

Project title	Azerbaijan and Central Asia Financial Infrastructure Development Project (ACAFI)
General information	Region: Azerbaijan, Central Asia (Kyrgyz Republic, Tajikistan, Uzbekistan) Duration: 2009 to 2012 Budget: USD 2.6 million (SECO: USD 2.4 million)
Project partners	<ul style="list-style-type: none"> • Institutional partner: Central Bank of Azerbaijan • Implementing partner: International Finance Corporation (IFC)
Project objectives	The objective of the project is to contribute to a more robust financial market infrastructure and expand access to finance for individual consumers and micro, small and medium-sized enterprises (MSMEs) through establishing sustainable credit information sharing systems.
Background	MSMEs are essential for a vibrant and diversified private sector, but lack of access to capital is one of the main factors hampering their growth. Banks are often reluctant to lend to MSMEs because their risk management practices are not well developed and they lack the right information about their creditworthiness. Better credit risk management and credit information sharing systems, such as credit bureaus, reduce these information asymmetries, facilitate access to finance for individual consumers and MSMEs and contribute to a more robust financial market.
Project activities	<p>The following activities are carried out under the project:</p> <ul style="list-style-type: none"> • Improving the legal and regulatory framework for credit information systems • Building capacity of financial intermediaries to improve credit underwriting policies and practices • Establishing and building capacity of credit bureaus to better serve financial intermediaries • Enhancing professional risk management certification for staff of financial intermediaries • Raising awareness on the role of credit bureaus and professional risk certifications
Project results	<p>The following results were achieved:</p> <ul style="list-style-type: none"> • Legislation on private credit bureaus has been drafted • Roadmap on establishment of private credit bureau has been drafted and presented to Central Bank of Azerbaijan • Interest of potential shareholders in private credit bureau has been confirmed • Risk certification programs are being rolled out <p>In the medium term the following results are expected:</p> <ul style="list-style-type: none"> • Improved quality of credit underwriting and risk management practices • Increased quality and volume of lending portfolios