

<b>Project title</b>	<b>Consumer Protection and Financial Literacy (CPFL)</b>
<b>General information</b>	Region: Azerbaijan Duration: 2011 to 2015 Budget: USD 1.6 million (SECO: USD 1.3 million; Government of Azerbaijan: USD 0.3 million)
<b>Project partners</b>	<ul style="list-style-type: none"> <li>• Institutional partner: Central Bank of Azerbaijan, Ministry of Finance, State Committee for Securities, Ministry of Education</li> <li>• Implementing partner: World Bank</li> </ul>
<b>Project objectives</b>	The objective of the project is to improve financial inclusion and financial sector stability through building confidence in the financial sector and expanding the understanding of households in using financial services.
<b>Background</b>	<p>Effective consumer protection and financial literacy is an important element of a fair, inclusive and stable financial sector. The need for consumer protection arises because of information asymmetries: consumers know less about the products than the financial service providers selling them. Consumers may find it difficult to obtain sufficient information about their financial purchases. In addition, financial products can be difficult to assess, even when all relevant information is disclosed.</p> <p>The Government of Azerbaijan has established an initial legal and institutional framework for financial consumer protection, that needs further strengthening. Following an initial assessment of the World Bank in 2008, SECO funded an action plan on consumer protection legislation and regulation and on financial literacy and a financial literacy survey. The present project builds on these deliverables. The project is part of the Financial Sector Modernization Program.</p>
<b>Project activities</b>	<p>The following activities are carried out under the project:</p> <ul style="list-style-type: none"> <li>• Institutional capacity building through assessments and advisories of government agencies</li> <li>• Changes to the legal and regulatory framework</li> <li>• Technical assistance to enhance consumer disclosure</li> <li>• Developing financial literacy initiatives</li> </ul>
<b>Project results</b>	<p>The following results are expected:</p> <ul style="list-style-type: none"> <li>• Increased institutional capacity of the institutions dealing with financial consumer protection</li> <li>• Enforced legal and regulatory framework for protection of financial consumers</li> <li>• Increased financial education of the public at large</li> <li>• Deepened retail financial markets with increased number of financial consumers and decreased public distrust in financial institutions</li> </ul>