



Micro-Enterprise Catalyst Partnership

A Minnesota Without Poverty (AMWOP), in support of three recommendations of the Legislative Commission to End Poverty in Minnesota by 2020—restoring work as a way out of poverty, building assets, and revitalizing communities through infrastructure and person-to-person support—proposes to start a Micro-Enterprise Catalyst Partnership (MECP) program.

The goal of the MECP is to bring opportunities for small business development to people living in poverty in rural and in immigrant populations in Minnesota. We will do this by providing: 1- matching funding for extending loans to prospective entrepreneurs; 2- training on micro-enterprise development techniques to volunteers; 3- intercultural training designed to build relationships between people who are living or have lived in poverty and are prospective entrepreneurs with people who may not have experienced poverty and are MECP volunteers; 4- business management and business plan development training to prospective entrepreneurs; and 5- program operational guidance to selected partner organizations (congregations, non-profits, or consortiums of the same).

It is our immediate goal to conduct one or two pilot programs in rural Minnesota as soon as possible. This would include providing \$2,000 matching grants from AMWOP to partner congregations or organizations (ME Partners). The ME partners would be required to provide \$4,000 in matching funds, a minimum of 6-10 volunteers committed for three years or until the completion of the program(s), a site for training, and on-going organizational support for their program.

Using the expert resources of Neighborhood Development Center (NDC), AMWOP would provide training to ME Partner volunteers on how to run a micro-enterprise development/lending program in their community. This would include training on recruitment of prospective entrepreneurs, facilitation of an entrepreneurial training program, how to assist entrepreneurs in business plan development, micro-lending, and how to provide on-going technical and moral support of entrepreneurs who receive loans. This training would be conducted in the Twin Cities Metro area.

When the ME Partner has successfully recruited a pool of prospective entrepreneurs, AMWOP would provide intercultural training for the volunteers and the prospective entrepreneurs.

AMWOP would provide training to the prospective entrepreneurs using a proven business planning course designed to train prospective entrepreneurs on how to develop a business plan and start a business presented by professional trainers. This training would be facilitated by the ME Partner and held in their community.

When the business planning course has been completed, the ME Partner volunteers will assist the entrepreneurial trainees in completing their business plans and making application for a loan. The ME Partner volunteers will review and comment on the loan applications and submit them to AMWOP who will make the final lending decisions. Loans will be serviced by NDC. The ME Partner organization will be responsible for loan collections. NDC will maintain the loan pool.

The ME Partner will provide on-going technical and moral support of the entrepreneurs who received funding. As funds are repaid to the lending pool, the process can be repeated.

After successful completion of the pilot programs, we will broaden the offering to other ME Partners through a Request for Proposal (RFP) process.