

3 Four questions to

Adela de Rizzo, Fundación Génesis Empresarial



Fundación Génesis Empresarial is based in Guatemala and was created in 1988 with the vision of promoting development through efficient, effective and supportive financial and non-financial services in Guatemala. Just two years after its creation, the Foundation managed to achieve the operational and financial results it had set for itself, including: operational sustainability, benefits provided to clients, expanded geographic coverage...

The Foundation is supported by LMDF via its investment in the Higher Education Finance Fund («HEFF»). This foundation provides education credits to young people who wish to study, but do not have sufficient financial resources to do so. Currently just 13% of young Guatemalans go on to complete secondary education and those from poorer families are less likely to be able to pursue their studies.

The services which Fundación Génesis Empresarial provides together with loans, such as job-placement fairs, career mentoring and financial education, are focused on allowing young people to generate more income that will promote positive changes for their families, and generally for their country. The foundation has helped over 680 students to pursue higher education.

Could you briefly describe how your student loan product works and what criteria is used to select students?

The CREE program is a complete package which covers all career related expenses, for instance, food, transportation, equipment, registration, tuition, and so on. It is paid back according to the student and their sponsors' (guarantor) means. The loan may be paid back over a time period of up to 10 years, covering a 5-year college education and then 5 subsequent working years. There is a grace period of up to 6 months following graduation, to allow students to find jobs.

The loans are aimed at any student accepted in a school and actively studying. From September 2016 onwards, our support starts from pre-primary school education and goes through to the last stages of education, those studying university doctoral degrees. We look for students who maintain academic excellence in their studies and have average marks above 70 per cent. The students have support from our academic, professional counsellor in psychology who works with the students and promotes academic achievement. We support students from the ages of 5 to 65 who are interested in all kinds

" The culture of taking student loans does not exist in Guatemala and many Guatemalans still believe that education is inaccessible"

of productive careers, technical careers or academic development.

What is the feedback from your customers? Does the product correspond to students' needs? What challenges do you face and how are you resolving them?

The product has provided a good solution for many students looking at both technical careers and basic education. The main advantage to our product is that repayments can be adapted so that the student can pay without difficulties.

Key challenges are:

Communication: We have not managed to reach all Guatemalans in need yet and are still trying to raise awareness of the fact that a product with so many benefits exists.

Cultural: The culture of taking student loans does not exist in Guatemala and many Guatemalans still believe that education is inaccessible- this is something that needs to be changed.

Outreach: 55% of students have been reached by direct communication and academic guidance, but we hope to reach 90% of the students and offer them support from the academic counsellor and development advisor.

We organise quarterly conversations with our students. All students are encouraged to attend meetings or educational talks as we realise that a personal approach is essential for them. These discussions address issues such as financial education, development of attractive curriculums, key interview skills, etc.

Do you offer non-financial services to students?

Yes, we offer a range of non-financial services to our students to support them in their studies and future careers. These include:

- Free financial training
- Quarterly training sessions or lectures on topics of interest
- Financial advice to guide students in their career and repayments
- Comprehensive information on study opportunities in our affiliated schools



Each year of schooling increases an individual's earning power in future years by up to 10% // UNICEF

What is the importance of this innovative product for Genesis' strategy?

The Foundation has as social mission to bring sustainable development to the most vulnerable communities and to accelerate progress within Guatemala. Educational Credit is one of the strategic pillars of

governance within our business model as part of the "quality of life" segment.

It is essential that there are more credits for formal education. Although this product is relatively new, since its inception in 1988, Genesis has incorporated elements of training into its business. The CREE programme is the culmination of these efforts and complements the sustainable development strategy as shown in the following diagram:

