

Azərbaycan Mikromaliyyə Assosiasiyası



Azerbaijan Micro-finance Association



## MicroFinance Transparency and AMFA To Hold Workshop, Kick Off Transparent Pricing Initiative

LANCASTER, PA, USA & BAKU, AZERBAIJAN, September 17 – MicroFinance Transparency (MF*Transparency*) and the Azerbaijani Micro-finance Association (AMFA) will co-host a training workshop in Baku at the Hotel Respublika on the 8<sup>th</sup> of October, 2009 following the AMFA Investors Fair on 7<sup>th</sup> October 2009. The workshop will train industry professionals on issues related to pricing transparency and consumer protection and will mark the launch of MF*Transparency's* *Transparent Pricing Initiative in the Azerbaijani Republic*.

AMFA is a network of microfinance institutions operating in Azerbaijan whose 26 members serve over 250 thousand clients representing more than USD \$300 million in loans. AMFA's partnership with MF*Transparency* demonstrates the commitment of Azerbaijan's microfinance industry to transparency and consumer protection. [1] [www.amfa.az](http://www.amfa.az)

The partnership formed in discussions resulting from AMFA's invitation to MF*Transparency* CEO and Founder, Chuck Waterfield, to present at the Azerbaijan Investors' Fair. MF*Transparency* saw an excellent opportunity to conduct its pricing project for the first time in Central Asia.

MF*Transparency* Vice-President Alexandra Fiorillo commented on the partnership, "We are very excited to bring our pricing initiative to Central Asia and to work with such a dedicated network like AMFA. Azerbaijan's microfinance industry has seen many successes in the recent past and has developed into one of the clear leaders in the region. Now is the perfect time to reflect and focus on consumer protection and pricing transparency."

During MF*Transparency's* *Transparent Pricing Initiative*, the group will collect data on interest and fees charged on each microfinance loan product in Azerbaijan in order to calculate the accurate, true price (Effective Interest Rate) on those loans. MF*Transparency* will then post that data for the public to see and learn from on its website ([www.mftransparency.org](http://www.mftransparency.org)).

The need for an initiative in transparent pricing has arisen in recent years as microfinance drew negative press attention for allegedly excessive interest rates and the use of confusing product pricing. MF*Transparency* has pointed out, "For example, a quoted interest rate of 3% per month can result in an APR

between 36% and 96% and beyond” [2] *MFTransparency* hopes to establish an industry standard for cost calculation that will allow for easier product comparison.

Microfinance was introduced in Azerbaijan in the mid-1990s as a strategy for addressing the economic needs of as many as 1 million internally displaced persons who were uprooted during the Nagorno-Karabakh conflict with Armenia and has evolved to serve other areas and sections of the population. For more information please see [Historical Background](#) [3]

#### About MFTransparency

MicoFinance Transparency is an international non-governmental organization founded in 2008 with the purpose of facilitating transparent markets through the dissemination of true cost information to all market stakeholders. *MFTransparency* represents an industry movement toward fair practices and responsibility. Based in the United States, the group has previously been active in Bosnia, Peru, Cambodia and Bangladesh. For more information please visit ([www.mftransparency.org](http://www.mftransparency.org)). Grameen Bank’s Dr. Mohammad Yunus and Elizabeth Littlefield, CEO of CGAP, as well as more than 200 industry professionals and organizations have committed to transparent pricing by endorsing *MFTransparency* and its initiative. For information on MFTransparency staff please see [Who We Are](#).

#### About AMFA

The Azerbaijani Micro-finance Association (AMFA) is the microfinance industry organization in Azerbaijan. Founded with 10 members in 2001, AMFA has grown in number to 26 organizations serving over 250 thousand clients with a portfolio of over USD \$300 million. AMFA supports the health of microfinance in Azerbaijan through training, and conferences as well as actively working with the government to define their regulatory framework. For more information please see [www.amfa.az](http://www.amfa.az).

#### About the AMFA Investors’ Fair

The 1-day AMFA Investors Fair at the Hyatt Regency Hotel in Baku, Azerbaijan, on October 7, 2009 will focus on governance of MFIs and banks, financial risk management in today's market, client protection, and will also offer learning opportunities on innovative products in microfinance as well as provide access to private and social capital investors. The conference is expected to include representatives from several of Azerbaijan’s government agencies and will include the participation of investors, microfinance institutions and service providers. For more information please see [www.amfaconference.com](http://www.amfaconference.com)[4]

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1 - Azerbaijan Micro-finance Association. “The Matrix” <http://amfa.az/sehife.php?lang=eng&page=0300>  
Accessed 9/17/2009.

2 – Microfinance Transparency. “The Need for Transparent Product Pricing.” 2009.

3 - Azerbaijan Micro-finance Association. “Historical Background”  
<http://amfa.az/sehife.php?lang=eng&page=0000> Accessed 9/17/2009.

4 - Azerbaijan Micro-finance Association. “Investor Fair” <http://www.amfaconference.com> Accessed 9/17/2009.

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