

<b>Project title</b>	<b>Capacity and Institution Building of AzerPost</b>
<b>General information</b>	Region: Azerbaijan Duration: 2007 to 2009 (phase I), 2011 to 2013 (phase II) Budget: phase I: USD 0.5 million; phase II: USD 0.8 million (SECO: USD 0.6 million; Government of Azerbaijan: USD 0.2 million)
<b>Project partners</b>	<ul style="list-style-type: none"> <li>• Institutional partner: AzerPost</li> <li>• Implementing partner: World Bank</li> </ul>
<b>Project objectives</b>	The objective of the project is to increase financial inclusion through extending the provision of financial services to remote and rural areas, increasing competition and improving the image of AzerPost.
<b>Background</b>	<p>Greater financial inclusion through extending the provision of affordable and reliable financial services to underserved segments of society contributes to sustainable and diversified economic development. In Azerbaijan many households and small and medium-size enterprises in rural areas remain outside of the formal financial sector and lack access to financial services. In many countries the postal system is used as a key provider of access to financial services, in particular in rural and remote areas, where it often offer the only reliable payment system and financial services.</p> <p>The first phase of the project focused on the organizational and technical capacity of AzerPost, Azerbaijan's state postal company, to deliver financial and postal services to the regions. The second phase will concentrate on AzerPost effectively delivering financial services and communicating its capacity to do so. The project is part of the Financial Sector Modernization Program.</p>
<b>Project activities</b>	<p>The following activities are carried out under the second phase of the project:</p> <ul style="list-style-type: none"> <li>• Capacity and institution building of AzerPost (including training for staff of rural branch offices and training for management and supervisory board)</li> <li>• Repositioning (re-branding) campaign of AzerPost as a reliable, nationwide provider of financial services, including advice on introducing new financial products and services</li> <li>• Co-funding of external audits and supervising and implementing subsequent action plans</li> </ul>
<b>Project results</b>	<p>In the first phase of the project the following results were achieved:</p> <ul style="list-style-type: none"> <li>• More than 500 employees improved their capacity in core areas of postal and financial services</li> <li>• Improved accounting, financial management, operational functions and enhanced product and service structure of Azerpost</li> <li>• All regional offices and nearly 1000 post offices have been connected to the central system for the delivery of financial services</li> </ul> <p>In the second phase of the project the following results are expected:</p> <ul style="list-style-type: none"> <li>• Improved quality and increased quantity of financial and postal services delivered by AzerPost (including to rural areas)</li> <li>• Strengthened institutional and organizational structure of AzerPost</li> <li>• Improved business activities and living conditions in rural areas through better access to financial services</li> </ul>