

## ***The AMFA builds capacity while making a profit Success Story***

*The Azerbaijan Micro-finance  
Association builds capacity  
while making a profit*

*The Rural Finance Training  
Expert provides tips to  
training participants*

Access to credit has been consistently identified by both the private sector and the government as one of the key impediments to increased economic growth in Azerbaijan. This was confirmed by a recent poll conducted by ACDI/VOCA which found that access to credit was the main problem facing small business development for 30 percent of respondents. The problem is greater in rural areas, where access to financial services is extremely limited. There is limited choice and competition in these areas, resulting in less than optimal service delivery and relatively high costs. To address these constraints, USAID SME Support through Financial Sector Development implementing partner ACDI/VOCA conducted a two-day training for selected members of the Azerbaijan Micro-finance Association (AMFA). ACDI/VOCA targeted these AMFA members to strengthen their rural finance and training skills so that they, in turn, could conduct follow-up trainings for other AMFA members as needed. ACDI/VOCA invited Ms. Elena Nelson, Senior Rural Finance Training Expert, to deliver a comprehensive rural lending training program that covered modules on good governance practices for rural finance, business planning and strategic management, human resources for rural finance institutions, marketing financial services for rural clients, and risk management for rural and agricultural clients. With knowledge and expertise gained from the trainings and train the trainer sessions, AMFA is now able to conduct rural finance training for AMFA members, and features the training in its curriculum for 2006-2007. AMFA charges participants a fee for the trainings, allowing the organization to generate valuable revenue to support the development of other innovative products and services for their members. The important skills and knowledge gained by the trainers and participants allowed AMFA members to better address the challenges of access to finance in rural areas. Ms. Irada Mikayilova, Branch Manager of CredAgro, a leading rural lender in Azerbaijan, conducted a follow up interactive training for Loan Officers on "Business Plan Preparation Cash flow analysis" for four member organizations comprise eight participants. This training enabled participants to upgrade their skills in the areas of proper selection of clients and providing relevant loan product, basic components of the business plan, analysis of the cash flow and comparative analysis with portfolio quality indicators, evaluation of the loan documents etc. Besides learning about new techniques and knowledge they had an excellent venue for networking and field expertise exchange among peers, which was highly appreciated by participants.

"By identifying local professional expertise and investing in their further development as Trainers, AMFA would be able to promote in-country best microfinance practice dissemination and also support membership in capacity building of senior & middle management staff"