic, and educational backgrounds.”

(Wikipedia)

Culture

Everyone has a slightly different understanding of ‘culture’, which is also formed by the context we are living in. Therefore there is not only one universal definition of ‘culture’, but there are hundreds of definitions.

- asking participants what they understand by the term ‘culture’; showing a short video how other people from different countries understand culture presenting different definitions of the term:

Pellegrino Riccardi: “Culture is a system of behavior that helps us act in an accepted or familiar way.”

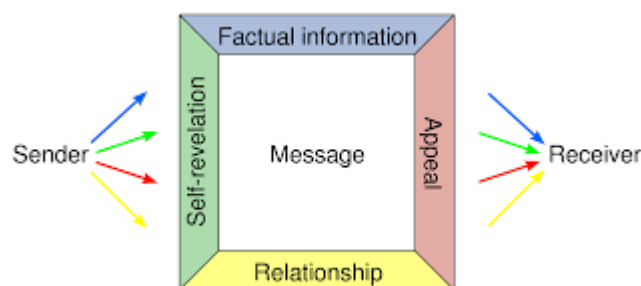
Tawara D. Goode “integrated pattern of human behavior which includes thought, communication, languages, beliefs, values, practices, customs, courtesies, rituals, manners of interacting, roles, relationships, and expected behaviors of a racial, ethnic, religious or social group whose members are uniquely identifiable by that pattern of human behavior.”

Communication

Communication takes place between a sender and a receiver and in between we have the message, which should get across. But a message does not only consist of the facts. We interpret what has been said and how it has been said.

Every message can be sent through one of the 4 channels:

- a) The Factual information = about what I am informing (the content of the message) → the sender of the message gives data, fact and statements. It is the task of the sender to send this information clearly and understandably.
- b) Self-revelation = what I want to express about myself (intentions, feelings, etc.) → In every message there is information about the sender. On the layer of the self-revelation the sender reveals himself. This message consists of conscious intended self-expression as well as unintended self-revealing, which is not conscious to the sender. Thus every message becomes information about the personality of the sender.
- c) Relationship = what I think about you and how we get along → The relationship layer expresses how the sender gets along with the receiver and what he thinks about him. Depending on how he talks to him (way of formulation, body language, intonation ...) he expresses esteem, respect, friendliness, disinterest, contempt or something else.
- d) Appeal = what I want to make you do → Who states something, will also affect something. This appeal-message should make the receiver do something or leave something undone. The attempt to influence someone can be less or more open (advice) or hidden (manipulation). ‘communication’ – iceberg model; 4 levels of expression by Friedemann Schulz von Thun (sender – receiver);



2) Schemes of Culture

The aim is to raise awareness on the fact that every person acts according to what he thinks is correct

- this assumption is based on our cultural background and experiences
- therefore a person follows certain schemes of culture

➤ Activity: Discussing examples of behaviours connected to schemes of culture bridging to the topic of prejudices and stereotypes

3) Prejudices and Stereotypes

Stereotype:

“A widely held but fixed and oversimplified image or idea of a particular type of person or thing.” (Oxford Dictionary)

Prejudice:

“Preconceived opinion that is not based on reason or actual experience.” (Oxford Dictionary)

Another aspect which can make intercultural communication more difficult are stereotypes and prejudices we are dealing with every day. We often have predefined images or ideas in mind when hearing different words/ term.

- Activity: Moderator says the name of a country and participants have to write on moderation cards what comes first to their mind when they hear the name of this country (repeating with different countries, e.g.: Spain, Turkey, India)
 - Discussing the results with the group
 - Are the answers based on facts or are they prejudices/ stereotypes?

- Activity: moderator gives participants cards with different prejudices and stereotypes and the participants are asked to name a country that in their opinion fits the text
 - Discussing the results with the group
 - Is it possible to match the card with different countries?

Developing together definitions for the terms ,prejudice and ,stereotype
Discussing personal experiences of participants with prejudices and stereotypes and how they dealt with it.

4) Intercultural Competencies

Defining intercultural competences as the ability to communicate effectively and appropriately with people of other cultures.

What is important when interacting with people from different cultural backgrounds?

- Empathy
- Knowledge about the other culture
- Knowledge of the own culture
- Knowledge about oneself

5) Consciousness for the own cultural background

Activity: What is German culture - what makes it different from other countries? (developing together a mind-map)

- What are the difficulties when trying to outline the own culture?
- Which answers are own perceptions and which are stereotypes formulated by others?
- When reflecting your own behaviour, did you ever notice that you don't act ,German?

6) Cultural Awareness - Games and roleplays

The aim is to raise awareness of cultural differences through acting as representatives of different cultures and trying to communicate with each other
Reflecting on the own behaviours and feelings during the games

7) Critical Incident

A critical incident is a situation with a positive or negative impact on one or more participants.

Participants are asked to explain situations in which they were confronted directly with people from a different culture (critical incident)

Analysis and discussion of the situations in the group □□ finding good practice examples to adapt to similar situations

8) Reframing

The aim is to discussion about what happens when the expectations are not met and how to deal with disappointment

Activity: What are you most looking forward to during your stay abroad?
collecting the answers

Presenting the reframing method: a glass can be perceived as half empty or half full - most situations can be seen from different perspectives (positive or negative)

Implementation of the method with the collected examples

9) Questioning

Ability to question the own perception of the stay abroad.

Activity:

- Reflecting on how you tell other people about your experience abroad
- Do you reproduce prejudices or stereotypes in your stories?
- Take into account how your stories can influence other people and their perception of another culture

Vintage

VINTAGE project aimed to develop and test an online tool for the self-assessment and documentation of key competences. The main objective of this tool is to motivate the learners to think about their own skills and competences and self-assess their performance in a particular situation connected to a given competence. In our opinion the process of self-assessment regarding the own skills and competences and therefore getting to know oneself better is an important step to self-awareness, which then again is important to understand the concept of intercultural competences.



VINTAGE

ONLINE TOOL FOR SELF EVALUATION
OF KEY COMPETENCES IN ADULT AGE

VINTAGE is a European project funded through the Grundtvig action of the Lifelong Learning Programme.
It aims to develop and test an online tool for the self-evaluation of Key Competences to be used by adult people.

Project Number: 527349-LLP-1-2012-1-IT-GRUNDTVIG-GMP
Agreement Number: 2012-4192/001-001

 Lifelong Learning Programme

European Commission has identified **8 Key Competences for lifelong learning**: a combination of knowledge, skills and attitudes necessary for personal fulfilment and development, social inclusion, active citizenship and employment. These Key Competences are the following:



For the purpose of this report of good practices and the contribution of Wisamar within the M.I.C.R.O. project, we will focus on the key competence 8: cultural awareness and expression.

Structure

There are 5 situations connected to the competence.

Learners have to choose the one that they recognize themselves the most in or that they would relate their own performance in this particular competence to. These 5 situations reflect the 5 levels of mastery in this competence. The levels in a simplified way are the following:

Level 1: can do, when guided; simple known context

Level 2: can do, can choose; multiple dimensional known situations

Level 3: can combine, can design; multiple dimensional unknown situation

Level 4: can improve, can extend; multiple dimensional unknown situation of which one is responsible

Level 5: can explain; unknown multiple situation for further exploration of which one is responsible

Learners are guided through different situations connected to their level and have to assess their competences further. They are asked to think about a situation when they managed a similar task, concentrate their attention on the sequence of their actions and list them in a logic order. In the last step they should assess their performance in their described situation regarding e.g. critical thinking, problem solving etc.

Level of Mastery –Key Competence 8

Read the five situations carefully and choose the one that you recognize yourself the most in or that you would relate your own performance in this particular competence to:

1.You like it when people express themselves, or are taking part in cultural activities (music, writing, acting, playing, design etc.).

2.You know which cultural activities you would like to attend and which you wouldn't. You have explicit opinion in such matters.

3.You yourself like to engage in cultural and expressive activities. You enjoy joining in in such activities. You are actively taking part.

4.You are good in cultural expressive activities. People you know ask you to do it for them, or with them. They think you are good at it.

5.You are not just engaging in cultural expressive situations or activities; you actually set up such situations and develop the activities. You are creative in doing so, and other like to join you in the activities you develop and direct.

Appreciating cultural identities / diversity

Appreciation of the importance of the creative expression of ideas, experiences and emotions in a range of media, including music, performing arts, literature, and the visual arts.

Level 1

You appreciate cultural diversity as an added value in society. Cultural events, or cultural expressions, and their cross cultural diversity you consider an added value to society. You Like to read about in in the paper; you like to attend activities as a spectator.

-Recall to your memory a situation when you managed a similar task.

-Concentrate your attention on the sequence of your actions. List them in a logic order. Note them if it helps you.

Level 2

Cultural diversity is something you like to know more about. You intentionally search for information on what kinds of cultural activities are scheduled of available. You consider culture in this expressive sense of the word as a hobby of yours. You like to attend or experience culturally expressive utterances/events.

-Recall to your memory a situation when you managed a similar task.

-Concentrate your attention on the sequence of your actions. List them in a logic order.

Level 3

In meetings you like to express, compare and talk about cultural diversity. Your experiences you like to share with others. You are asked your opinion and you like to give it. You have a good sense for it; people consider you well informed.

-Recall to your memory a situation when you managed a similar task.

-Concentrate your attention on the sequence of your actions. List them in a logic order.

Level 4

You like to use/apply things you have learned from other cultures. You like to engage in culturally expressive activities. In doing so you try to include things you derive from other cultures of other cultural domains.

-Recall to your memory a situation when you managed a similar task.

-Concentrate your attention on the sequence of your actions. List them in a logic order.

Level 5

You are actively involved in promoting the appreciation and mutual understanding of cultures. Your sense for cultural things and expressions is known in your community. You are seen as someone who knows about these things. You express your opinions and appreciation to a wider audience either through reviews, interviews, or even in local media.

-Recall to your memory a situation when you managed a similar task.

-Concentrate your attention on the sequence of your actions. List them in a logic order.

The evaluation is made rating yourself filling out a form with score from 1 to 5.

The fields are:

1. **Critical Thinking:** Do you reflect upon your actions? Do you consider alternatives, do you turn to theory/experience/evidence you know of?
2. **Creativity:** Do you come up with new suggestions, are you inventing new actions or things?
3. **Initiative:** Are you the one who sees opportunities, makes the first move, who comes up with ideas, takes up a new task?
4. **Problem Solving:** Are you involved in solving the problems, overcoming the obstacles. Do you act strategically. Are you the one who finds new solutions?
5. **Risk Assessment:** Are you aware of risks involved, do you take risks, are you estimating the risk before taking actions?
6. **Decision Making:** Do you take the decisions, are you the one who identifies what decisions should be made?
7. **Constructive management of feeling:** Do you keep up the good spirit, do you overcome frustration easily, can you maintain a good level of energy and motivation?
8. **Adequate use of resources:** Do you have enough background and expertise to deal with the situation, do you know when to make use of this expertise?
9. **Effectiveness:** Do you accomplish what needs to be done? Can you do what the situation requires?
10. **Impact:** Do you make things happen, are you the one that turns this activity into a success, do you make it work?

❖ MEDITER



Mediter, Euro-Mediterranean cooperation Network, aims to establish and consolidate an innovation and experimentation process within the cooperation North / South – South / North is seen as a strategic factor for development and peace.

It strives to have a double impact: from one side on the EU institutions and secondly, on populations (especially young women) of Mediterranean countries. Mediter aims to build a new local leadership in the Mediterranean region. Mediter promotes the strategic role of human resources by linking cultures, knowledge and skills. It also aims to boost cultural exchanges between the countries bordering the Mediterranean, based on their common cultural heritage. It allows synergies between local and global.

It reinforces the construction of a regional identity, supports a dialectical relationship between Europe and Mediterranean, working with all cultures of the Mediterranean region for the opening and international exchange.

In this context, Mediter acts to encourage the development of cooperation relations between the Mediterranean countries with the conviction that such relations are a priority for the development of a common horizon of civilization. That's why Mediter solicits for membership, the local authorities, NGOs, foundations, universities, small businesses and nonprofit organizations in general, whether local or international.

Les entrepreneurs actifs de la diversité

The project LEAD “Les entrepreneurs actifs de la diversité” is one of the best practices developed by the Muslim Belgian entrepreneurial community to encourage and protect diversity in migrant entrepreneurship. The project started in 2014 as a response to the need of a fruitful exchange of experiences within the entrepreneurial community with a diverse background. Since then it has developed in different actions and initiatives on the ground. Among the topics addressed : support entrepreneurship with specialized training and ad-hoc counseling throughout the whole entrepreneurial process, provide information on regional funding, promote meeting and sharing experiences. This best practice has been a source of inspiration for other community groups engaged in migrant/refugee integration efforts. In the last two years MEDITER has witnessed a multiplication of local initiatives dealing with the massive arrival of refugees, mainly from the middle East. Today, Brussels and Belgium are at the forefront when it comes to community-led initiatives to foster migrant entrepreneurship.

Context

Islam is the second largest religion in Belgium, accounting for 5 to 7% of the total population and 23.6% of the population in Brussels. LEAD is one of the initiatives developed by the *Belgian Association of Muslim Professionals (Association Belge des Professionnels Musulmans – ABPM)*. ABPM's primary mission is to promote entrepreneurial knowledge and foster collaboration among the members of the Muslim Belgian community. We believe this experience is relevant for M.I.C.R.O. project for several reasons. For a migration/integration perspective: the increase in size of the Muslim population goes hand in hand with migration and family reunification of people of migrant origins. Integration also plays a relevant role: about 60% of second and third generation Muslim migrants marry people belonging to the Muslim community. From a business-related point of view: dynamic, wealth creator and source of employment, the business world is also characterized by a great diversity in the origin of its actors.

The situation in the Brussels region attests that there are more foreign-born entrepreneurs (53%) than native entrepreneurs (43%), according to a survey by the Brussels Enterprise Agency (BEA) in 2007.

Promote entrepreneurship has also had a relevant role in the aftermath of the latest refugee waves. Several initiatives have been put in place in the last two years to assist newcomers interested in developing new business ideas and kick-starting them into reality. This process has been nurtured spontaneously by different community groups (students, civil servants, diverse entrepreneurs...)

not necessarily in connection with each other, to accompany the entrepreneurial efforts of newcomers (mostly from Syria, Lebanon and Iraq). The basic idea is to help refugees to meet and engage with each other; motivate a mutual exchange and learning from business experiences from other newcomers who have started their own business; introduce creative thinking techniques and business development ideas at the local level.

The projects

The ABPM wishes to foster cooperation and synergy within the community and promote entrepreneurial skills by developing trainings, organizing networking events, expositions and fairs. Among the subjects covered by ABPM activities: networking and counseling fairs such as LEAD; lobbying & advocacy on Islamic finance & business ethics; trainings on career management, management of operational risks and management of cultural diversity in the workplace. We will explain this best practice and link it to other local initiatives developed more recently as a way to help refugee integration in the country.

Also, we will provide concrete tools for micro-credit operators dealing with migrants by integrating these Belgian-led experiences with business-related elements that constitute the core of MEDITER's development cooperation strategy in Northern Iraq (training vulnerable groups such as women and help them set up their own business idea).

Conclusions

The analysis of the good practices unfolds the possibility to achieve a high-quality training for operators addressed to support migrants into accessing credit to develop their own business. The organizations have shown useful experiences and successful inventive work paths.

During the joint staff training event on the analysis of good practices, the partners have demonstrated a high capability into managing pivotal themes for the integration of migrant citizens within the M.I.C.R.O. project: business creation support, access to microfinancing, intercultural communication.

The good practices have shown a level of flexibility which will allow to build up a modular training path with lectures and specific units with useful contents for all operators in microfinance institutions, NGOs and other organizations supporting migrants locally. All partners guarantee the development of the following contents:

Intercultural communication will be developed throughout the training course both generally as well as specifically to give the participants the chance to understand the correct interaction between individuals. Problems related to stereotypes, prejudices, cultural differences will be covered as well as how to respond to them in different social contexts.

During the course the topic of rights and risks that migrant citizens may encounter in host countries will be examined in order to sustain a better integration within European societies. There will particularly be a focus on migrant women with the aim of supporting these citizens on their specific problems.

Other modules of the training course will be addressed to encourage the use of micro-credit to develop own business activities. Particularly in the modules on the access to micro-credit there will be a path for

the creation of a business, from the idea to the business plan. Specific lessons will cover the most useful funding instruments for the creation of a business. Moreover, alternative strategies for the financing of immigrant entrepreneurs like crowdfunding will be taken into account.

The large amount of experiences shown in the good practices will allow the realization of useful modules with integrated didactical materials and successful methodologies to involve participants. The whole training path will be set as an OER available to all operators keen on improving their competences on self-employment and the inclusion of migrant citizens.



