



2016

Developing women's entrepreneurship in Azerbaijan: Case study

The “Building female professionals and promoting women entrepreneurship development in rural regions of Azerbaijan” project represents a unique collaboration between the Azerbaijan Micro-finance Association (AMFA) and the Microfinance Centre (Poland). It was co-funded by European Union, Demirbank and Viator Microcredit in Azerbaijan. This case study was developed by AMFA with support from the MFC.

EXECUTIVE SUMMARY

This case study describes an innovative entrepreneurship project designed to change the landscape of skills and opportunities for women in Azerbaijan. Over three years, we reached nearly 2,000 women in 105 different training events across 8 rural regions. This case describes our process and considers key challenges that arose along the way, namely reaching women in more conservative regions and helping women to overcome obstacles to starting their own business. Importantly, this case study tells the stories of change of the women themselves, which we documented not only to support our own monitoring and evaluation, but to share with a broader audience of local women and the organizations that support them. Lastly, and most importantly, this case contains vital insights and recommendations to inform future work on women's education in the region.

Project at a glance:

- 36-month project
- 1,808 women reached
- 8 rural regions: Ganja, Goychay, Bilasuvar, Zagatala, Shamkir, Agdash, Guba, Mingechevir
- 4 Loan Officer trainings
- 86 Financial Education trainings
- 15 SIYB trainings
- 22 certified trainers

PROJECT OVERVIEW

This 3-year project started in 2014, and aimed to support regional development through empowerment of women in the rural areas of Azerbaijan. Its specific objectives were to:

1. Build rural women's financial security and stability of through improving their household budget management skills and changing money management behaviors.
2. Increase their income-generating opportunities by:
 - providing them with vocational training to work as Loan Officers in financial institutions
 - building their capacity to establish and run their own business.

PROJECT PARTICIPANTS

The project targeted three distinct groups among rural women. The **Financial education training group** was comprised of women of any age and any background. The **Start and Improve Your Business training** group was made up of potential, new starter and current female entrepreneurs, whereas **the Loan Officers training** target group was young women under the age of 32 who wanted to start a career in the banking sector. Across the whole project, the women were typically between the ages of 21 and 50.

PROJECT ACTIVITIES

The project delivered 3 core activities:

- 1) **Financial Education training** to change negative attitudes towards long-term financial planning and saving.
- 2) **Start and Improve Your Business training** to teach women how to launch and maintain a business.
- 3) **Loan Officer training** to prepare potential future female employees to understand the principles and practice of microfinance.

Supporting these three training activities were five supplementary activities:

- 1) **Partnership building and strengthening** with 2 Regional Associations to leverage their outreach and understanding of the local opportunities; 7 microfinance institutions (as potential future employers of trained women) through Memorandums of Understanding; and finally with local government bodies (whose official approval was needed to convince employers to allow their female staff to attend).
- 2) **Building trainer capacity** through a carefully-designed terms of reference and training of trainers events in Ganja and Guba, as well as financial education training materials that we translated and adapted to the local context.
- 3) **Training event promotion** through posters and leaflets, which were shared during partner meetings, EuroVillage events (organized by the EU in Baku and surrounding areas). All project events were also regularly featured on AMFA's Facebook page and a separate project page on the AMFA website.
- 4) **Sharing practices and project achievements with AMFA stakeholders** through a dedicated project newsletter covering events, success stories and other news.
- 5) **Impact learning (evaluation) and monitoring** to understand both the short-term impacts of our training and well as the longevity of those impacts in the medium-term. To achieve this, we designed a multi-tool approach, including quantitative surveys, training evaluation forms, pre- and post-training quizzes and documenting case histories for notable success stories.

TRAINING OVERVIEW

“Plan Your Future” financial education training

The “Plan Your Future” training is designed to change people’s negative attitudes toward long-term financial planning and saving, and to expand their knowledge about their savings options. In this way, it’s an effective introduction to managing both personal and business finances.

Regions: Ganja, Guba, Mingechevir, Bilasuvar, Agdash, Goychay, Shamkir, Zagatala

Results: 1,496 women trained in 86 events

Start and Improve Your Business (SIYB)

SIYB is a management-training program that strengthens the skills of individual entrepreneurs as a way of creating more (and better) employment in developing and transition economies as a whole. The training targets potential and existing small entrepreneurs and equips them to start viable businesses, increase the viability of their existing enterprises, and to create quality employment options for others. The training walks users through the ideation, business planning and feasibility assessment phases—so they are more likely to succeed in business.

Regions: Bilasuvar, Goychay, Shamkir, Zagatala

Results: 233 women trained through 15 events

Loan Officers

Local microfinance institutions represent an ideal potential employer for rural women—which is why we designed this training to equip women with an understanding of the principles and practices of microfinance, including the specific tasks and responsibilities that loan officers perform on a daily basis. The course also considers each stage of the lending process, and potential efficiency improvements that can be made, and the importance of close follow-up borrowers after loan disbursement.

Regions: Bilasuvar, Goychay, Shamkir, Zagatala

Results: 73 women trained in 4 events

LEARNING RESULTS

Evaluation methodology

During the project, we used two evaluation/feedback collection methods:

- 1) **Pre- and post-training evaluation forms:** The pre-training survey included around 35 questions that explored participants’ existing budgeting behaviors and basic financial knowledge. Afterwards, participants completed a similar (but distinct) questionnaire that helped to pinpoint changes in participants’ knowledge and behavior as a result of during the training. Finally, the project team collated the data for project-wide analysis.
- 2) **User feedback:** After each training, we gathered participants’ feedback on our general organization, logistics, relevancy of topics, quality of delivery and responsiveness and quality of materials—using a combination of numbered scales and free-response questions. This information was also aggregated and analyzed to build a picture of general user satisfaction level, and highlight opportunities for improvement.

Monitoring methodology

We also used two monitoring tools to understand the medium-term effects of our work. These included:

- 1) **Phone calls to SYIB training participants** within 3-6 months of the training, to discuss changes they made in their business. All records and notes were documented in a special monitoring form. We also highlighted the most exemplary changes and successes through individual case studies.
- 2) A **financial education training message recall survey** helped us understand what lessons stayed with participants, what changes occurred in their budget management, and details of any changes in savings behavior.

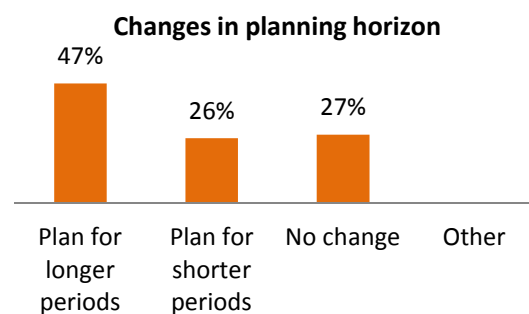
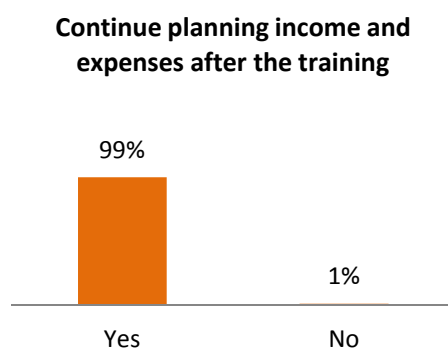
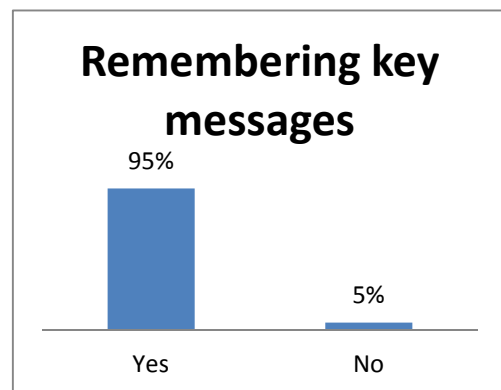
POST -TRAINING EVALUATIONS

Our evaluation results reveal that different groups of women appreciated the training for different reasons, according to age bracket. Some highly appreciated gaining the knowledge and skills needed for a more independent life (especially those under the age of 25), others to manage their household budget (especially those under the age of 35). For women over 40, years old, immediate feedback demonstrated a smaller tendency towards positive behavior change (perhaps as they perceived themselves to be relatively set in their ways), however they certainly saw the training as being very beneficial in terms of acquiring new information, having new experiences and an opportunity to meet friends and share life lessons with younger women.

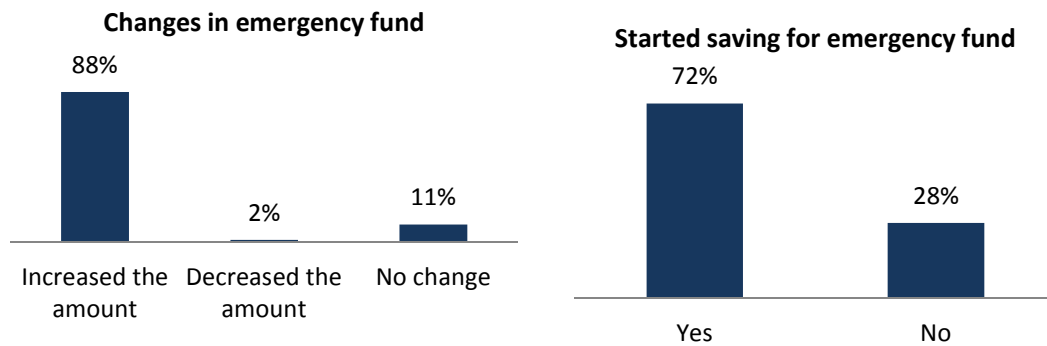
MONITORING RESULTS: PLAN YOUR FUTURE

In total, we conducted medium-term monitoring with a total of 221 women that had taken our financial education training in 2014 (or nearly 15% of total participants).

The vast majority (95%) of women demonstrated excellent recall of key training messages (including the benefits of budget planning, savings, preparing for emergencies, etc.) after several months. Another point of particular success was that nearly all the women (99%) continued to plan their income and expenses after the training. In terms of changes in planning horizons, 47% of the women were

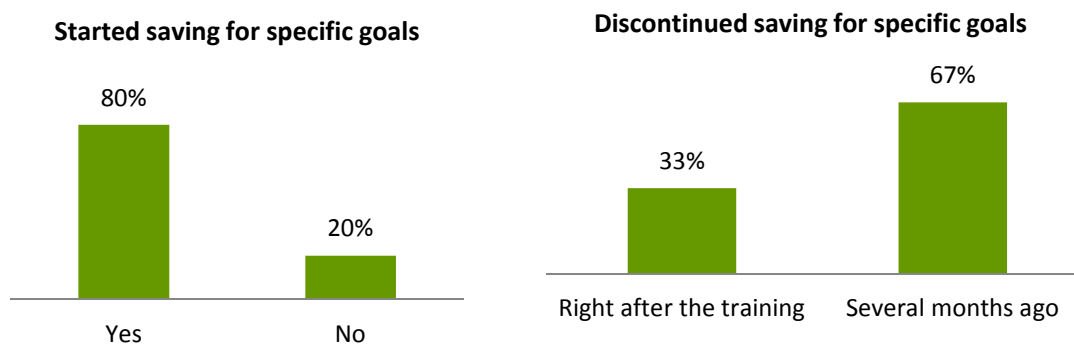


planning over longer periods, whereas 27% stayed the same.



It's generally agreed that the women in the family are more likely to save for unexpected situations—a trend that became evident when we observed our participants' attitudes for, and execution of the training exercises and life planning tasks. However, the same is not true with women under the age of 25, who tended to spend all available money—which might explain why most rural women under 25 are still dependent on (and managed by) their parents or in-laws, and rely on others to help them in emergencies. In contrast, it was the older cohorts of women that tended to save for emergencies (among other savings goals). After the trainings, 72% of women started to save, and 88% increased the amount saved for emergencies (even the young women). Only 11% of women made no changes—not because they didn't understand the importance of saving for emergencies, but because financial instability in their lives (high expenses and low incomes) made savings difficult.

On an encouraging note, all the women were creating financial goals for both shorter and longer periods during the training using the course exercises. During monitoring calls, they confirmed that they had started to save for these life goals after the training—but in most cases, savings planning waned after several months. Again, this could be linked with low and unpredictable incomes (especially since the country experienced a major economic slow-down in the period just after the training).



EMPOWERING WOMEN TO START A BUSINESS

Women decide to launch a business for a number of reasons: to have their own income; to be their own boss; to escape unemployment; or to increase their personal satisfaction and professional growth. However, women starting a business face three main barriers:

- a) Lack of family support (especially dominant male family members)
- b) Lack of capital
- c) Self-esteem (getting discouraged at setbacks, not expecting success, lack of motivation)

And while most women have an idea about the type of business they might want to start, few fully realize what it takes to operate a viable enterprise. Our individual guidance and group workshops enabled participating women to mock up and test their ideas using examples, exercises and checklists. In the “ideation” phase, it’s important for women to explore several possibilities, including products and processes that can potentially link in or add value to their original idea. That way, if the original idea doesn’t pan out, she has ready alternatives to hand.

So too was it important (for us and them) to have “women only” trainings—often when the women arrived at the start, they glanced around a room and asked if there would be any men! Even in some cases (especially in conservative regions such as Bilasuvar), the husbands and/or sons of women approached our trainers asking their permission to sit in on the class and listen what we are saying to “their women”, and asking whether or not we were leading them down the “wrong path” or coaching them to demand more rights from their husbands.

Success story



Rena: 53 years old After her SIYB training, Rena decided she would get a greater return on her savings by investing them in starting a small business. During the training she prepared a business plan for a bakery, however our post-training analysis revealed that she opted instead to start wedding decoration business, which had an even higher demand in her region. With just 500 AZN in savings, she started her business by purchasing high quality materials with which to make for wedding table decorations, and even hired her niece to help out. She is now conducting effective advertising through her social networks, as well as through advertising boards across the regions. Her business is called “Sweet flower Xonca”, and her goal is that this soon becomes a well-known and trusted brand.

CHANNELS AND METHODS FOR REACHING TARGET WOMEN

To effectively reach these women, AMFA leveraged its partnership with different stakeholders: business groups, associations, women networks, local governments, microfinance institutions and banks). For regional promotion and delivering the necessary political cover for our activities, AMFA also built also partnerships with local government. This linkage was crucial to our approach—especially in conservative areas, where women felt more comfortable coming to an event supported by local government, and employers are unwilling to allow female employees time off from work to attend “unsanctioned” events. Our two partner regional Women’s Association (based in Ganja and Guba) also played an important role in this project, as they had access to a wide network of women entrepreneurs, and we were able to leverage their outreach to invite the right women to our trainings.

We also found that a number of women who graduated our Financial Education training were interested in starting their own business, or already had small businesses. Thus, we encouraged them to join a subsequent “Start and Improve Your Business” event; in total nearly 60% of women attended both trainings.

In regards to training delivery, we teamed up experienced and newly-qualified trainers (the latter to give them the opportunity to improve their facilitation skills).

Success story



Saida. 32 years. Saida is a teacher and owns a small training centre in the Agdash region. Before she attended “Plan Your Future”, she didn’t believe that saving only small amount of money added up to much. Afterwards, however, she decided to start saving all her coins and small notes to fund her marketing efforts (for window posters for her center) She also created financial objectives and a 6-month plan for the center, she told us the result: they attracted more students and her teachers were highly motivated to provide quality educational services. Now her center is one of the best local providers and actively promotes itself in regional education exhibitions and social activities.

CHALLENGES

Family support to start a business: One of the challenges that women face in starting their own business is a lack of family support. In fact, after our trainings, some women affirmed that although the training was interesting, and helped them develop their skills—their first priority was actually to secure the family support they needed.

Conservative regions: In some regions (such as Bilasuvar), it was a challenge to convince women to join the training, largely due to the conservative mentality there. Partnership with local government (to give our training a public “stamp of approval” was important in this respect).

Sense of obligation to attend the training: As most participants were invited through external channels (local government, business associations, training centers), some women showed up more out of a sense of obligation rather than interest on the first day of training. Our trainers managed this situation professionally and positively, and offered women the choice to opt out after providing a full overview of the training (and very few ultimately chose to do so, averaging around 2 women per event).

Theory vs practice: While our Loan Officer training gave young women the skills and knowledge they needed to succeed as an employee of a microfinance institution, however most of them said they wouldn't feel comfortable doing non-office based work (whereas loan officers travel to the field most days) and local financial institutions don't usually hire female field officers for this reason. When this operational challenge came to light, this aspect of the program was immediately suspended. Identifying and appropriately responding to emerging challenges (even when it means changing course, mid-stream) is a critical, and rarely-acknowledged, leadership quality. For this reason, we're proud of episode in our project, and fully embrace the lessons we've learned as a result.

Success story



Nahayat, 29 years. After her SIYB training, she increased her skills and motivation to launch a new venture. She learned how to effectively manage her monthly income and create a business plan and wants to launch a family business: Beauty and Healthcare (SPA) Centre. Nahayat received consent from her family for moral and financial support in order to take over this initiative.

Thanks to her active community involvement she was elected to the local municipality and is now taking an active part in creating income-generating households and local businesses by developing business plans, conducting market research, drafting marketing plans, making procurements, income and expenses plan and in general working out a business plan for establishing poultry households in the municipality.

LESSONS LEARNED / RECOMMENDATIONS

- To gain family member support, it's important to conduct the training for women and their husbands, but in separate groups. This will enable them to discuss what they did and learned, and to see the benefits of equal levels of understanding.
- For all regions in the country, to reach your preferred target audience, it's important to contact the local governmental bodies as a first priority. When the invitations are issued by the local government, women will have more confidence in the importance of training—especially in conservative regions.
- Before having the LO training component in similar projects, it's crucial to get the commitment and feedback of project partner financial institutions regarding their needs and willingness to hire women Loan Officers.
- The most effective follow-up monitoring is done 3 months after the training. This helps women to stay tuned to the messages of the training, and reinforces their responsibility to implement the skills and knowledge they gained (while these are easy to recall).

LOOKING AHEAD

After the completion of the project, AMFA is planning to continue project activities both on an ad-hoc and systematic basis, through its partnership with its members and within various projects. Given the increasing need and interest for non-financial services (such as financial education and business support), AMFA members are keen in having their customers (current and potential) trained.

AMFA will also share this case study with its peer organizations, as well as members, the regulator (Chamber of Supervision of Financial Markets), and the broader financial community (donors, investors, industry bodies, etc.)

ABOUT PROJECT PARTNERS AND THEIR ROLES

The Microfinance Centre is a regional microfinance resource center and network. We unite 101 organizations (including 77 MFIs) across 31 countries of Europe, Central Asia and beyond, who together deliver responsible microfinance services to over 1,000,000 low-income clients. Our mission is to contribute to poverty reduction and human development by promoting a socially-oriented and sustainable microfinance sector that provides adequate financial and non-financial services to a large number of poor families and micro-entrepreneurs.

To achieve this, we work with actors across the microfinance value chain: policy-makers, networks, financial service providers and investors. Our hope is that by pursuing a multi-prong strategy, we can affect positive and lasting change across the industry, and improve both accountability for results at an institutional level, and positive outcomes for clients.

AMFA is an umbrella organization of almost all MFIs and 11 downscaling banks (decreasing their depth of outreach) present in Azerbaijan: 39 members in all. The successful ingredients of an association include having a great number of stakeholders and good peer-to-peer learning opportunities and pioneering in industry initiatives. AMFA is one of the first national Associations in the region to be trained on the SMART Client Protection Principles, to promote financial education and long term savings and investments (LTSIs) and better financial inclusion.

AMFA was responsible for overall management of the project, adapting and delivering the Loan Officers training curriculum, supporting the MFC in adapting its Financial Education training to the local context, co-leading financial education trainings to selected rural women, and leading the SIYB trainings. The Microfinance Centre was responsible for adapting financial education training to the local context and conducting TOT to local partners, designing selection criteria of female Loan Officers in consultation with project associates. The MFC and AMFA jointly documented lessons learned in the form of this case study.

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