

Azərbaycan Mikromaliyyə Assosiasiyası



Azerbaijan Micro-finance Association

Meeting needs of women entrepreneurs in Azerbaijan

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Introduction to Azerbaijan Micro-finance Association

AMFA Mission:

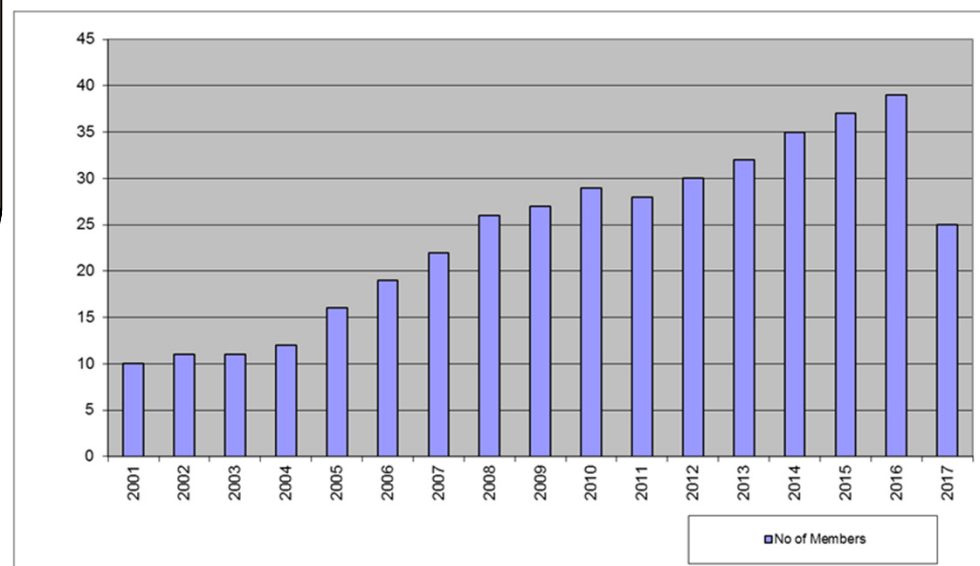
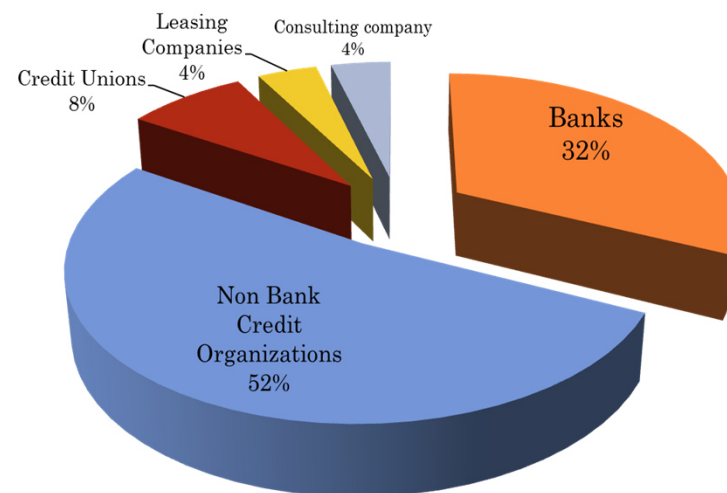
To **strengthen** the capacity of micro-finance institutions and to **promote** effective collective action in advancing the interests of the micro-finance community.



AMFA Vision:

To promote and lead the **best practices & sustainability** of our members, and to **support our broad membership** within the **dynamic** microfinance industry.

- ✓ Established as Working Group on 2001
- ✓ Officially Registered on Nov, 2004
- ✓ 26 Members as of Dec, 17, 5 staff members



What for AMFA Stands?



1. Quality & Competitive Services
2. Industry Strong Representation
3. Member Driven & Focused Agenda
4. Outstanding trusteeship over members

Why AMFA Exists?

1. To Advocate & Lobby for microfinance industry growth
2. Strengthen Networking
3. Increase visibility & credibility of Azerbaijan microfinance industry globally
4. Promote Financial Transparency/ Client Protection/ Financial Education/Social performance management in microfinance

The economic case for Gender Parity

The economic case for gender parity of additional annual GDP in 2025 in the full-potential scenario of bridging the gender gap...
... equivalent to the combined US and China economies today.

\$12 trillion

Equal to 2x the likely contribution of women to global GDP growth in the business-as-usual scenario

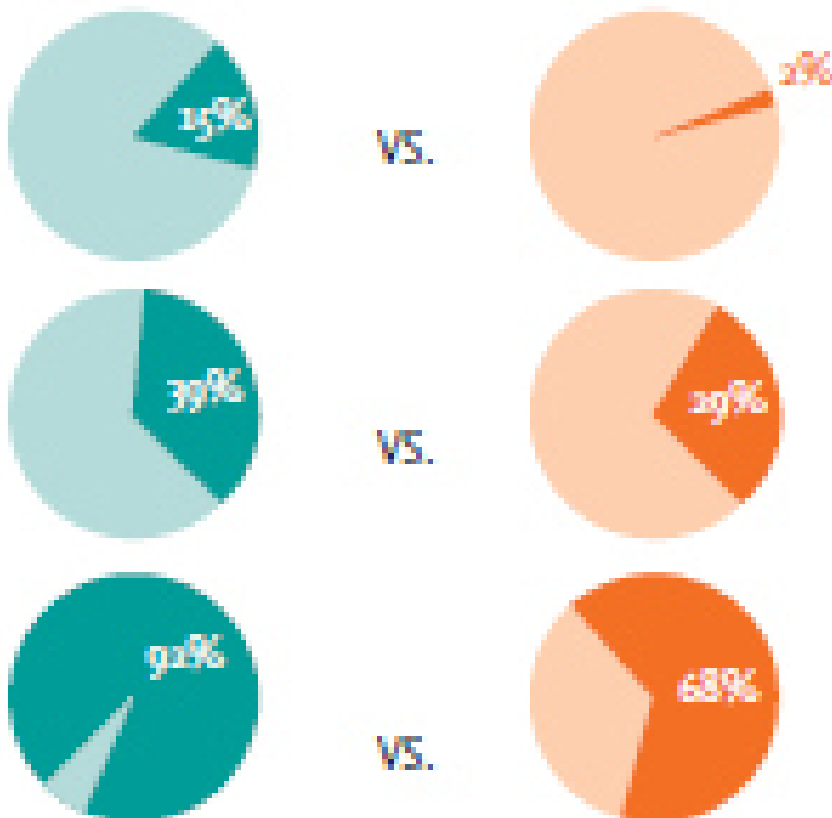
FUTURE OF
GENDER
PARITY
4X | ORIGINAL POST



Source: McKinsey Global Institute,
<http://www.mckinsey.com/mgi>

Global Review: Income & Savings of Men vs. Women

Research on microfinance impact on men and women (ILO, 2014)



- 75% of Income generated by women 75 %-ni is spent for family and business
- Women increase their income by 39 % (men 29 %)
- Personal savings of women is 92 % while in case of men it is 63 %



Bridging Gender Gap

MGI suggests six types of intervention are necessary to bridge the gender gap:

- 1. Financial incentives and support;**
- 2. Technology and infrastructure;**
- 3. The creation of economic opportunity;**
- 4. Capability building;**
- 5. Advocacy and shaping attitudes;**
- 6. Laws, policies, and regulations**

I. Financial Incentives & Support

Access – convenience, transaction costs, branch and branchless banking (ATMs and POS terminals, electronic banking, mobile banking, etc.)

Product range – savings, credit, payments, transfers, insurance, etc.

Quality – flexibility, safety, clear terms and conditions, simple procedures, consumer protection

Source: ADB, Financial Inclusion Survey
in Azerbaijan, 2016

Outreach and Financial Inclusion

Banks

Individuals- upper income groups

Business - large and medium sized

Corporates

Retail

MFIs

Individuals – middle and lower income groups

Business – Micro and small business

Other FSPs

Payments

Transfers

Credit cards

Who is Excluded?

Remote rural areas – limited physical infrastructure and branch networks

Agriculture production and processing (value chain businesses)

Micro, small and medium sized businesses

Lower income and poorest

Gender and age - women, youth and elderly

Segments – migrants, low wage labor, informal sector, etc.

Micro, small and medium businesses

Vulnerable groups – lower income, migrant workers, factory workers, etc.

Products and Services

Banks

- Deposits
- Credit
- Insurance
- Money transfer
- Payments
- Remittances
- ATMs and POS Terminals
- Plastic cards
- Online banking

NBCOs and CUs

- Credit
- Online services
- Deposits, transfers in partnership with other FIs

Other financial institutions

- Money transfers
- Payment service providers
- Insurance
- Leasing

Women & Microfinance in Azerbaijan

Women in Microfinance
-28%

Average Loan Size in
Rural areas 500-1,500 \$

Average loans size in
Urban areas
1500-3,000\$

Portfolio at Risk among
women
3 %



Customization of financial services

- Grace period
- Interest, amount, period

- Appropriate deposit terms

- insurance
- microinsurance
- Collateral Requirements
- Property evaluation



II. Technology & Infrastructure:

Why logistics are matter?

By looking at location decisions of firms and households, the urban economist is able to address why cities develop where they do, why some cities are large and others small, **what causes economic growth and decline, and how local governments affect urban growth .**

Important questions to be addressed are :

- What is the nature and workings of the economy of a city
- models and techniques developed within the field



II. Creation of Economic Opportunity:

What motivates women in Urban areas to start a business

- High education
- Access to self development programs
- Wider networking opportunities (meeting role models)
- Access to finance has more choices
- Motivation to become economically independent
- Challenge of family and work balance when employed
- Lack of customer oriented products
- Opportunity to become job Giver instead of job Searcher



Challenges of urban economy for women entrepreneurs

For Start Ups

- Lack of technical know how
- Access to seed capital
- Lack of Free mentoring/coaching support
- Balancing family/work responsibilities

For mature women in business

High competition

High Collateral requirement for accessing finance

High price of the rent of the business premises and land

How Municipalities can support women in business

- ☐ Availability of low cost venue facilities for Start Ups
- ☐ Daylong child care centers
- ☐ Educational facilities for children
- ☐ Medical service centers
- ☐ Permanent access to electricity, water, gas in respective locations
- ☐ Sport facilities for women & children
- ☐ Organizing regular Entrepreneurship Fairs in respective districts aiming to assist access to market for women's produce
- ☐ Facilitate delivery of ecological produces from village to regional cities & capital



IV. Capacity Building

Daily Challenge of Good Money Management

For women entrepreneurs good money management is a daily challenge.

Pressures on their cash flow are persistent and often urgent. Future planning becomes difficult when people are struggling to make ends meet on a day-to-day basis. Planning horizons tend to be short and correspond to immediate needs, seasonal expenses, or school fees. Limited attention often is given to planning for frequent illness or other emergencies, unexpected social demands, or future investments

Non financial Services



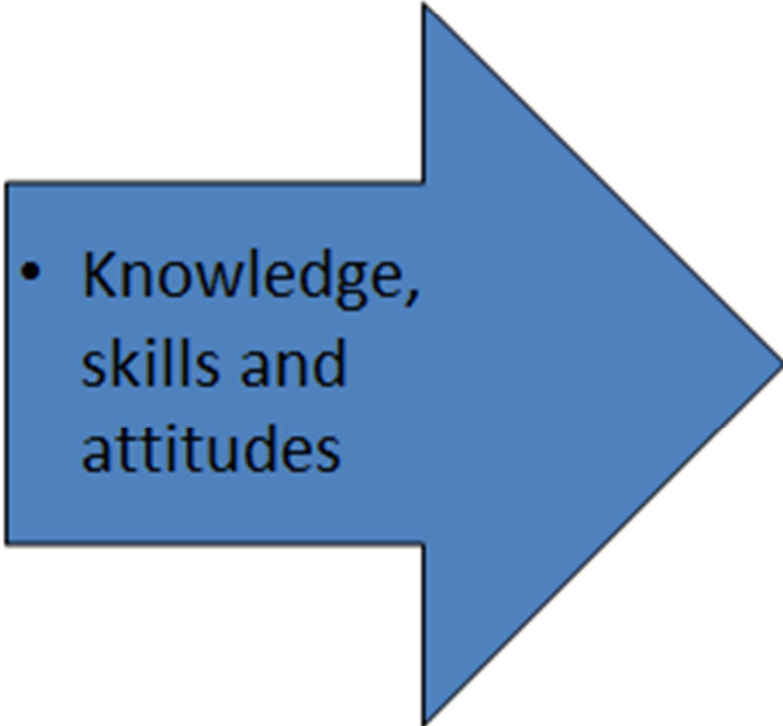
Financial Education

Business Trainings

Vocational trainings and access to seed capital and loans

Opportunities for increasing public visibility, playing role model

Trainings on Financial Education

- 
- Knowledge, skills and attitudes

- good money-management practices,
- prepare for risks and emergencies
- build household assets
- use a range of financial services.

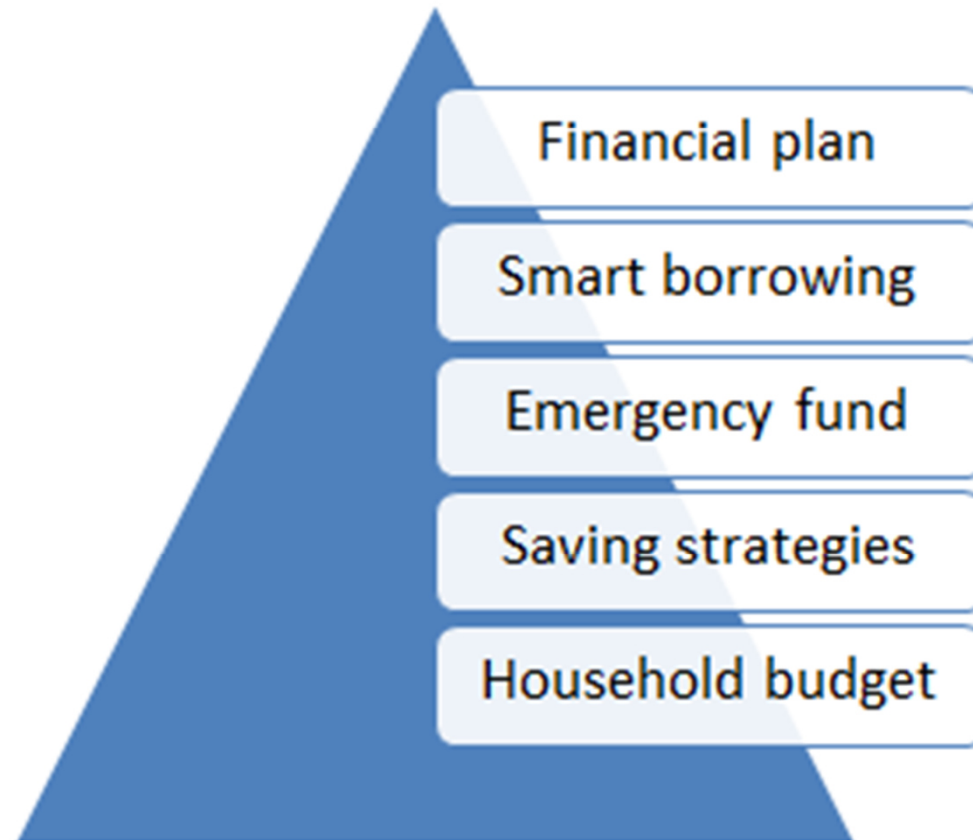
What women say before...

- „ Money kept at home always are spent on something”
- „ People do not plan, cause they have no money”
- „No sense to plan, if there is always some emergency”
- „With a sickness, one does not count money – one spends, borrows – spends again – no one thinks how to give back later on”
- „It is very easy to fall into over-indebtedness. It s very difficult to get out of it”

What women say after...

- „During the exercises, we worked on issues I have never thought about before. Now I am more aware.”.
- „I realized I can save on small things. Before I thought it is not worth the effort.”.
- „I realized how little I know about my rights and about financial institutions.”
- „Why didn't you teach us this earlier? I would avoid so many mistakes”

Plan Your Future module





Challenges faced by women Entrepreneurs

- **Lack of knowledge and experience in market economy and entrepreneur-ship;**
- **Inactive methods of job search and employment skills application;**
- **Traditional dependence of women on family and spouse;**
- **Small number of women trained or retrained.**



Women hesitate to start own business...

- Insufficient professional skills,
- Limited access to finance, technical and management training,
- Limited advocacy,
- Specifics of cultural environment,
- Traditional attitudes and societal stereotypes,



How AMFA supports women entrepreneurship in Azerbaijan

Examples of AMFA Projects on supporting women entrepreneurship Development (2014-2017)



Empowerment of women entrepreneurs through life planning (2014)



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

**Swiss Cooperation Office
South Caucasus**

Building capacity of Women entrepreneurs' through development of business planning skills (2016-2017)



Building female professionals and promoting women entrepreneurship development in rural regions of Azerbaijan” project (2014-2017)



**ISDB
funded
Project in
Agjabedi,
Beylagan,
Ter-Ter-
Barda
regions
(2016)**



Swiss Economic Cooperation Office funded Project in Ter Ter, Fizuli, Barda, 2016



Swiss Economic Cooperation Office funded Project in Ter Ter, Fizuli, Barda, 2016





How we can facilitate women's input into economy?

According to 14 years of AMFA experience of supporting women entrepreneurship development below ACCESS facilitates are critical for acceleration of women participation in economy:

1. Women Business networks and associations(sector-wise, country level , regional ,global)
2. Short term intense Entrepreneurship education programs/seminars/conferences/Forums
3. Exposure to Technical know how in specific business fields
4. Customized trainings and seminars on financial literacy and business plan preparations
5. Programs envisioning provision of Start up capital/seed capital fund
6. Mentoring and coaching programs
7. Exposure & opportunities of meeting role models of women in business

**Thank you very
much for your
attention!**

Questions?

More Information:

www.amfa.az

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