

Azərbaycan Mikromaliyyə Assosiasiyası



Azerbaijan Micro-finance Association

UNITED NATIONS GLOBAL COMPACT

Communication of Engagement 2018



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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 labor 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,

A handwritten signature in blue ink, appearing to read 'Jhale Hajiyeva', is written over a circular blue stamp. The stamp contains the text 'AZERBAIJAN MICRO-FINANCE ASSOCIATION' around the perimeter and 'AMFA' in the center.

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, Micro Save, the International Labour 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.

Azerbaijan Micro-Finance Association (AMFA) developed a financial education booklets 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.

Building female professionals and promoting women entrepreneurship development in rural regions of Azerbaijan

Duration : 2014-2016

Overall Objectives: 1) To contribute to Women professional (human resources) development in rural areas in Azerbaijan; 2) To Increase employment opportunities among women in the rural areas in Azerbaijan

Specific Objective: To strengthen women capacities in rural areas to enable them to manage the household finance or/and 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.

Results of the project

- 1,808 women were trained on Financial Education, 73 women were trained on Loan Officers for future employment opportunities,
- 1496 women were trained on Financial Education.
- 239 women were trained on Start and improve your Business training
- 22 certified Financial Education trainers prepared in the regions and in Baku



Building capacity of Women entrepreneurs' through development of business planning skills

Duration of the Project: September 2016-February 2017

Objective of the project: is to educate current and potential microfinance clients with the tools necessary to strengthen women's abilities to identify and overcome the barriers that prevent them from leading more satisfactory life. The aim is to create better access to microfinance services for rural people through educating them on future planning, budgeting and business planning which will enable them to become economically active citizens.



Benefit of the Project to Beneficiaries:

- Help to choose financial options and use microfinance services to their best advantage.
- With better knowledge on financial services, their costs, and the risks, clients can decide which ones best meet their needs.
- Help to reduce the risks of running a business and financing business activities with loans

Results of the project:

- 132 people were trained on Financial Education
- 48 women were trained on “Start and improve Your Business Training”
- 18 women provided with seed capital to start their businesses or expand the existing one.



Financial Education Training Program for Women in Shelter

Duration: November 27-28 , 2017

AMFA conducted Financial Education training on “ Plan Your Future” funded by the Switzerland Embassy in Azerbaijan to vulnerable women sheltered by the “ Clear World” women’s shelter.

The objective of this training program is to deliver trainings to women on financial education (how to access finance, how to manage finances after taking loans, how to make savings etc.) Training was delivered using training module “Plan Your Future” module, which helps to change negative attitudes towards long-term financial planning and saving. After the training course, participants have identified financial goals, developed household budget and savings plan.

Totally 25 women participated at the training. Training participants voiced their satisfaction about the content of the training and stated that they are sure about future positive affect of the knowledge gained at the training to their life.



