

Azərbaycan Mikromaliyyə Assosiasiyası



Azerbaijan Micro-finance Association

UNITED NATIONS GLOBAL COMPACT

Communication of Engagement 2016

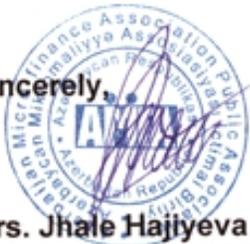
№ 004-01- 2016January 19, 2016**Statement from Azerbaijan Micro-finance Association**

*I am pleased to validate that Azerbaijan Micro-finance Association continues to support the ten principles of the **UNITED NATIONS GLOBAL COMPACT (UNGC)** in particularly, the areas of Human Rights, Labor , Environment and Anti-Corruption.*

This is our Communication on Engagement with the United Nations Global Compact .

AMFA supports and implements gender, youth and labour related projects. We are committed to supporting the ten principles of the UNGC, and we will continue to promote them using our primary channels of communication.

We also committed to continue to look for the opportunities to strengthen UNGC Principles in our Activities and initiatives.

Sincerely,**Mrs. Jhale Hajiyeva****Azerbaijan Micro-finance Association(AMFA)
Executive Director**



AMFA is implementing various projects and initiatives particularly to support human rights, gender labour problems which is in line with the United Nations Global Compact Principles.

In order to support human rights AMFA promotes “**Client Protection Principles**” developed by SMART Campaign within its membership and conducts assessment in Member Micro-finance Organization based on their request. These principles have been developed by many years and reflect ethics and values championed by many industry stakeholder groups. By providing micro-finance institutions the tools and resources they need to deliver transparent, respectful and prudent financial services to all clients. Client Protection Principles are: 1) Appropriate product design and delivery; 2) Prevention of over-indebtedness; 3) Transparency; 4) Responsible pricing; 5) Fair and respectful treatment of clients; 6) Privacy of clients data; 7) Mechanisms for complaint resolution.

The second initiative which AMFA supports is a “**Universal Standards of Social Performance**” launched by Social Performance Task Force (SPTF) which includes MIX Market, CERISE, The SMART Campaign, MF Transparency, MicroSave, the International Labor Organization (ILO) and the Imp-Act Consortium. The standard enables MFIs to operate based on a set of global best practices to meet their Social Missions. These standards have 6 dimensions: 1) Define and Monitor Social Goals; 2) Ensure Board Management and Employee Commitment to Social Goals; 3) Design Products, Services, Delivery Channels and Mechanisms that meet client needs and preferences; 4) Treat Clients Responsibly; 5) Treat Employees Responsibly; 6) Balance Financial and Social Performance.

All these 2 Principles covers almost all requirements of UN Global Compact Principles.

The third initiative is **Financial Education**. Currently, Financial Literacy is a Challenge in Azerbaijan herewith AMFA initiated several projects to counteract multiple borrowing and cross-lending practices, which are a key cause of over-indebtedness. It will also promote responsible financing, i.e. clear and transparent lending practices, responsible product sales suitable to client needs, fair and full financial information in product advertisements, and clear loan terms and conditions.

Entwicklungsbank (The German Development Bank) with the financial support of the German Federal Ministry for Economic Cooperation and Development (BMZ) and the European Commission, and Azerbaijan Micro-Finance Association (AMFA) jointly developed a financial education booklet aimed at raising the financial literacy of microfinance customers of commercial banks and microfinance institutions in Azerbaijan. The booklet teaches existing and potential microfinance customers of AMFA members about the risks and benefits associated with taking out loans, placing deposits and using/or not using other services provided by financial institutions. In enhancing the ability of microfinance customers to take informed financial decisions, the booklet addresses the following topics: financial institutions and lending, avoiding over-indebtedness, basic financial education, and savings/deposits.

AMFA also is conducting Budget management and financial planning trainings in rural areas within some projects.

Project: Empowerment of women Entrepreneurs through Life Planning project

Duration: January – December , 2014

The project was focusing on creating and enabling environment for income generating opportunities and developing the economy and encouraging opportunities for women's economic participation. The objective of the project was to develop the capacity of rural women in Azerbaijan to identify and overcome the barriers that prevents them from becoming economically active citizens, improving their living standards and achieving

the life they envision for themselves as current and potential micro-finance clients .



Within the project 42 women from war affected territories were trained on Gender Act Learning System (GALS) created by WEMAN (Women's Empowerment Mainstreaming and Networking).

48 women trained on "Start and Improve Your Business "training originated by International Labor Organization ILO. Most of the women started or improved their businesses. During the training participants were able to learn about how to generate their ideas into detailed business plan, how to start their businesses and improve it accordingly. Participants were taught on basic financial calculation nad projects as balance statement, income and expenses statement, cash flow. After the training programs 32 women were provided with concession loans with grace period by AMFA member Non-Bank Credit Organization. 15% of those women closed their loans thanks to their successful businesses.

You can watch video film devoted to the project results via link:

<https://www.youtube.com/watch?v=zqs7wxmLSmU>

Project: Economic Empowerment of Rural Women to Start Professional Career in Financial Sector

Duration: 9 months , 2014

Description: The objective of the project is to increase the number of the trained female loan officers in Partner Institutions rural branches and to provide relevant training to female loan officers with the aim of encouraging and attracting women clients.

Special training program was designed to acknowledge participants with the best practices and principles of micro-finance with the specific tasks and responsibilities that loan officers perform in the day to day operations. Training program identify the stages of the lending process and showed how they could be streamlined for greater efficiency.

Project result: 21 Successful training participants were recruited by the project Partner institutions as Loan Officers.



Project: European Union Funded “Building Female Professionals and Promoting women entrepreneurship Development in Rural Regions of Azerbaijan “

Duration: 2014-2016

Objective of the project: to strengthen women capacities in rural areas to enable them to manage the household finance and/or to increase their employment opportunities through equipping them with skills needed to start own business or find job in financial sector which expands their employment and service offer to them .

The proposed intervention was designed to achieve via improving women's money management skills applied in running the family budget or business finance ; implement of rural women professionals by financial institutions ; support start-ups among rural women.

As a result within the project up to-date 20 local trainers were certified by Poland Micro-finance Center for sustainability of the project. 513 women were trained on Financial Education. Monitoring of the project shows that more than 79, 7 % of the participants improved knowledge, skills and attitude towards their financial behaviour. 116 women were trained on “Start and improve your Business” module of ILO and 73 women were trained on topic “Training for Loan Officers” which could be assessed as a future employment opportunities in Financial Institutions for women.

